

2022-2023 CAPITAL BUDGET
2023-2027 CAPITAL IMPROVEMENT PROGRAM

MAYOR'S JUNE
BUDGET MESSAGE



Memorandum

TO: CITY COUNCIL
FROM: Mayor Sam Liccardo
SUBJECT: JUNE BUDGET MESSAGE
FOR FISCAL YEAR 2022-2023
DATE: June 7, 2022

APPROVED:

Date: 6/7/2022

RECOMMENDATION

I recommend that the City Council:

1. Approve the City Manager's Proposed Budget with the additional direction outlined in this memorandum for purposes of adopting a final budget for Fiscal Year 2022-2023.
2. Adopt a resolution authorizing the City Manager to negotiate and execute agreements for projects approved in the Mayor's Budget Message when amounts exceed the City Manager's existing contract authority provided that any required environmental review for the project has been completed.
3. Authorize the changes proposed in the following Manager's Budget Addenda and incorporate them in the Adopted Budget, except in cases where the Addenda are amended or superseded by the contents of this Budget Message.

MBA #3 Fiscal Sustainability of Interim Housing Operations and Maintenance Costs

MBA #8 Office of Retirement Services' 2022-2023 Proposed Administrative Budget

MBA #13 Team San José 2022-2023 Performance Measures

MBA #14 Final 2022-2023 City Initiatives Roadmap and Backlog

MBA #15 Mayor's Gang Prevention Task Force San José Bringing Everyone's Strengths Together Resource Allocation Plan

MBA #16 Disability Community Engagement and Service Evaluation

MBA #17 Recommendation on the 2023-2027 Proposed Capital Improvement Program

MBA #23 Proposed 2022-2023 Arts and Cultural Development Grants

- MBA #31 PRNS Fee Cost Recovery Levels
- MBA #37 2022-2023 Revised General Fund Revenue Estimates and Recommended Expenditure Allocations
- MBA #38 Accounts Receivable Amnesty Program Pilot (Equity Lens)
- MBA #40 2022-2023 Proposed Fees and Charges Report Amendment
- MBA #41 Rebuilding the San José Police Department
- MBA #42 Recommended Amendments to the 2022-2023 Proposed Operating and Capital Budgets

INTRODUCTION

A. Our Collective Dividend for Reversing the Rise of Retirement Costs: a Five-Year Projected Balanced Budget

As I've conducted dozens of public community meetings to discuss budgetary issues throughout my tenure, many variations of the same question arise, such as:

- “Can't we have police officers walking patrol in my neighborhood?”
- “Why can't our library hours stay open later at night and on weekends?”
- “Why don't we have better maintained parks?”
- “Don't we pay an enormous amount in taxes, and we live in a wealthy region?”

We can boil these questions to the same fundamental concern: “Why can't San José provide more and better services?”

