



2018-2019

OPERATING BUDGET

**ATTACHMENT B -
STATUS OF MAYOR
AND
CITY COUNCIL
REFERRALS**

Status of Mayor and City Council Referrals

2018-2019 Proposed Operating Budget

The Mayor's March Budget Message for Fiscal Year 2018-2019, as approved by City Council on March 20, 2018, contains policy direction and a framework of priorities for the City Manager to use in the development of the Proposed Operating and Capital Budgets. The complete Message can be found in the Appendix section of this document. The table below provides a summary of the central framework provided to the City Manager as direction to prepare proposals for the City Council's budget deliberations in May and to formulate the 2018-2019 Adopted Budget.

Referral	Resolution
<p>Submit a balanced budget for Fiscal Year 2018-2019 that is guided by the policy direction and framework of priorities outlined in the Mayor's March Budget Message.</p>	<p>The 2018-2019 Proposed Operating Budget incorporates this direction.</p>
<p>Homelessness – Evaluate all potential funding sources to add one-time funding of \$3 million for homeless solutions, particularly the measures Council has already prioritized, including bridge housing, hotel/motel acquisition, and safe parking. These one-time funds can potentially be leveraged by state funding, such as AB3171 and other homeless funding bills that have been introduced and are a high priority for the legislature this year. The City Manager is directed to leverage these funds wherever possible with other public or private dollars.</p>	<p>The 2018-2019 Proposed Operating Budget includes one-time funding of \$3 million for homeless solutions, particularly measures the City Council has prioritized, including bridge housing, hotel/motel acquisition, and safe parking. These funds will also be leveraged, as directed. This action is supported by the Housing Authority Litigation Award Settlement, budgeted in the Multi-Source Housing Fund.</p>
<p>Housing – Provide a proposed scope of work and funding source for two Planners in the Planning Department focused on development in the North San José, Berryessa, and Downtown areas.</p>	<p>The 2018-2019 Proposed Operating Budget includes ongoing funding in the General Fund for 2.0 planner positions (1.0 Planner IV and 1.0 Planner III) to focus on housing development in the North San José, Berryessa, and Downtown areas, seeking to meet the goal of enabling as many as 17,000 units constructed within walking distance of fixed-rail transit. More detail on this action is provided in the City Departments/Council Appointees section for the Planning, Building and Code Enforcement Department.</p>
<p>African American Community Services Agency (AACSA) – Work with AACSA to identify and prioritize capital improvement upgrades that are required to make sure the</p>	<p>The 2018-2019 Proposed Operating Budget includes one-time funding of \$250,000 for capital improvement upgrades for the AACSA to ensure the building is up to code. More detail on this</p>

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building is up to code, setting aside \$250,000 for these improvements. Provide a scope of work which should prioritize the capital improvements necessary, in conjunction with existing funding and matching funding, to help AACSA become a First 5 Center and a Meals Center for the City. Perform a preliminary analysis for long-term, mixed-use redevelopment of the site that includes space for AACSA-provided community services and housing, leveraging private dollars to deliver public benefit.

Project Hope – Continue one-time funding in the next fiscal year.

Domestic Violence – Utilize \$150,000 to implement a pilot program that will offer flexible options for the Housing Department and advocates to offer emergency housing and/or assistance for up to 100 additional families in need. Work with service providers and bring forth an analysis in the June budget process with additional recommendations to address increasing housing or shelter options of a more permanent nature through the anticipated Request for Proposals to be issued to affordable developers this year. Assess the potential impact of other investments, such as staffing in the San José Police Department's Domestic Violence Unit, police officer training, and community outreach.

Climate Smart – Work with the State of California, the Santa Clara Valley Open Space Authority, and other funding partners to

Resolution

action is provided in the General Fund Capital, Transfers, Reserves section. The Administration will provide preliminary analysis for long-term, mixed-use redevelopment of the site that includes space for AACSA-provided community services and housing, leveraging private dollars to deliver public benefit, and will prepare an estimated cost and schedule as part of a Manager's Budget Addendum that will be released later in the budget process.

The 2018-2019 Proposed Operating Budget provides ongoing funding to continue the Project Hope Program at an expanded level, adding 1.0 Community Activity Worker position and 2.0 Community Coordinator positions. More detail on this action is provided in the City Departments/Council Appointees section for the Parks, Recreation, and Neighborhood Services Department.

