



Memorandum

TO: HOUSING AND COMMUNITY
DEVELOPMENT COMMISSION

FROM: Rachel VanderVeen

SUBJECT: SEE BELOW

DATE: May 5, 2023

Approved

Date

SUBJECT: PROPOSED CHANGES TO THE PERCENTAGE ALLOCATIONS AND THE SPENDING PLAN FOR FISCAL YEAR 2023-2024 INCLUDING UNCOMMITTED FUNDS RECAPTURED FROM FISCAL YEAR 2020-2021 THROUGH FISCAL YEAR 2022-2023 FOR MEASURE E TRANSFER TAX FUNDS

RECOMMENDATION

Review the staff report and provide possible recommendations to the City Council regarding the following:

- A. Proposed spending plan and changes to the percentage allocations in the allocation framework for Fiscal Year 2023-2024 to allocate:
 - (1) 5% for administration with the remaining revenue allocated as follows:
 - (2) 0% for the creation of new affordable housing for extremely low-income households;
 - (3) 0% for the creation of new affordable housing for low-income households;
 - (4) 0% for the creation of new affordable housing for moderate-income households;
 - (5) 20% for homeless prevention, gender-based violence programs, legal services and rental assistance; and
 - (6) 80% for homeless support programs including shelter construction and operations;

- B. Proposed spending plan for Fiscal Year 2023-2024 based upon the changes to percentage allocations that includes the reallocation of \$87 million of uncommitted revenue comprised of \$17 million from FY 2020-2021, \$20.4 million from FY 2021-2022, and \$49.5 million from FY 2022-2023 to spend:
 - (1) 22% for administration, with the remaining revenue allocated as follows:
 - (2) 21% for the creation of new affordable housing for extremely low-income households

- (3) 57% for the creation of new affordable housing for low-income households;
- (4) 0% for the creation of new affordable housing for moderate-income households;
- (5) 4% for homeless prevention, gender-based violence programs, legal services and rental assistance; and
- (6) 18% for homeless support programs including shelter construction and operations.

SUMMARY AND OUTCOME

In accordance with the direction from the [Mayor's March Budget Message](#) as approved by the City Council, staff has initiated the process of making one-time modifications to the percentage allocations outlined in [Council Policy 1-18](#). Approximately \$87 million of uncommitted funds have been identified within Measure E revenue over three spending plans which will be reallocated to funding for affordable housing, homeless prevention, gender-based violence programs, legal services and rental assistance and funding for homeless support programs. In addition, for fiscal year 2023-2024, staff proposes that all revenue be spent within the following priorities: funding for homeless prevention, gender-based violence programs, legal services and rental assistance and funding for homeless support programs including shelter construction and operations.

The Housing and Community Development Commission (Commission) as oversight committee will provide comment on the FY 2023-2024 spending plan for Measure E Property Tax Revenue and a reallocation of previously received revenue. **Attachment A** provides a detailed overview of the identified \$87 million of uncommitted revenue by year from the FY 2020-2021, FY 2021-2022, and FY 2022-2023 spending plans. The spending plan for FY 2023-2024, included as **Attachment B** to this memo will allocate \$50 million in Measure E funds with changes to the percentage allocations. Finally, **Attachment C** provides an overview of the reallocation of the funds and the proposed 2023-2024 spending plan as a consolidation to show the overall spending plan for the identified \$137 million of revenue. The identified \$137 million of Measure E revenue will be programed towards the development of four affordable housing developments, operation and maintenance of interim housing locations, preservation, eviction prevention, and rental assistance.

Measure E has quickly become a critical source of funding for both the production of affordable housing, interim housing operations, and funding for homeless prevention and rental assistance programs. This memorandum provides the modifications to the percentage allocations for the Measure E real property tax revenue, and the resulting spending plan for FY 2023-2024.

BACKGROUND

On March 3, 2020, San José voters approved Measure E which established a transfer tax on real estate transactions in which the purchase price exceeds \$2 million. In June 2020, the City Council amended City Council Policy 1-18 to include a new Section 22 that specifies the spending priorities and percentage allocations for Measure E revenue, along with a process for

making changes to the percentage allocations. Any modification of the percentage allocations requires:

- 60-day public notice in advance of the effective date of the proposed allocation change;
- At least two public hearings prior to City Council action; and
- Two-thirds vote of the City Council.

On April 19, 2022, the City Council approved modifications to the spending priorities and the allocation percentages of Measure E revenue under Section 22 of Council Policy 1-18 as detailed in **Table 1**.

