



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jim Shannon

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

DATE: October 29, 2021

Approved

Date: 10/29/2021

REPLACEMENT

REASON FOR REPLACEMENT

This replacement memorandum clarifies language within the Cost Summary/Implications section. As elsewhere in this memorandum the Administration anticipates transitioning away from the current level of food distribution support after June 2022, the cited 2021-2022 total for Resilience Corps that is referenced as a potential future year need has been revised to exclude the current allocation for Food Distribution Resilience Corps. The Cost Summary/ Implications section is further revised to provide more detail regarding the need to evaluate the continuation of community and economic recovery workstreams as part of the 2022-2023 budget development process.

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 \$39.9 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.

As directed by the City Council with the approval of the Mayor's June Budget Message for Fiscal Year 2021-2022, the Administration is recommending adjustments to the Community and Economic Recovery budget based on a better understanding of eligible uses of the ARP Fund, to respond to recent City Council direction on recovery initiatives, and a reassessment of budgetary needs for each workstream. In total, this memorandum recommends an increase of \$39.9 million within the ARP Fund – and associated position additions – including the following actions:

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| • Food Services and Food Distribution Resilience Corps | \$11.5 million |
| • Child and Youth Services (multi-year allocation) | \$5.0 million |
| • BeautifySJ Consolidated Model | \$4.8 million |
| • San José Bridge (two-year allocation) | \$4.5 million |
| • Emergency Housing Construction and Operation (multi-year allocation) | \$3.0 million |
| • Recovery Management, Coordination and Compliance (two-year allocation) | \$3.0 million |

City Council's approval of the recommended actions would leave \$42.6 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 that are not eligible for direct expenditure in the ARP Fund, but are eligible to receive funding through an increase in the revenue loss reimbursement transfer per U.S. Treasury Department regulations.

The City will continue to carefully manage the ARP Fund and other available resources to support the multi-year community and economic recovery effort.

BACKGROUND

The ARP Act, signed into law by President Biden in March 2021, provided a wide range of resources to support 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](#)¹ (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 dozens of 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 Message for Fiscal Year 2021-2022, which was then incorporated into the 2021-2022 Adopted Operating Budget.

City Council's approval of the 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. An informational memorandum on ARP eligibility was released on September 3, 2021², which also stated the Administration's intention to bring forward recommended actions in response to City Council direction on November 2, 2021.

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

² Please see *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>

ANALYSIS

Though \$212.3 million is a substantial amount of resources, the impact of COVID-19 on the community was far greater. 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, which included prioritization criteria with a racial equity lens. These 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, described in Table 1 below, primarily focus on adjustments to these existing workstreams in response to prior City Council direction, include actions to split up some workstreams for ease tracking and reporting, and recommend a very limited number of new initiatives in alignment with the City Roadmap. The Administration's approach to developing this memorandum's recommendations were guided by the following considerations:

- Respond to the public health impacts of COVID-19. We cannot fully recover from the pandemic until we lessen the presence of COVID-19 in our community. Continued investments in public outreach and communication are recommended to continue to drive up vaccination rates – already the highest among large U.S. cities. Though not included as a recommended adjustment here, up to \$9 million of additional support for the County of Santa Clara's isolation and quarantine program for those directly impacted by COVID-19 will likely be needed at a future date. Though the City will pursue reimbursement from FEMA for this program, ARP Fund resources may also be necessary.
- Reassess recovery needs, reaffirm the most impactful City Roadmap workstreams to meet those needs, and be realistic of organizational capacity to take on new or expand existing workstreams. The City remains committed to bringing diverse community voices to the table to co-create the vision, strategy, and execution of response and recovery initiatives. This engagement continues as we reassess how we can best deploy our resources to help the most vulnerable in this changing environment. At the same time – and even though the City is still bringing on new hires and contractors and partnering with the non-profit community to deliver services – the capacity of the City organization and our partners to both respond to and recover from the pandemic has limits. While we have been collectively resilient, we need to remain focused on the City Roadmap workstreams that provide the most significant benefit to our community and limit the creation of new workstreams.
- Fully fund existing workstreams for 2021-2022 and those projects and programs that have a discrete end date even if it extends beyond June 30, 2022; address the continued funding of "ongoing" programs as part of the 2022-2023 budget development process. Given the uncertainty of funding eligibility, the actions that might be taken by our governmental partners, the potential availability of other funding sources, and the prevalence of the virus, the 2021-2022 Adopted Budget only included partial year