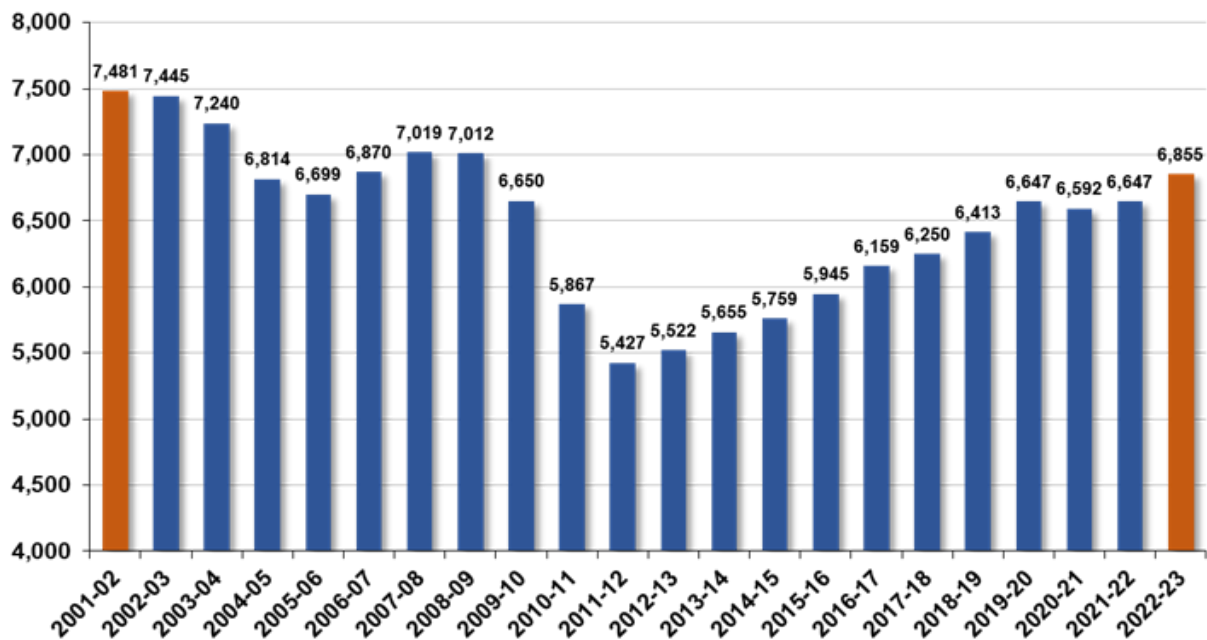
America's Most Thinly-Staffed Big City

Serving the public requires people to deliver the service, and the clearest explanation for San José's struggles in providing basic services lies in our persistent status as the most thinly-staffed City Hall of any major U.S. city. Although we made modest progress in my tenure in restoring services that endured severe cuts in past years, we still have a smaller staff at City Hall today than we did twenty years ago – and they must serve nearly 200,000 more people. This bar chart depicts this reality in the number of FTE (full-time equivalent) employees citywide:

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June 7, 2022

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Here's the kicker: the reality of chronically thin staffing appears *even worse* than suggested in the chart. Why? Because City staff do things today that they never had to do two decades ago. For example, with the creation of [San José Clean Energy](#), we hired a team to procure green electric power for more than 300,000 ratepayers. Amid a homelessness crisis, we're [building 1,000 quick-build apartments](#), converting hundreds of motel rooms to housing, and overseeing the management of contracts for mental health outreach, interim housing communities, and work programs like San José Bridge. Through the pandemic, City staff have coordinated the [distribution of more than 2 million meals a week](#) to families in need of food, and built out a [wi-fi system to provide free wireless broadband to more than 100,000 residents](#) (and to 300,000 residents by the end of this year). Fortunately, new (and often restricted) funding sources support these new efforts, and they're typically legally restricted to a specific service; for example, revenues from electricity bills paid by ratepayers can't fund more cops. Yet it illustrates just how misleading the aggregate employee data really is: even fewer City staff perform such basic services as policing, emergency medical response, libraries, and park maintenance.

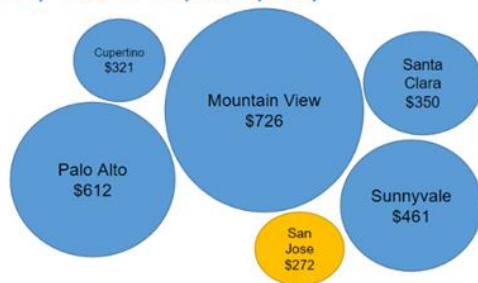
In summary: over the last two decades, City Hall has *fewer* people to do much *more* work for *more* residents. If we can't fix the budgetary realities that caused this problem, continued service deterioration becomes inevitable.

Chronic Budgetary Challenges

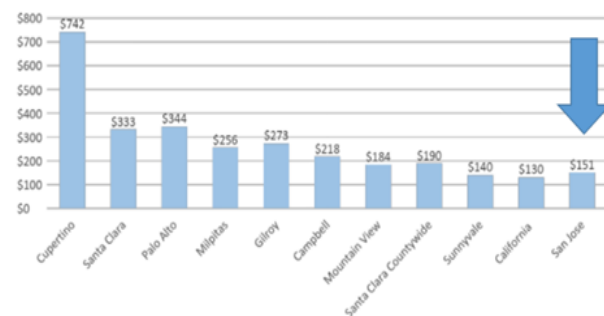
Why can't we afford the *per capita* staffing levels of other cities? First, the City's budget stretches less far paying the higher salaries needed to retain workers in the increasingly costly Bay Area, and it competes against much larger Silicon Valley corporate budgets that pay higher salaries.

Second, decades of poor land use decisions by prior Councils have left San José with a severe jobs-housing imbalance – with the lowest ratio of jobs of any major U.S. city. That leaves San José with much lower tax revenues per capita—as demonstrated by the graphics below—and much greater demand for scarce services:

Property Tax Per Capita by City



Sales Tax Per Capita by City



Recent successes in luring job expansions to San José—with new headquarters or major expansions from Adobe, Apple, Aruba, Broadcom, Google, Micron, NetApp, Roku, Splunk, Supermicro, Zoom and many other great employers—will change these numbers over time, but this gap will take a generation to correct.