Table 1: Measure E Spending Priorities and Percentage Allocations Approved April 2022

Measure E Spending Priorities (Does not include 5% Administration Fees)	
Spending Priority	% of Transfer Tax
Creation of New Affordable Housing for Extremely Low-Income Households	40%
Creation of New Affordable Housing for Low-Income Households	30%
Creation of New Affordable Housing for Moderate-Income Households	5%
Homelessness Prevention and Rental Assistance	10%
Homeless Support Programs Including Shelter Construction and Operations	15%

Measure E also allows 5% of the revenue to be used for administrative purposes. This percentage is taken before the percentage allocations are applied.

On March 21, 2023, the City Council approved the Mayor's March Budget Message for Fiscal Year 2023-2024, which included direction to the City Manager to explore the use of uncommitted Measure E resources for reallocation to homeless prevention, support, and management to fund various programmatic directions in the March Budget Message to reduce unsheltered homelessness, including the doubling of the 2023-2024 homelessness prevention category on a one-time basis.

In accordance with this guidance and the process identified in the Measure E ballot measure, the Housing Department a [public notice on May 2, 2023](#), 60 days in advance of the proposed changes to the spending priorities becoming effective. Two public hearings have been scheduled as required by Section 22 of Council Policy 1-18. Concurrent with the 2023-2024 Proposed Budget, the first public hearing will be held at City Council on Tuesday, May 16, 2023, and the second public hearing will be held at City Council on Monday, June 12, 2023. The adoption of the 2023-2024 Proposed Operating Budget, which includes the recommended spending plan, and the one-time modifications of the allocations will be considered by the City Council on June 13, 2023.

ANALYSIS

Measure E revenue continues to be a critically important source to fund the production of affordable housing, interim housing operations, and homeless prevention, gender-based violence programs, legal services and rental assistance. Measure E revenue for FY 2023-2024 is anticipated to be \$50,000,000. To-date, the City Council has committed \$138.5 million of revenue generated by the Measure E Transfer tax to develop more than 300 affordable apartments, assist 80 homeless students to find housing, and assist over 1,000 families to stay in their homes through rental assistance and eviction diversion programs.

Measure E Reallocated Funds

Staff has identified \$87 million of uncommitted Measure E funds available to be reallocated to align with direction from the City Council’s approval of the Mayor’s March Budget Message. Details of specific amounts from specific fiscal year spending plans and the affected categories can be found in **Attachment A**. Affordable Housing Development programs comprised \$70 million of revenue that is affected by this reallocation, including funding for the development of affordable housing, acquisition and rehabilitation programs including land acquisition, and an accessory dwelling unit funding program. Details related to the uncommitted funds are included in **Table 2**. An additional \$17 million of funds previously planned for the homeless prevention and homeless support programs was also identified as uncommitted. Examples of these funds include operating funds for the Arena Hotel and the Pacific Motor Inn, both of which have not yet opened, resulting in savings in these categories. The \$17 million dollars will be reallocated to new activities within the homeless prevention and homeless support programs within the overall spending plan as shown in **Attachment C**.

Table 2 below outlines proposed activities included in prior years’ spending plans that will no longer be funded under the proposed revised spending plan for FY 2023-2024, which includes rollovers of unspent funds from previous years.

Table 2: Uncommitted Funding by Activity to be Reallocated

Funded Activities Under Previous Spending Plans	Uncommitted Funding
Funding for New Construction of Affordable Rental Housing – Extremely Low-Income Households	\$18,237,291
Funding for Acquisition and Rehabilitation	\$24,609,040
Acquisition of Hotels	\$3,316,187
Funding for the Construction of Commercial Space for New Affordable Housing Developments	\$3,817,275
Funding for Land Acquisition	\$10,000,000
ADU Program	\$4,903,083
Funding for New Construction of Affordable For-Sale Housing	\$3,087,500
Funding for New Construction of Affordable Rental Housing – Moderate-Income Households	\$2,342,833

Funded Activities Under Previous Spending Plans	Uncommitted Funding
Total	\$70,313,209

Measure E Spending Plan for FY 2023-2024 and Reallocated Funds

The proposed spending plan for \$50,000,000 of projected revenue in FY 2023-2024 and \$87,030,646 of uncommitted funds is detailed in **Attachment C**. The proposed spending plan and modification to the percentage allocations being considered through the public hearing process include doubling the commitment to homelessness prevention from 10% to 20% with the remaining revenue all being committed to homeless support programs.

The proposed spending plan continues to direct funds towards critical housing programs for the residents of San José, while following direction regarding prioritizing uncommitted funds to reduce unsheltered homelessness.

