



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Jim Shannon

**SUBJECT: COVID-19 PANDEMIC RESPONSE  
AND COMMUNITY AND ECONOMIC  
RECOVERY BUDGET ADJUSTMENTS**

**DATE:** November 19, 2021

Approved

Date:

11/19/21

## RECOMMENDATION

- (a) Accept the report on recommended adjustments to the City's COVID-19 pandemic response and community and economic recovery budget.
- (b) Approve the position additions for various City Departments in support of pandemic response and recovery efforts as described in Attachment B.
- (c) Adopt 2021-2022 Appropriation Ordinance and Funding Sources Resolution amendments in the American Rescue Plan Fund, the Emergency Reserve Fund, and the General Fund as described in Attachment C.

## OUTCOME

Approval of the recommended budget adjustments and staffing additions enables the City to meet its continued commitment to help the community respond to, and facilitate the recovery from, the impacts from the COVID-19 pandemic. The actions primarily leverage funding from the City's direct allocation of Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) as authorized by the federal American Rescue Plan (ARP) Act. These resources are received and allocated within the ARP Fund, and the actions recommended in this memorandum allocate \$18.3 million of additional ARP Funds. Technical adjustments within the Emergency Reserve Fund are also recommended to align estimated expenditures and reimbursements by the Federal Emergency Management Agency (FEMA).

## EXECUTIVE SUMMARY

Since its onset, the City has committed significant time and resources to both respond to and recover from the COVID-19 pandemic. We have been fortunate that the State of California and Federal governments have stepped up to provide large inflows of funding that provided budget stability to local jurisdictions and allowed for direct spending on critical services for the

community. The single largest and most flexible funding source for the City is the \$212.3 million in resources that will be received within the ARP Fund. The 2021-2022 Adopted Budget allocated \$133.9 million from this fund to both resolve anticipated budgetary shortfalls and fund urgent one-time programs, including an initial Community and Economic Recovery budget of \$83.4 million across a range of workstreams aligned to the City Council-approved City Roadmap, with a focus on assisting our most vulnerable community members.

In accordance with City Council’s deferral of a more robust allocation of ARP resources originally scheduled for the City Council meeting on November 2, 2021, the Administration has provided a reduced and limited set of essential expenditures required for critical program and services that cannot wait for the 2022-2023 budget development process. The allocations are guided by the following criteria: equity, urgency, organizational capacity, alternative funding sources, and allowing for critical hybrid remote/onsite work. In total, this memorandum recommends an increase of \$18.3 million within the ARP Fund – and associated position additions – including the following highlighted actions:

- BeautifySJ Consolidated Model \$3.8 million
- Food Services and Food Distribution Resilience Corps \$2.7 million
- Recovery Management, Coordination and Compliance (two-year allocation) \$2.3 million
- Community Wi-Fi \$1.5 million
- Emergency Housing Construction and Operation (multi-year allocation) \$1.5 million
- San José Bridge \$1.3 million
- Downtown Homeless Health Response and Support Pilot Project \$1.2 million
- Audio Visual Upgrades to Chambers and Committee Rooms \$1.1 million
- Child and Youth Services \$1.0 million

City Council’s approval of the recommended actions would leave \$64.2 million remaining in the ARP Fund for future recovery initiatives, which will certainly be needed in 2022-2023. This memorandum also recommends technical adjustments to split out several workstreams into individual expenditure appropriations for easier tracking and monitoring, and increases the transfer from the ARP Fund to the General Fund to pay for certain workstreams not eligible for direct expenditure in the ARP Fund, but eligible to receive funding through an increase in the revenue loss reimbursement transfer per the latest U.S. Treasury Department guidelines.

For the City Council’s future consideration, the Administration will bring forward actions at a later date that recommend modifications to the spending allocations for the Real Property Transfer Tax revenues received in the General Fund. These revenues, authorized by voter approval of Measure E in March 2020, are dedicated by City Council policy for homelessness prevention and new affordable housing construction. Due to the large resource need to meet City Council direction on the construction and operation of six new Emergency Interim Housing Communities, and the higher-than-expected revenues generated from the Real Property Transfer Tax in 2020-2021 and 2021-2022, the Administration will recommend a modified spending plan to allow the use of a portion of Real Property Transfer Tax proceeds to help sustain emergency interim housing construction and operations in support of our unhoused residents.

## **BACKGROUND**

The ARP Act, signed into law by President Biden in March 2021, provided a wide range of resources supporting the country's response and recovery efforts related to the COVID-19 pandemic. A key component is the direct allocation of funds to state, local, and tribal governments formally known as CSLFRF. The allocation of CSLFRF to the City of San José is \$212.3 million. These funds will be received and appropriated within the City's ARP Fund, which was established alongside the approval of the 2021-2022 Adopted Operating Budget. To simplify the use of acronyms, the discussion of the allocation of funds from the ARP Fund refers to the City's CSLFRF allocation.

As part of the development of the 2021-2022 Adopted Operating Budget, the Administration released [Manager's Budget Addendum #16, Community and Economic Recovery Budget<sup>1</sup> \(MBA #16\)](#), which recommended initial allocations from the ARP Fund (as well as the Emergency Reserve Fund that is primarily related to allocations eligible for reimbursement by FEMA) to transition the City organization from our COVID-19 emergency response phase to our COVID-19 pandemic community and economic recovery phase. MBA #16 outlined the work organized by 18 City Council-approved City Roadmap initiatives representing 48 workstreams at that time, requiring the work of numerous new and existing staff across the organization and even more community partners. MBA #16 was slightly modified by the City Council and included within the approved Mayor's June Budget Message for Fiscal Year 2021-2022, which was then incorporated into the 2021-2022 Adopted Operating Budget.

City Council's approval of the Mayor's June Budget Message also directed the Administration to return in the fall for a more comprehensive allocation of ARP resources, once we had a better understanding of eligible uses, actions taken by our local government partners, other funding that may become available in the future, and an updated assessment of budgetary needs. However, over the months of July and August, the global and local public health landscape drastically changed, requiring the City to shift back to emergency response. The local surge of the Delta variant required not only City personnel to work on response and recovery in parallel, but some continued investments from ARP funds. Information memorandums on the COVID-19 Pandemic Response and Recovery and ARP eligibility were released on August 31, 2021<sup>2</sup> and September 3, 2021<sup>3</sup>, which also stated the Administration's intention to bring forward recommended actions in response to City Council direction on November 2, 2021.

Several days prior to the November 2, 2021 City Council meeting, the City was informed by the State of California that a portion of the City's previous and current tax revenues could be significantly lower. With limited exceptions, tax records are confidential under State law. While the City disputes and will appeal the State's initial determination, this action could negatively

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<sup>1</sup> MBA #16: <https://www.sanjoseca.gov/home/showpublisheddocument/73424/637575449288770000>

<sup>2</sup> COVID-19 Pandemic Response and Recovery Update:

<https://www.sanjoseca.gov/home/showpublisheddocument/76684/637660148132370000>

<sup>3</sup> *Eligible Uses of the American Rescue Plan Fund and Next Steps on Funding Reallocations* informational memorandum released on September 3, 2021:

<https://www.sanjoseca.gov/home/showpublisheddocument/76838/637662763398070000>

impact the City's General Fund outlook in both the short and long-term. Although the appeal process is likely to extend beyond next fiscal year, the City is planning to budget for the potential loss in the ongoing revenue for 2021-2022, and will begin to put resources in place over the next year to be in a better position to absorb any loss.

Subsequent to receiving this information from the State, the City Council voted on November 2, 2021 to defer consideration of the relatively large allocation of ARP resources and directed the Administration to instead return with actions to address a more limited set of essential expenditures required for critical program and services.

## **ANALYSIS**

### **The Importance of Preserving ARP Funds for the 2022-2023 Budget Development Process**

Not only is the ARP Fund a flexible spending source for recovery-related projects and programs, it can also be flexibly used to offset lower revenue collection levels to preserve basic City services. The 2021-2022 Adopted Budget strategically leverages these two concepts to both fund our large-scale community and economic recovery effort, and help mitigate the negative revenue impacts caused by the pandemic. This balanced approach should continue at least through 2022-2023. The Administration recommends preserving as much as possible of the ARP Fund for allocation as part of the 2022-2023 budget development process so that:

- The Administration can place the potential tax revenue loss in context within the broader 2023-2027 Five-Year General Fund Forecast scheduled for release at the end of February 2022. The Forecast will revise all General Fund revenue assumptions and expenditure categories – knowing the impacts of these revisions as a whole is critical to understanding the City's future budgetary capacity.
- The priorities of the City Council and community can be considered in context of the budgetary situation. The 2021-2022 Adopted Budget relied on a significant amount of one-time funding in the General Fund to pay for important programs, including the restoration of library branch hours, the expansion of Project Hope, and the Police Sworn Hire Ahead Program. These and the many other one-time funded services will need to be considered together with the wide range of community and economic recovery workstreams directly funded by the ARP Fund for continuation in 2022-2023, as well as consider the need to augment core City services that do not meet desired expectations.

### **Approach to Prioritize Funding Recommendations**

Though \$212.3 million is a substantial amount of money, the impact of COVID-19 on the community was far greater, especially for our most vulnerable communities. In an acknowledgement of the difficulty of prioritizing the use of these resources, MBA #16 described the process whereby the Administration went through a formal exercise to recommend the initial suite of workstream funding allocations within the framework of the City Council-approved City Roadmap. In consultation with the Office of Racial Equity, this process explicitly included the consideration of equity when determining the priority rankings. The 48 workstreams included in

MBA #16 have been expanded to 59, through actions approved in the Mayor's June Budget Message for Fiscal Year 2021-2022 and by the Administration, to separate workstreams into multiple allocations for ease of tracking and reporting.