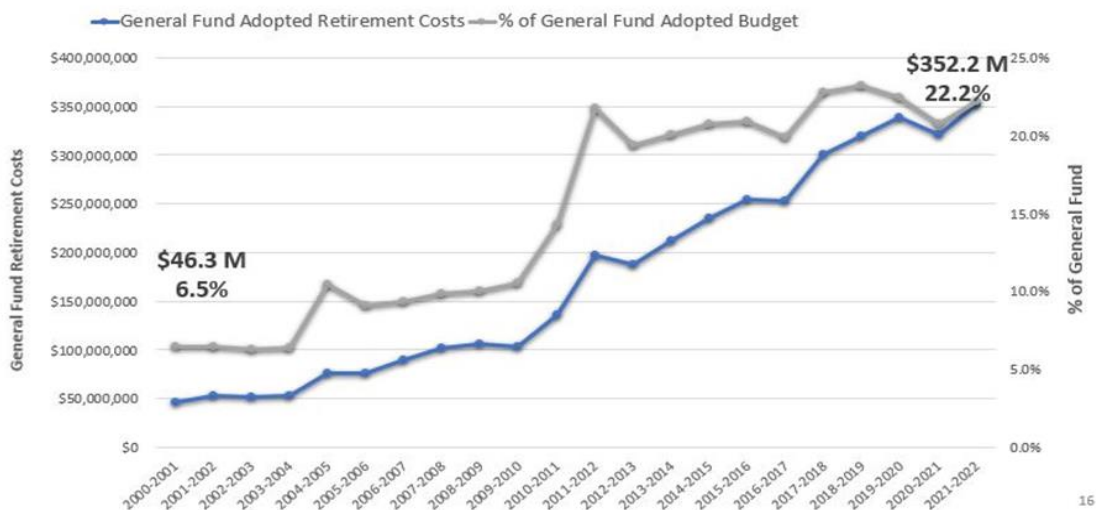
In the last two decades, however, a third challenge overshadowed the others: rapidly rising retirement costs – primarily for pensions and retiree healthcare benefits.

The Problem of Pensions

The collective horror of September 11, 2001, and the heroic, tragic response of New York City firefighters and police left a grateful nation believing—understandably—that we needed to take better care of our first responders. California's elected officials then had flush budgets and ostensibly fully-funded retirement funds to do so. Starting with Governor Gray Davis and the state legislature, elected officials granted increasingly large pension and retiree healthcare benefits to public employees. In San José, several City Council votes in the early part of that decade retroactively expanded benefits for employees and retirees, without requiring employees to pay more to cover those costs.

In my first weeks in office as a councilmember in 2007, I learned of the depth of the problem. Optimistic assumptions by retirement boards and their actuaries left the public believing that our retirement funds were better funded than they were, and knowingly or not, the Council—several of whom served on the boards—participated in the fantasy. Not merely in San José, but in many cities and states, elected leaders failed to see the unsustainable nature of their generous promises for pensions and retiree healthcare, and the inevitably steep costs to taxpayers.

Like receding tides, recessions expose what too-long lurks hidden on an ocean floor. By 2009, we learned that these decisions saddled San José taxpayers with a \$4 billion unfunded liability for pensions and retiree health benefits – costs not covered by anticipated employee contributions or investment returns. Paying off that \$4 billion debt required an increasingly hefty payment, so annual City pension and retiree healthcare costs quadrupled in a decade. By 2012, they consumed nearly a quarter of our General Fund annually:



The fiscal tail of retirement costs now wagged the dog of the City budget, crowding out spending on many essential services, like fire, police, emergency medical response, and street paving. Deficits ballooned, averaging more than \$100 million a year for three years. Our workforce endured painful layoffs, pay cuts, hiring freezes, and our residents suffered severe service reductions. The deeply antagonistic political battles that ensued undermined efforts by the City and our unions to find ways to reduce these costs through negotiation. Media pointed to [pension reform skirmishes in San José as a harbinger](#) for the challenges nationally that cities, counties, and school districts would grapple with throughout the country.

Then-Mayor Chuck Reed and the Council majority (including me) pushed to take the matter to the voters in 2012, in the form of Measure B, to reduce pension benefits. Our voters overwhelmingly—more than 70%—approved Measure B. Yet the matter was hardly settled; one court invalidated a portion of the measure and upheld other parts, sending it back to the

negotiating table. Meanwhile, some city workers—most visibly police officers—voted with their feet, heading to other local cities with better pay and benefits.

When I became mayor in 2015, we had already lost more than 500 police officers, and despite our badly depleted City workforce, we still lacked budgetary flexibility to restore services. We looked for ways to salvage fiscal savings from the partially invalidated Measure B without exacerbating the exodus of police officers and other talented city staff. We resumed negotiations in 2015 for several intense months.

The Breakthrough

Although media accounts about retirement costs focus on pensions, about half of the retirement debt incurred by cities like San José—about \$1.6 billion of San José’s unfunded liability in 2009—came from retiree medical benefits. That fact enabled a key breakthrough: the police union soon recognized—and other unions agreed—that the retiree health costs not only became too pricey for taxpayers, but for our employees as well. The emergence of the federal Affordable Care Act smoothed the transition to Medicare for many retired workers. An important insight emerged: everyone could do better by simply abandoning the City retiree medical benefit.