Spending Plan for Reallocated Funds

A total of \$87 million will be reallocated into a new spending plan. The spending plan proposes to move funds for the development of affordable housing and reduces the spending of certain proposes.

Affordable Housing (\$52.8 million)

- New Construction** – The plan sets aside \$35.5 million towards the construction of new affordable housing, of which \$14.2 million is for the development of housing for extremely low-income households and \$21.2 is for low-income households. An amount of \$11.0 million set aside as an inflation reserve for developments under construction. There are currently four developments in the pipeline that are awardees of the Housing Department’s [December 2021 Notice of Funding Availability](#) (NOFA). These four developments represent 595 affordable homes and need an estimated \$93 million of funding to be able to be competitive for state and other funding sources. City commitments to these developments are crucial as these projects are currently fighting inflation and rising interest rates. The \$35.5 million dollars dedicated to new construction for these four projects will fill the gap from other available funding sources. The \$11.0 million inflation reserve will be utilized to ensure that projects already under construction can be completed if situations arise in which a larger City commitment is necessary due to rising costs of materials or delays in project creating larger than budgeted construction interest.
- Acquisition/Rehabilitation** – The plan allocates \$5,000,000 to be made available for the acquisition and rehabilitation of existing market-rate apartments. This is a strategy identified in the City Council-approved Anti-Displacement Strategy to preserve existing low-cost housing. Staff has been working for the past six months to issue a Notice of Funding Availability (NOFA). The NOFA will be issued in the coming year to begin

awarding these funds. Providing preservation funding will support the City's Anti-Displacement Strategy that seeks to keep lower-income residents in their homes, to prevent them from being priced out of their neighborhoods and losing their support networks, and to avoid them falling into homelessness.

- **Funding for Commercial Improvements in Affordable Housing** - The Housing Department has already discussed awards to help fund commercial space improvements with owners of three affordable housing developments. In the Housing Department's most recently released new construction NOFA, extra points were given to developments that proposed onsite childcare facilities as these onsite childcare facilities are an extreme benefit to the development and the overall surrounding community. Additionally, there are scenarios where a developer has elected to build commercial space for a community-based nonprofit that provides essential services to the community. Nonprofits struggle to gather the resources necessary to complete tenant improvements needed to occupy their buildings. In support of these developments' ability to construct required commercial spaces for these priority uses, staff has allocated \$1.3 million to assist in the necessary tenant improvements at 777 West San Carlos for childcare, Tamien Station Affordable for childcare, and 1860 Alum Rock for Amigos de Guadalupe.

Homeless Prevention, Gender-Based Violence Programs, Legal Services, and Rental Assistance (\$2.7 million)

- **Eviction Diversion and Settlement Program** – \$2.7 million will be dedicated to the City's Eviction Diversion and Settlement Program. The purpose of the Eviction Diversion and Settlement Program is to intervene in pending eviction court actions based on non-payment of rent due to lingering financial impacts of the COVID-19 pandemic experienced by tenants, in which the tenant households are able to pay rent going forward. In eligible cases, the landlord receives payment for all or part of the unpaid rent and agrees to dismiss the eviction action, and the tenant household remains stably housed. The Measure E funds would cover rental assistance for 250 San José households involved in eviction lawsuits and fund the additional staffing needed to implement the program for FY 2023-2024.

Administration (\$19.4 million)

- **Measure E Revenue Stabilization Reserve** – The 2022-2023 budgeted estimate for Real Property Transfer Tax revenues (Measure E) is \$65.0 million. However, due to the significant slowdown within the residential and commercial real estate market, this estimate (already lower than prior year collections of \$110 million) is unlikely to be met. As a result, the Administration recommends allocating \$15.1 million into a reserve to provide capacity to absorb the likely revenue shortfall in the current year to ensure that funding commitments stay intact.
- **Increase Housing Department Homeless Response Staff Capacity** – Funding of \$2.4 million within the Housing Department – anticipated to be spent over a 3-year period – will provide for enhanced levels of outreach, engagement, and data tracking to help meet

the March Budget Message’s objective “to create new capacity to move at least 1,000 people who are currently living in the most environmentally-destructive and unsafe encampments into safer alternatives by the end of the calendar year.” It will also support a pilot of a small team of trauma-informed specialists that can work in close concert with Beautify San José and the Police Department in advance of encampment abatements, or to maintain abated encampments.

