

## Status of Mayor and City Council Referrals

### 2020-2021 Proposed Operating Budget

The Mayor’s March Budget Message for Fiscal Year 2020-2021, as approved by City Council on March 17, 2020, 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 Budget 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 2020-2021 Proposed Budget. It is important to note that, due to the economic impact from the COVID-19 pandemic, many of the items included in Tier III of the Mayor’s March Budget Message are not included in the 2020-2021 Proposed Budget or have been modified in acknowledgement of the City’s changed budgetary outlook.

Referral	Resolution
<p><b>Balanced Budget</b> - Submit a balanced budget for Fiscal Year 2020-2021 that is guided by the policy direction and framework of priorities outlined in the Mayor’s March Budget Message.</p>	<p>The 2020-2021 Proposed Operating Budget incorporates this direction to submit a balanced budget for Fiscal Year 2020-2021 that is guided by the policy direction and priorities as outlined in the Mayor’s March Budget Message to the extent possible given the economic impacts of the COVID-19 pandemic.</p>
<p><b>Eliminating Debts</b> – Use the bulk of the nearly \$25 million in one-time funds from the Finance team’s excellent work on refunding of City Hall debt—approximately \$19 million—to pay the remaining debt balances on both the Los Lagos Golf Course and the LED streetlight conversion contract (aka, ESCO Master Lease Agreement). Combined, these actions will inure to the benefit of City taxpayers about \$4 million annually, which will surely improve critical services in the years ahead.</p>	<p>The 2020-2021 Proposed Operating Budget recognizes one-time funds of \$26 million from the refunding of City Hall and allocates \$7.9 million to retire debt associated with the Los Lagos Golf Course and \$10.6 million to pay off the ESCO Master Equipment Lease. The elimination of these debt obligations, combined with the lower debt service anticipated for the new City Hall lease-revenue bonds, is anticipated to yield a total ongoing savings of \$4.2 million in the General Fund.</p>
<p><b>Future Deficit Reserve</b> – Allocate \$11.1 million to address the projected shortfall in 2021-2022 on a one-time basis. Return to Council with a Manager’s Budget Addendum identifying proactive strategies that will address an anticipated larger gap, including consideration of cost saving efficiencies and reduction strategies.</p>	<p>The 2020-2021 Proposed Operating Budget incorporates this direction to allocate \$11.1 million to establish a 2021-2022 Future Deficit Reserve. Due to economic impacts of the COVID-19 pandemic and the need to develop a contingency plan if economic conditions worsen, the focus has been to develop additional budget balancing strategies for 2020-2021 if needed rather than focus on further strategies through a Manager’s Budget Addendum for 2021-2022. The 2020-2021 Contingency Plan “Package 2” is contained in Attachment C to this transmittal memorandum.</p>

## Status of Mayor and City Council Referrals 2020-2021 Proposed Operating Budget

Referral	Resolution
<p><b>Budget Stabilization Reserve</b> – Review the current balance of this reserve and make contributions as necessary to maintain a protective level of funds. Specifically, to address what is almost certainly going to be a substantial shortfall, deposit into this fund all of the anticipated one-time revenues from the Revenue Capture Agreement between the City and eBay.</p>	<p>Due to the economic impacts of the COVID-19 pandemic, the 2020-2021 Proposed Operating Budget does not include this action. Instead, the 2020-2021 Proposed Operating Budget allocates a modest \$5.0 million from the Budget Stabilization Reserve to retain as much of the Reserve as possible to help with future anticipated shortfalls and recognizes \$22 million of additional Sales Tax proceeds from the Revenue Capture Agreement to help resolve the projected \$71.6 million General Fund shortfall.</p>
<p><b>Essential Services Reserve</b> – Set aside \$3 million in one-time funds that may be used to support 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>Due to the economic impacts of the COVID-19 pandemic, the 2020-2021 Proposed Operating Budget does not include this action. Instead, the 2020-2021 Proposed Operating Budget establishes a \$1 million Essential Services Reserve that will be used to support one-time services that are deemed essential by the City Council.</p>
<p><b>Sinking Funds</b> – Review the City’s capital programs to ensure “sinking fund” policies exist to address future capital replacement and maintenance needs. Consider how new funding sources for parks and recreation capital improvements, such as a parks bond or community financing district, can provide a set-aside for capital replacement and (if legally feasible) maintenance. Review and augment our sinking fund to address our IT “tech debt,” including last year’s contribution of \$2 million, while considering future critical replacement and repair needs for our aging IT.</p>	<p>The Administration will review the City’s capital programs to ensure that “sinking fund” policies exist to address future capital replacement and maintenance needs where appropriate and affordable. Consideration will be given to how funding sources for parks and recreation capital improvements, such as a parks bond or community financing district, can provide a set-aside for capital replacement and (if legally feasible) maintenance. The IT sinking fund balance of \$2 million will be rebudgeted into 2020-2021 later in the budget process. Due to the economic impacts of the COVID-19 pandemic, the 2020-2021 Proposed Operating Budget does not include the direction to augment this fund.</p>