Although state law required a preservation of “vested benefits” for existing employees, the City could close the plan to new hires and save millions annually.

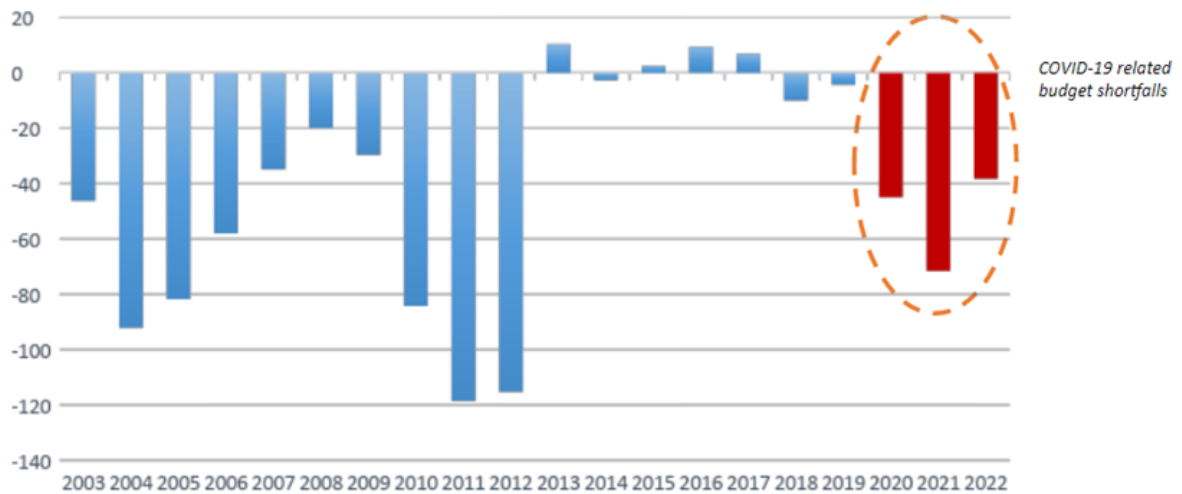
That breakthrough provided early momentum for negotiations in 2015. In the following months, lead City negotiator Jennifer Schembri and dedicated union leaders tirelessly negotiated an end to pension “bonus checks,” a reduction in pensions for new hires, the closure of the retiree healthcare plans, and many other details. An independent actuary estimated that the package would save taxpayers some \$3 billion over the next three decades – as much savings as was achieved with the 2012 Measure B, but achieved entirely through negotiation. Every employee bargaining group signed the agreement, the Council approved it, and voters [approved Measure F in November of 2016](#) supplanting the 2012 measure.

Yet the savings to taxpayers would take many years to materialize, and some questioned the projections of the actuaries. We would continue to struggle until the number of newly hired employees could alter the trajectory of long-term retirement costs.

The Pension Reform Dividend – and The Future

The hard-reset of retirement costs in 2012 and 2016 interrupted years of recession and pension-driven deficits (expressed in millions of General Fund dollars in the chart below), until the pandemic wrought its own fiscal challenges:

Past and Present: Balancing over \$800M of Shortfalls



Yet this year—*for the first time in two decades*—the [City Manager’s Budget Office issued projections for balanced budgets—including very modest surpluses—for the next five years:](#)

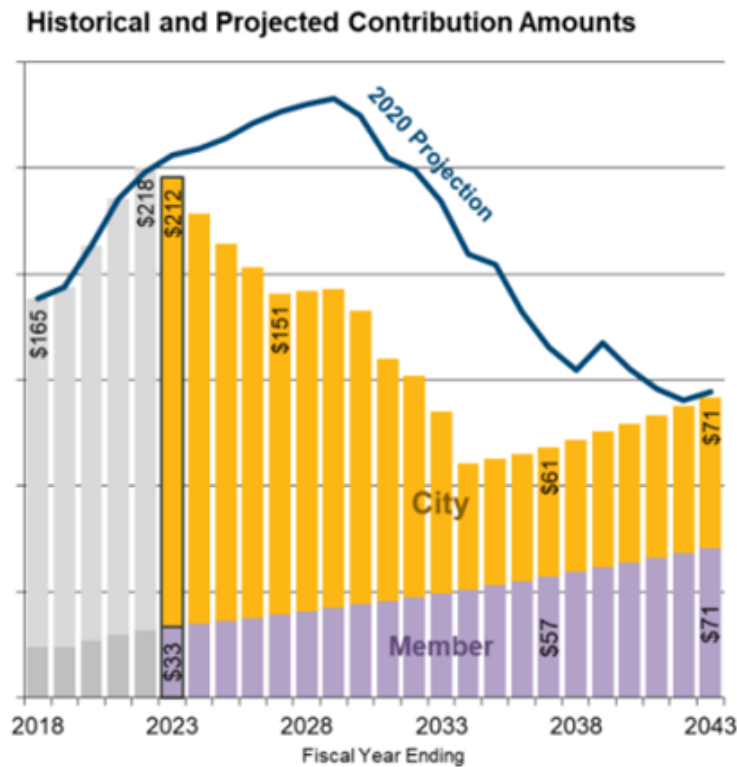
2023-2027 General Fund Forecast Incremental Surplus

| | 2022-2023 | 2023-2024 | 2024-2025 | 2025-2026 | 2026-2027 | Five-Year Surplus |
|-------------------------------------|-----------|-----------|-----------|-----------|-----------|-------------------|
| Incremental Surplus ¹ | \$27.7 M | \$26.0 M | \$23.5 M | \$22.7 M | \$28.9 M | \$128.8 M |
| % of Budget (Based on Expenditures) | 2.1% | 1.9% | 1.7% | 1.6% | 2.0% | |

Note: Does not include 1) costs associated with services that were funded on a one-time basis in 2021-2022; 2) costs associated with unmet/deferred infrastructure and maintenance needs; and 3) one-time revenue sources or expenditure needs.

What’s driving the good news? While revenues have rebounded faster than expected, one key factor rises above the others: falling retirement costs.

Simply, we finally reached the crest of the wave. Annual retirement fund contributions decline in our actuarial projections in each of the next ten years. For example, in the Police and Fire Retirement Fund, the actuary updated its 2020 projections earlier this year, to offer the following picture:



January 6, 2022

The market’s steep fall this year will reduce overall retirement fund returns, to be sure, and may shift the curve slightly to the right, but a single year’s losses should not severely affect the funds’ long-term funding status. Assuming the funds avoid a complete free-fall in asset values, the long-awaited dividend will come: discretionary dollars to improve City services, infrastructure, and jobs in the years ahead.

The Disclaimers

Before celebrating, disclaimers are required. First, these are *projected* dollars. They’re still a far cry from real dollars, which only materialize if the projected year becomes an actual year. Reality eventually supplants all assumptions. Nonetheless, the specter of sustained *projected* balanced budgets appears both noteworthy and novel to anyone in our City Budget Office.

Second, the pandemic and our recovery forced the City to expand such services such as trash cleanups, food distribution, child care, and small business support. As in any emergency, we relied on one-time sources, such as federal dollars from the American Rescue Plan, to deal with crises. Now, we either need to cut those services, or absorb them on an ongoing basis into a constrained City budget. That requires belt-tightening.

Finally, we’ve recently invested in many new public assets that require additional staff to operate and maintain them, such as Measure T’s new fire stations and Emergency Operations Center, or new parks funded by local housing development.

In short, preserving our essential services—and growing them in future years—requires us to wrestle with what we call a “service level deficit,” and yet more belt-tightening:

**Estimated Service Level/Structural Shortfall in 2022-2023 for Planning Purposes
(\$ in Millions)**

| | 2022-2023 |
|--|-------------------|
| February 2022 Incremental Surplus/(Shortfall) | \$27.7 M |
| Community and Economic Recovery Workstreams in the American Rescue Plan Fund Continued at 50% of 2021-2022 Modified Budget Level | (\$52.5 M) |
| Programs Previously Funded on a One-Time Basis in the General Fund | (\$20.4 M) |
| Estimated Service Level/Structural Shortfall for Planning Purposes | (\$45.2 M) |

Yet we should happily take this problem over our experience over the last couple of decades. We can actually see the light at the end of the tunnel – and it’s not an oncoming train.

Of course, external forces can disrupt projections like these. Recession, wars in Europe, a reprisal of a more deadly COVID variant, inflation, and rising interest rates can all wreak havoc on an economy, and any city budget. These external factors lie beyond our control, and we must prepare for them. So, I’ve proposed increasing our reserves.

External factors should concern us, but what should concern us more—particularly as we consider a transition in City leadership, with the departure of at least four members of the Council this year, and at least three more in 2024—are those factors we control. As the battles over ballooning retirement costs instruct, our worst suffering often comes by our own hand. Let’s hope that our City’s future leadership embraces today’s history’s lesson.

B. Community Input on This Year’s Budget

As in past years, we’ve benefited tremendously from the input of our community in identifying our City’s top budgetary priorities. Prior to the issuance of my March Budget Message, many Downtown residents and small business owners attended my virtual budget Town Hall, urging investment in a dedicated walking SJPD patrol in Downtown to address rising safety concerns.

I had three in-person and on-line community budget meetings in May, in Districts 9, 7, and 5. We heard from dozens of volunteers at the Animal Care Center emphasizing the urgent need for additional staff and resources to address the explosion of stray cats and neglected pets. Other community members urged that we expand library hours and provide more CERT disaster-response training. Some residents weighed in online through our budgeting tool, “Balancing Act,” urging additional resources for the Animal Care Center, affordable housing, Fire Department, and homelessness.