- **Add City Manager’s Office Homeless Coordination Team** – Funding in the amount of \$1.9 million is for three limit-dated positions in the City Manager’s Office of Administration, Policy, and Intergovernmental Relations through June 30, 2026. The roles will provide support to the Deputy City Manager position focused on advancing the City's efforts on ending homelessness and improving the quality of life for both the housed and the unhoused, including overall project coordination and accountability, policy work around allowable encampment areas, data analysis, and interdepartmental and interagency coordination.

Spending Plan for FY 2023-2024

The spending plan does not include funding for the development of new affordable housing projects beyond the \$35.5 million for the four projects referenced above, as it reallocates all of the remaining funding for homeless support programs and homeless prevention, gender-based violence programs, legal services and rental assistance. This leaves \$0 for the development of affordable housing in the FY 2023-2024 spending plan. Without new funding for affordable housing development, the Housing Department will not be able to release a Notice of Funding Availability in FY 2023-2024. As the recommended allocation change is only recommended on a one-time basis, Measure E revenues received in 2024-2025 would be allocated in accordance with the percentage allocations in Council Policy 1-18, Section 22. Accordingly, new funds for affordable housing development would become available in 2024-2025.

The Spending Plan for FY 2023-2024 allocates the majority of the funds to address the homeless crisis.

Homeless Support Programs including Shelter Construction and Operations (\$38 million)

Interim Shelter Construction Operations and Maintenance – \$18.9 million will further support construction efforts and long-term operating and maintenance costs of interim housing communities, operating motels, safe parking sites, and similar approaches to reduce the City's unsheltered homeless population. To align with previous and current City Council direction to sustain interim housing communities over the long-term, total annual costs of the existing seven EIH sites (including the recently authorized Monterey/Branham site) and five other EIH/safe parking sites could reach \$50 million by 2029-2030, of which a substantial portion would need to come from local City sources, such as Measure E or other General Fund sources. Allocating additional one-time funds now both provides for near-term resources for site, acquisition and construction costs, and extends the amount of time when additional ongoing funding would become necessary. An updated analysis of the Fiscal

Sustainability of Interim Housing Operations and Maintenance costs previously included in [Manager's Budget Addendum #3](#) during the 2022-2023 budget development process, will be issued later this month. However, the City will continue to aggressively pursue external resources to the maximum extent possible.

- **Staffing Resources** – \$2.0 million to be overseen by the Public Works Department– and anticipated to be spent over a 3-year period – is recommended to continue to facilitate the site identification, design, and construction/improvement of sites for Emergency Interim Housing, safe parking, or other uses to shelter currently unsheltered homeless residents at a more rapid pace.
- **Interim Shelter Operations and Maintenance** – The plan has dedicated \$5.5 million towards the operations and maintenance of interim shelter sites in coordination with the City's Public Works Department. Since the inception of the Measure E Transfer tax, the City has increased its interim housing stock by 403 beds. These sites include the Homekey sites, the Surestay Hotel, Pacific Motor Inn, Pavilion Inn, and Branham and Monterey. All these sites require ongoing operations and maintenance funding from the City.
- **Interim Shelter Operation and Maintenance Reserve** – \$3.6 million will continue to support the expanding City stock of interim shelter locations. The City needs to have a long-term funding strategy in place for their future operating and maintenance costs. In addition to continuing to pursue all available federal, state, county, philanthropic, or other external resources to support the operation and maintenance of these sites, ongoing City funding commitments will be needed. These funds will be utilized for future years' operating and maintenance needs.
- **San José Bridge Program** – Funding in the amount of \$5 million extends the San José Bridge Program through 2023-2024, ensuring capacity for approximately 120 participants of formerly unsheltered residents that receive employment and housing services while they help beautify the City, with the goal to transition to permanent housing and employment.
- **Overnight Warming Locations: Support Programs**– Operated by HomeFirst, the City's overnight warming locations (OWLs) utilize existing City facilities to provide nightly shelter for individuals experiencing homelessness during the cold weather months each year. The goal of the congregate shelter is to offer low barrier services and basic needs, including a warm space to sleep, meals, storage, and transportation. \$1,500,000 of Measure E revenue will fund the operations of the OWL program, serving up to 60 individuals each night in at least two locations. OWLs have been funded by the Housing Trust Fund, a limited resource for this program.
- **Care Coordination Project:** An additional \$1 million is programmed towards the Care Coordination Project, operated by the County of Santa Clara, a community-wide effort centralizing the care of the County's most vulnerable and long-term homeless residents by bringing together all services and benefits that participants need to obtain and maintain housing. These services include drug and alcohol rehabilitation, mental health services, government benefits and housing resources. The identified Measure E funds

will fund nine case managers to assist up to 180 individuals with supportive services to keep them permanently housed.