funding for several workstreams. Armed with a bit more information now than back in May and June, the Administration feels confident enough to recommend actions ensuring that sufficient funding is available to meet the objectives of the previously identified workstreams, which includes the allocation of funds for a project or program whose end occurs after June 30, 2022. Some workstreams, however, have a large and ongoing scope that is closely interwoven with core City services – such as the BeautifySJ Consolidated Model and San José Abierto – where more analysis and City Council discussion is needed to recommend potential funding levels beyond June 30 and are better addressed in consideration of the City’s holistic budgetary context during the upcoming budget development process for 2022-2023. It is important to note that ARP funding is expected to be needed to continue programming at some level in 2022-2023. Fully allocating all ARP resources now leaves the City with very limited options to continue important recovery programs beyond the current fiscal year. Additional discussion of ongoing and future year needs is discussed in the Cost Summary/Implications section of this memorandum.

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 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 environments 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 Fund³. 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 \$9.2 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 listed 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 \$39.9 million of funds from the ARP Fund, which leaves a remaining balance of \$42.6 million. While unallocated at this time, anticipated needs that this funding would potentially support in 2022-2023 are significant and discussed in the Cost Summary/Implications section.

³ 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
BeautifySJ and Encampment Waste Pickup				
BeautifySJ Consolidated Model ⁴	\$10,200,000	\$4,800,000	\$15,000,000	<p>Increases funding for the BeautifySJ Consolidated model for 2021-2022 by \$4.8 million to achieve the objectives set by the City Council and respond to changing conditions. Funding includes \$1.9 million for a new team focused on blight and encampments near waterways and highways, with corresponding coordination with intergovernmental partners, that includes ongoing staffing of 1.0 Program Manager, 1.0 Senior Analyst, 1.0 Community Coordinator, 4.0 Maintenance Workers, and 2.0 Community Activity Worker positions (\$600,000), as well as non-personal equipment funding for waste pickup costs provided by BeautifySJ vendors (\$1.0 million), vehicle rentals for the new team (\$220,000), and supplies and materials (\$125,000); \$1.5 million 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; \$400,000 for increased vendor services for maintaining and adding new setbacks/buffer zones; \$400,000 to add 4.0 Maintenance Workers and associated non-personal equipment funding 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; and \$150,000 for physical deterrents such as k-rails, boulders, and cameras to prevent re-encampment and enforce illegal dumping city-wide.</p> <p>Finally, additional funding of \$475,000 serves as a placeholder for potential actions to prevent the return of unhoused residents and illegal dumping activities to Guadalupe Gardens after clean-up efforts conclude, including physical barriers, cameras, and Police Department overtime patrols. These efforts and costs will be revisited when staff returns 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> <p>The recommended staffing additions in Attachment B also include the formal ongoing addition of positions that were not included in the 2021-2022 Proposed Operating Budget, but added as temporary staff in the 2021-2022 Adopted Operating Budget for the dedicated abatement team for buffer zones (1.0 Community Coordinator and 2.0 Community Activity Workers) and to increase frequency of encampment trash pickup services (2.0 Community Coordinators and 2.0 Maintenance Workers II). Since the cost of these staffing resources is included in the 2021-2022 Adopted Budget,</p>

⁴ 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.

