

# County of Santa Clara

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**James T. Beall, Jr.**  
Supervisor Fourth District

## MEMORANDUM

**DATE:** June 6, 2002

**TO:** Board of Supervisors  
County Executive

**FROM:** James T. Beall, Jr.  
Supervisor, District four

Pete McHugh  
Supervisor, District three

**RE:** FY 2002-03 Budget Augmentation of Redevelopment Settlement  
Agreement Funds for Housing

### Recommended Action

Approve on-going funding of 30% of Redevelopment Settlement Agreement delegated revenues for housing purposes.

Direct staff to prepare recommendations on possible allocation formulas that ensure equitable, legal distribution of funds for potential housing projects in each Supervisor's district.

### Fiscal Implications

There should be no general fund costs as a result of this Board action. The on-going allocation will vary depending upon the amount of funds collected from the City of San Jose Redevelopment Agency. Delegated Redevelopment Settlement funds have been previously calculated as follows:

Year	2001	2002	2003	2004	Total
Projected Delegated Funds	8.19	14.48	18.31	20.15	61.13
Proposed 30% Housing	2.46	4.35	5.49	6.06	18.36

After 2004 the delegated revenue will come from future San Jose Redevelopment bond sales that are unpredictable and therefore, not illustrated.



### Background and Reasons for Recommendation

On April 9<sup>th</sup> 2002, the Board of Supervisors requested that during the June Budget hearings consideration be given to allocating up to 30% of the delegated Redevelopment Agency funds for affordable housing purposes. This decision followed recommendations from the Housing Task Force, a diverse community group that engaged in an intensive year long planning process. The Housing Task Force presented its recommendations to the Board of Supervisors in the County of Santa Clara Housing Task Force Report.

Given the continuing high demand for housing in Santa Clara County, even during the economic downturn, we believe that it is imperative for the County to take a leadership role by applying resources to address the critical shortage of affordable housing. The Board action in April provided the County the organizational infrastructure to more comprehensively address housing issues. The proposed allocation of 30% of the delegated Redevelopment Agency Settlement revenues will partially provide the financial resources absolutely necessary to accomplish the goals identified by the Housing Task Force.

Although the critical shortage of housing affects all residents of Santa Clara County, the most severe burden of high housing costs are borne by low income residents. Both public and private sector low wage employees experience the dire economic and familial consequences associated with the lack of affordable housing. A truly comprehensive local solution is needed to address the crisis. Although the allocation of additional funding derived from the delegated Redevelopment Settlement Funds will not resolve this crisis, it is a step in the right direction and it acknowledges both the impact of high housing costs on low-income residents and the resulting retention/recruitment costs borne by all employers, including the County.

In addition to struggling to retain and recruit employees, the County spends significant resources on securing housing for those who depend upon our services. The County spends an estimated \$ 54 million annually only addressing the housing needs of the homeless in Santa Clara County. The adverse dual impact of high housing costs, on both County employees and those who rely upon our services, is compelling enough reason for the County to commit to addressing the crisis of affordability.

We believe that it is possible to legally use the Redevelopment Settlement Revenues for capital projects that will free up funds in order to enable residents in all Supervisorial districts to benefit. Assuming the Board approves this policy decision allocating 30% of the delegated RDA funds for housing, we then recommend the Board to direct Administration to develop options for using resources to expand housing opportunities equitably Countywide. We request that the Administration bring options to both the HLUET and the FGOC within 3 months following this action.