The budget actions recommended in this memorandum, and as described in Table 1 below, primarily focus on adjustments to the previously prioritized workstreams that require additional resources to respond to prior City Council direction, recommend a very limited number of new initiatives in alignment with the City Roadmap, and include (in Attachments A and C) actions to split up some workstreams for ease of tracking and reporting.

In bringing back the more limited approach for ARP allocations, and given the shortened time-frame and budgetary uncertainty, the Administration used the following five criteria to guide our work. The actions listed in Table 1 below satisfy three or more of these criteria.

**Equity** - will these dollars help those most in need? Investments should be focused on our most vulnerable and consider who benefits and who is burdened by the recommended actions, or lack of recommended actions. However, we also acknowledge that the need of the most vulnerable dramatically outstrips: 1) the total available ARP funding; 2) the relatively modest allocation of ARP funds that staff was directed to bring forward in this memorandum; and 3) the organizational capacity to deliver – even if initiatives were fully funded and new positions added, region-wide hiring challenges make implementation of new programs difficult.

**Urgency** - are these dollars needed to address an issue that cannot wait for the budget process, and will they largely be spent or encumbered by June 30, 2022? Similar to considering the equitability of investments, the needs of the community are many and urgent, yet the City must prioritize those urgent needs that can reasonably be responded to by the end of the current fiscal year. Due to this criteria, several of the Administration's previous recommendations that included funding beyond 2021-2022 are deferred for future consideration. The Administration recommends allocating the remaining ARP funding as part of the 2022-2023 budget process, with potential exceptions if other, very limited, urgent needs related to existing workstreams arise (e.g., isolation and quarantine contracts). This criterion also allows for technical corrections to original workstream budgets so as not to impact the originally intended program scope or outcomes.

**Organizational Capacity** - can the City credibly deliver the intended result with the provided funding? As noted previously, the City and its other governmental and non-profit partners have very limited organizational capacity; even if new positions are authorized, it will take time to have them filled. The City should focus on building and leveraging existing programs – wholly new programs will likely take too long to stand up prior to the end of the fiscal year and should generally be deferred to the 2022-2023 budget development process.

**No Other Funding Source** - is there any other funding source that could address the issue/need? Aside from the General Fund, the ARP Fund is the City's most flexible funding source to pay for community and economic recovery. The recommendations listed here are for those actions that have no other funding source, or it would otherwise be infeasible within a limited timeframe to reallocate other eligible funding from its current commitments.

**Maintain Critical City Operations in a Hybrid Work Environment** – is the funding necessary to maintain or support critical City operations that must now function in a hybrid environment post-COVID? The Recovery Foundation City Roadmap initiative contains several strategic support workstreams to help facilitate overall recovery efforts, and to help transition the City to working in a hybrid environment for the long term. Many of these initiatives were previously recommended for second year funding, but have been withdrawn until the 2022-2023 budget process. However, ensuring that City Council and Committee/Commission meetings are accessible both in-person and online remain a top priority and are recommended for funding.

### **Funding Workstreams via Revenue Loss Reimbursement**

In addition to direct spending of ARP funds on specific projects and programs, the Interim Final Rule of the ARP Act allows for governments to reimburse themselves for lost revenue due to the pandemic, and then use that revenue to pay for government services. The 2021-2022 Adopted Operating Budget assumes revenue reimbursement of \$47.5 million, with \$45.0 million allocated to the General Fund, and another \$2.5 million allocated to the Convention and Cultural Affairs Fund, which has been significantly impacted by the sustained low levels of Transient Occupancy Tax revenues receipts.

As described in the September 3, 2021 information memorandum, the U.S. Treasury Department Interim Final Rule authorizes a wide range of eligible uses of ARP funds. In general, the ARP Fund can be used broadly to respond to the direct public health impacts from the pandemic; help individuals, communities and governments recover from the pandemic's negative economic impact; and provide support to communities disproportionately impacted by the pandemic. Use of the ARP funds may take two forms: 1) direct expenditures on specific eligible programs and projects; or 2) governments may reimburse themselves for revenue loss due to the pandemic, which may then be used to pay for a variety of governmental programs and projects.

The identified workstreams in the City Roadmap include many programs eligible for direct ARP expenditures, such as Resilience Corps, eviction prevention assistance, BeautifySJ encampment waste pick-up, homeless outreach and support services, small business recovery, and food distribution. These programs provide resources to recipients disproportionately impacted by the pandemic, and are evidence-based interventions and/or are used to collect and analyze data through program evaluations designed to build evidence assessing the efficacy of the program.

After review of the U.S. Treasury Department regulations and guidelines, the Administration is recommending that some of the workstreams be funded via revenue loss reimbursement. While these workstreams are still worthy of receiving resources, the anticipated work or outcomes from the expenditures do not fully align with the ostensible intent of the ARP federal funding. For example, the Vehicle Abatement Program Proactive Patrol + Compliant Response and Downtown Public Toilets are important services to the community, but these services are not specifically targeted to communities impacted by the pandemic. As another example, the workstreams designed to ensure the City can effectively serve the public and its workforce in a hybrid, in-person and/or remote environment by investing in technology improvements – such as Audio Visual Upgrades to Chambers and Committee Rooms, and Hybrid Workplace – are not eligible for direct ARP spending.

Based on the calculation methodology provided by the U.S. Treasury Department, the City's total calculated revenue loss due to the pandemic – across all eligible City revenue sources – during the period of January 1, 2020 through December 31, 2020 is approximately \$300 million, well in excess of the \$47.5 million currently included in the ARP Fund<sup>4</sup>. This provides the City with the flexibility to fund a range of government services that would not otherwise be eligible for ARP spending. Those workstreams recommended to be funded through revenue loss reimbursement are denoted with an "\*" in Table 1 and in Attachment A and total \$7.4 million.

Table 1 captures all the recommended adjustments to workstreams leveraging the use of the ARP Fund via direct expenditures or by increasing the revenue loss reimbursement transfer to the General Fund. A listing of all workstreams funded by the ARP Fund is included in Attachment A. Attachment B itemizes all the position additions to departments supporting the actions described in Table 1. Finally, Attachment C contains all the detailed appropriation adjustments both to facilitate the actions described in Table 1 and to disaggregate workstreams into separate expenditure appropriations to improve monitoring and reporting of expenditures.

Table 1 recommends the additional allocation of \$18.3 million of funds from the ARP Fund, which leaves a remaining balance of \$64.2 million.

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<sup>4</sup> Please see *Eligible Uses of the American Rescue Plan Fund and Next Steps on Funding Reallocations* informational memorandum released on September 3, 2021 for more detail on the calculation methodology: <https://www.sanjoseca.gov/home/showpublisheddocument/76838/637662763398070000>

Table 1 – Workstream Budget Adjustments Funded by the American Rescue Plan Fund

City Roadmap Initiative and Workstream	2021-2022 Modified Budget	Adjustment Request	2021-2022 Revised Budget	Description
<b>BeautifySJ and Encampment Waste Pickup</b>				
BeautifySJ Consolidated Model <sup>5</sup>	\$10,200,000	\$3,800,000	\$14,000,000	<p>Increases funding for the BeautifySJ Consolidated model for 2021-2022 by a net \$3.8 million to achieve the objectives set by the City Council and respond to changing conditions.</p> <p><b>Waterways and Highways.</b> \$2.5 million for a new team focused on blight and encampments near waterways and highways, with corresponding coordination with intergovernmental partners including Caltrans, Union Pacific Railroad, Valley Water and other key partners. The requested funding includes \$1.4 million for 1.0 Community Services Supervisor, 1.0 Analyst, 1.0 Community Coordinator, 2.0 Maintenance Workers, and 2.0 Community Activity Worker positions limit-dated through June 30, 2023, as well as non-personal/equipment funding for waste pickup costs provided by BeautifySJ vendors (\$750,000), outreach prior to abatement (\$250,000), and rentals (\$84,000) for the new team, and supplies and materials (\$50,000) through June 30, 2022.</p> <p><b>Guadalupe Gardens Clean-up.</b> \$975,000 for the abatement and clean-up of the 40-acres Guadalupe Gardens site, including vendor services for waste removal, towing of inoperable vehicles, Police Department security costs, and associated materials and supplies.</p> <p><b>Proactive Illegal Dumping Strike Team.</b> \$855,000 for the establishment of an illegal dumping strike team to proactively address high priority areas not being reported and to lower response times for reported complaints, including \$800,000 to add 4.0 Maintenance Workers limit-dated through June 30, 2023 and associated non-personal/equipment funding through June 30, 2022.</p> <p><b>Setbacks/Buffer Zones.</b> \$300,000 for increased vendor services for maintaining and adding new setbacks/buffer zones.</p> <p><b>Physical Deterrents.</b> \$150,000 for physical deterrents such as k-rails, boulders, and cameras to prevent re-encampment and enforce illegal dumping city-wide.</p> <p>Funding described above for the expanded BeautifySJ efforts totals \$4.8 million. However, expected vacancy savings (\$620,000) and non-personal/equipment savings (\$342,000) due to program start-up delays will partially offset costs. Staff will return to the City Council in January 2022 to reconsider actions associated with Guadalupe Gardens, including a discussion of potential costs to passively activate the site over the long term.</p>

<sup>5</sup> For clarity, the San José Bridge program has been consolidated within a single workstream. As included in the 2021-2022 Adopted Budget, \$800,000 for SJ Bridge was included within the BeautifySJ Consolidated model as the program was previously overseen by PRNS, and a separate program for \$300,000 was focused on park restrooms. These allocations are now consolidated into one workstream and expenditure appropriation.