The 2018-2019 Proposed Operating Budget includes \$150,000 to implement a pilot program that flexibly meets the housing and assistance needs of up to 100 additional families. More detail on this action is provided in the City-Wide Expenses section for the Community and Economic Development CSA. The Administration will also work with service providers to analyze and recommend options for increasing housing or shelter through the anticipated Request for Proposals to be issued to affordable developers this year, and will provide an assessment of the potential impacts of other investments as part of a Manager's Budget Addendum that will be released later in the budget process.

The 2018-2019 Proposed Operating Budget includes \$100,000 to support efforts coordinated with the State of California, the Santa Clara

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agree upon a defined scope and funding plan for a specially explicit analysis of our natural and working lands, as part of Climate Smart San José, Phase II. Return through the budget process with a funding plan, scope of work, and timeline for this work, and should commit \$100,000 to this effort to match grants and other external sources.

Electric Vehicle Infrastructure – Develop an electric vehicle (EV) strategy to advance public and private charging infrastructure. The strategy should focus, in part, on fully exploring and leveraging opportunities for external funding – e.g., through PG&E, the Volkswagen settlement, the cap-and-trade program, and the Air Resources Board – to accelerate EV adoption, as well as access to EV shared mobility options, and return to Council with a proposed strategy in the fall of 2018, with specific numerical targets for public and private chargers.

Smart City – Return through the budget process with a proposed timeline for implementation of Smart City priorities (data integration, My San José 2.0, and Smart City Roadmap), cost, and funding plan for Council consideration.

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Valley Open Space Authority, and other funding partners to agree upon a defined scope and funding plan for analysis of the City's natural and working lands. More detail on this action is provided in the City-Wide Expenses section for the Environmental and Utility Service CSA.

The Administration will develop an electric vehicle (EV) strategy to advance public and private charging infrastructure and present the proposed strategy to the City Council in the fall of 2018.

The 2018-2019 Proposed Operating Budget provides one-time funding for My San José 2.0 (\$1.5 million), Citywide Open Data Environment (\$600,000), a Chief Data Officer for a two-year period (\$400,000), Innovation Roadmap (\$300,000), and for project management capacity in the Information Technology Department's City Portfolio-Product-Projects Office (\$150,000). More detail on these actions can be found in the City Manager's Office, Information Technology Department, and the City-Wide Expenses-Strategic Support sections of this document. The Administration will provide a proposed timeline, costs, and funding plan for implementation of these and other Smart Cities priorities as part of a Manager's Budget Addendum that will be released later in the budget process.

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<p>San José (SJ) Learns – To the extent possible, continue funding for SJ Learns at its current level on an ongoing basis.</p>	<p>The 2018-2019 Proposed Operating Budget provides ongoing funding of \$1.0 million to continue and expand the SJ Learns program, building on the best practices identified through SJ Learns 1.0 and SJ Learns 2.0. More detail on this action is provided in the City Departments/Council Appointees section for the Library Department.</p>
<p>Summer Learning – Allocate \$250,000 in one-time funding to summer learning programs through SJ Learns.</p>	<p>The 2018-2019 Proposed Operating Budget includes one-time funding of \$250,000 to expand SJ Learns' partnership with schools to include summer learning programs. More detail on this action is provided in the City Departments/Council Appointees section for the Library Department.</p>
<p>San José (SJ) Works – Fund the San José Works initiative on an ongoing basis, to the extent possible, to help another 1,000 kids build pathways toward a career. The Mayor's Office of Strategic Partnerships (OSP) will leverage that funding and the commitments already secured from corporate partners, school districts, foundations, and individuals.</p>	<p>The 2018-2019 Proposed Operating Budget includes ongoing funding of \$1.5 million for SJ Works to provide 1,000 youth with employment services and critical life skills instruction, including leadership development, financial literacy, job counseling, job readiness training, and other supportive services such as transportation and clothing. More detail on this action is provided in the City-Wide Expenses section for the Community and Economic Development CSA.</p>
<p>Service Year – Allocate \$300,000 in one-time funding to Service Year programs to support programs in the Library and Parks and Recreation Departments.</p>	<p>The 2018-2019 Proposed Operating Budget includes one-time funding of \$300,000 to support Service Year programs in the Library Department and Parks, Recreation and Neighborhood Services Department. More detail on this action is provided in the City-Wide Expenses section for the Community and Economic Development CSA.</p>
<p>Fourth of July City Celebrations and Fireworks – Use one-time funding from the Transient Occupancy Tax Fund and/or Parking Fund to support the 2018 event, and</p>	<p>One-time funding for the Fourth of July City Celebrations and Fireworks will be provided through the 2017-2018 Transient Occupancy Tax Funded Arts and Cultural Development Grants</p>

