



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Rachel VanderVeen

SUBJECT: SEE BELOW

DATE: May 17, 2022

Approved

Date

5/17/2022

SUPPLEMENTAL

**SUBJECT: PROPOSED SPENDING PLAN FOR MEASURE E REAL PROPERTY
TRANSFER TAX REVENUE FOR FISCAL YEAR 2022-2023 AND
AMENDMENTS TO THE SPENDING PLAN FOR MEASURE E REAL
PROPERTY TRANSFER TAX FOR FISCAL YEAR 2020-2021 AND FISCAL
YEAR 2021-2022**

REASON FOR SUPPLEMENTAL

This Supplemental provides the feedback heard on May 12, 2022 from the Housing and Community Development Commission (Commission) as the Oversight Committee who reviewed the amended Measure E spending plan for Fiscal Year (FY) 2020-2021. As the Oversight Committee, the Commission has the following responsibilities:

- a) Review and provide comments to be transmitted to the City Council of the annual spending plan of the Transfer Tax revenues as set forth in Council Policy 1-18;
- b) Review and provide comments to be transmitted to the City Council of any proposed amendments to the annual spending plan of the Transfer Tax revenues; and
- c) Review the expenditure of the Transfer Tax revenues for the prior fiscal year.

ANALYSIS

On May 12, 2022, the Commission heard the staff presentation on the amended Measure E spending plan for FY 2020-2021.

The Commission did not make a motion but generally agreed that the staff recommendations contained in the spending plan are consistent with the Measure E funding priorities.

May 17, 2022

Subject: Proposed Spending Plan for Measure E Real Property Transfer Tax Revenue for Fiscal Year 2022-2023 and Amendments to the Spending Plan for Measure E Real Property Transfer Tax for Fiscal Year 2020-2021 and Fiscal Year 2021-2022

Page 2

In addition, Commissioners provided the following feedback on the plan:

- One commissioner expressed concern whether there was a need to fund Accessory Dwelling Units (ADU) for moderate-income households and suggested that a study be done on whether this is a desired housing type for moderate-income households;
- One commissioner suggested that staff create a general reserve for years in which Measure E revenues are down, in addition to the one for the Homeless Prevention and Rental Assistance category; and
- One commissioner advocated for the City to prioritize affordable housing developments that maximize density in determining awardees in the affordable multifamily funding categories.

In terms of ADUs, the Housing Department will continue to work on developing a program for this desired housing type next year.

Homeless Prevention and Rental Assistance is its own priority specified under the Measure E Transfer Tax section of Council Policy 1-18. In addition to approving the spending priorities in April, City Council also approved a provision that any excess funds there were not expended in the newly established Emergency Housing Construction and Operations category would be available for homeless prevention and rental assistance. At this time, there are not any excess funds available to go into a reserve for fiscal year 2020-2021.

Finally, improving density is not directly related to the Measure E spending plan, but the Administration is focused on improving density in affordable housing developments through action items identified in the Housing Crisis Workplan.

There were no recommended changes to the fiscal year 2020-2021 Measure E Spending Plan, as all the funding levels are consistent with percentage set-asides and all the activities identified in the plan are eligible for funding.

/s/

RACHEL VANDERVEEN

Deputy Director, Housing Department

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