				there is no immediate cost implication to the budgeted position increase. It is important to note that, while the BeautifySJ Consolidated Model is an ongoing program, it does not have an 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.
San José Bridge ⁴	\$1,100,000	\$4,500,000	\$5,600,000	This action increases the funding for San José Bridge by a total of \$4.5 million to meet the objectives of the Cleaner San José memorandum approved by the Rules and Open Government Committee at its meeting on September 29, 2021 ⁵ to allow a total of 200 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 \$5.6 million includes \$3.0 million for 200 participants through June 30, 2023 (another \$800,000 for this program is budgeted within the Housing Trust Fund), and \$2.6 million is included to provide housing assistance (e.g. Rapid Rehousing, permanent supportive housing, etc.) to the estimated 125 participants that cannot be housed at the E-Lot Emergency Interim Housing site recently approved for construction.
Dumpster Days*	-	\$315,000	\$315,000	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.
Community Engagement, Communications, and COVID-19 Recovery Taskforce				
Community Engagement	-	\$500,000	\$500,000	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

⁵ 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>

				community engagement methods/tools that could be used to inform the Administration's future decision-making as well the Task Force committees or solutions groups, such as online workshops and surveys, polls, mapping, gamification techniques, storytelling, and artistic expression.
Emergency Public Information	\$500,000	\$500,000	\$1,000,000	This action fully funds pandemic emergency 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.
Child and Youth Services				
Child and Youth Services (formerly Child Care Learning Pods)	\$800,000	\$5,000,000	\$5,800,000	The existing allocation of \$800,000 in the ARP Fund, along with \$2.0 million of Community Development Block Grant (CDBG) Funding provides 100% scholarship support to qualified families for City-provided child and youth programming in 2021-2022. This action allocates an additional \$5.0 million for continued Child and Youth Services in alignment with the City Council-approved Mayor's June Budget Message for Fiscal Year 2021-2022 to consider a substantially larger allocation of ARP funds for strategic investments to reduce barriers for the opening of childcare sites, as well as recommendations from the Special Joint Meeting on Child Well-Being held by the City of San José Neighborhood Services Committee and the County of Santa Clara Children, Seniors and Families Committee on September 9, 2021 to explore utilization of ARP funds to expand ROCK programs and related supportive services, and collaborate with educational partners to create additional scholarship and alternative payment programs for children and families. Staff will continue to work with our partners to identify the most cost effective actions to address the needs as described above, including the potential continuation of the 100% scholarship program for qualified families for the ROCK Afterschool, SJ Recreation Preschool, and Camp San José through 2022-2023; supporting the implementation of the Children and Youth Master Plan; or other strategic investments to promote accessible childcare and education opportunities.

Digital Equity				
Community WiFi	\$750,000	\$2,000,000	\$2,750,000	<p>This action increases funding for community WiFi network construction at Andrew P. Hill, Oak Grove, and Independence high school attendance areas by up to \$2.0 million due to potential increased costs for equipment (access points, servers), contractual services for network performance management monitoring, and labor shortages. As described in the memorandum approved by the City Council on June 29, 2021⁶, these three sites were originally estimated to cost \$3.75 million and funded by a combination of General Fund (\$2.0 million, established from year-end savings in prior years) and CDBG resources (\$1.75 million).</p> <p>A recent bid received for the Independence high school attendance area indicates that costs could be substantially higher than previous estimates 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. Should contract prices 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, savings within this workstream could be recommended for reallocation as part of a future budget action.</p>

⁶ City Council Meeting on June 29, 2021, Item 3.9: <https://sanjose.legistar.com/LegislationDetail.aspx?ID=4988628&GUID=67A91F26-E7E3-42FF-85C1-62C14C7272FF>

Emergency Housing				
Emergency Housing Construction and Operation	\$2,500,000	\$3,000,000	\$5,500,000	<p>This action adds \$3.0 million to provide the necessary staffing through June 30, 2024 to support the direction approved by the Rules and Open Government Committee on September 29, 2021⁷ 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 four positions limit-dated to June 30, 2024, one of which will not start until July 1, 2022: 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; 1.0 Senior Engineer to provide high-level technical expertise and project management for preliminary development, design and construction of EIHCs; 1.0 Analyst for budgeting, cost tracking, project management support and contract monitoring; and 1.0 Contract Compliance Specialist to ensure that the City's labor compliance team has the capacity to manage these additional expected projects. The labor compliance position would start July 1, 2022 as construction gets underway. 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.</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 in the ARP Fund. The ongoing funding split 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 initially be involved with the interdepartmental coordination for EIHC construction</p>