## Status of Mayor and City Council Referrals 2020-2021 Proposed Operating Budget

Referral	Resolution
<p><b>Bridge Housing Communities (BHC)/ “Tiny Homes”/“Cabins”</b> – Report to Council in May with an update about (a) the lease-up of the Mabury BHC, (b) the status and well-being of its residents, and (c) the development of the second BHC site. Return to Council in September with the identification of two additional BHC sites, and to obtain Council approval to begin construction that will at least double our transitional housing capacity.</p>	<p>Transitional or bridge housing is a current strategy of the City’s COVID-19 response: (a) the Maybury BHC site is currently occupied with both Rapid Rehousing recipients who are actively seeking a home (27) and COVID-19 vulnerable people (13); (b) the Maybury BHC site is meeting its goal to transition residents (12) into permanent housing while four have exited out of the program, (c) the second BHC site is scheduled to open by the end of this summer.</p>
<p><b>Homelessness Prevention</b> – Triple the City’s current commitment of \$3 million to \$9 million. This funding will be particularly critical to address the disruptive impacts of economic shutdowns prompted by the spread of the coronavirus. In partnership with a consortium of non-profits led by Destination: Home, recommend that the Council and City Manager work together to encourage other public and private organizations to match the City’s enhanced contribution dollar-for-dollar.</p>	<p>In accordance with the estimated revenue projection for Measure E real property transfer tax revenues due to the economic impacts of the COVID-19 pandemic as well as the Measure E spending allocation approved by the City Council on December 10, 2019, the 2020-2021 Proposed Operating Budget establishes a \$2.85 million Measure E – Homelessness Prevention Reserve. The Council and City Manager will work with public and private organizations to match the City’s contribution dollar-for-dollar.</p>
<p><b>Homeless Students</b> – Provide the Bill Wilson Center up to \$55,000 in 2020-2021, and matching funds of up to \$60,000 over the following two years in support of this effort, from the tranche of funds allocated to Extremely Low Income residents.</p>	<p>The 2020-2021 Proposed Operating Budget allocates \$115,000 from Measure E proceeds to support this effort.</p>

## Status of Mayor and City Council Referrals 2020-2021 Proposed Operating Budget

Referral	Resolution
<p><b>SJ Bridge Employment</b> – Report to Council during the Budget Process on both the efficacy of the cleaning crews in combatting blight, and in the efficacy of the program in enabling clients to reclaim a path to self-sufficiency. Continue the program for another year and expand the program to ensure sufficient transitional jobs and work crews are available to routinely clean Guadalupe River Park and St. James Park, in addition to their current routes. Explore non-General Fund potential future sources of funding, with support from the Mayor’s Office.</p>	<p>The 2020-2021 Proposed Operating Budget includes \$500,000 from the General Fund and \$200,000 from the St. James Park Management District Fund to continue the SJ Bridge Program as directed.</p> <p>The Administration will issue a Manager’s Budget Addendum later in this budget process to report on both the efficacy of the cleaning crews in combatting blight, and in the efficacy of the program in enabling clients to reclaim a path to self-sufficiency</p>
<p><b>Backyard Homes</b> – Return to Council by June with a proposal that will allocate the first \$5 million generated within the 10% moderate-income tranche of Measure E revenues for this program, with the requirement that rent restrictions remain on the units for an extended period of time, of not less than 5 years, or until the homeowner pays off the City loan.</p>	<p>The Administration will return to City Council in response to this direction on Backyard Homes as soon as the Housing Department is able to resume working on non-COVID-19 work.</p>
<p><b>Navigation Center</b> – Inform the Council, verbally at Council or through information memorandum, by May, of the status of efforts to identify a site, and with specific options for the City to move this important work forward.</p>	<p>Funds that were previously directed for the development and operations of a potential navigation center were approved by the City Council on April 7, 2020 to be reallocated towards the lease, purchase, and/or construction of emergency housing, including prefabricated modular units during the declared Shelter Crisis for individuals impacted by the COVID-19 pandemic.</p>