We also heard from our Neighborhoods Commission, which submitted a letter asserting a desire to, among other priorities:

- improve police response to reduce violent crimes and burglaries;
- dedicate more resources to Code Enforcement and the 311 app to address blight;
- increase staffing in SJPD traffic enforcement to enforce speeding on streets; and
- add more crossing guards to ensure pedestrian safety at intersections. (MBA #2)

Our Youth Commission also weighed in, urging us to explore public/private partnerships and incentives to accelerate affordable housing development, increase recycling and reduce waste and air pollution, restore library hours, continue the Work2Future program, prioritize infrastructure that promotes biking and reduces speeding, support afterschool programs, and improve park maintenance. (MBA #18)

C. Budget Highlights for the Year Ahead

Most of all, I thank my Council colleagues for their deep engagement in this budget process, and for their many good ideas to address the pressing needs of our community. We received 95 budget documents proposing \$19.5 million in spending to address resident concerns. Obviously, we could not fund all of those ideas with our Essential Services Reserve, so we sought other funding sources when possible.

Through its approval of my March Budget Message, the Council allocated new funding within a limited number of priority areas:

- 1. Homelessness and Affordable Housing**
- 2. Public Safety**
- 3. Battling Blight**
- 4. Climate and Seismic Resilience**
- 5. Equitable Economic Recovery**
- 6. Fiscal Resilience**

As a result of the Council's unanimous approval of that message, we embarked on initiatives to:

- Invest \$40 million for the **construction and operations of quick-build apartment communities, with the goal of getting 1,000 pandemic-era units under development**, and another 300 motel rooms converted for transitional housing;
- **Add more police officers to the San Jose Police Department**, continuing our half-decade-long efforts to rebuild a department that has grown by more than 220 officers since 2017. Those additions will enable, for the first time in more than two decades, **deployment of regularly scheduled walking beats in Downtown and high-need neighborhoods**;
- Commit resources to **combat blight in our City through Beautify San José initiatives**, including employment of our unhoused in cleanup efforts (San José Bridge), encampment management (SOAR and Cash for Trash), graffiti response, and abandoned vehicle abatement.
- Launch the City's first comprehensive **resilience initiative**, to bring resources and management focus to **better prepare our City for the inevitable local impacts of climate change, drought, earthquake, wildfires**, and other inevitable, imminent threats.

While the March Budget Message sets broad budgetary direction, the June Message typically involves smaller tweaks, often for neighborhood-focused objectives. Some of the highlights of this June message incorporate my colleagues' recommendations to:

- **Open 13 libraries on Sundays in our low-resource neighborhoods**;
- Enhance public safety by **accelerating police hiring**, launch **automated red-light-running enforcement**, and implement various **neighborhood traffic safety** improvements;
- Fund important cultural and community priorities, including the launch of development of the **African American Cultural Center**, and the **purchase of Cesar Chavez's historic home**, and **increasing support of our small businesses**.

Spending Recommendations

I recommend that the City Manager allocate all funding described in this June Budget Message from the Emergency Services Reserve on a one-time basis, unless otherwise indicated.

1. Homelessness and Affordable Housing

Rehousing Individuals Encamped in Guadalupe River Park

Since the announcement of the FAA order to clear the airport approach area of the Guadalupe River Park, City staff, local non-profits, and the County have housed 118 people living there, and approximately 100 remain to be housed. Encampments along the trail and Columbus Park prevent the public's use of those facilities. The City Manager

makes a convincing argument for deferring abatement at Columbus Park until the commencement of park improvements, or else the City will spend much more on wheel-spinning (Manager’s Budget Addendum #24, Option #1, p.3). The trail constitutes the primary and most-used feature of the park, however, and we must make it safe and open for the public, including the more than 1,000 residents who depended on it for their commute route. I recommend that the City Manager allocate \$580,000 from Measure E revenues to accelerate the rehousing of the approximately 46 residents living between Taylor and Santa Clara Streets, concurrent with the rehousing of the remaining residents. (MBA #24)

South Bay Community Land Trust

Last August, the City Council approved \$250,000 from the \$3 million community benefit payment from Google to initiate a study of community land trusts and other community ownership models. The South Bay Community Land Trust (SBCLT) since formed, and the \$250,000 could better serve as a capacity-building grant to SBCLT to contract with an experienced staff person or developer partner to oversee an acquisition program. The grant can help position the SBCLT to respond to the NOFA that the Housing Department plans to release in the fall for the \$25 million in Measure E funds that were set aside for acquisition and rehabilitation of existing buildings for low-income housing. I recommend that the City Manager reallocate \$250,000 from Google’s community benefit payment to the SBCLT as a grant and direct the Housing Department to negotiate a scope of work. (BD #69 Carrasco)

Mobile Home Park Protections

In public Council meetings, staff has repeatedly described the shortcomings of making land use designation changes on every one of the City’s 59 mobile home parks (MHPs), particularly in the absence of imminent threat of their redevelopment. Prophylactic land use protections would require a large expenditure of scarce staff time, forcing other critical affordable housing priorities to a back burner.