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to work with our Airport regarding a strategy to address safety concerns. Reach out to partners in the arts community to consider how we might integrate Independence Day-themed cultural performances and art – such as music, spoken word, and murals – that might express our community’s unique perspectives on what it means to be American in a city as diverse as San José.

Dumpster and Beautification Days – Continue funding for the neighborhood-led dumpster and beautification days – “BeautifySJ Days” – so that each Council Office receives \$18,000 for neighborhood-led and Council Office supported beautification days, including but not limited to dumpster days, community clean-ups, sound wall beautification, and other community-identified projects that can promote a stronger sense of community pride and improve San José’s aesthetics.

Anti-Litter Program Expansion – Add one-time funding of \$125,000 to increase staffing by 2.0 FTEs to on-board additional Community Activity Workers to further support community clean-up efforts, especially on the weekends.

BeautifySJ Grants – Combine one-time funding of \$200,000 with ongoing BeautifySJ grant funding of \$100,000 to further support projects in our neighborhoods. Examine the existing grant contracts distributed to the 71 community grants as part of their mid-year reports, and extend the time of the current grant contracts and MOUs to groups that have started their projects by the current grant deadline.

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program (\$80,000) and a contribution from the General Purpose Parking Fund (\$40,000). Corresponding adjustments will be brought forward as part of the Memorandum to Approve Various Budget Actions in Fiscal Year 2017-2018 in June 2018. The Administration will also engage arts community partners regarding the integration of Independence Day-themed cultural performances and art.

The 2018-2019 Proposed Operating Budget includes ongoing Base Budget funding of \$180,000 to support additional beautification and community-building efforts in each of the City’s ten Council Districts. This funding is included as part of the 2018-2019 Base Budget for Environmental Services Department, which manages this allocation.

The 2018-2019 Proposed Operating Budget includes ongoing funding of \$160,328 for 2.0 Community Activity Workers to support community clean-up efforts, especially on weekends. More detail on this action is provided in the City Departments/Council Appointees section for the Parks, Recreation, and Neighborhood Services Department.

The 2018-2019 Proposed Operating Budget includes one-time funding of \$200,000 to support beautification and community-building efforts in neighborhoods. More detail on this action is provided in the City-Wide Expenses section for the Neighborhood Services CSA. The Administration will examine the existing grant contracts distributed to the 71 community grants as part of their mid-year reports, and extend the time of the current grant contracts and MOUs to groups that have started their projects by the

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	current grant deadline.
<p>Median Island Landscape Maintenance – Examine the performance of the Blighted Street Medians, Gateways, and Roadside Areas efforts and return with a recommendation for continuing or expanding this program in the 2019-2020 program year.</p>	<p>The Department of Transportation will examine the performance of the Blighted Street Medians, Gateways, and Roadside Areas efforts and present recommendations for continuing or expanding the program for 2019-2020 to the City Council in spring of 2019.</p>
<p>Vietnamese American Community Center – Include funding to continue operations, and bring forward a recommendation on whether additional funding is needed now that use has expanded to the entire Shirakawa Center.</p>	<p>The 2018-2019 Proposed Operating Budget includes one-time funding of \$262,114 to continue operations at the Vietnamese American Community Center, including 2.0 Recreation Leader PT, 1.0 Recreation Program Specialist, and 1.0 Senior Recreation Leader positions. As the City continues as the lead operator while partnering with local service providers to build their capacity and enhance services for the community, the Administration will bring forward any additional funding needs during the 2019-2020 budget development process now that use has expanded to the entire Shirakawa Center. More detail on this action is provided in the City Departments/Council Appointees section for the Parks, Recreation, and Neighborhood Services Department.</p>
<p>Downtown Ice Rink Improvements – Allocate \$100,000 in one-time funding from the General Purpose Parking Fund for repairs and upgrades of the Downtown Ice Rink.</p>	<p>The 2018-2019 Proposed Operating Budget includes one-time funding of \$100,000 transferred from the General Purpose Parking Fund to the General Fund to address capital repairs and upgrades to the Downtown Ice Rink to keep the event viable and attractive. More detail on this action is provided in the City-Wide Expenses section.</p>
<p>Deferred Maintenance and Infrastructure Backlog – Analyze options, and return to Council to discuss the following strategies to address infrastructure needs:</p> <ul style="list-style-type: none"> • Bond Measure: Identify roughly \$300 million in critical capital needs that could 	<p>The Administration will identify approximately \$300 million in critical capital needs that could comprise a November 2018 bond measure and report to City Council in May 2018. The Administration will also evaluate opportunities to leverage private dollars to assist in eliminating the deferred maintenance backlogs, and intends to</p>