				<p>Finally, it is important to note that, while the BeautifySJ Consolidated Model is an ongoing program, it does not have an ongoing funding source. While these new staff additions are limit-dated to June 30, 2023, much of the rest of the program utilizes ongoing positions without a dedicated ongoing funding source. As a result, the ongoing staffing levels and funding sources for this critical new City program will be re-evaluated as part of the 2022-2023 budget development process.</p>
				<p style="text-align: center;"> <span style="margin-right: 100px;">Equity</span> <span style="margin-right: 100px;">Urgency</span> <span style="margin-right: 100px;">Organizational Capacity</span> <span style="margin-right: 100px;">No Other Funding Source</span> <span>Maintain Critical Ops - Hybrid</span> </p> <p style="text-align: center;"> <span style="margin-right: 100px;">x</span> <span style="margin-right: 100px;">x</span> <span style="margin-right: 100px;">x</span> <span style="margin-right: 100px;">x</span> </p>
<b>City Roadmap Initiative and Workstream</b>	<b>2021-2022 Modified Budget</b>	<b>Adjustment Request</b>	<b>2021-2022 Revised Budget</b>	<b>Description</b>
San José Bridge <sup>4</sup>	\$1,100,000	\$1,300,000	\$2,400,000	<p>This action increases the funding for San José Bridge by \$1.3 million to fully fund the original commitment in the 2021-2022 Adopted Budget for an SJ Bridge program of 100 participants. San José Bridge is an employment program first established in 2018 as a way to bridge unhoused community members with job training opportunities while helping to beautify and clean San José. The total recommended allocation of \$2.4 million includes \$1.1 million for 100 participants through June 30, 2023 (another \$800,000 for this program is budgeted within the Housing Trust Fund), and \$1.3 million is included to provide housing assistance through June 30, 2023 (e.g. Rapid Rehousing, permanent supportive housing, etc.) for those participants that cannot be housed at the E-Lot Emergency Interim Housing site recently approved for construction. The Administration recommends deferring to the 2022-2023 budget development process the consideration of expanding the program to an additional 100 participants (for a total of 200) as recommended in the Cleaner San José memorandum approved by the Rules and Open Government Committee at its meeting on September 29, 2021<sup>6</sup>.</p>
				<p style="text-align: center;"> <span style="margin-right: 100px;">Equity</span> <span style="margin-right: 100px;">Urgency</span> <span style="margin-right: 100px;">Organizational Capacity</span> <span style="margin-right: 100px;">No Other Funding Source</span> <span>Maintain Critical Ops - Hybrid</span> </p> <p style="text-align: center;"> <span style="margin-right: 100px;">x</span> <span style="margin-right: 100px;">x</span> <span style="margin-right: 100px;">x</span> <span style="margin-right: 100px;">x</span> </p>

<sup>6</sup> Rules and Open Government Committee Meeting on September 29, 2021, Item G.3:  
<https://sanjose.legistar.com/LegislationDetail.aspx?ID=5146170&GUID=8B75785C-8336-485D-BDFE-713C44D351D8>

City Roadmap Initiative and Workstream	2021-2022 Modified Budget	Adjustment Request	2021-2022 Revised Budget	Description
Dumpster Days*	-	\$315,000	\$315,000	<p>This action adds new funding to host an additional 50 Dumpster Days in 2021-2022. As part of the City’s overall surge to reduce trash and blight throughout the City, this funding allows for temporary staffing resources in the Parks, Recreation and Neighborhood Services Department to increase capacity to support the additional dumpster days and corresponding dumpster rentals. When combined with existing ongoing funding in the General Fund, the total number of potential Dumpster Days in 2021-2022 increases from 45 days to 95 days.</p> <p style="text-align: center;"> <span>Equity</span>                      <span>Urgency</span>                      <span>Organizational Capacity</span>                      <span>No Other Funding Source</span>                      <span>Maintain Critical Ops - Hybrid</span>  <span></span>                                      <span>x</span>                                      <span>x</span>                                      <span>x</span> </p>
<b>Community Engagement, Communications, and COVID-19 Recovery Taskforce</b>				
Community Engagement	-	\$500,000	\$500,000	<p>The 2021-2022 Adopted Budget included the Recovery Taskforce and Community Engagement workstream with an initial allocation of \$500,000 to support the City Council-approved Recovery Taskforce through December 2022. This action allocates another \$500,000 to enhance the variety of tools available to the City to engage in a robust public engagement effort with the community. City Council approval of the Mayor’s June Budget Message for Fiscal Year 2021-2022 included direction for the Administration to review the use of a “Promotores” model as we work in partnership with the community. The Administration intends to leverage this model as a tool to identify the recovery needs of the hardest-to-reach community members and to connect them with support services that are already funded by the various government agencies – including the City – and our non-profit partners. This workstream will utilize a variety of community engagement methods/tools that could be used to inform the Administration’s future decision-making as well the Taskforce committees or solutions groups, such as online workshops and surveys, polls, mapping, gamification techniques, storytelling, and artistic expression.</p> <p style="text-align: center;"> <span>Equity</span>                                      <span>Urgency</span>                                      <span>Organizational Capacity</span>                                      <span>No Other Funding Source</span>                                      <span>Maintain Critical Ops - Hybrid</span>  <span>x</span>    <span>x</span>    <span>x</span>    <span>x</span> </p>

City Roadmap Initiative and Workstream	2021-2022 Modified Budget	Adjustment Request	2021-2022 Revised Budget	Description
Emergency Public Information	\$500,000	\$500,000	\$1,000,000	<p>This action fully funds pandemic emergency response and recovery communication strategies through 2021-2022, including continued resources for temporary staffing and contractual services for functions such as writing, graphic design, translations, social media content, mass media buys, and includes an assistant public information officer in the City Manager’s Office. The successful outreach so far has helped San José reach the highest vaccination rate among large U.S. cities and will continue to be important in the rollout of vaccinations for children 5 years and older. The initial allocation only funded emergency public information functions for six months. Given the sustained nature of the pandemic and the need to focus on vaccinations, continued and robust funding through June 2022 is necessary.</p> <p style="text-align: center;"> <span style="margin-right: 100px;">Equity</span> <span style="margin-right: 100px;">Urgency</span> <span style="margin-right: 100px;">Organizational Capacity</span> <span style="margin-right: 100px;">No Other Funding Source</span> <span>Maintain Critical Ops - Hybrid</span> </p> <p style="text-align: center;"> <span style="margin-right: 100px;">x</span> <span style="margin-right: 100px;">x</span> <span style="margin-right: 100px;">x</span> <span style="margin-right: 100px;">x</span> </p>
<b>Child and Youth Services</b>				
Child and Youth Services (formerly Child Care Learning Pods)	\$800,000	\$1,000,000	\$1,800,000	<p>This action allocates an additional \$1.0 million to position the City to address gaps to support children, youth, and families as they are identified and can be acted upon.</p> <p>Through the existing ARP Fund allocation of \$800,000 and another \$2.0 million of Community Development Block Grant (CDBG) funding, the City currently provides 100% scholarship support to qualified families for City-provided child and youth programming in 2021-2022. However, though the City has expanded its afterschool offerings and increased the level of scholarship funding available from previous years, the need for child and youth services to assist low-income families remains high. The additional funding of \$1.0 million provides the financial capacity to engage in other assistance programs that are identified through the development of the Child and Youth Master Plan currently under development, including additional afterschool programming if requested by schools; assisting pre-school and daycare providers that primarily serve low-income communities and are experiencing labor shortages; supporting non-profits focused on child emotional wellness, which has been profoundly impacted by the long-term effects of the pandemic, to help ensure that more children receive mental and behavioral health support; and the expansion of 100% scholarship funding should demand increase. Additional funding for these efforts will be evaluated as part of the 2022-2023 budget process.</p> <p style="text-align: center;"> <span style="margin-right: 100px;">Equity</span> <span style="margin-right: 100px;">Urgency</span> <span style="margin-right: 100px;">Organizational Capacity</span> <span style="margin-right: 100px;">No Other Funding Source</span> <span>Maintain Critical Ops - Hybrid</span> </p> <p style="text-align: center;"> <span style="margin-right: 100px;">x</span> <span style="margin-right: 100px;">X</span> <span style="margin-right: 100px;"></span> <span style="margin-right: 100px;">x</span> </p>

Digital Equity

City Roadmap Initiative and Workstream	2021-2022 Modified Budget	Adjustment Request	2021-2022 Revised Budget	Description
Community Wi-Fi	\$750,000	\$1,500,000	\$2,250,000	<p>This action increases funding for community Wi-Fi network construction at Andrew P. Hill, Oak Grove, and Independence high school attendance areas by up to \$1.5 million (from \$6.4 million to \$7.9 million) due to increased costs for equipment (access points, servers), contractual services for network performance management monitoring, and labor shortages. A recent bid received for the Independence high school attendance area indicates that costs are substantially higher than the previous estimate to provide sufficient coverage for the area’s geography. East Side Union High School District is also expected to experience cost increases for the two remaining attendance areas for which they are financially responsible (Mt. Pleasant and Silver Creek), as well as the ongoing maintenance and technology refresh needs in all network areas.</p> <p>The current resources available for network construction at the three attendance areas for which the City is financially responsible total \$6.4 million and include \$4.6 million in CDBG resources, and \$1.8 million from the General Fund (established from year-end savings in prior years). It is important to note that the existing allocation of \$750,000 for Community Wi-Fi is not currently allocated for the three attendance areas; rather, it provides \$500,000 for consultant services to identify a long-term and sustainable management strategy for Community Wi-Fi, as well as \$250,000 for additional wireless equipment/infrastructure at libraries, community centers, and other civic buildings and spaces.</p> <p>Should construction contract prices for the remaining two attendance areas come in lower, if the City receives the Emergency Connectivity Funding grant from the Federal Government for hotspots and other devices (the City expects to learn the outcome of this application later in November), or if additional CDBG funding becomes available at a later date, savings within this workstream could be recommended for reallocation as part of a future budget action.</p> <p style="text-align: center;"> <span style="margin-right: 100px;">Equity</span> <span style="margin-right: 100px;">Urgency</span> <span style="margin-right: 100px;">Organizational Capacity</span> <span style="margin-right: 100px;">No Other Funding Source</span> <span>Maintain Critical Ops - Hybrid</span> </p> <p style="text-align: center;"> <span style="margin-right: 100px;">x</span> <span style="margin-right: 100px;">x</span> <span style="margin-right: 100px;">x</span> <span style="margin-right: 100px;">x</span> </p>

