



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Pat Dando, Chair
Cindy Chavez
Ken Yeager
HNVF Advisory Committee

SUBJECT: SEE BELOW

DATE: 06-18-04

Approved

Pat Dando *Ken Yeager*

Date

06-21-04

**SUBJECT: ADDENDUM TO HNVF ADVISORY COMMITTEE
RECOMMENDATION FOR USE OF 2004-2005 HNVF FUNDS**

RECOMMENDATION

1. Reduce the allocation for the Youth Tobacco Education and Compliance Program by \$87,286, from \$141,977 to \$54,691;
2. Reduce the allocation for the Local Enforcement of Tobacco Control Regulations Project by \$13,339, from \$94,772 to \$81,433;
3. Increase the allocation to the Children's Health Initiative by \$300,000 in the HNVF Funds and \$100,000 in Calpine contribution, from \$1,700,000 to \$2,100,000;
4. Increase the allocation to the Alzheimer's Activity Center Project by \$6,675 from \$20,025 to \$26,700;
5. Increase the allocation for the Senior Safety Education Program project by \$19,357, from \$58,073 to \$77,430;
6. Increase the allocation for the Addressing the Gaps in Aging Services - Nutrition Program by \$155,900, from \$623,599 to \$779,499;
7. Increase the allocation to the Minority Senior Service Providers Consortium Wellness Project by \$46,725, from \$140,175 to \$186,900;
8. Allocate \$66,000 to the Seniors Living With Vision Loss Project; and
9. Use the following sources to help support the recommendations:
 - \$182,232 in Carryover FY 2003-2004 Unrestricted Fund Balance;
 - \$283,417 in Settlement Reserve; and
 - \$28,383 in FY 2004-2005 Interest Earnings.

BACKGROUND

The Director of Parks, Recreation and Neighborhood Services forwarded the Healthy Neighborhoods Venture Fund (HNVF) Advisory Committee's recommendation for use of FY

2004-2005 (Cycle 5) HNVF Funds to the City Council on June 1, 2004, as the Manager's Budget Addendum #47. The Committee's recommendation allocated \$9.88 million in projects/administration and \$500,000 in an operating reserve.

ANALYSIS

This report outlines HNVF Advisory Committee's addendum to the recommendation for use of HNVF funds in the FY 2004-2005. Additional input from Committee members and the nonprofit community was received after the Committee recommendations on May 17. A HNVF Advisory Committee special meeting was held on June 16, 2004, at which time revisions to the Committee's recommendations were made to incorporate the input that was received.

Funds Available for Allocation

The recommendations contained in this report assume the availability of \$14,069,492 in total sources of FY 2004-2005 HNVF funds (See Attachment A). Of this total, \$2,516,898 is carryover encumbrances for existing projects and \$11,552,594 is available to allocate in FY 2004-2005. This assumption is based on the following:

Carryover of the following unspent FY 2003-2004 funds totaling \$1,318,301

- Unrestricted Beginning Balance \$581,425
- Settlement Reserve \$283,417
- Interest Earning Reserve \$453,459

2. Receipt of FY 2004-2005 settlement funds in the amount of \$9,984,293;
3. Calpine's contribution of \$100,000 to the Children's Health Initiative Project; and
4. Anticipated FY 2004-2005 interest earning of \$150,000.

Revised Committee Recommendation

The Committee received 120 applications for funding totaling approximately \$24 million in requests. As a result, the Committee decided to make all unrestricted carryover funds available for allocation. Additional funds from the Settlement Reserve and anticipated FY 2004-2005 Interest Earnings were also made available for allocation to FY 2004-2005 projects. The allocation of additional funds helps to ensure that much needed services continue to be provided to the San Jose community and helps to maintain the viability of the City's nonprofit partners during these challenging economic times.

Children's Health Initiative

The Children's Health Initiative provides health insurance to families that have income at or below 300% of the federal poverty level. It is recommended that funding for the project be maintained at its current HNVF settlement funding level of \$2 million, thereby increasing the allocation from \$1.7 million to \$2.0 million. The additional \$100,000 is a continuation of Calpine's contribution to the program and does not come from the HNVF settlement funds. FY 2004-2005 is the fourth year of a five-year Calpine contribution plan to the Children's Health Initiative Program.

Tobacco Free Community/Health Projects

On May 17, 2004, the Committee approved thirteen (13) projects in the Tobacco Free Community/Health category totaling \$962,922 for recommendation to the City Council. Included in this recommendation are two projects that enforce tobacco regulations recommended at their smaller project request level. These projects are the Youth Tobacco Education and Compliance Program and the Local Enforcement of Tobacco Control Regulations.