⁷ Rules and Open Government Committee meeting on September 29, 2021, Item G.2:

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

				<p>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, new staffing includes two positions limit-dated to June 30, 2024: 1.0 Deputy City Manager position (50% funded by the ARP Fund) that will oversee EIHC expansion – as well as a systematic approach to unsheltered residents and BeautifySJ services, and a related focus of Code Enforcement – and 1.0 Senior Executive Analyst position (50% funded by the ARP Fund) to provide interdepartmental and interjurisdictional coordination, and analytical and policy support for homeless and BeautifySJ-related initiatives.</p> <p>This recommendation fully funds site identification and feasibility analysis, as well as the staffing resources to facilitate design and construction. However, budget for design and construction of specific sites are still needed.</p>
Food and Necessities Distribution				
Food Services	\$12,037,771	\$7,650,000	\$19,687,771	<p>This action provides funding of \$7.7 million to continue food services, including the provision of essential groceries, and prepared and shelf-stable meals, through June 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 funded these services through December 2021, pending reassessment of evolving conditions and service demand, which is now anticipated to continue into 2022 and especially during the colder months when food insecurity typically peaks. This additional \$7.7 million of recommended funding will continue services at anticipated Q2 2021 levels, or approximately 375,000 meals delivered/served per quarter in addition to grocery deliveries. Continuation of these services through June 2022 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 conditions⁸.</p>

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

Reemployment and Workforce Development

Food Distribution Resilience Corps	\$6,400,000	\$3,800,000	\$10,200,000	This action provides funding of \$3.8 million to extend support for the Second Harvest Food Bank food boxing program through June 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. However, demand for these services is expected to increase from October 2021 to March 2022 coinciding with colder weather, while overall staffing from fewer volunteers and National Guard assistance has declined, leading to higher overtime usage among existing staff to meet demand. This additional \$3.8 million in funding is recommended to continue services through June 2022 and meet the projected heightened demand and increased cost of service delivery.
Environment Resilience Corps	\$3,760,000	\$225,000	\$3,985,000	This action adds \$225,000 to account for necessary field supervisory and oversight support from the Parks, Recreation, and Neighborhood Services Department, as well as materials for bioswale rehabilitation, urban reforestation, and turf conversion that were omitted from the original budget allocation.

Sheltering and Enhanced Encampment Services

Downtown Homeless Health Response and Support	-	\$1,000,000	\$1,000,000	This action recommends the establishment of a new workstream totaling \$1.0 million to provide focused response and support activities to unsheltered residents in the Downtown area. The effort 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.
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Small Business Recovery

San José Al Fresco	\$700,000	\$150,000	\$850,000	This action allocates \$150,000 to provide sufficient funding to provide the temporary parklets with traffic safety barrier equipment (k-rails) and to backfill for lost parking meter revenue. As the temporary program runs through the end of December 2021, this action preserves the original \$700,000 to transition 20 of the temporary Al Fresco parklets into permanent Al Fresco parklets as intended.
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Recovery Foundation and Drive to Digital

Recovery Management, Coordination, and Compliance ⁹	\$1,000,000	\$3,000,000	\$4,000,000	<p>This action consolidates Recovery management, coordination and compliance staffing into a single workstream and expenditure appropriation totaling \$4.0 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 within 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, these positions are recommended to be formally established and limit-dated through June 30, 2023. Though a substantial investment at \$4.0 million, the Recovery Management, Coordination, and Compliance workstream represents 1.9% of the total \$212.3 million funding that will be received in the American Rescue Plan and 0.5% of the over \$803 million appropriated and/or programmed to address the persisting impact of the COVID-19 pandemic.</p> <ul style="list-style-type: none"> • City Manager's Office: 0.5 Deputy City Manager (existing), 1.0 Deputy Director, 2.0 Assistant to the City Manager, 1.0 Staff Specialist (50% funded by ARP Fund,) • Finance Department: 1.0 Division Manager, 1.0 Senior Accountant, 1.0 Senior Analyst, 1.0 Accountant, 3.0 Accounting Technician
Audio Visual Upgrades to Chambers and Committee Rooms*	-	\$1,131,000	\$1,131,000	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.
Hybrid Workplace*	\$1,000,000	\$1,000,000	\$2,000,000	This action fully funds the two-year program to allow for technology improvements within approximately 20 small and 20 large conference rooms at various City facilities, primarily focused at City Hall, to support hybrid meetings for attendees in-person and remotely. These