**Emergency Housing**

<b>City Roadmap Initiative and Workstream</b>	<b>2021-2022 Modified Budget</b>	<b>Adjustment Request</b>	<b>2021-2022 Revised Budget</b>	<b>Description</b>
Emergency Housing Construction and Operation	\$2,500,000	\$1,500,000	\$4,000,000	<p>This action adds \$1.5 million to provide the necessary staffing to support the direction approved by the Rules and Open Government Committee on September 29, 2021<sup>7</sup> to have 1,000 pandemic-era emergency interim housing community (EIHC) units and 300 HomeKey motel units under construction or completed by December 2022. While funding provides resources for the immediate steps that include property research and identification, conceptual layouts and feasibility analysis for potential sites, and related geographic information system (GIS) work, the organization needs to add significant capacity to support what will likely be a multi-year effort to create EIHC units across the City.</p> <p>Staffing additions in the Public Works Department include two positions limit-dated to June 30, 2023: 1.0 Division Manager to oversee the Department’s site identification, feasibility analysis, and development activities, including oversight of a number of funding and/or project delivery partnerships with donors and other partners; and 1.0 Senior Engineer to provide high-level technical expertise and project management for preliminary development, design and construction of EIHCs. Site feasibility analysis and interdepartmental and interjurisdictional coordination will be supplemented with the equivalent of 0.75 retiree rehire staffing through December 2022 to pursue optimal land opportunities, particularly with external public partners or other underutilized private land. Additional analytical staffing for budgeting, cost tracking, and project management support, as well as labor compliance staffing will be evaluated as part of the 2022-2023 budget development process.</p> <p>Due to the ongoing need for additional staffing capacity in the Housing Department to support our unhoused residents, four new ongoing positions are recommended. Staffing costs through June 30, 2022 are recommended to be paid through the existing Measure E – 5% Program Administration appropriation in the General Fund. The ongoing funding split between Measure E – 5% Program Administration and other Housing funds will be determined during the development of the Housing Department’s 2022-2023 Base Budget and the positions will be included in that process. The positions include: 1.0 Assistant Director to provide strong executive leadership and support for EIHC development and operations, and to provide additional management capacity to address the wide range of homeless and affordable housing issues that require that require the Housing Department’s attention; 1.0 Senior Development Officer and 1.0 Development Officer to provide support to the homeless response team and</p>

<sup>7</sup> Rules and Open Government Committee, 9/29/2021, Item G.2: <https://sanjose.legistar.com/LegislationDetail.aspx?ID=5146165&GUID=9F9050A9-C454-4318-8ABE-25B01241CE02>

				<p>initially be involved with the interdepartmental coordination for EIHC construction and operation, ensure site development aligns with city ordinances, develop programs to meet the needs of the populations served, service coordination with county and nonprofit partners and program reporting and progress; and 1.0 Analyst to oversee contract solicitation and development and performance and progress reports for funders.</p> <p>In the City Manager’s Office, 1.0 Deputy City Manager position limit-dated to June 30, 2024 (50% funded by the ARP Fund) will oversee EIHC expansion, as well as a systematic approach to unsheltered residents and BeautifySJ services, and a related focus of Code Enforcement.</p> <p>This recommendation provides streamlined funding for site identification and feasibility analysis, as well as the staffing resources to facilitate design and construction. Resources for design, construction, and operation of individual sites will be substantial and will likely require a number of funding sources. Discussed in more detail following this table, the Administration will return to the City Council in the coming months to recommend modifications to the use Measure E Real Property Transfer Tax revenue for EIHC design, construction, and operating costs.</p> <table data-bbox="924 763 1974 852"> <tr> <td data-bbox="924 763 1092 852">Equity x</td> <td data-bbox="1092 763 1260 852">Urgency x</td> <td data-bbox="1260 763 1428 852">Organizational Capacity x</td> <td data-bbox="1428 763 1596 852">No Other Funding Source x</td> <td data-bbox="1596 763 1974 852">Maintain Critical Ops - Hybrid</td> </tr> </table>	Equity x	Urgency x	Organizational Capacity x	No Other Funding Source x	Maintain Critical Ops - Hybrid
Equity x	Urgency x	Organizational Capacity x	No Other Funding Source x	Maintain Critical Ops - Hybrid					

**Food and Necessities Distribution**

City Roadmap Initiative and Workstream	2021-2022 Modified Budget	Adjustment Request	2021-2022 Revised Budget	Description
Food Services	\$12,037,771	\$750,000	\$12,787,771	<p>This action provides funding of \$750,000 to continue food services, including the provision of essential groceries, and prepared and shelf-stable meals, through March 31, 2022 in partnership with multiple organizations – Off The Grid, Loaves and Fishes, Catholic Charities, The Health Trust, Team San Jose, and Bateman Senior Nutrition. The initial allocation intended to fund these services through December 2021, pending reassessment of evolving conditions and service demand. As demand has recently started to lessen and the use of previously high-cost vendors will not be extended, additional funding of \$750,000 will provide continued services through March 2022, the month the Administration expects the County to resume its responsibility for food distribution county-wide. Continuation of these services is recommended to meet the continued service need within the community, while also positioning partners to transition from present assistance levels. It is important to note that, other than the relatively small Team San Jose program for feeding isolation/quarantine/hotel residents, this workstream is not FEMA eligible as FEMA reimbursement for the purchase and distribution of food in response to the COVID-19 pandemic is limited to impacted communities whose populations include: (i) those who test positive for COVID-19 or have been exposed to COVID-19, but who do not require hospitalization; and (ii) high-risk individuals, such as people over 65 or with certain underlying health conditions<sup>8</sup>.</p> <p style="text-align: center;"> <span style="margin-right: 100px;">Equity</span> <span style="margin-right: 100px;">Urgency</span> <span style="margin-right: 100px;">Organizational Capacity</span> <span style="margin-right: 100px;">No Other Funding Source</span> <span>Maintain Critical Ops - Hybrid</span> </p> <p style="text-align: center;"> <span style="margin-right: 100px;">x</span> <span style="margin-right: 100px;">x</span> <span style="margin-right: 100px;">x</span> <span style="margin-right: 100px;">x</span> </p>

<sup>8</sup> FEMA Policy FP 104-010-03, Coronavirus (COVID-19) Pandemic: Purchase and Distribution of Food Eligible for Public Assistance

**Reemployment and Workforce Development**

City Roadmap Initiative and Workstream	2021-2022 Modified Budget	Adjustment Request	2021-2022 Revised Budget	Description
Food Distribution Resilience Corps	\$6,400,000	\$1,900,000	\$8,300,000	<p>This action provides funding of \$1.9 million to extend support for the Second Harvest Food Bank food boxing program through March 31, 2022. The initial allocation anticipated the assistance of 120 individuals from the San José Conservation Corps (SJCC) through December 2021. The program is currently projected to spend \$5.1 million through December 2021, below the original estimated level due to challenges faced by the SJCC in hiring the level of authorized staffing. Currently, 110 of the 120 projected employees have been hired and SJCC is actively recruiting to fill the remaining positions. Demand for food boxing assistance is expected to remain through March 2022 due to lower numbers of volunteers.</p> <p style="text-align: center;"> <span style="margin-right: 100px;">Equity</span> <span style="margin-right: 100px;">Urgency</span> <span style="margin-right: 100px;">Organizational Capacity</span> <span style="margin-right: 100px;">No Other Funding Source</span> <span>Maintain Critical Ops - Hybrid</span> </p> <p style="text-align: center;"> <span style="margin-right: 100px;">x</span> <span style="margin-right: 100px;">x</span> <span style="margin-right: 100px;">x</span> <span style="margin-right: 100px;">x</span> </p>

**Sheltering and Enhanced Encampment Services**

Downtown Homeless Health Response and Support	-	\$1,200,000	\$1,200,000	<p>This action recommends the establishment of a new workstream totaling \$1.2 million to provide focused response and support activities to unsheltered residents in the Downtown area. This pilot project will consist of two multi-disciplinary teams of a clinical case manager, outreach case manager, and a peer support specialist provided by PATH or a similar support service agency through December 2022. The goal of the program is to provide immediate response and support efforts to unsheltered residents experiencing a mental health episode or crisis event. Once the immediate crisis is addressed, outreach case managers and the peer support specialist will transition clients to ongoing, housing-focused case management and work with them to increase their monthly income. While the Administration is not recommending further increases to the newly expanded homeless Services, Outreach, Assistance, and Resources (SOAR) program originally serving 16 of the largest encampments in San José, and is now being expanded to approximately 8 more locations, this program will leverage SOAR by providing increased clinical support and housing focused case management to people who present the most urgent and complex needs downtown. An evaluation of this pilot program will be conducted to determine its effectiveness for potential continuation in the future.</p> <p style="text-align: center;"> <span style="margin-right: 100px;">Equity</span> <span style="margin-right: 100px;">Urgency</span> <span style="margin-right: 100px;">Organizational Capacity</span> <span style="margin-right: 100px;">No Other Funding Source</span> <span>Maintain Critical Ops - Hybrid</span> </p> <p style="text-align: center;"> <span style="margin-right: 100px;">x</span> <span style="margin-right: 100px;">x</span> <span style="margin-right: 100px;">x</span> <span style="margin-right: 100px;">x</span> </p>
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**Small Business Recovery**

