



Memorandum

TO: MAYOR LICCARDO
SUBJECT: BUDGET DOCUMENT

FROM: Councilmember Sylvia Arenas
DATE: 5/24/17

Approved

Date 5/24/17

RECOMMENDATION

That the following recommendation be enacted.

Proposal

Program/Project Title: Securing Placemaking and Parks Activation

Amount of City Funding Required: \$276,111 in one-time funds, \$769,778 ongoing (however with \$280,000 offset by grant revenues).

Fund Type (i.e. General Fund, C&C funds, etc.): General fund, Construction Excise Tax Fund, Measure B Funding

This change is:

One-time Ongoing

Proposal Description, including anticipated outcomes (describe how change would affect services for San José residents, businesses, community groups, etc.):

Mayor Liccardo's March Budget Message listed "making strategically-targeted investments that leverage external resources" as a principal goal for the City of San Jose. The Mayor's message explains that this approach "requires partnerships, particularly where partners' resources-whether private contributions, volunteer energy, or state and federal grants-might provide a "force multiplier" for City staff and dollars."

This Budget Document proposes a use of city funds that fully embraces this ideal.

Viva CallesSJ has the potential to be the ideal portal to augment the volunteerism and funding partnerships that the mayor envisions. Viva CalleSJ solidifies the beautification investments of the Mayor's BeautifySJ initiative by showcasing the visually improved neighborhood streets while providing the opportunity to engage with neighbors in a meaningful way. Given the challenging

fiscal times ahead, we must maximize volunteers and funding opportunities to continue to beautify San Jose and attract visitors and economic investment.

It is time for the City of San Jose to fully fund the Viva CalleSJ with ongoing funding that will allow our exceptional city staff, volunteers, and community partners to deliver on this program's potential. Since 2015, PRNS and Viva CalleSJ program staff have secured over \$700,000 in outside funding and built strong and growing partnerships that are providing the exact kind of force multiplier that the Mayor has asked Council to embrace.

Transforming our city requires transforming how our residents interact with their streets. This change comes with huge environmental and health benefits. Last year's one-day event removed over 200,000 vehicles from the closed roads and 72% of participants reported being active for 60 minutes or more - the CDC's recommended amount of physical activity for our children's health.

Participation in Viva CalleSJ has grown from 35,000 in the first year to 100,000 in year two - a 186% increase in participation which equates to 1 in 10 members of our community now participating.

This participation rate leads to a significant economic impact for our local small businesses. 69% of surveyed participants said they planned to spend at least \$11. 39% planned to exceed \$20. That means that each event has the potential to bring \$700,000 to local businesses.

By locking in staff funding longer term, we expect that the number of events per year will increase - each one bringing that kind of economic benefit to a different part of our community. Funding commitments to help sponsor additional events continue to come in - with recent prospects that would total more than \$500,000. Most recently, County Supervisor Ken Yeager is pushing forward \$175,000 in new County funding over the next two years.

Additionally, longtime partners like the Knight Foundation remain deeply committed, but focused on the city committing to making the program sustainable. The Knight Foundation is "all in" for Viva CalleSJ, and will eagerly help us get to multiple events per year once we've committed to make staff funding ongoing.

This much is clear:

- 1) Viva CalleSJ is already a clear success for our city
- 2) The biggest thing holding it back is the lack of stability in funding
- 3) It has a demonstrated ability to bring in partner and outside dollars
- 4) What our community partners need is for the city to fund the staffing of our core team. They will rise to the challenge if we commit to the staff.

The Council has been clear that there is no appetite to cut VivaCalleSJ after this year, but the status quo is not actually sustainable. If we commit to funding this program more than 4 months in advance, it will become a regular and lasting part of our city with a great return on investment. If we continue to hold funding until the last possible moment, we will see this opportunity slip away.

Our community partners are doing their part. Our city staff are doing their part. It is beyond time for the Council to provide a sufficient commitment to ensure this program continues to grow.

Funding Source

Essential Services Reserve (\$2 million)

Other (Program/Project/Fund): Construction Excise Tax Fund, General Fund & 2016 VTA Measure B

According to VTA staff, this proposed program would be eligible to utilize Measure B funding that will be provided directly to cities for use walking and biking education programs. The education encouragement programs are projected to be \$1.25 million annually countywide, with San Jose's share estimated as \$494,000 annually.

Additional needed funds would come from Construction Excise Tax and the General fund, as would funding for the remainder needed this fiscal year – allowing for Measure B funding to have time to be approved by the VTA board.

This program has consistently offset hundreds of thousands of dollars in non-personal costs through grant funding. 2017/2018 current has at least \$256,500 in offsetting grants against \$280,000 in non-personal costs. Ongoing funding should assume the same or greater grant funding offset.

Department or Organization: PRNS

Department or Organization Contact (list contact information for the individual that certified cost estimates contained within your recommendation):

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