## Status of Mayor and City Council Referrals 2020-2021 Proposed Operating Budget

Referral	Resolution
<p><b>Police Staffing</b> – Add 20 sworn officers to the current budget authorization of 1,151, with an emphasis on expanding such units as Street Crimes, sexual assaults and domestic violence investigations, and traffic enforcement. The Five-Year Forecast should be adjusted to reflect this investment. To help support the hiring of the sworn staff, apply for a federal COPS Hiring Program grant. If awarded, this grant will help provide substantial one-time funding, and mitigate the General Fund impact over multiple years.</p>	<p>Due to the economic impacts of the COVID-19 pandemic, the 2020-2021 Proposed Operating Budget does not include the addition of 20 sworn officers. However, the 2020-2021 Proposed Operating Budget adds 1.0 Police Lieutenant to the Bureau of Investigations to support the creation of a new Special Victims Unit (SVU), facilitating an internal reorganization of the Sexual Assaults Investigative Unit (SAIU) to more effectively prioritize sexual assault response.</p>
<p><b>Improving Deployment Efficiency</b> – Allocate one-time funding of \$350,000 to the Police Department to support the redistricting effort.</p>	<p>Due to the economic impacts of the COVID-19 pandemic, the 2020-2021 Proposed Operating Budget does not include this action.</p>
<p><b>Downtown Foot Patrol</b> – Fund the \$600,000 Downtown Foot Patrol Program with ongoing dollars, but only upon the addition of this beat as a routinely-assigned, non-voluntary shift in the next fiscal year. The City Manager is further directed to engage in discussions with the County Sheriff, under contract with the VTA, to offer a visible presence for the benefit of transit riders along the light rail and Santa Clara Street bus corridors, and to further report to the PSFSS Committee outcomes of prior years’ spending on Downtown Foot Patrol, and to discuss plans to get officers on walking beats Downtown.</p>	<p>Due to the economic impacts of the COVID-19 pandemic, the 2020-2021 Proposed Operating Budget does not include funding for the Downtown Foot Patrol. As a result, a report to the PSFSS Committee on the outcomes of the Downtown Foot Patrol is not anticipated to be scheduled. The Administration will engage in discussion with the County Sheriff, under contract with VTA, to offer a visible presence for the benefit of transit riders along the light rail and Santa Clara Street bus corridors.</p>

## Status of Mayor and City Council Referrals 2020-2021 Proposed Operating Budget

Referral	Resolution
<p><b>Fire Station 37</b> – Staffing for Adequate Fire and Emergency Response (SAFER) grants provide funding directly to local fire departments to boost the numbers of trained firefighters in their communities. We have used SAFER grants in the past to rebuild our Fire Department from the days of browned-out stations during the Great Recession. With the addition of new stations, we should again commit a City “match” to ensure we can secure these grants to offset early years of funding. The City Manager is directed to do so, with the addition of any ongoing expenditures in the Five-Year projection to account for the future staffing of Fire Station 37.</p>	<p>Due to the economic impacts of the COVID-19 pandemic, the 2020-2021 Proposed Operating Budget does not include this action.</p>
<p><b>Fire Station 20/ARFF</b> – Evaluate the addition of an engine company in the future, but in the meantime, identify additional funding in Measure T or other capital sources to move forward with this expansion of Fire Station 20. Due to the FAA’s March 31st deadline for the City’s commitment to the project, comply with that schedule and allow full funding to allow off airport operations. Reimburse the Measure T program as part of future budget cycles from the Fire Construction and Conveyance Tax Fund, the General Fund, or other eligible sources.</p>	<p>A total of \$4.6 million was allocated in the Measure T, San Jose Disaster Preparedness, Public Safety and Infrastructure Bond Program to advance the reconstruction and expansion of Fire Station 20, otherwise known as the Airport Rescue and Fire Fighting (ARFF) services. Fire Station 20 was not identified as a Measure T project; therefore, the \$4.6 million will be replenished as part of future budget cycles from eligible funding sources.</p>
<p><b>Gun Violence: Ordinance Completion and Support of Recovery of Public Subsidy for Guns</b> – Allocate one-time funding over the next two years, to support research, implementation, and legal analysis to evaluate and, with Council approval, implement these measures.</p>	<p>Due to the economic impacts of the COVID-19 pandemic, the 2020-2021 Proposed Operating Budget does not include this action.</p>

## Status of Mayor and City Council Referrals 2020-2021 Proposed Operating Budget

Referral	Resolution
<p><b>Traffic Safety and Automated Speed Warnings</b> – Assess the cost and legal feasibility of this approach, and, if legally feasible, present (in this budget year) for Council approval the capital cost of installing automated speed detectors along at least five pilot PSC corridors.</p>	<p>Due to the economic impacts of the COVID-19 pandemic, the 2020-2021 Proposed Operating Budget does not include this action.</p>
<p><b>Traffic Safety and Street Improvements</b> – Designate \$300,000 previously allocated and an additional \$1.7 million in traffic capital funding (\$2.0 million total) for traffic calming, traffic mitigation, and safety-enhancing improvement projects in targeted neighborhoods and/or major roads. Communicate to Council verbally or through an Information Memorandum to identify the funded projects, utilizing a data-driven approach that focuses on investments that can most substantially reduce the risk of harm to pedestrians and cyclists.</p>	<p>The City Council approved the elimination of this funding as one of the actions taken at its meeting on April 28, 2020 to address the \$45 million revenue shortfall anticipated for 2019-2020 due to the COVID-19 pandemic. However, funding for traffic calming, traffic mitigation, and safety-enhancing improvement projects in targeted neighborhoods and/or major roads is included in the 2020-2021 Proposed Capital Budget and 2021-2025 Capital Improvement Program. The Administration will communicate to Council verbally or through an Information Memorandum to identify the funded projects, utilizing a data-driven approach that focuses on investments that can most substantially reduce the risk of harm to pedestrians and cyclists.</p>
<p><b>Development Services Action Team</b> – Create a Development Services Action Team to drive the transformation of the development process and delivery of priority projects, led by a newly-created Deputy City Manager position. That Deputy’s portfolio must consist solely of the work of change management, trouble-shooting, and meeting clear outcome-focused metrics across all of the development services departments. To the extent recommended by the City Attorney, the City Manager should use development services fees to fund this position for two years.</p>	<p>Due to the economic impacts of the COVID-19 pandemic, the 2020-2021 Proposed Operating Budget does not include this action. However, the Proposed Budget shifts a Deputy City Manager position from the Office of Economic Development to the City Manager’s Office, allowing for a dedicated position rather than one that is also performing Office Director duties. With this shift, this position will be able to focus on development services work as well as economic recovery efforts among other key work..</p>

## Status of Mayor and City Council Referrals 2020-2021 Proposed Operating Budget

Referral	Resolution
<p><b>Attorney Affordable Housing</b> – Use one-time housing funds to add an Affordable Housing Attorney for a two-year period for legal research and review, help with housing grants, homelessness issues, and consultant contracts that will enable City staff to scale up expertise and protocols for greater affordable development activity in the years ahead.</p>	<p>The 2020-2021 Proposed Operating Budget adds 1.0 Senior Deputy City Attorney limit-dated through June 30, 2022. More details about this position can be found within the Housing Department section of the budget document.</p>
<p><b>Backyard Homes—ADU Allies</b> – Allocate sufficient resources from the appropriate Development Services Fee Program dedicated to the ADU program’s need for engineering, building inspection, and permitting services.</p>	<p>Due to the economic impacts of the COVID-19 pandemic, the 2020-2021 Proposed Operating Budget results in a net reduction to Planning Development Fee Staffing by 2.0 position; however, 1.0 Analyst position limit-dated to June 30, 2021 has been added to continue the ADU Ally program launched in August 2019. More details about these actions can be found in the Planning, Building and Code Enforcement Department section of the budget document.</p>
<p><b>Facilitating the Siting of Transitional and Permanent Housing Solutions</b> – Allocate funding to develop and deploy this program at future interim and permanent supportive housing sites within the City, after providing the Council with a report of the outcomes of our pilot efforts and with opportunity for input. The City Manager and City Attorney are further directed to return to Council this Spring with a set of recommendations about how and whether the City can provide a geographically-defined local preference for the housing of homeless individuals or low-income family in any new housing site.</p>	<p>Transitional or bridge housing is a current strategy of the City’s COVID-19 response. The Administration will return to the City Council as soon as is feasible in response to this direction on facilitating the strategy of transitional and permanent housing strategies.</p>



## Status of Mayor and City Council Referrals 2020-2021 Proposed Operating Budget

Referral	Resolution
<p><b>Equity Framework</b> – Allocate one-time funding for two years to develop a workplan that 1) integrates an equity framework into decision-making, and operationalizes this practice in our daily work, 2) creates a coordinated community engagement approach that builds effective partnerships, 3) creates infrastructure to ensure the City has a data-driven approach, 4) sets aside resources for external consultants or facilitators to assist the City, where necessary, and 5) substantially expands language access capacity. The City Manager is further recommended to change the title of the Office of Immigrant Affairs to better reflect the expanded scope of its work on racial equity.</p>	<p>The 2020-2021 Proposed Operating Budget adds \$100,000 for one year, rather than two years, due to the economic impacts of the COVID-19 pandemic. This funding will provide for equity framework development, focused on training and capacity building within the organization and integrating an equity framework into decision-making on select programs. No name change for the Office of Immigrant Affairs is recommended in the Proposed Budget; however, the Administration will incorporate a name change as part of the 2020-2021 Adopted Budget.</p>
<p><b>Equity and Budgeting</b> – Issue a Manager’s Budget Addendum that outlines this year’s progress on implementing an equity screen to guide the distribution of resources for neighborhood services, as directed by Council through my June 2019-20 Budget Message, including specific description of the criteria used for resource allocation. Include a summary description of work undertaken by departments to incorporate an equity review and analysis in the City Manager’s current budget proposals.</p>	<p>A Manager’s Budget Addendum will be issued later in the budget process in accordance with this direction on equity and budgeting.</p>
<p><b>Storefront Activation Program</b> – Allocate one-time funding of \$250,000 to continue this program, and to proactively communicate the availability of the program to less traditional storefront tenants, such as community-based non-profits, arts organizations, and day-care centers.</p>	<p>The 2020-2021 Proposed Operating Budget adds one-time funding of \$200,000, rather than \$250,000, to continue the Storefront Activation Grant Program due to the economic impacts of the COVID-19 pandemic. More details on this action is provided in the City-Wide Expenses Community and Economic Development CSA section of this document.</p>