City Roadmap Initiative and Workstream	2021-2022 Modified Budget	Adjustment Request	2021-2022 Revised Budget	Description
San José Al Fresco	\$700,000	\$150,000	\$850,000	<p>The 2021-2022 Adopted Operating Budget includes \$700,000 in American Rescue Plan Act funds to help businesses to transition from temporary to permanent parklets. Of the approximately 25 temporary parklets installed and operating under the current Al Fresco program, approximately 20 locations are anticipated to transition into a permanent parklet. The \$700,000 will provide up to \$35,000 per parklet in funding for parklet permits, design and, installation.</p> <p>However, the current allocation did include the costs necessary to support the current temporary parklet program recommended to be extended to June 30, 2022. An additional \$150,000 as recommended here will ensure sufficient funding to provide the temporary parklets with traffic safety barrier equipment (k-rails) and to backfill for lost parking meter revenue received in the General Purpose Parking Fund.</p> <p style="text-align: center;"> <span style="margin-right: 100px;">Equity</span> <span style="margin-right: 100px;">Urgency</span> <span style="margin-right: 100px;">Organizational Capacity</span> <span style="margin-right: 100px;">No Other Funding Source</span> <span>Maintain Critical Ops - Hybrid</span> </p> <p style="text-align: center;"> <span></span> <span style="margin-right: 100px;">x</span> <span style="margin-right: 100px;">x</span> <span style="margin-right: 100px;">x</span> <span></span> </p>

**Recovery Foundation and Drive to Digital**

Recovery Management, Coordination, and Compliance <sup>9</sup>	\$1,000,000	\$2,300,000	\$3,300,000	<p>This action consolidates Recovery management, coordination and compliance staffing into a single workstream and expenditure appropriation totaling \$3.3 million for a two-year period. With almost 60 workstreams spanning a wide range of response and recovery initiatives, a meaningful level of coordination and oversight will be required by the City Manager’s Office and Finance Department staffing is necessary to ensure the City properly documents and monitors funding streams to ensure maximum reimbursement. It is important to note that most of these positions were previously authorized on a temporary basis through June 30, 2022, and most are filled. However, given the multi-year nature of the Recovery work, these positions are recommended to be formally established and limit-dated through June 30, 2023.</p> <p>Though a substantial investment at \$3.3 million, the Recovery Management, Coordination, and Compliance workstream represents 1.6% of the total \$212.3 million funding that will be received in the American Rescue Plan and 0.4% of the over \$803 million appropriated and/or programmed to address the persisting impact of the COVID-19 pandemic.</p>
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<sup>9</sup> This workstream was formerly titled “City Manager’s Office Recovery Team.”

				<ul style="list-style-type: none"> <li>City Manager’s Office: 2.0 Assistant to the City Manager, 1.0 Staff Specialist (50% funded by ARP Fund)</li> <li>Finance Department: 1.0 Division Manager, 1.0 Senior Accountant, 1.0 Senior Analyst, 1.0 Accountant, 3.0 Accounting Technician</li> </ul>
				<p style="text-align: center;">Equity                      Urgency                      Organizational Capacity                      No Other Funding Source                      Maintain Critical Ops - Hybrid</p> <p style="text-align: center;">x                                      x                                      x                                      x</p>
<b>City Roadmap Initiative and Workstream</b>	<b>2021-2022 Modified Budget</b>	<b>Adjustment Request</b>	<b>2021-2022 Revised Budget</b>	<b>Description</b>
Audio Visual Upgrades to Chambers and Committee Rooms*	-	\$1,131,000	\$1,131,000	<p>Along with an existing General Fund allocation of \$469,000, this action fully funds necessary audio and visual upgrades to City Council Chambers, Committee rooms, and production facilities, along with an upgraded voting system, to provide hybrid meeting capabilities into the future. Remote participation capacities also address disabled/accessibility needs for the public.</p> <p style="text-align: center;">Equity                      Urgency                      Organizational Capacity                      No Other Funding Source                      Maintain Critical Ops - Hybrid</p> <p style="text-align: center;">x                                      x                                      x                                      x</p>
Effective Teams	\$500,000	\$350,000	\$850,000	<p>This action adds funding of \$350,000 for additional temporary staffing in the Human Resources Department through June 30, 2022 to assist with the surge of hiring necessary to implement the City’s community and economic recovery workstreams.</p> <p style="text-align: center;">Equity                      Urgency                      Organizational Capacity                      No Other Funding Source                      Maintain Critical Ops - Hybrid</p> <p style="text-align: center;">x                                      x                                      x                                      x</p>
Contract Processing and Support*	-	\$100,000	\$100,000	<p>This action provides \$100,000 for temporary staffing support to the City Clerk’s Office to handle the recent increased workload that is largely attributable to a significant number of new contracts and related processing for pandemic response, and community and economic recovery efforts.</p> <p style="text-align: center;">Equity                      Urgency                      Organizational Capacity                      No Other Funding Source                      Maintain Critical Ops - Hybrid</p> <p style="text-align: center;">x                                      x                                      x                                      x</p>

\*Indicates workstreams that will be funded in the General Fund by increasing the revenue reimbursement transfer from the ARP Fund.

## **Potential Use of Measure E Funds - Emergency Interim Housing Communities**

As discussed within the Emergency Housing Construction and Operation workstream in Table 1 above, the *Compassionate San Jose – Bold Housing Solutions* memorandum approved by the Rules and Open Government Committee on September 29, 2021<sup>10</sup> gave direction to have 1,000 pandemic-era emergency interim housing community (EIHC) units and 300 HomeKey motel units under construction or completed by December 2022, and also gave direction to staff, in part, to “identify the requisite amount of HomeKey, ARPA, HHAP [Homeless Housing, Assistance and Prevention], or other eligible public funding” to construct and operate an additional six EIHCs.

To give a sense of scale of the resource need, for the three EIHCs (207 units) already completed or under construction, total development costs averaged \$154,000 per unit and annual operating costs average \$53,000 per unit. Using these figures as a guide, the cost to develop an additional 793 EIHC units would be \$122 million and operating costs for all nine sites (three existing and the six new) would be \$53 million annually. While charitable actions by third parties for materials or labor could lower those costs, and staff will work to identify other operating efficiencies, the resource need will be substantial.

To supplement the external funding sources of Homekey, ARPA, and HHAP, the Administration recommends the partial use of the Real Property Transfer Tax proceeds supplied by Measure E approved by voters in March 2020. These General Fund revenues may be used for any governmental purpose, but are designated by City Council Policy 1-18, Section 22 to support homelessness prevention and developing new affordable housing through the use of specified allocation percentages.<sup>11</sup> The Real Property Transfer Tax proceeds in 2020-2021 totaled \$50.5 million and have surged in 2021-2022, generating \$48 million through November. Since in both 2020-2021 and 2021-2022 the spending allocations approved by the City Council were \$40 million each year, the City has and will receive additional collections well in excess of previously approved budgets.

Given the urgency of City Council direction, the need to provide safe, interim housing opportunities for our currently unhoused residents, and the higher-than-expected proceeds, the Administration will recommend to the City Council a modified spending plan to allow the use a portion of Real Property Transfer Tax proceeds to help support interim housing construction and operation. Though specific recommended amounts and/or revised allocations are not yet determined, the Administration will bring forward a spending plan that modifies the allocations in the policy in accordance with the process described in Section 22:

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<sup>10</sup> Rules and Open Government Committee, 9/29/2021, Item G.2:

<https://sanjose.legistar.com/LegislationDetail.aspx?ID=5146165&GUID=9F9050A9-C454-4318-8ABE-25B01241CE02>

<sup>11</sup> City Council Policy 1-18, Section 22, see page 10-11:

<https://www.sanjoseca.gov/home/showpublisheddocument/79231/637716306463000000>

1. A 60-day notice in advance of the effective date of the proposed allocation change posted on the City's website and at least two public hearings prior to City Council action on the proposed allocation change, with a notice of each public hearing posted on the City's website at least 10 days in advance of the public hearing; and
2. A two-thirds vote of the City Council.

The Administration tentatively anticipates that the public hearings will occur in February 2022; the schedule of formal public hearing and City Council consideration will be submitted by the Administration for approval by the Rules and Open Government Committee.

## **CONCLUSION**

Guided by the City Council-approved City Roadmap, the City continues the work to respond to the pandemic and help facilitate community and economic recovery. As directed by the City Council, the recommended actions included in this memorandum address the essential expenditures required for critical program and services within the context of the City Roadmap. Approval of the recommended budget adjustments and staffing additions will enable the City to continue its focus on supporting our most vulnerable and disproportionately impacted communities, while preserving funding to both buffer the City from recently realized revenue uncertainty and to allow for the continuation of some of the critical community and economic recovery programs into 2022-2023 and beyond.

## **EVALUATION AND FOLLOW-UP**

While the Administration will continue to monitor the status of the response and recovery efforts throughout the year, bringing forward updates to the City Council as appropriate, staff does not anticipate bringing forward another memorandum to broadly reallocate ARP funding across a wide range of City Roadmap workstreams this fiscal year. Rather, the balance of funding should be addressed as part of the 2022-2023 budget development process. However, recommendations for specific workstreams, such as actions related to the County of Santa Clara's Isolation and Quarantine program, or technical adjustments to move funding between the ARP Fund and the General Fund to best align with U.S. Treasury Department regulations, will likely be brought forward before June 30, 2022.

In January, staff will provide the City Council with an update on the State of California arrearages program for the Water Utility Program and San José Clean Energy, and to respond to the referral from Councilmember Esparza approved along with the adoption of the 2021-2022 Budget to explore options to relieve debt incurred by residents during the pandemic through fees and fines issued by the City, with a focus on fees and fines that disproportionately impact low-income communities.

Tentatively scheduled for February, the Administration will bring forward recommended modification to the spending plan for Measure E Real Property Transfer Tax revenues to help

support EIHC development and operation.