Enforcement of tobacco regulations is ranked as Priority 1 for funding under the Tobacco Free Community category. Based on the funding strategy for FY 2004-2005, Priority 1 projects were to be recommended at their current funding level. At the Committee's May 12th meeting, the community voiced concerns regarding the reduction in the total amount recommended for allocation to the Tobacco Free Community/Health category. Based on these concerns, the Committee recommended increasing the current funding level for two tobacco enforcement projects to their smaller project requests. After additional input from the Committee and the community, it now recommended that funding for these two projects be returned to the original recommendation. This will maintain consistency in funding Priority 1 projects at their current funding levels.

Vital Senior Services/Health Projects

The Committee approved thirty-one (31) projects in the Senior Services/Health category totaling \$1,975,811 for recommendation to the City Council. At the request of the Committee and the applicants and/or the community, several projects were re-evaluated vis-à-vis the guidelines for Priority 1 senior services projects. As a result, four projects are now re-classified as priority 1 projects. Consistent with the funding strategy for Priority 1 projects, these projects are now recommended at their current funding levels. Additionally, one project, the Seniors Living With Vision Loss, was re-evaluated for qualification under the Innovation category and is recommended for funding in the category. These projects are discussed below.

Alzheimer's Activity Center

The Alzheimer's Activity Center project is a currently funded project that provides dementia specific daycare/respite to seniors who are 100% disabled due to Alzheimer's disease. It was classified as a Priority 2 project, one that aligns with the HNVF goal to maintain the independence and well being of seniors. At the request of Committee members and the applicant, the project was re-evaluated vis-à-vis Priority 1 guidelines for senior services. Results

of the evaluation indicate that the project addresses safety factors that potentially could be life threatening for the seniors with Alzheimer's Disease who participate in the program. Consequently, the project is being re-classified as a Priority 1 project. Consistent with the funding strategies for Priority 1 projects, it is now recommended that funding for the Alzheimer's Activity Center be maintained at its current funding level of \$26,700.

Senior Safety Education

The Senior Safety Education project reduces the chances of injury, disability, and death of San Jose seniors by educating them on fire safety, fall prevention, earthquake preparedness and how to use the Vial of Life, a program that provides emergency response personnel vital medical information on the seniors using the program. The project was originally determined to be a Priority 2 project. Priority 2 Senior Services/Health projects are those that enable seniors to maintain independence through preventative health programs, advocacy, and services in their homes. Based on input from several Committee members and further clarification of the program by the applicant, the project has been reclassified as a Priority 1 project because it addresses safety issues for seniors. Priority 1 Senior Services/Health projects are those that allow for the maintenance of basic senior services, such as, food/nutrition, health (treatment), shelter, and safety. Maintaining its current funding level of \$77,430 is recommended.

Addressing the Gaps in Aging Services – Nutrition Meal Program

Addressing the Gaps in Aging Services – Nutrition Meal Program provides hot lunches to seniors at the Cypress, Almaden, Gardner, Kirk, St. James, and Alviso Community and Senior Centers. It also partially supports thirty-two (32) food service positions in eight County-funded nutrition sites in San Jose (Alma, Berryessa, Evergreen, Hank Lopez, Iola Williams, Southside, St. James and Willows Community and Senior Centers.) Although classified as a Priority 1 project, funding was not recommended at its current funding level because it was originally anticipated that renovation activities would reduce participation in the nutrition program at the Gardner and Almaden sites. It has since been determined that the Gardner site will become operational in July, and the nutrition program at the Almaden site can be continued at the La Mirador Senior Housing Complex through November of 2004, and then moved to the Almaden Winery for the remainder of the fiscal year. It is now recommended that FY 2004-2005 funding for the Addressing the Gaps in Aging Services – Nutrition Meal Program be maintained at its current funding level of \$779,499.

Minority Senior Services Providers Consortium Wellness Project

Minority Senior Services Providers Consortium Wellness Project provides health and wellness services that promote a healthy lifestyle, increase the accessibility and affordability of health services to at-risk, limited English speaking Korean, Portuguese, Chinese, and Japanese seniors. The project was re-evaluated vis-à-vis Priority 1 guidelines for senior services. Results of the evaluation indicate that the project provides for the maintenance of basic senior services. The project has been reclassified as a Priority 1 project due to its significant food/nutrition program and health treatment services components. Consistent with the funding strategy for Priority 1

projects, it is now recommended that funding for the project be maintained at its current funding level of \$186,900.

