



Memorandum

TO: CITY COUNCIL

FROM: Mayor Liccardo

SUBJECT: SEE BELOW

DATE: November 2, 2021

Approved:

Date: 11/2/21

SUBJECT: COVID-19 Pandemic Response and Community and Economic Recovery Budget Adjustments.

RE COMMENDATION:

1. Defer expenditure of ARPA funding allocated in any November 2, 2021 Council action until January 15, 2022.
 - a. By that date, the City Manager shall certify in writing to the Council and the public whether the FY22-23 preliminary budget analysis demonstrates that ongoing positions and services funded from the General Fund can primarily remain fully funded without reductions.
 - b. Should the City Manager so certify, then additional recommended ARPA expenditures will commence on January 15, 2022. If the City Manager cannot so certify, then she will return to Council with a recommendation regarding the appropriate allocation of funding to address the most urgent community and economic recovery needs of our City.
 - c. Exceptions to this deferral of expenditure will be made for any category of ARPA expenditures that the City Manager deems necessary for immediate community and economic recovery operations and services, which the City Manager will specify publicly during this November 2nd Council hearing.
2. Accept Staff's recommendations, along with the recommendations of the October 29, 2021 memorandum of the Mayor, Vice Mayor, and Councilmembers Carrasco, Davis, and Mahan.

3. Accept recommendations 3 and 4 in the October 29, 2021 memorandum from Councilmembers Esparza and Arenas, with following modifications to the remaining recommendations:
 - Recommendation #5: Increase the funding for San José Bridge by a total of \$4.5 million for 200 participants as recommended by Staff, including the \$2.6 million needed to provide housing solutions for 125 participants.
 - a. Consider options to reduce housing expenditure through the elicitation of very modest payments (e.g., \$250 per month) for rent by participants, which will also assist participants in establishing or improving their credit history.
 - b. Direct staff to return to NSE by February 2022 with a comprehensive report on program outcomes.
 - c. Determine with the City Attorney that the current San Jose Bridge RFP can be used as a basis for expanding program participation for that share of the expenditure that is deferred to January 15th; if not, then move forward in the current calendar year.
 - Recommendation #6: Increase the expenditure for Community Engagement by \$310,000 for a stand-alone *promotores* pilot to enable two years of operation, as described in the May 13, 2021 Manager's Budget Addendum #8, but with no more than 0.5 of a City FTE for contract management and coordination, to reduce the overhead cost of this program. City staff shall also engage with local philanthropic partners, such as the Knight Foundation or the Silicon Valley Community Foundation, to determine if they will be willing to fund and direct the program design and assessment, as is common in many such pilots. Engagement of sophisticated philanthropic partners will be very helpful to ensure the success of the program, to reduce program cost, and to encourage additional philanthropic support.
 - Recommendation #7: As directed by City Council during the September 28, 2021 meeting, allow Housing staff to return to Council within the next month with recommendations to leverage Measure E Homelessness Prevention funding to provide support to tenants facing eviction.
 - Recommendation #8: Direct the City Manager to allocate \$1 million of General Fund dollars backfilled by ARPA funding for OEA payroll verification software to reflect the estimated cost of a three-year contract and return through the budget process if additional funding is needed.
 - Recommendation #9: Accept the recommendation of allocating \$100,000 to address staff hiring and retention, but with flexibility for the City

Manager to use the funding in the manner that will have the highest impact for improving the City's recruitment, retention, and talent-cultivation strategies. As previously described by the City Manager, an information memo shall be submitted to Council describing progress toward filling vacancies and effectiveness of specific strategies.