The Council previously determined that we focus our resources on reducing conversion risk of those MHPs sitting on parcels with economically lucrative land use designations. We have taken many steps in recent years to protect residents against redevelopment risk, by:

- Implementing a new mobile home park-specific (MHP) designation to “protect” the only two mobile home parks with a designation allowing high- or mid-density residential development.
- Revising the Zoning Code in 2016 and 2017 to require all conversions to come to City Council for initial decision-making, require findings of consistency with the General Plan for conditional use permits (CUPs), prevent parcels with mobile

home parks from obtaining conforming rezonings, and require demolition permit applicants to meet relocation obligations.

- Adopting City Council Policy 6-33 in February 2016 to require a program of relocation and purchase assistance, including but not limited to compensation to residents, purchase price for the existing mobile homes, relocation impact reports, and relocation benefits.
- Amending the General Plan in May of 2017 to add goals, policies, and actions to preserve MHPs.

Some speculate that the passage of SB9 opens some of these parcels to greater densities, so Staff has considered applying its fiscal feasibility study for “Opportunity Housing” in specific neighborhoods as a proxy for assessing the feasibility of redeveloping specific residentially-designated MHPs into townhomes. Using that analysis, I recommend that the City Manager allocate one-time funding of \$30,000 from the Essential Services Reserve to change the land use designation on at least five parcels with mobile home parks at the greatest risk to redevelopment. (BD #46 Jimenez, Foley, and BD #8 Peralez)

African American Cultural Center and Affordable Housing

Several African-American community members have long sought to build a center that would serve, convene, and honor our Black community. More than a decade ago, I worked with the Redevelopment Agency to identify \$250,000 to help with planning and design of a center in Downtown San José, but multiple challenges arose with the site, financing, and implementation. A new partnership with Momentum for Health—which has generously offered the use of their site for development—and Regina Celestin Williams, Executive Director of Silicon Valley @ Home, provides a promising fresh start. The revised mixed-use concept will include hundreds of affordable housing units, along with community-serving convening space, retail, and office for the provision of services by the African American Community Services Agency, Roots Clinic, and Ujima Family Services. I recommend that the City Manager allocate \$560,000 from the Measure E - 30% Low Income Households Reserve identified for mixed-use development with affordable housing for design and planning work, including entitlement application. To comply with Measure E’s requirements, the City Manager is directed to ensure that the design integrates affordable housing over the ground-floor commercial and cultural space. (BD #95 Jones)

Communicating With the Community About Housing Projects

Responding to resident concerns on large and typically controversial housing projects falls on the shoulders of individual Project Managers, who remain occupied with technical planning review. Dedicating a person for this purpose, as well as for facilitating Councilmember/Mayor communication with Planning staff, could enable PBCE to work

more efficiently processing the large backlog of planning applications. I recommend that the City Manager add 1.0 Planner IV position ongoing in the Planning Development Fee Program Fund. (BD #25 Jones)

2. Public Safety

Police Walking Patrol

After years of struggling to implement walking police beats in the Downtown and elsewhere through voluntary assignments, the City finally has the budgetary resources to create a designated walking beat in the Downtown and a rotating walking patrol for high-crime neighborhoods. The Council unanimously approved my March Budget Message with that direction, and the City Manager's Proposed Operating Budget includes the addition of 16 police officers to permanently re-establish foot patrols in the Downtown and high-needs neighborhoods. However:

- More resources are needed to provide additional community foot patrols in high-need neighborhoods in Police Districts Lincoln, Sam, X-Ray and Charlie. The City Manager is directed to allocate \$194,000 in overtime funding to support walking beats in these police districts in Council District 7. (BD #66 Esparza)
- The proposed budget will only begin implementation of a five-day/week model of Downtown walking patrol in June of 2023. In light of the time-sensitivity of police presence—particularly as workers return to their hotels, restaurants, and offices Downtown—I recommend that the City Manager allocate one-time funding, as suggested in Manager's Budget Addendum #25, from existing allocations for SJPD operations and overtime. (MBA #25)

Lateral Hiring Incentives for Police Officers

Lateral hires of street-ready police officers from other agencies save us money in the long run because they reduce training and academy costs. As we continue to rebuild our police force, I recommend that the City Manager reserve \$150,000 from the Hire Ahead program to pilot an incentive program that would provide \$10,000 for each lateral sworn officer transfer into the police department. (BD #36 Davis)