⁹ This workstream was formerly titled "City Manager's Office Recovery Team."

				improvements include cameras, audio installations, screens, and other peripherals essential for the City to operate with a viable hybrid work environment over the long term. The builds for the rooms will be standardized to ease use, simplify scheduling and administration, and to maximize possible pricing advantages in procurement. The budget also includes funding for 2.0 Network Technician III positions in the Information Technology Department for project and support work through June 30, 2023.
OneCity Workplace*	\$400,000	\$650,000	\$1,050,000	This action adds \$650,000 to fully fund a two-year program to both replace and modernize the City's existing intranet with a collaborative platform suited to the needs of a hybrid workforce. The costs include estimated vendor and licensing costs, as well as the continuation of a Senior Systems Applications Programmer in the Information Technology Department through June 30, 2023, to support the platform's deployment and use. Funding for five student interns for system testing will support the build-out and launch of the platform.
Omnichannel Strategy, Process Engineering, and Service Delivery Automation*	\$400,000	\$210,000	\$670,000	The action adds \$210,000 to fully fund 1.0 Senior Analyst in the Information Technology Department through June 30, 2023, to support the two-year program to analyze community use and needs of digital services, recommend new initiatives and features, and to track performance and customer service metrics. This supports the long-term vision and scalability of the San José 311 Omnichannel roadmap. Focus on customer usage data across all non-emergency City customer service channels, including the City Customer Contact Center, online portal, chat and virtual agents, and SJ 311 mobile application allows departments to improve efficiency, effectiveness, and equity in the City's service delivery.
Effective Teams	\$500,000	\$350,000	\$850,000	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.
Contract Processing and Support*	-	\$100,000	\$100,000	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.

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

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 with the 2021-2022 Adopted Budget, this memorandum provides a more comprehensive allocation of ARP resources now that we have a better understanding of eligible uses, actions taken by our local government partners, other funding that may become available later, and a reassessment of budgetary needs. 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, and preserves a meaningful level of funding to address additional urgent needs as they occur and continue some level of recovery efforts into 2022-2023.

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. However, recommendations for specific workstreams, such as design and construction contracts for Emergency Interim Housing Communities, 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, 2021.

Later in November 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.

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

This memorandum has been coordinated with the Finance, Housing, Human Resources, Information Technology, Library, Parks, Recreation and Neighborhood Services, and Public Works Departments, and, 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 \$39.9 million of ARP funds, which leaves \$42.6 million available for additional allocation in 2022-2023 and future years.

Table 2 – Summary of American Rescue Plan Fund Allocations

American Rescue Plan Fund Allocations	Amount
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)
Funds Available for Programming in 2021-2022 and Future Years	\$78.4 million
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
Revised Funds Available for Programming in 2021-2022 and Future Years	\$82.5 million
Recommended Community and Economic Recovery Budget Adjustments – November 2021	(\$39.9 million)
Remaining Available Funds for Programming for 2022-2023 and Future Years	\$42.6 million

The remaining \$42.6 million aligns with previous City Council direction to ensure that resources are available to protect the City against future negative budget impacts caused by the pandemic, and to preserve funding to continue recovery activities over a multi-year period. While City's revenue performance in the General Fund at the end of 2020-2021 likely indicates that economic conditions are more positive than initially suspected, the level of investment needed to continue recovery workstreams into 2022-2023 is significant. 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 fully funding community and economic recovery workstreams in 2021-2022 and those 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 their recommended revised 2021-2022 allocations and provide a sense of the potential future demand for these workstreams as compared to the \$42.6 million in remaining unallocated funds.