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<p>comprise a bond measure that we could take before the voters in November of 2018. The effort should also include identifying new infrastructure, such as for Fire Station 37, a Charcot pump station, and a Police Academy training facility. Particular priority should be given to those capital investments - such as drip irrigation in our parks, or energy-efficient LED streetlights - that could reduce our ongoing costs. Staff should return with this report in May.</p> <ul style="list-style-type: none"> • Public Private Partnerships: Where we can leverage private dollars to assist in eliminating large maintenance backlogs, evaluate how we might exploit those opportunities in the near future. For example, a bond-funded rebuild of the Police Administrative Building (an aging building with \$12 million in deferred maintenance) might include structured parking that would enable the City to sell or lease Lot E for private development, paying for much of the new construction, and eliminating the maintenance debt from our books. Similarly, the Center for Performing Arts has \$50 million in unfunded capital needs, but investors have swirled around that site with the possibility of utilizing air rights above it or adjacent space and funding capital improvements in the building. Another energy service contract (ESCO) with a private provider could help reduce our ongoing energy costs. 	<p>report back to the City Council in the fall of 2018.</p>
<p>Future Deficit Reserve – Establish a 2019-2020 Future Deficit Reserve, and fully fund it at the \$15.5 million level, sufficient to address the anticipated deficit.</p>	<p>The 2018-2019 Proposed Operating Budget establishes a 2019-2020 Future Deficit Reserve of \$15.5 million with one-time funding.</p>
<p>Budget Balancing Strategy Guidelines – Use the 2018-2019 Budget Balancing Strategy</p>	<p>The 2018-2019 Proposed Operating Budget incorporates this direction.</p>

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Referral	Resolution
<p>Guidelines as detailed in Attachment A to develop a balanced budget for the next fiscal year.</p>	
<p>Essential Services Reserve – Set aside \$2.5 million in one-time funds that may be used for the purpose of supporting services that are of essential importance to our residents. Services deemed essential by the City Council may be funded with the use of these one-time funds.</p>	<p>The 2018-2019 Proposed Operating Budget establishes an Essential Services Reserve totaling \$2.5 million.</p>
<p>One-Time Funded Items – Evaluate programs funded on a one-time basis in 2017-2018 for continuation in 2018-2019, particularly school crossing guards, Downtown foot patrol, and San José Streets Team Litter and Trash Removal.</p>	<p>The 2018-2019 Proposed Operating Budget continues several one-time actions contained in the 2017-2018 Adopted Operating Budget, including: one-time funding of \$600,000 to continue the Downtown Foot Patrol Program for an additional year; ongoing funding for 1.0 School Safety Supervisor to the support the School Crossing Guard Program; and one-time funding of \$135,000 to continue funding for the San José Streets Team Litter and Trash Removal. More detail on these actions is provided in the City Departments/Council Appointees sections for the Police Department and Housing Department.</p>
<p>Council Appointees – The Mayor’s Budget Office will work with the City Appointees and the Budget Office to bring forward cost-saving budget proposals while ensuring appropriate funding remains to perform mandated functions.</p>	<p>The recommendations contained within the 2018-2019 Proposed Operating Budget represent this coordination between the Mayor’s Budget Office, City Appointees, and City Manager’s Budget Office.</p>