- **Homeless Outreach:** Another \$3.7 million will be utilized to fund contracts with partners who work directly with unhoused individuals within encampments. Homeless outreach and engagement teams are the first responders to San José's unsheltered homeless population. The overall goals of outreach are to: build trust between outreach workers and the homeless; meet the basic needs of clients; refer and place individuals into a variety of shelter and housing opportunities; and, conduct housing assessments. The assessments are used to populate the Homeless Management Information System (HMIS) so that unsheltered individuals have access to housing programs. Outreach teams usually make the first contact with the most vulnerable people living outside. They complete the assessments and enter them into HMIS. Outreach teams have previously been funded by one-time sources including American Rescue Plan Act funds and state Homeless Housing Assistance and Prevention funds. Funding these activities with Measure E will provide the resources needed for these critical services.
- **Motel Programs** – Motels provide safe and private temporary shelter to vulnerable unsheltered populations, including families, youth, and survivors of gender-based violence. Operated by LifeMoves, the Motel Voucher Program provides temporary motel stays and individualized support to transition homeless families with minor children to either permanent or other temporary housing. Also operated by LifeMoves, the Temporary Housing Access Program provides temporary motel stays and support to homeless individuals enrolled in an employment program, as well as individuals residing in homeless encampments. \$8 million of revenue will be dedicated to these programs.
- **Therapeutic Specialist** – Funding of \$827,520 within the Housing Department anticipated to be spent over a three-year period – will provide for two full time employees, who will be trauma-informed specialists that can work in close concert with the BeautifySJ Team and the Police Department to advance abatement operations in a safe and humane way. This activity is new and was included in the Mayor's March Budget Message.

Homeless Prevention and Rental Assistance (\$9.5 million)

- **Homeless Prevention** – The plan dedicates \$9.5 million towards homeless prevention activities. Programs supported by this category include but are not limited to Destination: Home's Homelessness Prevention System which is a network of agencies working together to prevent homelessness for households across Santa Clara County. The goal of the Homelessness Prevention System is to expand the ability of families with children to become quickly connected to prevention services with multiple points of entry to keep them housed. The System identifies households at risk of experiencing homelessness and provides client-centered services, including short-term rental subsidies, financial assistance, and supportive services to help them regain stability. Measure E will fund program personnel and financial support for at-risk San José households.

Administration Fee (\$2.5 million)

- **Administration** - \$2.5 million is programed towards administration fee. This cost covers personnel and outside costs that support the initiatives within the Measure E spending plan.

In summary, the proposed spending plan includes \$50 million in expected FY 2023-2024 Measure E revenue and \$87 million of reallocated revenue from prior years. The proposed uses of these funds include \$21.9 million for administrative, \$50 million for homeless support programs, shelter construction and operations, \$12 million for homelessness prevention and rental assistance and \$52.8 million of revenue for the funding of the development of affordable housing for extremely low- and low-income households. With the City Council's acceptance of the plan, staff will pursue any necessary contracts or proceed with financing commitment to act on the above proposed priorities.

EVALUATION AND FOLLOW-UP

The Commission in its role as oversight committee will also review the annual expenditure report in fall 2023 to ensure it is consistent with the Amended Spending Plan. Future spending plans will be reviewed by the Commission.

The modifications to the percentage allocations must be approved by the City Council. Should the City Council reject the proposed allocation modifications, the staff will maintain the activities but will align the spending amounts based on the Council approved percentage allocations. The timeline for the entire process is outlined below.

Table 3: Timeline for Measure E Spending Plans and Modifications of the Percentage Allocations for both Reallocated Funds and the FY 2023-2024 funds

Activity	Date
Minimum 60-day notice to proposed changes to the Measure E percentage allocations	5/2/2023
Proposed Measure E Spending Plan for both Reallocated funds and Fiscal Year 2023-2024 to Measure E Oversight Committee (Housing and Community Development Commission)	5/11/2023
First Public Hearing to consider changes to the Measure E percentage allocations	5/16/2023
Second Public Hearing to consider changes to the Measure E percentage allocations	6/12/2023
City Council Action to Approve the Budget and Measure E Percentage Allocations	6/13/2023
Adoption of changes to the Measure E percentage allocations	7/1/2023

PUBLIC OUTREACH

This memorandum will be posted on the City's website for the Commission's May 11, 2023 meeting.

