

RESOLUTION NO.

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE APPROVING THE PERCENTAGE ALLOCATIONS FOR THE COMBINED SPENDING OF MEASURE E REAL PROPERTY TRANSFER TAX REVENUES TOTALING \$87.0 MILLION, COMPRISED OF \$17.1 MILLION FROM FISCAL YEAR 2020-2021, \$20.4 MILLION FROM FISCAL YEAR 2021-2022, AND \$49.5 MILLION FROM FISCAL YEAR 2022-2023

WHEREAS, on March 3, 2020, San José voters approved Measure E, which established a transfer tax on real estate transactions where the purchase price exceeds \$2 million; and

WHEREAS, in June 2020, the Council of the City of San José (“City”) 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 amending the spending priorities and percentage allocations; and

WHEREAS, on April 19, 2022, the City Council adopted, under Resolution No. 80472, amendments to the spending priorities for Measure E revenues under Council Policy 1-18; and

WHEREAS, on May 17, 2022, the City Council adopted, under Resolution No. 80504, amendments to the percentage allocations for the Measure E spending priorities for Fiscal Years (“FY”) 2020-2021, 2021-2022, and 2022-2023; and

WHEREAS, on March 21, 2023, the City Council approved the Mayor’s March Budget Message for FY 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 initiatives in the March Budget

Message to reduce unsheltered homelessness, including the doubling of the FY 2023-2024 homelessness prevention category on a one-time basis; and

WHEREAS, sixty days' public notice was issued and City Council held two public hearings, on May 16, 2023 and June 12, 2023, on the proposed changes to the percentage allocations for the spending priorities of Measure E Real Property Transfer Tax revenues, pursuant to the requirements under Section 22 of Council Policy 1-18; and

WHEREAS, City staff has identified approximately \$87 million of uncommitted Measure E funds over three fiscal year Spending Plans available to be reallocated to align with direction from the City Council's approval of the Mayor's March Budget Message, and proposes that the City Council approve the modifications to the percentage allocations for the Measure E revenue;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

- (a) Under Section 22 of Council Policy 1-18, the City Council establishes the spending priorities and their percentage allocations for the revenue generated from the Measure E Real Property Transfer Tax, and may amend such priorities and their allocations through the public process set forth therein.
- (b) The following percentage allocations for the combined spending of uncommitted Measure E revenues totaling \$87.0 million, comprised of \$17.1 million from Fiscal Year 2020 2021, \$20.4 million from Fiscal Year 2021 2022, and \$49.5 million from Fiscal Year 2022 2023, are hereby approved:

- (1) ___% for administration, which is inclusive of a revenue stabilization reserve to protect funding commitments from an anticipated revenue shortfall, with the remaining revenue allocated as follows:
- (2) ___% for the creation of new affordable housing for extremely low-income households;
- (3) ___% for the creation of new affordable housing for low-income households;
- (4) ___% for the creation of new affordable housing for moderate-income households;
- (5) ___% for homeless prevention, gender-based violence programs, legal services and rental assistance; and
- (6) ___% for homeless support programs including shelter construction and operations.

ADOPTED this _____ day of _____, 2023, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

MATT MAHAN
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk