

**City of San José**

# **2021-2022 Adopted Budget Overview**

**Prepared for the Neighborhoods Commission**

**November 10, 2021**

# Presentation Agenda

- Adopted Budget Overview
- Overview of General Fund Source and Use
- Key Focus Areas for the Neighborhoods Commission
  - Neighborhood Safety
  - Transportation
  - Code Enforcement
- Capital Program Highlights

City of San José

# 2021-2022 Adopted Budget Overview

# 2021-2022 Adopted Budget Overview

## Situational Context

- This is a budget in transition, reflecting the changes to both the community and the organization
- Likely weathered the worst of the pandemic's revenue impacts and expect a meaningful economic recovery in the coming fiscal year, but still find ourselves in a hole, both from a revenue and service level perspective
- Passage of the American Rescue Plan Act is fundamental to improving the City's immediate budgetary outlook.
- Even with the improved circumstances, we need to both resolve the General Fund shortfall in 2021-2022, and be prepared to bring the General Fund back into alignment in the near future

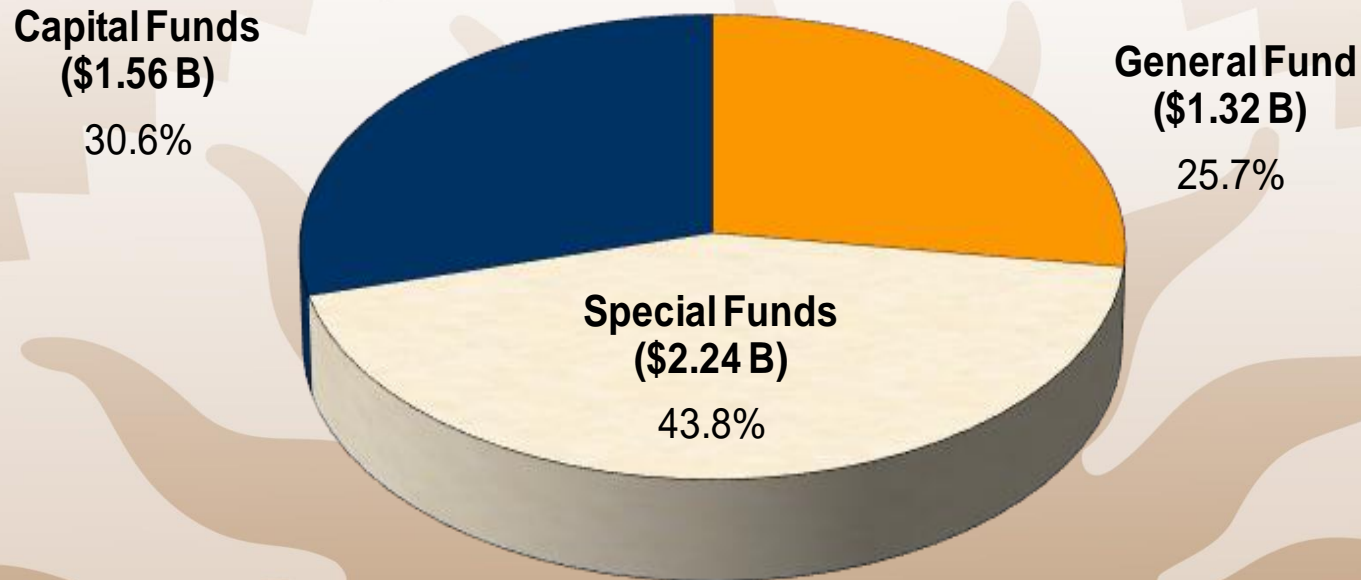
# 2021-2022 Adopted Budget Overview

- Balanced all funds (General Fund, special and capital funds)
- General Fund projected deficit of \$38.3 million resolved with a combination of ongoing (\$6.7 million) and one-time solutions (\$31.6 million)
  - Will need to bring the General Fund into structural balance in future years
- Investment Priorities:
  - Supporting an Equitable Recovery for a “Better Normal”
  - Back to Basics: a Cleaner, Safer San José
  - Accelerating Solutions to Homelessness and the Affordable Housing Crisis
  - Fiscal Resilience and Our Future
- Positions are up 0.8%, from 6,592 to 6,646

# City of San José Adopted Operating Budget Overview

<b>2021-2022 ADOPTED CITY BUDGET<sup>1</sup>:</b>	<b>\$5.1 billion</b>
<b>TOTAL NUMBER OF FUNDS:</b>	<b>135</b>
<b>TOTAL NUMBER OF POSITIONS (FTE):</b>	<b>6,646.54</b>

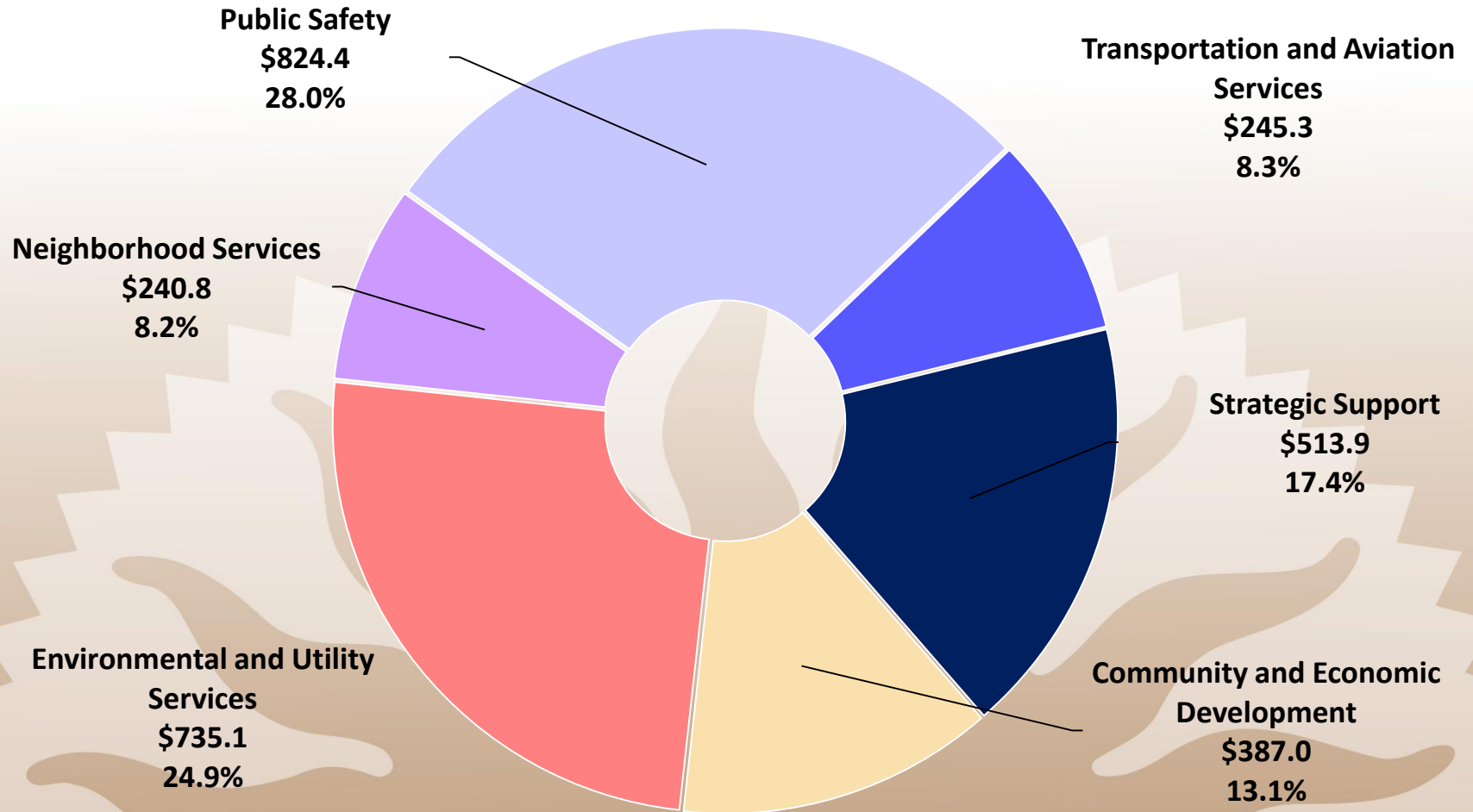
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<sup>1</sup> An adjustment of \$791.1 million is necessary to arrive at the \$5.1 billion net 2021-2022 Adopted City Budget to avoid the double-counting of transfers, loans, and contributions between City funds.

# 2021-2022 Adopted Operating Budget

## Uses by City Service Area (All Funds; \$ in Millions)



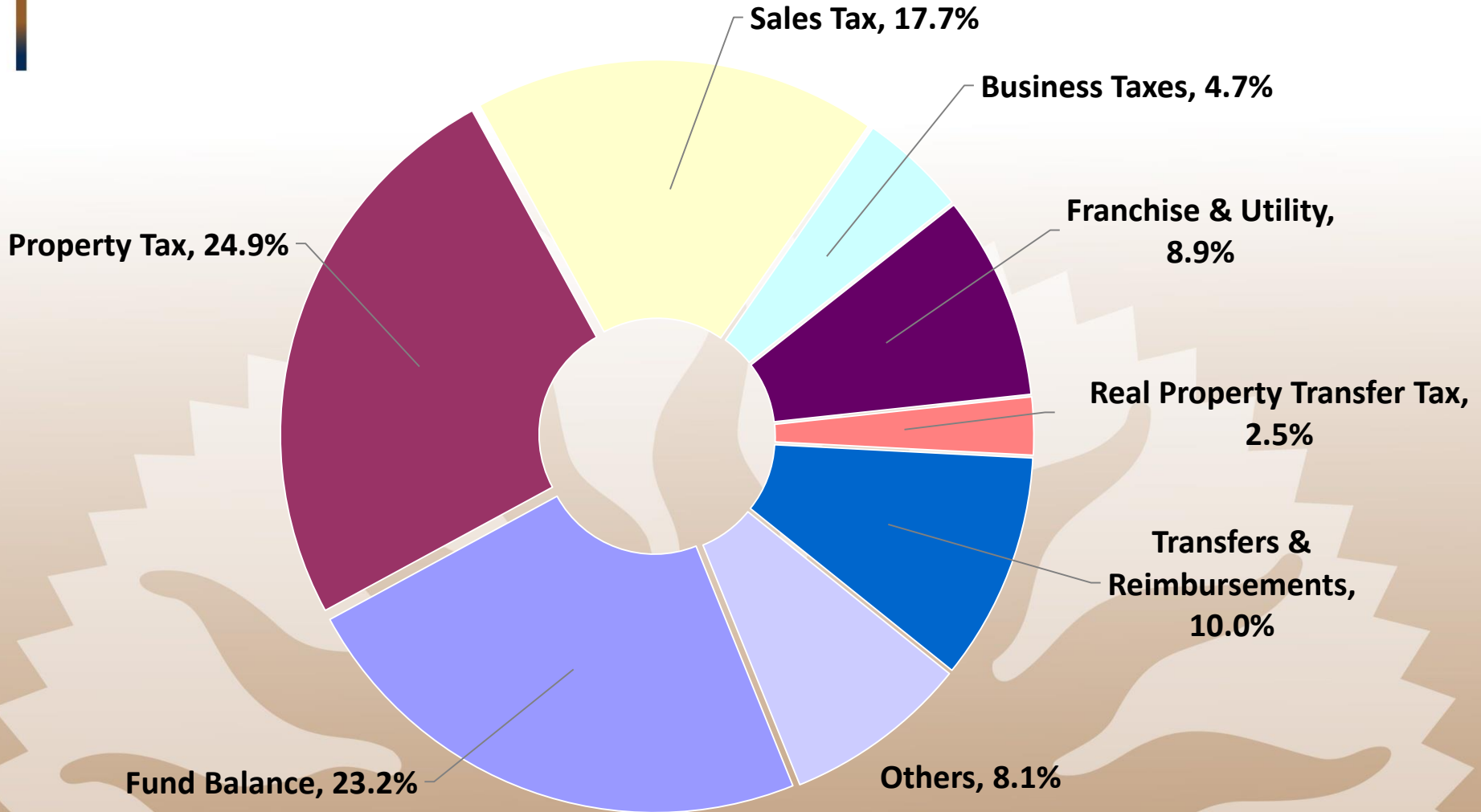
\* Excludes Fund Balance, Transfers, Reserves, and Capital Project expenditures.

# General Fund Source and Use



# 2021-2022 Adopted Budget

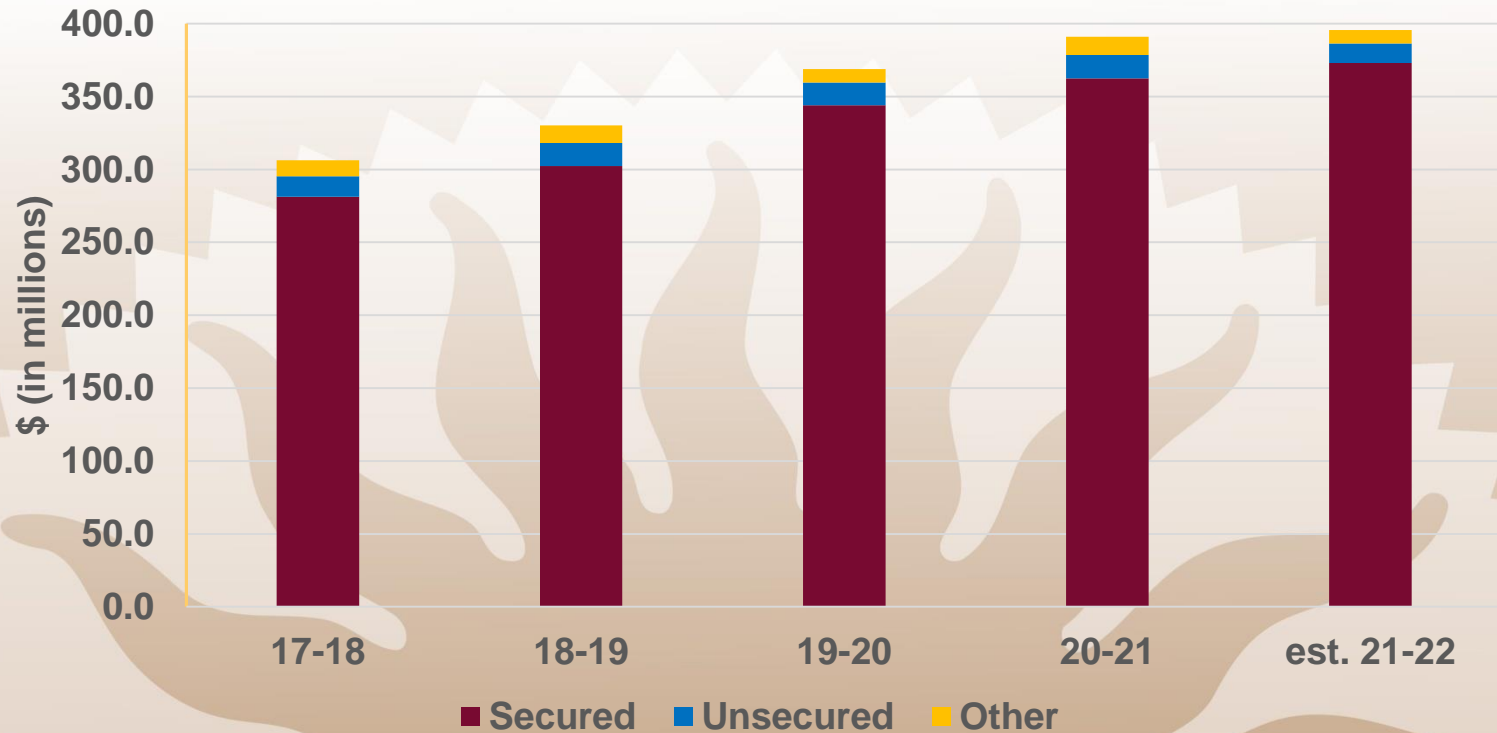
## General Fund Sources



**Total General Fund Sources: \$1,586,737,216**

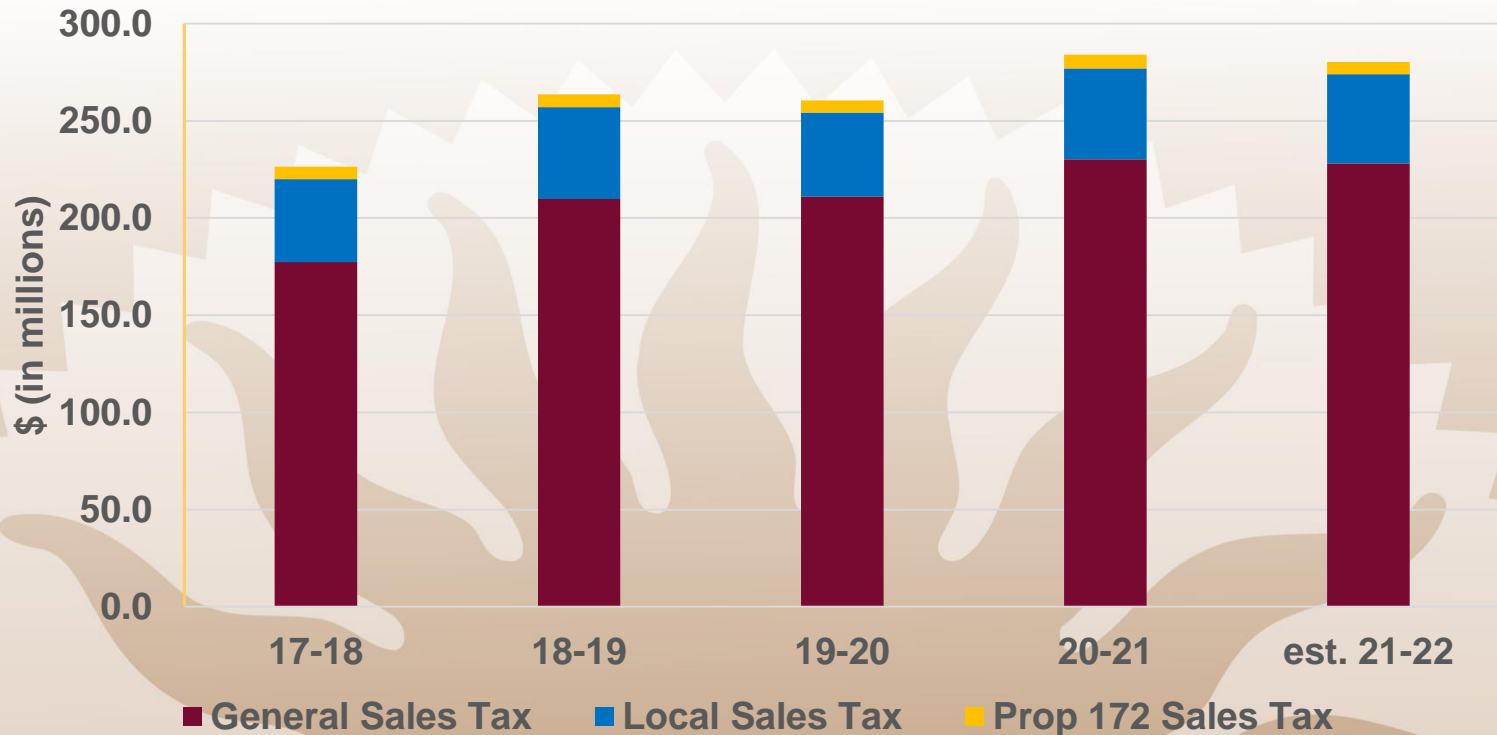
# Property Tax

## Sales Tax Collection Trend



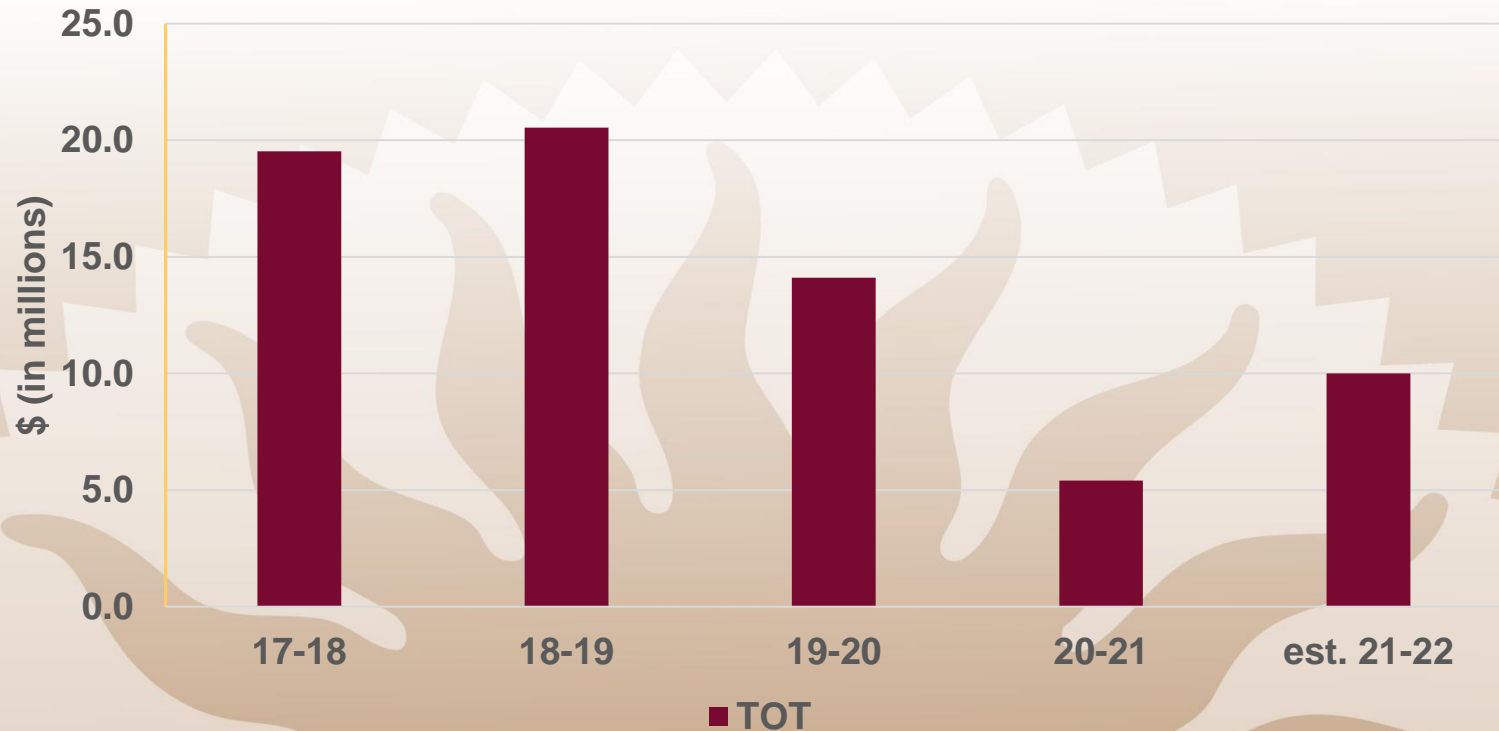
# Sales Tax

## Sales Tax Collection Trend



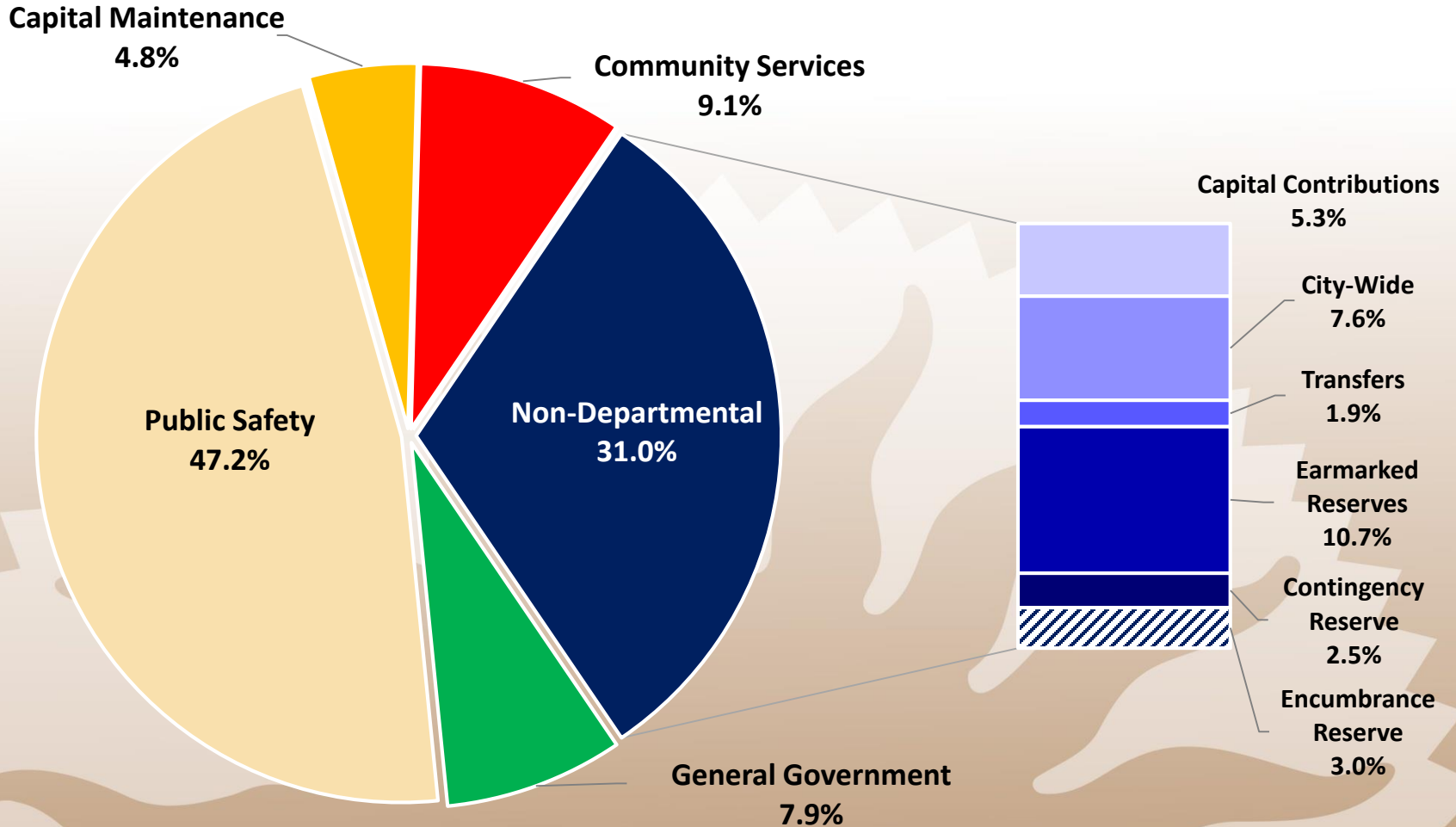
# Transient Occupancy Tax (TOT)

TOT Collection Trend



# 2021-2022 Adopted Operating Budget

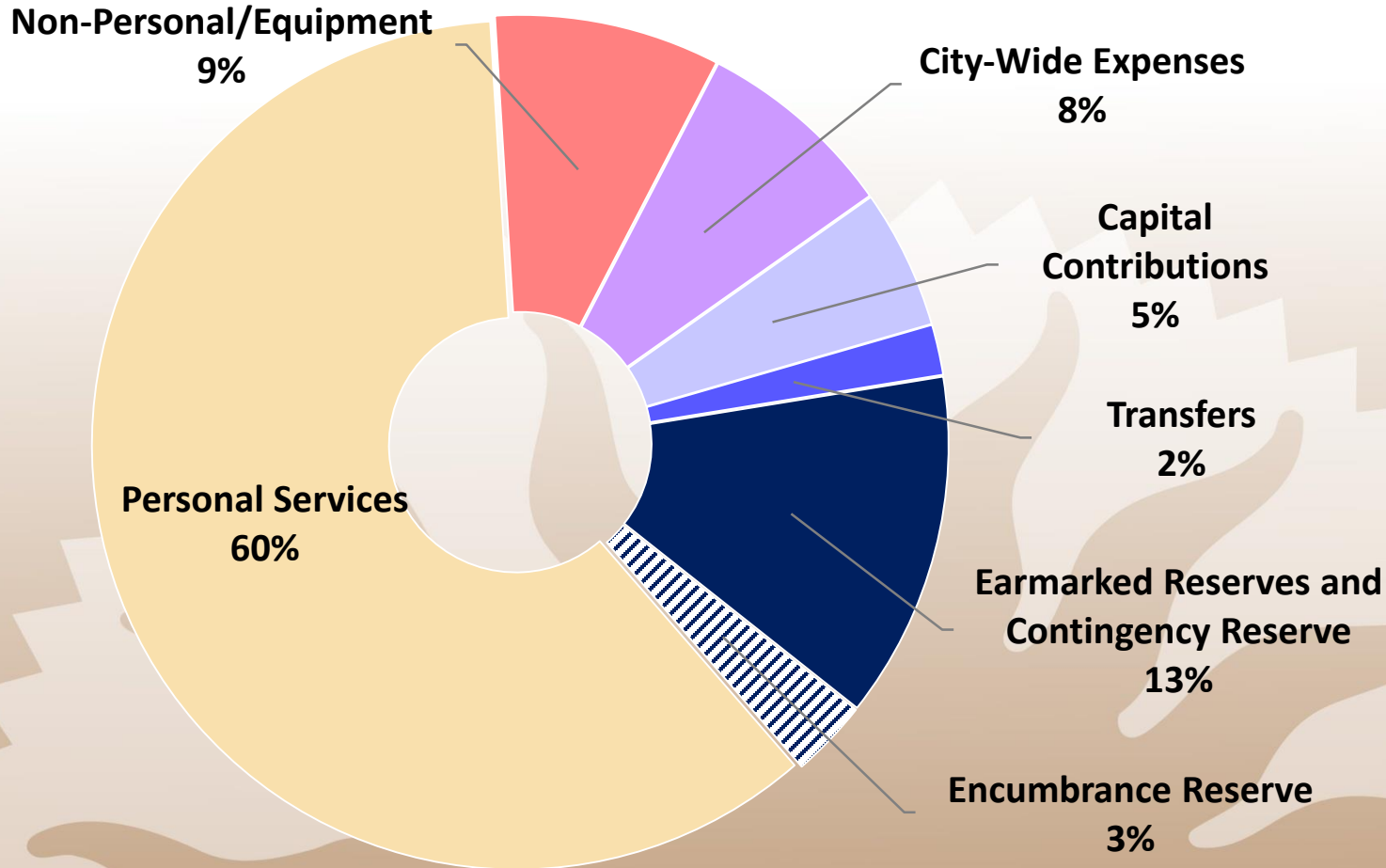
## General Fund Uses



**Total General Fund Uses: \$1,586,737,216**

# 2021-2022 Adopted Operating Budget

## General Fund Uses by Category



**Total General Fund Uses: \$1,586,737,216**

City of San José

# Neighborhoods Commission Key Focus Areas

# Neighborhood Commission Budget Letter

- Neighborhoods Commission submitted the 2021 Annual Budget Letter to the Mayor and City Council on May 7, 2021
- The letter provided various recommendations regarding the key focus areas of this governing body including:
  - Neighborhood Safety
  - Transportation
  - Code Enforcement



# Neighborhood Safety

- Recommendations by Commission:
  - Allocate Resources to target burglaries, porch piracy, and automobile break-ins
  - Increase Gang Prevention Task Force Staff and Resources
  - Increased Fireworks Enforcement

# Neighborhood Safety

- Actions Contained in the FY21/22 Adopted Budget:
  - **Project Hope:** 4.0 FTE's, \$515,000
    - Expansion from six to nine sites
    - Community Engagement, training, neighborhood/business outreach
  - **Foot Patrol in Downtown and High Needs Neighborhoods:** \$750,000
    - Proactive Community Policing (“Walking Beat”)
      - Goals: Deter/Reduce Crime & Build Rapport with Community
  - **Fireworks Enforcement:** \$35,000
    - Fireworks Hotspot Enforcement, Prevention of Crowd Congregation, Public Safety Announcements

# Transportation

- Recommendations by Commission
  - Increased Traffic Enforcement
  - Crossing Guards

# Transportation

- Actions Contained in the FY21/22 Adopted Budget:
  - **Traffic Safety and Illegal Sideshows: \$500,000**
    - Investigation/Enforcement of Street Racing/Sideshows
  - **Vision Zero Quick Build and Community Engagement Staffing: 4.0 FTE's, \$683,000**
    - Adds Staffing for: Data Analysis, Quick Build Projects Build Team, Community Engagement
  - **Pavement Markings Staffing: 3.0 FTE's, \$332,000**
    - Expanded Pavement Program (Striping and Markings)
    - Better BikewaySJ/Quick Build (Installation/Maintenance)
    - Special Projects (High Visibility Crosswalks, etc.)

# Code Enforcement

- Key Goals Outlined by the Commission
  - Increased Code Enforcement
    - Illegal Dumping
    - Abandoned Vehicles
    - RVs on Residential Streets
    - Graffiti

# Code Enforcement

- Actions Contained in the FY21/22 Adopted Budget:
  - **Beautify SJ Management Consolidation:** 34.0 FTE's, \$5.4 million (includes ARP funding)
    - SJ Bridge
    - Cash for Trash Program
    - Encampment/Illegal Dumping Trash Cleanups
    - RV Encampment Outreach/Management
  - **Parking Compliance Special Operations:** \$20,000
    - Single-Day Special Operations for Vehicle Abatement
      - Targeted to Underserved/Densely Populated Areas

## American Rescue Plan

# Impact on the American Rescue Plan Fund

## American Rescue Plan Fund

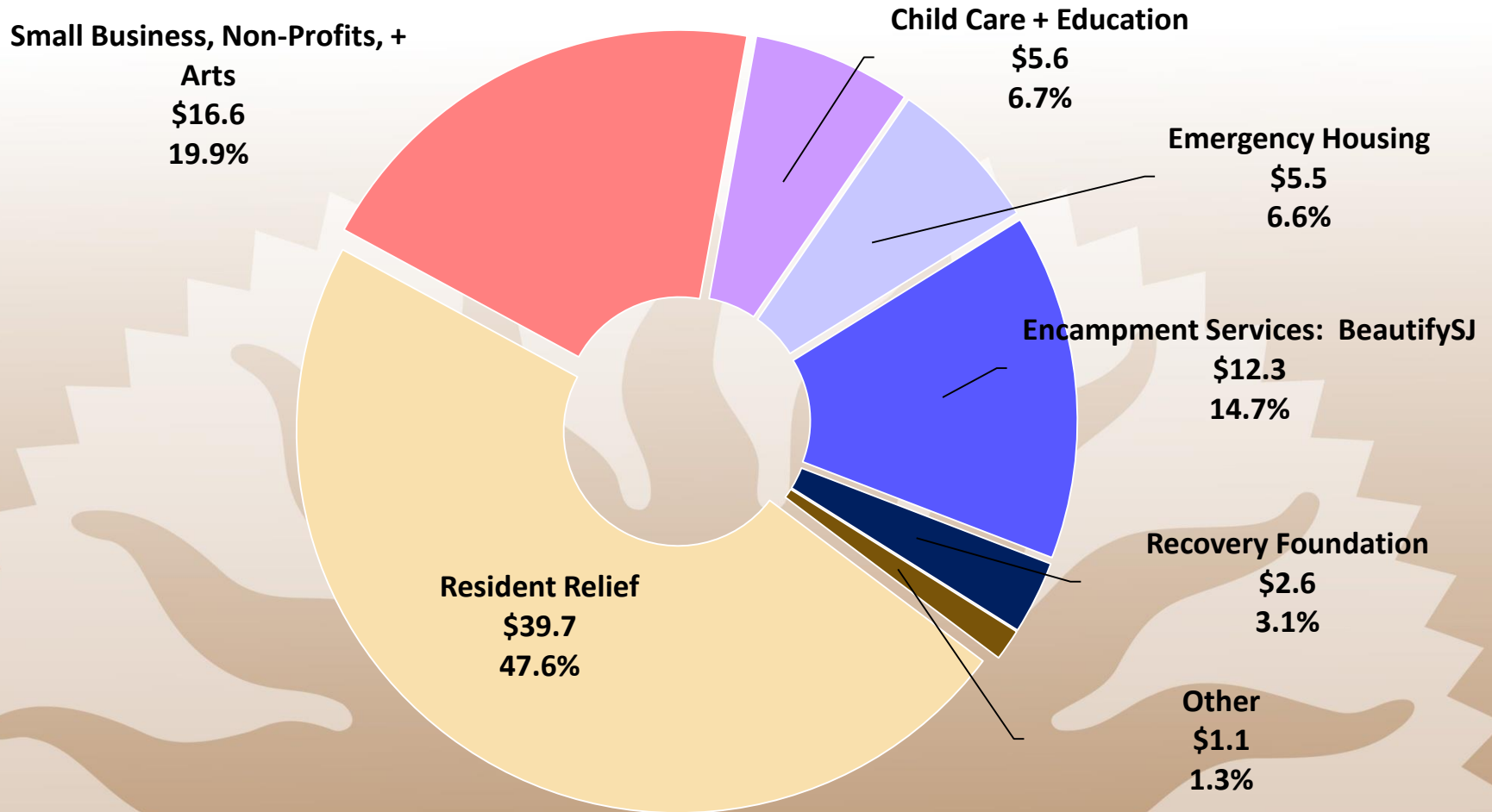
(\$ in millions)

Revenue from the Federal Government	212.3	} <b>2021-2022 Adopted Budget</b>
Transfer to the General Fund	(45.0)	
Transfer to the Convention and Cultural Affairs Fund	(2.5)	
2020-2021 Food Distribution Expenses	(3.0)	
2021-2022 Community and Economic Recovery Budget	(83.4)	
<b>Funds Available for Programming in 2021-2022 and Future Years</b>	<b>78.4</b>	
Amount set aside to address preliminarily estimated 2022- 2023 General Fund shortfall	(28.3)	} <b>2020-2021 Annual Report</b>
<b>Remaining Available Funds</b>	<b>50.1</b>	
Impact of establishing the 2022-2023 Future Deficit Reserve in the General Fund	28.3	
Reallocation of a portion of Food Distribution to Coronavirus Relief Fund	3.6	
Receipt of grant funding for San José Abierto	0.5	
<b>Revised Remaining Available Funds</b>	<b>82.5</b>	



# 2021-2022 Community and Economic Recovery Budget

Uses by Group (\$ in millions)



# Encampment Services: BeautifySJ

## City Roadmap Recovery Initiative Workstream

BeautifySJ Consolidated Model	11,000,000
BeautifySJ Grants	100,000
Vehicle Abatement Program, Proactive Patrol, + Complaint Response	450,000
Downtown Automated Public Toilets	400,000
SJ Bridge Public Restrooms	300,000
<b>Total Encampment Services: BeautifySJ</b>	<b>12,250,000</b>

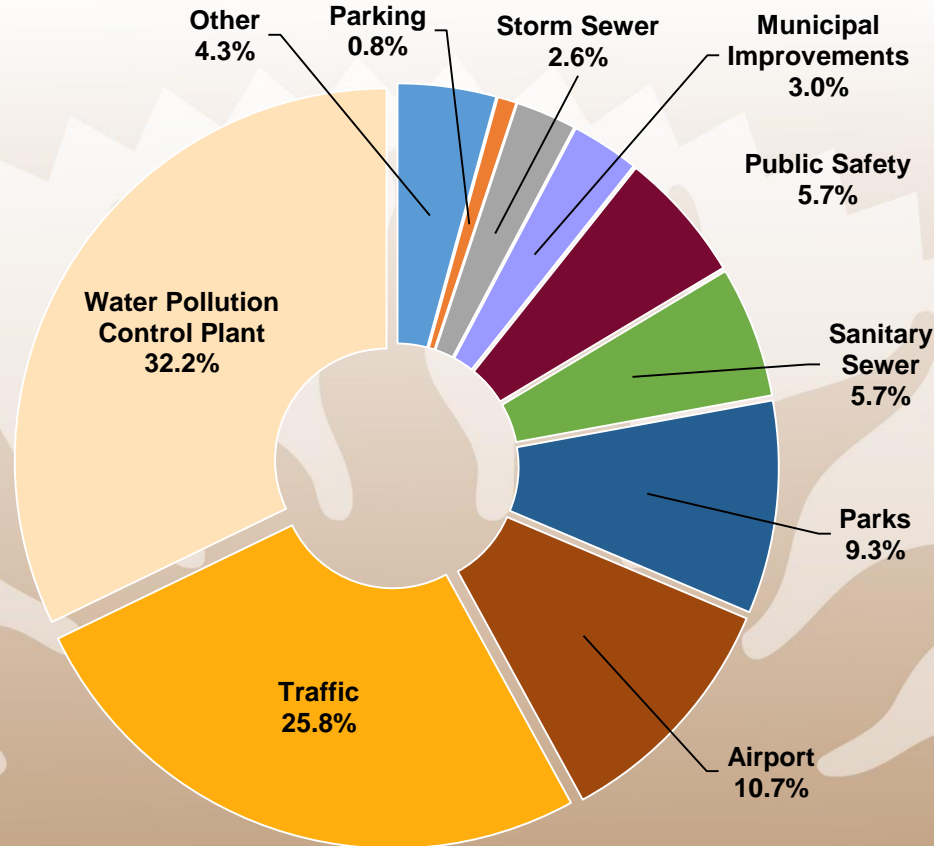
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# 2022 – 2026 Adopted Capital Improvement Program Highlights

# City of San José Adopted Capital Improvement Program (CIP) Overview

2022-2026 ADOPTED 5-YEAR CIP<sup>1</sup>

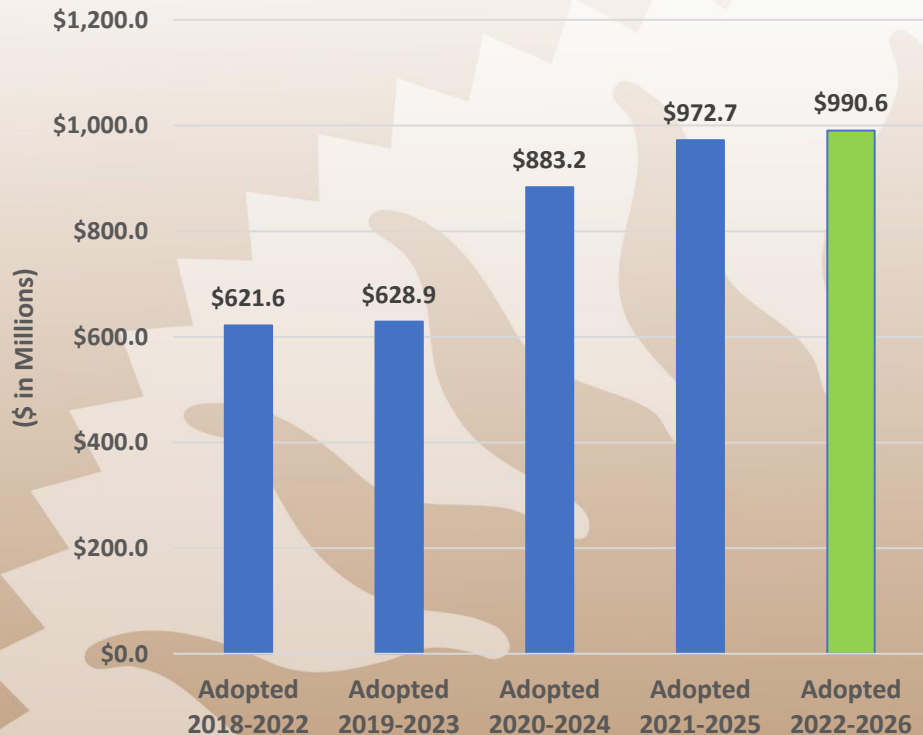
(\$3.8 billion)



<sup>1</sup> 2021-2022 Adopted Capital Budget totals \$1.6 billion.

# Traffic Program

## CIP History



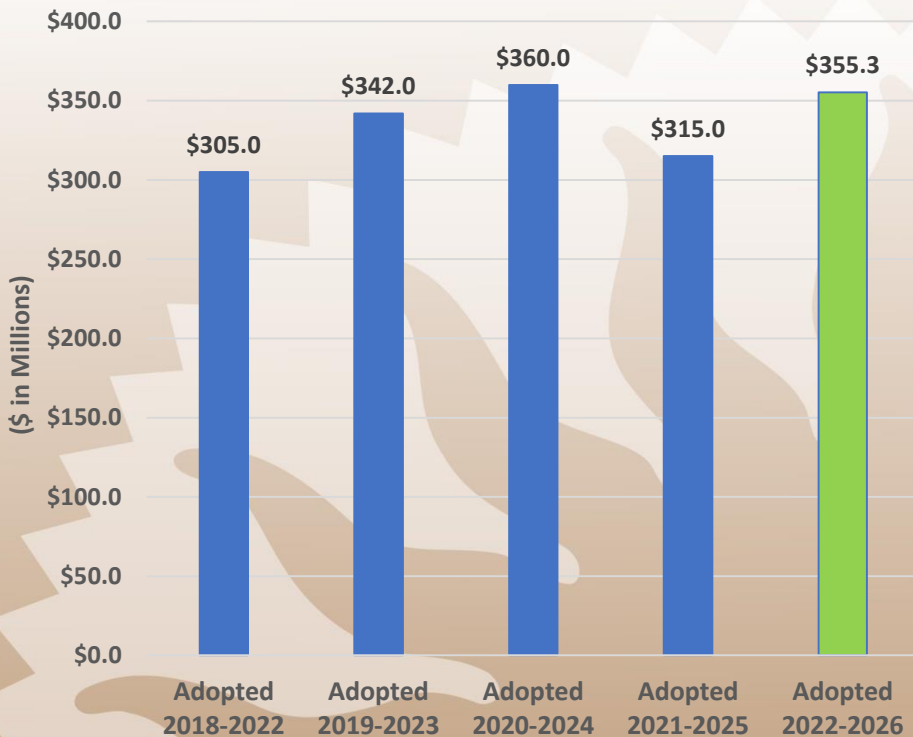
## Program Highlights

### Key Projects:

- Balbach Street Transportation Impr.
- Branham and Snell Street Impr.
- McKee Road Safety Corridor Safety Impr
- Mount Pleasant Schools Area Bike/Ped Safety Impr
- Senter Road Pedestrian Safety Impr.
- Tully Road Corridor Safety Impr.
- Vision Zero: Story/Jackson Safety Impr.
- W. San Carlos Corridor Safety Impr (OBAG)
- Better Bikeways San Fernando (ATP)
- Route 101/Blossom Hill Road Intrchnge
- Pavement Maintenance

# Parks & Community Facilities

## CIP History



## Program Highlights

### Key Projects:

- All Incl. Playground – Almaden Lake Park
- Butcher Dog Park Renovations
- Camden Community Center Impr.
- Columbus Park Soccer Facility
- Emma Prusch Park Electrical Impr.
- Happy Hollow Park & Zoo Exhibit Impr.
- Starbird Park Playground
- TRAIL: Coyote Creek (Story Road to Tully Road)
- TRAIL: Three Creek Lonus Extension
- 2017 Flood – Various Projects