○ BeautifySJ Consolidated Model	\$15.0 million
○ Resilience Corps (w/o Food Dist.)	\$7.9 million
○ Child and Youth Services	\$5.8 million
○ SJ Bridge	\$5.6 million
○ San José Abierto	\$4.2 million
○ SOAR	\$3.0 million
○ Small Business Grants	\$2.8 million
○ Arts and Cultural Grants	\$2.0 million

Total \$46.3 million

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 \$3.0 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

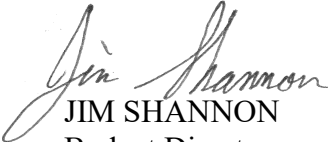
resources for design and construction, as these costs will vary from site to site. For reference, development costs for EIHCs has ranged from \$7 million to \$13 million (including donation costs), with the cost per resident ranging from \$66,000 to \$171,000. Operating and maintenance costs have ranged from \$2.0 million to \$3.9 million, at \$30,000 to \$43,000 per resident. While the City will continue to pursue all eligible funding sources for this project, including State funding, it is likely that ARP funding will also be needed.

- Isolation and Quarantine. These 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 forecast 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.

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

For questions, please contact Jim Shannon, Budget Director, at 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
<i>BeautifySJ and Encampment Waste Pick-up</i>	12,250,000	9,615,000	21,865,000
BeautifySJ Consolidated Model	10,200,000	4,800,000	15,000,000
* 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	4,500,000	5,600,000
* Vehicle Abatement Program, Proactive Patrol and Complaint Response	450,000	-	450,000
<i>Community Engagement, Communications, and COVID-19 Recovery Taskforce</i>	1,000,000	1,000,000	2,000,000
Community Engagement	-	500,000	500,000
COVID-19 Recovery Taskforce	500,000	-	500,000
Emergency Public Information	500,000	500,000	1,000,000
<i>Child and Youth Services</i>	2,838,000	5,000,000	7,838,000
Child and Youth Success	500,000	-	500,000
Child and Youth Services (was Childcare Learning Pods)	800,000	5,000,000	5,800,000
* 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
<i>Digital Equity</i>	3,820,000	2,000,000	5,820,000
Community WiFi	750,000	2,000,000	2,750,000
* Data Equity Lead	200,000	-	200,000
Device Access	2,120,000	-	2,120,000
Digital Equity Communications, Outreach & Education	750,000	-	750,000
<i>Emergency Housing</i>	2,500,000	3,000,000	5,500,000
Emergency Housing Construction and Operation	2,500,000	3,000,000	5,500,000
<i>Food and Necessities Distribution</i>	12,037,771	7,650,000	19,687,771
Food Services	12,037,771	7,650,000	19,687,771
<i>Housing Stabilization</i>	10,650,000	-	10,650,000
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
<i>Sheltering and Enhanced Encampment Services</i>	3,000,000	1,000,000	4,000,000
Homeless Services Outreach Assistance + Resources (SOAR) Program	3,000,000	-	3,000,000
Downtown Homeless Mental Health Response and Support	-	1,000,000	1,000,000
<i>Reemployment and Workforce Development</i>	14,050,000	4,025,000	18,075,000
Environment Resilience Corps	3,760,000	225,000	3,985,000
Food Distribution Resilience Corps	6,400,000	3,800,000	10,200,000
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
<i>Recovery Foundation and Drive to Digital</i>	3,588,000	6,441,000	10,029,000
* 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	2,000,000
* Omnichannel Strategy, Process Engineering, and Service Delivery Automation (San Jose)	460,000	210,000	670,000

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.