Seniors Living With Vision Loss

The Seniors Living With Vision Loss project provides peer emotional support to seniors who are blind or becoming blind to assist them in coping with losing their vision and mobility. It also provides adaptive skills training to perform vital daily living tasks, and services to better manage their health, increase their quality of life and remain independent. It is a new project that aligns with the HNVF goal of maintaining independence and well being of seniors. After input from the Committee members and the community, the project was re-evaluated for consideration under the Innovation category. Results of the evaluation show that the proposed project qualifies under the established guidelines for innovative projects. The applicant, Santa Clara Valley Blind Center, Inc., has not received HNVF funding and proposes a project that is not widely available. It is recommended that the Seniors Living With Vision Loss be funded at its smaller project request level of \$66,000 under the Innovation category.

Recommended changes to the HNVF Advisory Committee's recommendations for use of the FY 2004-2005 HNVF funds are summarized below.

Project	Committee's May 17th Recommendation	Committee's Revised Recommendation
Children's Health Initiative	\$1,700,000	\$2,100,000
503: Youth Tobacco Education and Compliance Program	\$141,977	\$54,691
504: Local Enforcement of Tobacco Control Regulations	\$94,772	\$81,433
513: Alzheimer's Activity Center	\$20,025	\$26,700
516: Senior Safety Education	\$58,073	\$77,430
578: Addressing the Gaps in Aging Services - Nutrition Meal Program	\$623,599	\$779,499
584: Minority Senior Services	140,175	186,900
613: Seniors Living With Vision Loss		

This revised recommendation requires additional funding totaling \$694,657 for six (6) projects. (Attachment B) The sources of funds for the increase are as follows:

Vice Mayor Pat Dando, Chair
HNVF Advisory Committee

Councilmember Cindy Chavez
HNVF Advisory Committee Member

Councilmember Ken Yeager
HNVF Advisory Committee Member

attachments

Attachment A
HNVF Sources and Proposed Uses of 2004-05 Funds

Healthy Neighborhoods Venture Fund 2004-05

SOURCES OF FUNDS		
Beginning Fund Balance		
- Unrestricted	\$581,425	
- Settlement Reserve	\$283,417	
- Interest Earnings Reserve	\$453,459	
Total Beginning Fund Balance	\$1,318,301	\$1,318,301
Carryover Encumbrance (Prior Project Commitments)	\$2,516,898	
Total Carryover Encumbrance	\$2,516,898	\$2,516,898
Revenue:		
- Tobacco-Settlement Allocation	\$9,984.2	
- Calpine Contribution	\$100,0	
- Interest	\$150,0	
Total Revenue	\$10,234,293	\$10,234,293
TOTAL Sources of funds	\$14,069,492	\$14,069,492
USES OF FUNDS		
Expenditures:		
Administration	\$500,000	
Payment on inter-fund loan	\$30,000	
Children's Health Initiative:		
- HNVF Allocation	\$1,700,000	
- Calpine Allocation	\$100,000	
Homework Centers Program	\$2,465,000	
Anti-Tobacco/Health Activities	\$962,922	
Senior Services/Health Activities	\$1,907,006	
Education/Health Activities	\$1,975,811	
Innovation	\$342,747	
Total Expenditures	\$9,983,486	\$9,983,486
Carryover Encumbrance (Prior Project Commitments)	\$2,516,898	\$2,516,898
Ending Fund Balance:		
- Unrestricted		
Left from 2003-04 Unrestricted Funds	\$182,232	
2004-05 Fund Balance	\$500,000*	
Estimated 2004-05 Interest Earnings	\$150,000	
- Settlement Reserve	\$283,417**	
- Interest Earning Reserve	\$453,459***	
ENDING FUND BALANCE:	\$1,569,10	\$1,569,108
TOTAL Use of Funds	\$14,069,49	\$14,069,492

* Unrestricted funds for unanticipated revenue shortfall

** Contingency for capital project over runs

*** Prior year actual interest earned recommended reserve for future generations

Proposed Additions to HNVF Committee's May 17th Recommendations	Recommendation
Children's Health Initiative	\$400,000
513: Alzheimer's Activity Center	\$6,675
516: Senior Safety Education	\$19,357
578: Addressing the Gaps in Aging Services - Nutrition Meal Program	\$155,900
584: Minority Senior Services	\$46,725
613: Seniors Living With Vision Loss	\$66,000
TOTAL	\$694,657

Recommended Sources of Funds

Calpine's Contribution to Children's Health Initiative

<u>Carryover FY 2003-2004 Unrestricted Fund Balance</u>	\$182,232
<u>Settlement Reserve</u>	\$283,417
<u>FY 2004-2005 Interest Earnings</u>	\$28,383
<u>TOTAL</u>	