COMMISSION RECOMMENDATION/INPUT

Commissioners' comments to this memo will be transmitted to the Council at the second public hearing on June 12, 2023 where the spending priorities in Council Policy 1-18 section 22 will be discussed. Commissioners may also wish to compose a letter to the City Council or delegate the letter be written by the Chair or staff, and may wish to authorize a member of the Commission to speak publicly on the Commission's behalf.

FISCAL/POLICY ALIGNMENT

There is no ongoing fiscal impact to the General Fund or other City funds as a result of the actions recommended in this memorandum.

/s/

RACHEL VANDERVEEN

Assistant Director, Housing Department

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

Attachment A: Spending Plans by Fiscal Year with Identified Reallocation Amounts

Attachment B: Proposed FY 2023-2024 Spending Plan

Attachment C: Total Proposed Fund Use

**ATTACHMENT A: SPENDING PLANS BY FISCAL YEAR WITH IDENTIFIED
REALLOCATION AMOUNTS**

FY 2020-2021

Spending category items	Allocations	2020-2021 Budget	Expended / committed	Balance to be reallocated	New percentages after reallocation
Permanent supportive and affordable rental housing for extremely low-income households	45%	\$21,948,872	\$21,948,872	\$0	69%
Funding for New Construction of Affordable Rental Housing		\$21,948,872	\$21,948,872		
Affordable rental housing for low-income households	35%	\$17,160,790	\$4,975,000	\$12,185,790	16%
Funding for New Construction of Affordable Rental Housing		\$4,975,000	\$4,975,000		
Acquisition and rehabilitation of existing buildings for low-income housing		\$12,185,790		\$12,185,790	
Below market-rate for-sale housing and rental housing for moderate income households	10%	\$4,903,083		\$4,903,083	0%
ADU Program		\$4,903,083		\$4,903,083	
Homelessness Prevention & Rental Solutions	10%	\$5,018,083	\$5,018,083	\$0	16%
Destination Home: Homelessness Prevention		\$2,735,000	\$2,735,000		
Bill Wilson Center: Student Housing - FY 2020-2021		\$55,000	\$55,000		
Bill Wilson Center: Student Housing - FY 2021-2022		\$60,000	\$60,000		
Destination Home: Homelessness Prevention FY - 22-23		\$2,168,083	\$2,168,083		
Administration Fee	5%	\$1,500,000	\$1,500,000	\$0	4%
Measure E Total Available		\$50,530,828	\$33,441,955	\$17,088,873	

FY 2021-2022

Spending category items	Allocations	2021-2022 Budget	Expended / committed	Balance to be reallocated	New percentages after reallocation
Creation of New Affordable Housing for Extremely Low-Income Households	40%	\$43,206,156	\$38,668,865	\$4,537,291	36%
Funding for New Construction and Land Acquisition for Affordable Rental Housing		\$20,200,000	\$15,662,709	\$4,537,291	
Acquisition of Hotels		\$22,506,156	\$22,506,156		
Measure E - Non-Profit Agency Refunds		\$500,000	\$500,000		
Creation of New Affordable Housing for Low-Income Households	30%	\$32,404,617	\$23,599,842	\$8,804,775	22%
Funding for New Construction, Land Acquisition for Affordable Rental Housing		\$20,092,117	\$20,092,117		
Funding for the Construction of Commercial Space for New Affordable Housing Developments		\$6,825,000	\$3,007,725	\$3,817,275	
Funding for Acquisition and Rehabilitation*		\$4,987,500	\$0	\$4,987,500	
Measure E - Non-Profit Agency Refunds		\$500,000	\$500,000		
Creation of New Affordable Housing for Moderate-Income Households	5%	\$5,400,770	\$3,057,937	\$2,342,833	3%
Funding for New Construction of Affordable Rental Housing.		\$4,900,770	\$2,557,937	\$2,342,833	
Measure E - Non-Profit Agency Refunds		\$500,000	\$500,000		
Homelessness Prevention, Gender-based Violence Programs, Legal Services and Rental Assistance	10%	\$10,801,539	\$10,801,539		10%