	2021-2022	Adjustment	2021-2022 Revised
City Roadmap Initiative and Workstream	Current Budget	Request	Budget
* OneCity Workplace	400,000	650,000	1,050,000
Recovery Management, Coordination and Compliance	1,000,000	3,000,000	4,000,000
Safe Workplace	228,000	-	228,000
Small Business Recovery	14,587,000	150,000	14,737,000
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
Other	575,000	-	575,000
Energy Saving Retrofits	500,000	-	500,000
YIGBY Land Use Policy Development	75,000	-	75,000
	\$ 80,895,771	\$ 39,881,000	\$ 120,776,771

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 Information Technology Department:
 - a. 1.0 Senior Analyst
 - b. 1.0 Senior Systems Applications Programmer
 - c. 2.0 Network Technician III
- 2) Add the following positions through June 30, 2023 to the Office of the City Manager:
 - a. 1.0 Deputy Director
 - b. 2.0 Assistant to the City Manager
 - c. 1.0 Staff Specialist
- 3) Add the following positions through June 30, 2024 to the Office of the City Manager
 - a. 1.0 Deputy City Manager
 - b. 1.0 Senior Executive Analyst
- 4) 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 Analyst
 - d. 1.0 Senior Accountant
 - e. 3.0 Accounting Technician
- 5) Add the following positions through June 30, 2024 to the Public Works Department:
 - a. 1.0 Division Manager
 - b. 1.0 Senior Engineer
 - c. 1.0 Analyst II
- 6) 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
- 7) Add the following positions to the Parks, Recreation and Neighborhood Services Departments:
 - a. 1.0 Program Manager
 - b. 1.0 Senior Analyst
 - c. 4.0 Community Coordinator
 - d. 4.0 Community Activity Worker
 - e. 10.0 Maintenance Worker II

ATTACHMENT C
General Fund
2021-2022 Budget Adjustment Detail

Department/Proposal		Use				Source		
		Personal Services	Non-Personal/ Equipment	Other	Total Use	Revenue	Beg Fund Balance	Net Cost
DEPARTMENTAL EXPENSES								
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
DEPARTMENTAL EXPENSES TOTAL		\$ 300,000	\$ -	\$ -	\$ 300,000	\$ -	\$ -	# \$ 300,000
CAPITAL IMPROVEMENTS								
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
CAPITAL IMPROVEMENTS TOTAL		\$ -	\$ -	\$ 1,131,000	\$ 1,131,000	\$ -	\$ -	\$ 1,131,000
CITY-WIDE EXPENSES								
Information Technology Department	Recovery Foundation and Drive to Digital - Hybrid Workplace	\$ -	-	2,000,000	\$ 2,000,000	-	-	\$ 2,000,000
	Recovery Foundation and Drive to Digital - Omnichannel Strategy, Process Engineering, and Service Delivery Automation	\$ -	-	670,000	\$ 670,000	-	-	\$ 670,000
	Recovery Foundation and Drive to Digital - OneCity Workplace	\$ -	-	1,050,000	\$ 1,050,000	-	-	\$ 1,050,000
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
	BeautifySJ and Encampment Waste Pickup - Downtown Automated Public Toilets	\$ -	-	400,000	\$ 400,000	-	-	\$ 400,000
Transportation Department	BeautifySJ and Encampment Waste Pickup - Vehicle Abatement Program, Proactive Patrol, + Complaint Response	\$ -	-	450,000	\$ 450,000	-	-	\$ 450,000
CITY-WIDE EXPENSES TOTAL		\$ -	\$ -	\$ 7,785,000	\$ 7,785,000	\$ -	\$ -	\$ 7,785,000
GENERAL FUND REVENUE								
Transfers and Reimbursements (Transfer from American Rescue Plan Fund)		\$ -	-	-	\$ -	9,216,000	-	\$ (9,216,000)
GENERAL FUND REVENUE TOTAL		\$ -	\$ -	\$ -	\$ -	\$ 9,216,000	\$ -	\$ (9,216,000)
TOTAL GENERAL FUND		\$ 300,000	\$ -	\$ 8,916,000	\$ 9,216,000	\$ 9,216,000	\$ -	\$ -