Lastly, the Administration will come forward in the coming months to request City Council authorization to receive other sources of funding to further community and economic recovery efforts. These include the State's Californians For All Youth Workforce Program, for which the City will be allocated \$14.0 million and the State's Clean California grant program that offers competitive grants to beautify and improve local streets and roads, parks, pathways, and other public spaces.

### **CLIMATE SMART SAN JOSE**

The recommendations in this memo have no effect on Climate Smart San José energy, water, or mobility goals.

### **COORDINATION**

The content of this memorandum has been coordinated with the Finance, Housing, Human Resources, Library, Parks, Recreation and Neighborhood Services, and Public Works Departments, the Office of Economic Development and Cultural Affairs, and the City Attorney's Office.

### **COMMISSION RECOMMENDATION/INPUT**

No commission recommendation or input is associated with this action.

### **COST SUMMARY/IMPLICATIONS**

The table below summarizes the ARP Fund allocations previously approved by the City Council as part of the 2021-2022 Adopted Operating Budget, the technical transactions approved in the 2020-2021 Annual Report to free up additional capacity in the ARP Fund, and the budget adjustments recommended in this memorandum. With this memorandum, staff is recommending the allocation of \$18.3 million of ARP funds, which leaves \$64.2 million available for additional allocation in 2022-2023 and future years.

*Table 2 – Summary of American Rescue Plan Fund Allocations*

<b>American Rescue Plan Fund Allocations</b>	<b>Amount</b>
Revenue from the Federal Government	\$212.3 million
Transfer to the General Fund	(\$45.0 million)
Transfer to the Convention and Cultural Affairs Fund	(\$2.5 million)
2020-2021 Food Distribution Expenses	(\$3.0 million)
2021-2022 Adopted Budget Community and Economic Recovery Allocations	(\$83.4 million)
<b>Funds Available for Programming in 2021-2022 and Future Years</b>	<b>\$78.4 million</b>
2020-2021 Annual Report Actions (reallocation of Food Distribution to the Coronavirus Relief Fund and receipt of grant funding for San José Abierto)	\$4.1 million
<b>Revised Funds Available for Programming in 2021-2022 and Future Years</b>	<b>\$82.5 million</b>
Recommended Community & Economic Recovery Budget Adjustments – November 30, 2021	(\$18.3 million)
<b>Remaining Available Funds for Programming for 2022-2023 and Future Years</b>	<b>\$64.2 million</b>

The remaining \$64.2 million represents funding that can both buffer the City from recently realized revenue uncertainty, and gives the City Council the ability to continue one-time funded recovery workstreams into 2022-2023. Highlighted below are prime examples of why a significant amount of funding should be preserved for future use.

- Continuation of Workstreams into 2022-2023. While this memorandum recommends limited funding of certain community and economic recovery workstreams in 2021-2022 and several project-specific workstreams whose end date extends beyond the current fiscal year, a number of other workstreams that effectively function as ongoing programs or would likely require second- and third-year, or ongoing funding to keep pace with community needs will be considered as part of the 2022-2023 Proposed Budget development process. For reference, the largest are listed below with 2021-2022 allocations (as recommended to be revised with this memorandum) and provide a sense of the potential future demand for these workstreams as compared to the \$64.2 million in remaining unallocated funds.

○ BeautifySJ Consolidated Model	\$13.8 million
○ Resilience Corps (w/o Food Dist.)	\$7.7 million
○ San José Abierto	\$4.2 million
○ SOAR	\$3.0 million
○ Small Business Grants	\$2.8 million
○ SJ Bridge	\$2.4 million
○ Arts and Cultural Grants	\$2.0 million
○ Child and Youth Services	<u>\$1.8 million</u>
<b>Total</b>	<b>\$37.7 million</b>

Each year as part of the budget process, the Administration evaluates City services and programs that are currently funded on a one-time basis for potential continuation in the following fiscal year, either again on a one-time basis or on an ongoing basis. This routine process will play a more prominent role in the upcoming budget process given the

importance of the larger programs cited above, and the importance of many other workstreams that engage and connect with our hardest to reach community members, support small businesses, increase educational opportunities and support for children and families, and sustain additional dumpster days. As part of the 2022-2023 budget development process, the Administration will evaluate the need to continue these workstreams using other City funds, as appropriate, if ARP resources are insufficient and even if the trade-off might mean the discontinuation of other existing services.

- Emergency Interim Housing Construction and Operations Costs. The recommended increase of \$2.3 million for the Emergency Housing Construction and Operation workstream provides multi-year funding for staff to perform work related to site identification and analysis, conceptual planning and coordination – it does not yet include resources for design and construction which, as described above, are substantial. Though the Administration will bring forward a recommendation to use a portion of Measure E Real Property Transfer Tax receipts to support this effort, additional ARP funding may also be considered as part of the 2022-2023 budget development process.
- Isolation and Quarantine. The City has previously committed \$14.0 million to support the County of Santa Clara’s isolation and quarantine program for those directly impacted by COVID-19 (\$10.0 million in the Coronavirus Relief Fund and \$4.0 million within the Emergency Reserve Fund). The most recent information provided by the County forecasts an additional cost of approximately \$9.0 million through March 2022. While staff is working to have FEMA obligate all or a portion of the total estimated cost of \$23.0 million, the City may need to allocate ARP funds for this critical program later in the coming months.

Finally, it is important to note that the Administration will continue to monitor and evaluate community and economic recovery budget expenditures. As the workstreams continue program implementation and additional determinations are made regarding eligible uses of direct spending in the ARP Fund, recommendations may be brought forward as part of a future budget process to increase the revenue loss reimbursement and fund all or a portion of certain workstreams in the General Fund, as appropriate. The 2022-2023 budget development process will also reassess the appropriate staffing levels for these workstreams. Given the urgency of the need and the limited time available for analysis, the recommended staffing levels included in this memorandum will likely be further refined as part of a more comprehensive staffing and program evaluation process that will occur as part of the development of the 2022-2023 Proposed Budget.

HONORABLE MAYOR AND CITY COUNCIL

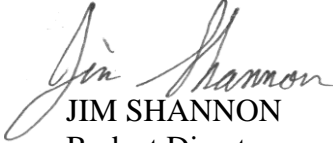
November 19, 2021

**Subject: COVID-19 Pandemic Response and Community and Economic Recovery Budget Adjustments**

Page 24

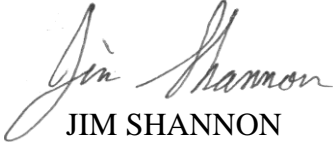
**CEQA**

Not a Project, File No. PP17-008, General Procedure and Policy Making resulting in no changes to the physical environment.

  
JIM SHANNON  
Budget Director

I hereby certify that there will be available for appropriation in the designated funds and in the amounts as listed below in the Fiscal Year 2021-2022 monies in excess of those heretofore appropriated therefrom:

General Fund	\$7,356,000
American Rescue Plan Fund	\$18,296,000

  
JIM SHANNON  
Budget Director

For questions, please contact Jim Shannon, Budget Director, at [Jim.Shannon@sanjoseca.gov](mailto:Jim.Shannon@sanjoseca.gov).

Attachment A – 2021-2022 Funding Allocations by Workstream

Attachment B – Position Additions by Department

Attachment C – 2021-2022 Budget Adjustment Detail



**ATTACHMENT A**  
**2021-2022 Funding Allocations by Workstream**

**American Rescue Plan Fund and General Fund**

\* Denotes workstreams funded in the General Fund via revenue loss reimbursement transfer from the American Rescue Plan Fund.

City Roadmap Initiative and Workstream	2021-2022 Current Budget	Adjustment Request	2021-2022 Revised Budget
<b><i>BeautifySJ and Encampment Waste Pick-up</i></b>	<b>12,250,000</b>	<b>5,415,000</b>	<b>17,665,000</b>
BeautifySJ Consolidated Model	10,200,000	3,800,000	14,000,000
* BeautifySJ Grants	100,000	-	100,000
* Downtown Automated Public Toilets	400,000	-	400,000
* Dumpster Days	-	315,000	315,000
San José Bridge Program	1,100,000	1,300,000	2,400,000
* Vehicle Abatement Program, Proactive Patrol and Complaint Response	450,000	-	450,000
<b><i>Community Engagement, Communications, and COVID-19 Recovery Taskforce</i></b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>2,000,000</b>
Community Engagement	-	500,000	500,000
COVID-19 Recovery Taskforce	500,000	-	500,000
Emergency Public Information	500,000	500,000	1,000,000
<b><i>Child and Youth Services</i></b>	<b>2,838,000</b>	<b>1,000,000</b>	<b>3,838,000</b>
Child and Youth Success	500,000	-	500,000
Child and Youth Services (was Childcare Learning Pods)	800,000	1,000,000	1,800,000
* Family, Friend and Neighborhood Program	500,000	-	500,000
San José Aspires Administrative Support	538,000	-	538,000
San José Learns	500,000	-	500,000
<b><i>Digital Equity</i></b>	<b>3,820,000</b>	<b>1,500,000</b>	<b>5,320,000</b>
Community WiFi	750,000	1,500,000	2,250,000
* Data Equity Lead	200,000	-	200,000
Device Access	2,120,000	-	2,120,000
Digital Equity Communications, Outreach & Education	750,000	-	750,000
<b><i>Emergency Housing</i></b>	<b>2,500,000</b>	<b>1,500,000</b>	<b>4,000,000</b>
Emergency Housing Construction and Operation	2,500,000	1,500,000	4,000,000
<b><i>Food and Necessities Distribution</i></b>	<b>12,037,771</b>	<b>750,000</b>	<b>12,787,771</b>
Food Services	12,037,771	750,000	12,787,771
<b><i>Housing Stabilization</i></b>	<b>10,650,000</b>	<b>-</b>	<b>10,650,000</b>
Eviction Help Center	3,100,000	-	3,100,000
Hotel Sheltering Operations and Services	4,000,000	-	4,000,000
South Hall Demobilization and Housing Assistance Center	3,550,000	-	3,550,000
<b><i>Sheltering and Enhanced Encampment Services</i></b>	<b>3,000,000</b>	<b>1,200,000</b>	<b>4,200,000</b>
Homeless Services Outreach Assistance + Resources (SOAR) Program	3,000,000	-	3,000,000
Downtown Homeless Health Response and Support	-	1,200,000	1,200,000
<b><i>Reemployment and Workforce Development</i></b>	<b>14,050,000</b>	<b>1,900,000</b>	<b>15,950,000</b>
Environment Resilience Corps	3,760,000	-	3,760,000
Food Distribution Resilience Corps	6,400,000	1,900,000	8,300,000
Guadalupe River Park + Coyote Creek Clean-up Resilience Corps	1,400,000	-	1,400,000
Learning Resilience Corps	1,370,000	-	1,370,000
Small Business Resilience Corps	1,120,000	-	1,120,000
<b><i>Recovery Foundation and Drive to Digital</i></b>	<b>3,588,000</b>	<b>3,881,000</b>	<b>7,469,000</b>
* Audio Visual Upgrades to Chambers and Committee Rooms	-	1,131,000	1,131,000
Effective Teams	500,000	350,000	850,000
* Contract Processing and Support (City Clerk)	-	100,000	100,000
* Hybrid Workplace	1,000,000	-	1,000,000
* Omnichannel Strategy, Process Engineering, and Service Delivery Automation (San Jose)	460,000	-	460,000