Spending category items	Allocations	2021-2022 Budget	Expended / committed	Balance to be reallocated	New percentages after reallocation
Destination Home: Homeless Prevention and Rental Assistance		\$3,200,000	\$3,200,000		
Destination Home: Homeless Assistance Serving Victims of Domestic Violence		\$600,000	\$600,000		
Rental Assistance, Supportive Services, Deposits and Move-in Support for targeted encampments		\$3,149,974	\$3,149,974		
Eviction Diversion and Settlement Program		\$1,851,565	\$1,851,565		
Guadalupe River Housing Support (10% HRP)		\$2,000,000	\$2,000,000		
Homeless Support Programs, Shelter Construction and Operations	15%	\$16,202,309	\$11,460,000	\$4,742,309	11%
Operation and Construction of Interim Housing		\$15,345,309	\$6,500,000	\$8,845,309	
Outreach Contracts		\$857,000	\$4,960,000	(\$4,103,000)	
Administration Fee	5%	\$2,000,000	\$2,000,000	\$0	2%
Measure E Total Available		\$110,015,391	\$89,588,183	\$20,427,208	

FY 2022-2023

Spending category items	Allocation percentages	2022-2023 Budget	Expended / committed	Balance to be reallocated	New percentages after reallocation
Creation of New Affordable Housing for Extremely Low-Income Households	40%	\$24,700,000	\$4,683,813	\$20,016,187	8%
Funding for New Construction of Affordable Rental Housing		\$13,700,000		\$13,700,000	
Funding for Acquisition and Rehabilitation		\$3,000,000		\$3,000,000	
Acquisition of Hotels		\$8,000,000	\$4,683,813	\$3,316,187	
Creation of New Affordable Housing for Low-Income Households	30%	\$18,525,000	\$4,089,250	\$14,435,750	7%
Funding for New Construction of Affordable Rental Housing		\$3,525,000	\$4,089,250	(\$564,250)	
Funding for Acquisition and Rehabilitation		\$5,000,000		\$5,000,000	
Funding for Land Acquisition		\$10,000,000		\$10,000,000	
Creation of New Affordable Housing for Moderate-Income Households	5%	\$3,087,500		\$3,087,500	0%
Funding for Affordable For-Sale Housing		\$3,087,500		\$3,087,500	
Homelessness Prevention, Gender-based Violences Programs, Legal Services and Rental Assistance	10%	\$6,175,000	\$3,462,372	\$2,712,628	6%
Destination Home: Homeless Prevention and Rental Assistance		\$3,460,000	\$2,466,917	\$993,083	
Destination Home: Homeless Assistance Serving Victims of Domestic Violence		\$600,000		\$600,000	
Bill Wilson Center: Student Housing		\$60,000	\$60,000		

Spending category items	Allocation percentages	2022-2023 Budget	Expended / committed	Balance to be reallocated	New percentages after reallocation
Rental Assistance, Supportive Services, Deposits and Move-in Support for targeted encampments		\$2,055,000	\$935,455	\$1,119,545	
Homeless Support Programs, Shelter Construction and Operations	15%	\$9,262,500		\$9,262,500	0%
HomeFirst: Arena Hotel Operations		\$3,000,000		\$3,000,000	
PATH: Pacific Motor Inn Operations		\$3,000,000		\$3,000,000	
Emergency Interim Housing Maintenance and Operations		\$1,800,000		\$1,800,000	
Guadalupe River Park Housing Support		\$580,000		\$580,000	
Reserve for Emergency Interim Housing Operations		\$882,500		\$882,500	
Administration Fee	5%	\$3,250,000	\$3,250,000	\$0	21%
Measure E Total Available		\$65,000,000	\$15,485,435	\$49,514,565	

ATTACHMENT B: PROPOSED FY 2023-2024 SPENDING PLAN

	City Council Approved Allocation Percentages and Spending Plan		Proposed FY2023-2024 Spending Plan with Modifications to Allocation Percentages	
Spending Category Items	Allocation percentages per current Council Policy	2023-2024 Allocation per current Council Policy	Allocation percentages per proposed plan	Proposed 2023-2024 Plan
Creation of New Affordable Housing for Extremely Low-Income Households	40%	\$19,000,000	0%	\$0
Creation of New Affordable Housing for Low-Income Households	30%	\$14,250,000	0%	\$0
Creation of New Affordable Housing for Moderate-Income Households	5%	\$2,375,000	0%	\$0
Homelessness Prevention, Gender-based Violence Programs, Legal Services and Rental Assistance	10%	\$4,750,000	20%	\$9,500,000
County of Santa Clara: Homeless Prevention and Rental Assistance				\$9,500,000
Homeless Support Programs, Shelter Construction and Operations	15%	\$7,125,000	80%	\$38,000,000
Interim Housing Operation and Maintenance Reserve				\$4,750,000
Homeless Outreach				\$3,700,000
SJ Bridge				\$3,500,000
Homelessness Coordination Team (CMO 3 years)				\$1,852,470
Interim Shelter Site Identification and Development				\$2,006,789
Interim Shelter Site Identification and Development				\$18,890,750
Homeless Response Staffing (3 years)				\$3,299,991
Total Funds Allocated		\$47,500,000		\$47,500,000

