



# Memorandum

**TO:** RULES AND OPEN  
GOVERNMENT COMMITTEE

**FROM:** Jacky Morales-Ferrand

**SUBJECT:** SEE BELOW

**DATE:** December 7, 2020

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Approved		Date	12/7/20
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**SUBJECT: PUBLIC HEARING SCHEDULE ON THE PROPOSED  
MODIFICATIONS TO THE SPENDING PLAN FOR MEASURE E TAX  
REVENUES FOR FY 2020-2021 PURSUANT TO COUNCIL POLICY 1-18**

## REPLACEMENT

### REASON FOR REPLACEMENT

The reason for this replacement memorandum was to update the second public hearing period from February 16, 2021 to February 9, 2021.

### RECOMMENDATION

Approve the public hearing schedule on February 2, 2021 and February 9, 2021 regarding the proposed modifications to the spending plan for Measure E tax revenues for FY 2020-2021 pursuant to Council Policy 1-18.

### ANALYSIS

This memorandum provides a calendar of public hearings to be used as a plan in preparing, reviewing, and approving the proposed modifications to the spending plan (**Attachment A**) for Measure E Tax Revenues for FY 2020-2021 pursuant to [Council Policy 1-18](#). The public hearing schedule is summarized in **Table 1**:

**Table 1: Public Hearing Schedule for Proposed Modifications to Measure E Spending Plan**

Date	Action/Event
December 9, 2020	Rules Committee to set the hearings. Begin public comment period.
February 2, 2021	Public Hearing #1: City Council
February 9, 2021	Public Hearing #2: City Council. End public comment period.

On [November 10, 2020](#), City Council approved a plan to allocate money from Measure E to fund affordable housing and homelessness prevention, with 45% for permanent supportive housing for extremely low-income families, 35% for low-income rentals, 10% for middle-income housing, and 10% for homelessness prevention programs. Additionally, staff was asked to initiate the process for possible amendments to the Measure E spending priorities by reallocating funds to rent relief based upon concerns of an impending rent cliff due to the pending expiration of State eviction moratoriums. The attached proposal recommends a potential reallocation dedicating an additional \$6 million in rental assistance to provide stability to households potentially facing eviction. These modifications would exceed the spending allocations included in City Council Policy 1-18 of dedicating 10% of the spending plan towards homeless prevention and rental assistance.

In order to modify the spending allocation of Measure E funds, [City Council Policy 1-18](#) requires 60-days' notice and at least two public hearings held by the legislative body prior to the City Council approving by two-thirds vote any changes to the annual spending plan. These requirements comply with [City Council Policy 1-18](#) to ensure the use of Measure E funds are consistent with the City Council's original intent. The notice and public comment period will begin at the Rules Committee hearing on **December 9, 2020** and end on **February 9, 2021**.

### **COORDINATION**

The public hearing schedule on the proposed modifications to the spending plan for Measure E Tax Revenues have been coordinated with the City Attorney's Office and the City Manager's Office.

/s/  
JACKY MORALES-FERRAND  
Director  
Housing Department

For questions, please contact Rachel VanderVeen, Deputy Director, at (408) 535-8231.

### **ATTACHMENT:**

- **Attachment A:** Proposed Modifications to the Spending Plan

**ATTACHMENT A**

**Proposed Modifications to the Spending Plan for Measure E Tax  
Revenues for FY 2020-2021**

<b>Spending Category / Item</b>	<b>%</b>	<b>Dollar Value</b>
<b>Administration</b>	<b>5%</b>	<b>\$1,500,000</b>
• 5% of the total revenue (\$30,000,000) collected		\$1,500,000
<b>Remaining Funds Available &amp; Allocations</b>		<b>\$28,500,000</b>
<b>1) Permanent supportive and affordable rental housing for extremely low-income households</b>	<b>32%</b>	<b>\$9,225,000</b>
• Funding for land acquisition and new development of affordable housing		\$9,225,000
• <i>Reallocate \$3,600,000 to rent relief</i>		
<b>2) Affordable rental housing for low-income households</b>	<b>27%</b>	<b>\$7,575,000</b>
• Funding for land acquisition and new development of new affordable housing		\$3,775,000
• Acquisition and rehabilitation of existing buildings for low-income households		\$3,800,000
• <i>Reallocate \$2,400,000 to rent relief</i>		
<b>3) Rental and for-sale housing for moderate-income households</b>	<b>10%</b>	<b>\$2,850,000</b>
• ADU Program		\$2,850,000
<b>4) Homelessness prevention and rental assistance</b>	<b>31%</b>	<b>\$8,850,000</b>
• Homelessness Prevention		\$2,735,000
• Student Housing FY 2020/21		\$55,000
• Student Housing FY 2021/22		\$60,000
• <i>Add \$6,000,000 for Rent Relief</i>		\$6,000,000
<b>Total:</b>		<b>\$30,000,000</b>

*Proposed changes are italicized.*