## American Rescue Plan Fund and General Fund

\* Denotes workstreams funded in the General Fund via revenue loss reimbursement transfer from the American Rescue Plan Fund.

City Roadmap Initiative and Workstream	2021-2022 Current Budget	Adjustment Request	2021-2022 Revised Budget
* OneCity Workplace	400,000	-	400,000
Recovery Management, Coordination and Compliance	1,000,000	2,300,000	3,300,000
Safe Workplace	228,000	-	228,000
<b>Small Business Recovery</b>	<b>14,587,000</b>	<b>150,000</b>	<b>14,737,000</b>
San José Abierto	4,152,000	(440,000)	3,712,000
San Jose Abierto - Council District Outdoor Activation	-	440,000	440,000
Downtown Outdoor Activities Marketing Campaign	200,000	-	200,000
* Downtown Pedestrian Quality of Life + Streetscape Improvements	100,000	-	100,000
Quetzal Gardens Operations	75,000	-	75,000
San José Al Fresco	700,000	150,000	850,000
Shop Local Hub to Support Neighborhood Business Districts	100,000	-	100,000
Small Business + Manufacturing Recovery Initiative	1,000,000	-	1,000,000
Small Business Displacement Index Study	60,000	-	60,000
Small Business District Outreach (Spanish + Vietnamese)	300,000	-	300,000
Small Business Grants	2,750,000	-	2,750,000
Small Business Technical Assistance Revamp	125,000	-	125,000
Storefront Activation Grants	200,000	-	200,000
Supplemental Business Development Communications	300,000	-	300,000
* Supplemental Arts and Cultural Grant Funding	2,000,000	-	2,000,000
Supplemental Economic Development Association Capacity Building	1,000,000	-	1,000,000
Supplemental Legal Assistance for Tenant	150,000	-	150,000
* Support Festival Programming	200,000	-	200,000
Underwrite Creation of New Property Business Improvement Districts	1,000,000	-	1,000,000
Virtual Accelerator Program for New Businesses	175,000	-	175,000
<b>Other</b>	<b>575,000</b>	<b>-</b>	<b>575,000</b>
Energy Saving Retrofits	500,000	-	500,000
YIGBY Land Use Policy Development	75,000	-	75,000
	<b>\$ 80,895,771</b>	<b>\$ 18,296,000</b>	<b>\$ 99,191,771</b>

**ATTACHMENT B**  
**Position Additions by Department**

Approve the following position additions for various City Departments in support of pandemic response and recovery efforts:

- 1) Add the following positions through June 30, 2023 to the Office of the City Manager:
  - a. 2.0 Assistant to the City Manager
  - b. 1.0 Staff Specialist
  
- 2) Add the following positions through June 30, 2024 to the Office of the City Manager:
  - a. 1.0 Deputy City Manager
  
- 3) Add the following positions through June 30, 2023 to the Finance Department:
  - a. 1.0 Division Manager
  - b. 1.0 Senior Analyst
  - c. 1.0 Accountant
  - d. 1.0 Senior Accountant
  - e. 3.0 Accounting Technician
  
- 4) Add the following positions through June 30, 2023 to the Public Works Department:
  - a. 1.0 Division Manager
  - b. 1.0 Senior Engineer
  
- 5) Add the following positions to the Housing Department:
  - a. 1.0 Assistant Director
  - b. 1.0 Senior Development Officer
  - c. 1.0 Development Officer
  - d. 1.0 Analyst II
  
- 6) Add the following positions through June 30, 2023 to the Parks, Recreation and Neighborhood Services Department:
  - a. 1.0 Analyst II
  - b. 1.0 Community Services Supervisor
  - c. 1.0 Community Coordinator
  - d. 2.0 Community Activity Worker
  - e. 6.0 Maintenance Worker II

**ATTACHMENT C**  
**General Fund**  
**2021-2022 Budget Adjustment Detail**

Department/Proposal	Use				Source		Net Cost	
	Personal Services	Non-Personal/ Equipment	Other	Total Use	Revenue	Beg Fund Balance		
<b>DEPARTMENTAL EXPENSES</b>								
Office of the City Clerk	Personal Services (Contract Processing and Support)	\$ 100,000	-	-	\$ 100,000	-	-	\$ 100,000
Office of the City Manager	Personal Services (Data Equity Lead)	\$ 200,000	-	-	\$ 200,000	-	-	\$ 200,000
<b>DEPARTMENTAL EXPENSES TOTAL</b>		<b>\$ 300,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 300,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 300,000</b>
<b>CAPITAL IMPROVEMENTS</b>								
Public Works Department	Recovery Foundation and Drive to Digital - Audio Visual Upgrades to Chambers and Committee Rooms	\$ -	-	1,131,000	\$ 1,131,000	-	-	\$ 1,131,000
<b>CAPITAL IMPROVEMENTS TOTAL</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,131,000</b>	<b>\$ 1,131,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,131,000</b>
<b>CITY-WIDE EXPENSES</b>								
Information Technology Department	Recovery Foundation and Drive to Digital - Hybrid Workplace	\$ -	-	1,000,000	\$ 1,000,000	-	-	\$ 1,000,000
	Recovery Foundation and Drive to Digital - Omnichannel Strategy, Process Engineering, and Service Delivery Automation	\$ -	-	460,000	\$ 460,000	-	-	\$ 460,000
	Recovery Foundation and Drive to Digital - OneCity Workplace	\$ -	-	400,000	\$ 400,000	-	-	\$ 400,000
Library Department	Child and Youth Services - Family, Friend, & Neighborhood Program	\$ -	-	500,000	\$ 500,000	-	-	\$ 500,000
Office of Economic Development and Cultural Affairs	Small Business Recovery - Downtown Pedestrian Quality of Life	\$ -	-	100,000	\$ 100,000	-	-	\$ 100,000
	Small Business Recovery - Supplemental Arts + Cultural Funding	\$ -	-	2,000,000	\$ 2,000,000	-	-	\$ 2,000,000
	Small Business Recovery - Support Festival Programming	\$ -	-	200,000	\$ 200,000	-	-	\$ 200,000
Parks, Recreation and Neighborhood Services Department	BeautifySJ Grants	\$ -	-	100,000	\$ 100,000	-	-	\$ 100,000
	BeautifySJ and Encampment Waste Pickup - Dumpster Days	\$ -	-	315,000	\$ 315,000	-	-	\$ 315,000
Transportation Department	BeautifySJ and Encampment Waste Pickup - Downtown Automated Public Toilets	\$ -	-	400,000	\$ 400,000	-	-	\$ 400,000
	BeautifySJ and Encampment Waste Pickup - Vehicle Abatement Program, Proactive Patrol, + Complaint Response	\$ -	-	450,000	\$ 450,000	-	-	\$ 450,000
<b>CITY-WIDE EXPENSES TOTAL</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,925,000</b>	<b>\$ 5,925,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,925,000</b>
<b>GENERAL FUND REVENUE</b>								
	Transfers and Reimbursements (Transfer from American Rescue Plan Fund)	\$ -	-	-	\$ -	7,356,000	-	\$ (7,356,000)
<b>GENERAL FUND REVENUE TOTAL</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,356,000</b>	<b>\$ -</b>	<b>\$ (7,356,000)</b>
<b>TOTAL GENERAL FUND</b>		<b>\$ 300,000</b>	<b>\$ -</b>	<b>\$ 7,056,000</b>	<b>\$ 7,356,000</b>	<b>\$ 7,356,000</b>	<b>\$ -</b>	<b>\$ -</b>

**ATTACHMENT C**  
**Special Funds**  
**2021-2022 Budget Adjustment Detail**

Department/Proposal		Use				Source			
		Personal Services	Non-Personal/ Equipment	Other	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	Net Cost
<b>American Rescue Plan Fund (402)</b>									
Revenue	Revenue from Federal Government	\$ -	-	-	-	\$ -	\$ 18,296,000	-	\$ (18,296,000)
Housing Department	BeautifySJ and Encampment Waste Pick Up - San José Bridge Program	\$ -	-	2,400,000	-	\$ 2,400,000	\$ -	-	\$ 2,400,000
	Emergency Housing - Emergency Housing Construction and Operation	\$ -	-	1,500,000	-	\$ 1,500,000	\$ -	-	\$ 1,500,000
	Housing Stabilization - Eviction Help Center	\$ -	-	3,100,000	-	\$ 3,100,000	\$ -	-	\$ 3,100,000
	Housing Stabilization - Hotel Sheltering Operations + Services	\$ -	-	4,000,000	-	\$ 4,000,000	\$ -	-	\$ 4,000,000
	Housing Stabilization - South Hall Demobilization + Housing Assistance Center	\$ -	-	3,550,000	-	\$ 3,550,000	\$ -	-	\$ 3,550,000
	Resident Relief - Housing Stabilization	\$ -	-	(10,650,000)	-	\$ (10,650,000)	\$ -	-	\$ (10,650,000)
		\$ -	-	1,200,000	-	\$ 1,200,000	\$ -	-	\$ 1,200,000
	Sheltering and Enhanced Encampment Services - Downtown Homeless Health Response and Support								
Human Resources Department	Recovery Foundation and Drive to Digital - Effective Teams (Renamed from Recovery Foundation - Effective Teams)	\$ -	-	350,000	-	\$ 350,000	\$ -	-	\$ 350,000
	Recovery Foundation and Drive to Digital - Safe Workplace (Renamed from Recovery Foundation - Safe Workplace)	\$ -	-	-	-	\$ -	\$ -	-	\$ -
Information Technology Department	Recovery Foundation - Drive to Digital	\$ -	-	(1,860,000)	-	\$ (1,860,000)	\$ -	-	\$ (1,860,000)
Library Department		\$ -	-	500,000	-	\$ 500,000	\$ -	-	\$ 500,000
	Child and Youth Services - San José Learns (Renamed from Childcare Learning Pods - San Jose Learns)								
	Childcare and Education - Digital Equity	\$ -	-	(3,820,000)	-	\$ (3,820,000)	\$ -	-	\$ (3,820,000)
	Childcare and Education - Family, Friend, & Neighborhood Program	\$ -	-	(500,000)	-	\$ (500,000)	\$ -	-	\$ (500,000)
	Digital Equity - Community WiFi	\$ -	-	2,250,000	-	\$ 2,250,000	\$ -	-	\$ 2,250,000
	Digital Equity - Device Access	\$ -	-	2,120,000	-	\$ 2,120,000	\$ -	-	\$ 2,120,000
	Digital Equity - Digital Equity Communications, Outreach, + Education	\$ -	-	750,000	-	\$ 750,000	\$ -	-	\$ 750,000
	Reemployment and Workforce Development - Learning Resilience Corps	\$ -	-	1,370,000	-	\$ 1,370,000	\$ -	-	\$ 1,370,000
Parks, Recreation and Neighborhood Services Department	Childcare and Education - Childcare Learning Pods	\$ -	-	(1,300,000)	-	\$ (1,300,000)	\$ -	-	\$ (1,300,000)
	Child and Youth Services - Child and Youth Services	\$ -	-	1,800,000	-	\$ 1,800,000	\$ -	-	\$ 1,800,000
	BeautifySJ and Encampment Waste Pick Up - BeautifySJ Consolidated Model (Renamed from Encampment Services: BeautifySJ - Encampment Waste Pick Up and BeautifySJ)	\$ -	-	1,750,000	-	\$ 1,750,000	\$ -	-	\$ 1,750,000
	Food and Necessities Distribution - Food Services (Renamed from Resident Relief - Food and Necessities Distribution)	\$ -	-	750,000	-	\$ 750,000	\$ -	-	\$ 750,000
	Reemployment and Workforce Development - Environment Resilience Corps	\$ -	-	3,760,000	-	\$ 3,760,000	\$ -	-	\$ 3,760,000
	Reemployment and Workforce Development - Food Distribution Resilience Corps	\$ -	-	8,300,000	-	\$ 8,300,000	\$ -	-	\$ 8,300,000
	Reemployment and Workforce Development - Guadalupe River Park + Coyote Creek Clean-Up Resilience Corps	\$ -	-	1,400,000	-	\$ 1,400,000	\$ -	-	\$ 1,400,000
	Small Business, Non-Profits, and Arts - San Jose Abierto	\$ -	-	(440,000)	-	\$ (440,000)	\$ -	-	\$ (440,000)
Office of the City Clerk	Small Business, Non-Profits, and Arts - Council District Outdoor Activation	\$ -	-	440,000	-	\$ 440,000	\$ -	-	\$ 440,000
Office of the City Manager	Build Back Better and COVID-19 Recovery Taskforce - Community Engagement	\$ -	-	500,000	-	\$ 500,000	\$ -	-	\$ 500,000
	Build Back Better and COVID-19 Recovery Taskforce - Emergency Public Information	\$ -	-	1,000,000	-	\$ 1,000,000	\$ -	-	\$ 1,000,000
	Build Back Better and COVID-19 Recovery Taskforce - COVID-19 Recovery Taskforce	\$ -	-	500,000	-	\$ 500,000	\$ -	-	\$ 500,000
	Child and Youth Services - Child and Youth Success (Rename from Childcare and Education - Child and Youth Success)	\$ -	-	-	-	\$ -	\$ -	-	\$ -
	Recovery Foundation and Drive to Digital - Recovery Management, Coordination and Compliance	\$ -	-	3,300,000	-	\$ 3,300,000	\$ -	-	\$ 3,300,000
	Small Business, Non-Profits, and Arts - Build Back Better and COVID-19 Recovery	\$ -	-	(2,000,000)	-	\$ (2,000,000)	\$ -	-	\$ (2,000,000)
Office of Economic Development and Cultural Affairs	Reemployment and Workforce Development - Small Business Resilience Corps	\$ -	-	1,120,000	-	\$ 1,120,000	\$ -	-	\$ 1,120,000
	Resident Relief - Re-Employment and Workforce Development	\$ -	-	(14,050,000)	-	\$ (14,050,000)	\$ -	-	\$ (14,050,000)
	Small Business, Non-Profits, and Arts - Small Business Recovery	\$ -	-	(10,435,000)	-	\$ (10,435,000)	\$ -	-	\$ (10,435,000)

**ATTACHMENT C**  
**Special Funds**  
**2021-2022 Budget Adjustment Detail**

Department/Proposal	Use			Ending Fund		Source		
	Personal Services	Non-Personal/ Equipment	Other	Balance	Total Use	Revenue	Beg Fund Balance	Net Cost
Small Business Recovery - Downtown Outdoor Activities Marketing Campaign	\$ -	-	200,000	-	\$ 200,000	\$ -	-	\$ 200,000
Small Business Recovery - Quetzal Gardens Operations	\$ -	-	75,000	-	\$ 75,000	\$ -	-	\$ 75,000
Small Business Recovery - San José Al Fresco	\$ -	-	850,000	-	\$ 850,000	\$ -	-	\$ 850,000
Small Business Recovery - Shop Local Hub to Support Neighborhood Business Districts	\$ -	-	100,000	-	\$ 100,000	\$ -	-	\$ 100,000
Small Business Recovery - Small Business + Manufacturing Recovery Initiative	\$ -	-	1,000,000	-	\$ 1,000,000	\$ -	-	\$ 1,000,000
Small Business Recovery - Small Business Displacement Index Study	\$ -	-	60,000	-	\$ 60,000	\$ -	-	\$ 60,000
Small Business Recovery - Small Business District Outreach (Spanish + Vietnamese)	\$ -	-	300,000	-	\$ 300,000	\$ -	-	\$ 300,000
Small Business Recovery - Small Business Grants	\$ -	-	2,750,000	-	\$ 2,750,000	\$ -	-	\$ 2,750,000
Small Business Recovery - Small Business Technical Assistance Revamp	\$ -	-	125,000	-	\$ 125,000	\$ -	-	\$ 125,000
Small Business Recovery - Storefront Activation Grants	\$ -	-	200,000	-	\$ 200,000	\$ -	-	\$ 200,000
Small Business Recovery - Supplemental Business Development Communications	\$ -	-	300,000	-	\$ 300,000	\$ -	-	\$ 300,000
Small Business Recovery - Supplemental Economic Development Association Capacity Building	\$ -	-	1,000,000	-	\$ 1,000,000	\$ -	-	\$ 1,000,000
Small Business Recovery - Supplemental Legal Assistance for Tenant	\$ -	-	150,000	-	\$ 150,000	\$ -	-	\$ 150,000
Small Business Recovery - Underwrite Creation of New Property Business Improvement Districts	\$ -	-	1,000,000	-	\$ 1,000,000	\$ -	-	\$ 1,000,000
Small Business Recovery - Virtual Accelerator Program for New Businesses	\$ -	-	175,000	-	\$ 175,000	\$ -	-	\$ 175,000
Transfers								
Transfer to the General Fund	\$ -	-	7,356,000	-	\$ 7,356,000	\$ -	-	\$ 7,356,000
<b>Budget Adjustments Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,296,000</b>	<b>\$ -</b>	<b>\$ 18,296,000</b>	<b>\$ 18,296,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>AMERICAN RESCUE PLAN FUND (402) TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 18,296,000</b>	<b>\$ -</b>	<b>\$ 18,296,000</b>	<b>\$ 18,296,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Emergency Reserve Fund (406)</b>								
<b>Budget Adjustments</b>								
Parks, Recreation and Neighborhood Services Department								
Revenue from the Federal Government (FEMA)	\$ -	-	-	-	\$ -	\$ (3,000,000)	-	\$ 3,000,000
Resident Relief - Food and Necessities Distribution	\$ -	-	(3,000,000)	-	\$ (3,000,000)	\$ -	-	\$ (3,000,000)
<b>Budget Adjustments Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (3,000,000)</b>	<b>\$ -</b>	<b>\$ (3,000,000)</b>	<b>\$ (3,000,000)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>EMERGENCY RESERVE FUND (406) TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (3,000,000)</b>	<b>\$ -</b>	<b>\$ (3,000,000)</b>	<b>\$ (3,000,000)</b>	<b>\$ -</b>	<b>\$ -</b>