ATTACHMENT C
Special Funds
2021-2022 Budget Adjustment Detail

Department/Proposal		Use				Source			Net Cost
		Personal Services	Non-Personal/ Equipment	Other	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
American Rescue Plan Fund (402)									
Revenue	Revenue from Federal Government	\$ -	-	-	-	\$ -	\$ 39,881,000	-	\$ (39,881,000)
Housing Department	BeautifySJ and Encampment Waste Pick Up - San José Bridge Program	\$ -	-	5,600,000	-	\$ 5,600,000	\$ -	-	\$ 5,600,000
	Emergency Housing - Emergency Housing Construction and Operation	\$ -	-	3,000,000	-	\$ 3,000,000	\$ -	-	\$ 3,000,000
	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)
	Sheltering and Enhanced Encampment Services - Downtown Homeless Health Response and Support	\$ -	-	1,000,000	-	\$ 1,000,000	\$ -	-	\$ 1,000,000
Human Resources Department	Recovery Foundation and Drive to Digital - Effective Teams (Renamed from Recovery Foundation - Effective Teams)	\$ -	-	850,000	-	\$ 850,000	\$ -	-	\$ 850,000
	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	Child and Youth Services - San José Learns (Renamed from Childcare Learning Pods - San Jose Learns)	\$ -	-	500,000	-	\$ 500,000	\$ -	-	\$ 500,000
	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	\$ -	-	2,750,000	-	\$ 2,750,000	\$ -	-	\$ 2,750,000
	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	\$ -	-	5,800,000	-	\$ 5,800,000	\$ -	-	\$ 5,800,000
	BeautifySJ and Encampment Waste Pick Up - BeautifySJ Consolidated Model (Renamed from Encampment Services: BeautifySJ - Encampment Waste Pick Up and BeautifySJ)	\$ -	-	2,750,000	-	\$ 2,750,000	\$ -	-	\$ 2,750,000
	Food and Necessities Distribution - Food Services (Renamed from Resident Relief - Food and Necessities Distribution)	\$ -	-	7,650,000	-	\$ 7,650,000	\$ -	-	\$ 7,650,000
	Reemployment and Workforce Development - Environment Resilience Corps	\$ -	-	3,985,000	-	\$ 3,985,000	\$ -	-	\$ 3,985,000
	Reemployment and Workforce Development - Food Distribution Resilience Corps	\$ -	-	10,200,000	-	\$ 10,200,000	\$ -	-	\$ 10,200,000
	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
	Child and Youth Services - Child and Youth Success (Renamed from Childcare and Education - Child and Youth Services)	\$ -	-	-	-	\$ -	\$ -	-	\$ -
	Recovery Foundation and Drive to Digital - Recovery Management, Coordination and Compliance	\$ -	-	4,000,000	-	\$ 4,000,000	\$ -	-	\$ 4,000,000
	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)
	Small Business Recovery - Downtown Outdoor Activities Marketing Campaign	\$ -	-	200,000	-	\$ 200,000	\$ -	-	\$ 200,000

ATTACHMENT C
Special Funds
2021-2022 Budget Adjustment Detail

Department/Proposal	Use					Source		Net Cost
	Personal Services	Non-Personal/ Equipment	Other	Ending Fund Balance	Total Use	Revenue	Beg Fund Balance	
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	\$ -	-	9,216,000	-	\$ 9,216,000	\$ -	-	\$ 9,216,000
Budget Adjustments Total	\$ -	\$ -	\$ 39,881,000	\$ -	\$ 39,881,000	\$ 39,881,000	\$ -	\$ -
AMERICAN RESCUE PLAN FUND (402) TOTAL	\$ -	\$ -	\$ 39,881,000	\$ -	\$ 39,881,000	\$ 39,881,000	\$ -	\$ -
Emergency Reserve Fund (406)								
Budget Adjustments								
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)
Budget Adjustments Total	\$ -	\$ -	\$ (3,000,000)	\$ -	\$ (3,000,000)	\$ (3,000,000)	\$ -	\$ -
EMERGENCY RESERVE FUND (406) TOTAL	\$ -	\$ -	\$ (3,000,000)	\$ -	\$ (3,000,000)	\$ (3,000,000)	\$ -	\$ -