## Status of Mayor and City Council Referrals 2020-2021 Proposed Operating Budget

Referral	Resolution
<p><b>Neighborhood Business District (NBD) Grants</b> – Consolidate its NBD grants and allocate an additional \$10,000 in ongoing funding to increase the current grant program to \$60,000, with priority given to business districts providing services addressing small business and non-profit anti-displacement strategies.</p>	<p>Due to the economic impacts of the COVID-19 pandemic, the 2020-2021 Proposed Operating Budget does not include this action.</p>
<p><b>Affordable Housing and Commercial Space</b> – Convene key partners in the Departments of Housing, Planning, and Economic Development, the County, Housing Authority, housing builders, and financing partners to explore and identify alternative sources of funding and new approaches to financing that would enable inclusion of ground-floor commercial space uses for retail, restaurants, and neighborhood services, such as child care, laundry, and gyms, within affordable housing projects.</p>	<p>The Administration will follow this direction and convene key partners to explore and identify alternate sources of funding and new approaches to funding that would enable ground floor commercial spaces within affordable housing projects.</p>
<p><b>Education and Digital Literacy</b> – On February 11, our City Council unanimously approved the San Jose Education Policy to articulate and institutionalize the City's approach to education. San Jose's future prosperity depends enormously on the educational success of our youth. Driven by the values of equity, opportunity, quality, and accountability, the Policy guides the City investment and focuses our efforts on improving outcomes for our children. As our Library Department assumes primary leadership and support responsibilities with PRNS and other departments, identify citywide resources that can be used to continue this work.</p>	<p>The 2020-2021 Proposed Operating Budget adds one-time funding from the Library Parcel Tax Fund and the San Jose Public Library Foundation for 2.0 positions to continue the expansion of the Education and Digital Literacy Program. More details on this action can be found in the Library Department section of the budget document.</p>

## Status of Mayor and City Council Referrals 2020-2021 Proposed Operating Budget

Referral	Resolution
<p><b>SJ Learns</b> – Allocate another \$300,000 in one-time funds to SJ Learns.</p>	<p>Due to the economic impacts of the COVID-19 pandemic, the 2020-2021 Proposed Operating Budget does not include this action.</p>
<p><b>BeautifySJ: Inter-Departmental Coordination</b> – Explore consolidating the effort under a single manager focused on ridding our City of blight. Evaluate both one-time and ongoing beautification investments that allow for more effective blight-reduction strategies.</p>	<p>Prior to the COVID-19 pandemic, the Administration was pursuing the consolidation of the BeautifySJ program and will continue these efforts in the future. The 2020-2021 Proposed Operating Budget allocates one-time funding of \$500,000 for the BeautifySJ Program. More details on this action can be found in the Transportation Department section of the budget document.</p>
<p><b>BeautifySJ: Interagency Coordination</b> – Negotiate with other entities to facilitate City response to a blight complaint on another agency’s land, but with compensation from that landowning agency.</p>	<p>The Administration will follow this direction on interagency coordination for the Beautify SJ program.</p>
<p><b>BeautifySJ Sponsorships</b> – Authorize department directors to accept sponsorships and donations for BeautifySJ programming of departments operating within enterprise funds, and to do so without having to return to Council for approval.</p>	<p>The Administration will follow this direction on BeautifySJ program sponsorships.</p>
<p><b>BeautifySJ Grant Program</b> – Allocate \$200,000 in one-time funds to the BeautifySJ Grant program to continue the momentum.</p>	<p>The 2020-2021 Proposed Operating Budget adds one-time funding of \$100,000, rather than \$200,000, due to the economic impacts of the COVID-19 pandemic, to the BeautifySJ Grant Program. More details on this action can be found in the City-Wide Expenses Neighborhood Services CSA section of this document.</p>
<p><b>Cash for Trash</b> – Use one-time funds of \$55,000 to continue this program into the next fiscal year, and to explore other sources of potential funding, including the City’s sources and philanthropic contributions, to sustain the program.</p>	<p>Due to the economic impacts of the COVID-19 pandemic, the 2020-2021 Proposed Operating Budget does not include this action.</p>