	City Council Approved Allocation Percentages and Spending Plan		Proposed FY2023-2024 Spending Plan with Modifications to Allocation Percentages	
Spending Category Items	Allocation percentages per current Council Policy	2023-2024 Allocation per current Council Policy	Spending Category Items	Allocation percentages per current Council Policy
Administration Fee	5%	\$2,500,000	5%	\$2,500,000
Administrative Costs				\$2,500,000
Measure E Revenue Stabilization Reserve				
Measure E Total Available		\$50,000,000		\$50,000,000

ATTACHMENT C: TOTAL PROPOSED FUND USE

City Council Approved Spending Categories and Allocation Percentages		Reallocation Proposed Plan		FY 2023-2024 Proposed Plan		Total Funds in Proposed Plan
Spending category and Proposed Activities	Allocation Percentages per approved spending priorities	Allocation percentage of reallocation	Allocation of unspent funds from previous years	Proposed Modification to Allocation percentages	Proposed 2023-2024 Spending Plan	Total fund uses in 2023-2024
Creation of New Affordable Housing for Extremely Low-Income Households	40%	21%	\$14,220,000	30%	\$0	\$14,220,000
Funding for New Construction of Affordable Rental Housing			\$14,220,000			
Creation of New Affordable Housing for Low-Income Households	30%	57%	\$38,615,253	0%	\$0	\$38,615,253
Funding for New Construction of Affordable Rental Housing			\$21,280,000			
Funding for Commercial Space in Affordable Housing			\$1,335,253			
Funding for Inflation Reserve for Affordable Developments Under Construction			\$11,000,000			
Funding for Land Acquisition & Acquisition/ Preservation			\$5,000,000			
Creation of New Affordable Housing for Moderate-Income Households	5%	0%	\$0	0%	\$0	\$0

City Council Approved Spending Categories and Allocation Percentages		Reallocation Proposed Plan		FY 2023-2024 Proposed Plan		Total Funds in Proposed Plan
Spending category and Proposed Activities	Allocation Percentages per approved spending priorities	Allocation percentage of reallocation	Allocation of unspent funds from previous years	Proposed Modification to Allocation percentages	Proposed 2023-2024 Spending Plan	Total fund uses in 2023-2024
Homelessness Prevention, Gender-based Violence Programs, Legal Services and Rental Assistance	10%	4%	\$2,712,628	20%	\$9,500,000	\$12,212,628
Eviction Prevention and Diversion			\$2,712,628			
Homeless Prevention and Rental Assistance					\$9,500,000	
Homeless Support Programs, Shelter Construction and Operations	15%	18%	\$12,054,868	80%	\$38,000,000	\$50,054,868
OWLs			\$1,500,000			
Motel Program			\$8,000,000			
Public Works Interim Shelter Site Identification and Development (4.0 FTE)			\$2,006,789			
Interim Housing Operation and Maintenance Reserve			\$548,079		\$3,081,730	
Surestay Operations					\$500,000	
Public Works Interim Shelter Staffing (5.0 FTE)					\$2,000,000	
Public Works Interim Shelter Maintenance					\$3,000,000	
CARE Coordination Program					\$1,000,000	
Homeless Outreach Contracts					\$3,700,000	
SJ Bridge					\$5,000,000	

City Council Approved Spending Categories and Allocation Percentages		Reallocation Proposed Plan		FY 2023-2024 Proposed Plan		Total Funds in Proposed Plan
Spending category and Proposed Activities	Allocation Percentages per approved spending priorities	Allocation percentage of reallocation	Allocation of unspent funds from previous years	Proposed Modification to Allocation percentages	Proposed 2023-2024 Spending Plan	Total fund uses in 2023-2024
Interim Shelter Site Identification and Development					\$18,890,750	
Housing Homeless Response Staffing (2.0 FTE)					\$827,520	
Total Funds Allocated			\$67,602,749		\$47,500,000	\$115,102,749
Administration Fee	5%	22%	\$19,427,897	5%	\$2,500,000	\$21,927,897
Housing Homeless Response Staff (3.0 FTE)			\$2,472,471			
City Manager's Office Homelessness Coordination Team (3.0 FTE)			\$1,852,470			
Measure E Revenue Stabilization Reserve			\$15,102,956			
Administrative Costs					\$2,500,000	
Measure E Total Available			\$87,030,646		\$50,000,000	\$137,030,646