## Status of Mayor and City Council Referrals

### 2020-2021 Proposed Operating Budget

Referral	Resolution
<p><b>City-Owned Cultural Facilities</b> – Identify appropriate one-time sources of funds to increase the contribution in 2020-2021 and evaluate a 5-year capital improvement program to identify and program funding to satisfy current and future needs. Explore re-instituting the previous increment funding approach, and further evaluate whether Team San Jose-operated City venues, such as the Center for Performing Arts, California Theater, and Montgomery Theater should be included within the fund, with supplemental annual contributions. Report back to the Council through the budget process.</p>	<p>Due to the economic impacts of the COVID-19 pandemic, the 2020-2021 Proposed Operating Budget does not include this action. At this time, the Administration does not recommend the re-institution of incremental funding as it reduces the flexible use of the General Fund to resolve budgetary shortfalls that are expected over the next several years.</p>
<p><b>History San Jose</b> – Allocate \$300,000 in funds from the Cultural Facilities Capital Reserve to address high-priority capital improvements such as paving its dirt employee parking lot or replacing its perimeter fence.</p>	<p>A Manager’s Budget Addendum will be released later in the budget process to allocate funding from the Cultural Facilities Capital Maintenance Reserve, including an allocation for History San José to address high priority capital improvements.</p>
<p><b>St. James Park/Levitt Pavilion</b> – Work with Chuck Toeniskoetter, the former CEO of TBI, who has volunteered his time to collaborate with the Friends of Levitt and convene a group of private sector experts to review the development and construction of the project, and to propose changes to lower costs. Because this Pavilion will comprise the largest outdoor music venue in San Jose and will serve the entire community, explore and propose the expenditure of citywide sources, such as the Construction and Conveyance Tax City-Wide Fund, for the construction of the Pavilion.</p>	<p>The Administration will follow this direction to work with Chuck Toeniskoetter to lower project costs and explore and propose the expenditure of citywide funding sources as soon as practical.</p>
<p><b>Armory Renovation</b> – Identify capital funds up to \$250,000 for planning of this space to support the artist community. Given that traffic mitigation funds originally designed for this project appear to be no longer needed, the City Manager should consider this as a source, if appropriate.</p>	<p>Due to the economic impacts of the COVID-19 pandemic, the 2020-2021 Proposed Operating Budget does not include this action.</p>

## Status of Mayor and City Council Referrals 2020-2021 Proposed Operating Budget

Referral	Resolution
<p><b>Children's Musical Theater San Jose (CMT)</b> – Provide \$250,000 in one-time funds to CMT in the form of a Development Agreement to support its new space for calendar year 2020.</p>	<p>Due to the economic impacts of the COVID-19 pandemic, the 2020-2021 Proposed Operating Budget does not include this action.</p>
<p><b>Vietnamese American Cultural Center</b> – Include funding to continue operations, and to bring forward a recommendation on the feasibility to make this funding ongoing.</p>	<p>The 2020-2021 Proposed Operating Budget continues operations of Vietnamese-American Cultural Center on an ongoing basis as described in more detail within the Parks, Recreation and Neighborhood Services Department section of the budget document.</p>
<p><b>Rotary and Fireworks</b> – Identify this modest one-time funding necessary to defray the entire cost of ‘active shooter’ insurance, and to work with Rotary and our Office of Cultural Affairs to identify ongoing funding for the purpose.</p>	<p>Due to the economic impacts of the COVID-19 pandemic, the 2020-2021 Proposed Operating Budget does not include this action.</p>
<p><b>Innovation Imperative</b> – Identify grant funding that can stabilize City Manager’s Office of Civic Innovation staffing for the coming fiscal year, and allocate sufficient ongoing resources to sustain at least three positions addressing high priority areas such as the digital inclusion program, privacy policy, small wonders, data analytics and digital transformation.</p>	<p>The 2020-2021 Proposed Budget includes funding for the Office of Civic Innovation as described within the City Manager’s Office section in the budget document.</p>
<p><b>Prior One-Time Funded Items</b> – Evaluate programs funded on a one-time basis in 2019-2020 for continuation in Fiscal Year 2020-2021.</p>	<p>The 2020-2021 Proposed Operating Budget incorporates this direction to evaluate programs funded on a one-time basis in 2019-2020 for potential continuation in 2020-2021. While a small number of one-time programs have been included in the Proposed Budget, unfortunately, due to the economic impacts of COVID-19, many programs were unable to be funded in 2020-2021 and are recommended to end as scheduled. A Manager’s Budget Addendum will be issued later in the budget process to identify those items not recommended for funding in the 2020-2021 Proposed Budget.</p>

**Status of Mayor and City Council Referrals  
2020-2021 Proposed Operating Budget**

<b>Referral</b>	<b>Resolution</b>
<b>Budget Balancing Strategy Guidelines</b> – Use the 2020-2021 Budget Balancing Strategy Guidelines as detailed in Attachment A to develop a balanced budget for the next fiscal year.	The 2020-2021 Proposed Operating Budget incorporates this direction and used the 2020-2021 Budget Balancing Strategy Guidelines for budget development.