Mayor's Gang Prevention Task Force

Rising rates of violent crime have undermined the confidence of too many of our residents in the safety of their safety. As we improve our policing of the community, we must also invest in prevention and intervention to ensure that all of our youth believe they can achieve a better future by avoiding a life of violence and gangs. I recommend that the City Manager allocate a record \$6.7 million to non-profits participating in Bringing Everyone's Strengths Together (BEST) initiatives and partnerships. (MBA #15)

Lease of Software and Related Gunshot Detection Equipment

SJPD has recently piloted the use of law-enforcement-grade cameras, license plate readers, and gunshot detection technology in the Cadillac-Winchester neighborhood of District 1. I recommend that the City Manager allocate \$72,000 for this promising combination of technologies to monitor a half-square mile area of a uniquely high-crime neighborhood for improved community safety. The City Manager is further directed that any continued deployment complies with the City's Privacy Policy, with reports of findings to the Public Safety, Finance, and Strategic Support Committee. (BD #22 Jones)

Capture Crime Program

We've seen a marked increase in retail theft at shopping centers across the city in the last two years, including armed "smash and grab" burglaries and robberies that have devastated struggling small businesses. A Capture Crime Pilot Program would deploy surveillance cameras in key commercial districts equitably identified through a crime analysis, augmenting the work of our overstretched police department to identify and arrest criminals. Participants would be required to register with the SJPD Camera Registry Program and participate in workshops led by the Crime Prevention Unit. I recommend that the City Manager allocate \$75,000 for a Capture Crime Pilot Program in one to two commercial hubs in San José (BD #85 Mahan), of which \$25,000 should come from the \$100,000 allocation for the Security Camera Rebate Program authorized by Council in my March Budget Message.

Traffic Calming and Pedestrian Safety

The horrible recent toll of traffic deaths compels us to lean in on investments in pedestrian and traffic safety, beyond those made through the March Message:

- **Red Light Running Cameras:** The state legislature's unwillingness to clear the way for automated speed enforcement recently leaves California cities with limited options. Red light running comprised a factor in 9% of KSI (death or serious injury) collisions in 2020, and DOT staff has expressed a desire to plot the use of this technology. According to the U.S. Department of Transportation, this technology [appears to increase the risk of rear-end collisions, but reduces more dangerous right-angle crashes](#). An [Insurance Institute for Highway Safety study of 2014 data](#) clearly supports its deployment, although a [2017 Case Western study casts a more dubious light](#). The efficacy of this technology depends on many factors, of which, City DOT officials suggest, implementation likely comprises the most important. I recommend the City Manager allocate \$733,000 to launch a pilot on four intersections with the highest number of injury collisions (or other appropriate measure of risk) related to red-light-running and return in the spring of 2024 with findings that would inform the Council about whether to expand, continue, or terminate the program. (BD #40 Davis)

- **Bernal Way:** The 2021-2022 Adopted Budget included \$22,000 to increase the height of the sound wall at the end of Bernal Way, where pedestrians access the Union Pacific Railroad line by climbing over a short wall. In light of recent escalation of the cost estimate, I recommend that the City Manager allocate \$4,000 to fill the gap. (BD #88 Mahan)
- **Branham & Monterey:** The intersection of Branham Ln and Monterey Rd provides a “hot spot” for dangerous side shows, posing serious risk to surrounding residential neighborhoods. DOT’s installation of quick-build street treatments—paint, raised pavement markers, chatter bars, bott’s dots, delineators, curb extensions, and median island extensions—offers promise as a means to mitigate sideshows. I recommend that the City Manager allocate \$50,000 for design improvements at the Branham Ln and Monterey Rd intersection to deter sideshow activities. (BD #44 Jimenez)
- **Cropley Avenue Pedestrian Safety:** A busy road in Berryessa, Cropley Avenue lacks any activated crosswalks between Morrill Ave and Piedmont Road, a longstanding request from neighbors to protect children walking to nearby parks and schools. I recommend that the City Manager allocate \$25,000 to identify the ideal location to install safety enhancements (such as, e.g., rapid rectangular flashing beacon, bulb outs, and a median island), and partner with Councilmember Cohen’s Office to engage in community outreach to address concerns raised by parking removal and the proximity of these devices to homes. (BD #5 Cohen)
- **Downtown Neighborhoods:** The rapid growth of density of housing and office in Downtown has brought increased traffic impacts to the surrounding neighborhoods of District 3. To slow speeding cars and improve safety for residents, I recommend that the City Manager allocate \$100,000 to traffic calming in the district, with a focus on low-cost, quickly-deployable solutions like traffic humps. (BD #12 Peralez)
- **Kooser Crosswalk:** Apart from the crosswalk connecting Stanwood Drive to the Princeton Plaza shopping center, the busy Kooser Road corridor offers few places to safely cross between Meridian Avenue and Blossom Hill Road. Tragically, we lost a resident last year along this corridor in a hit-and-run accident. I recommend that the City Manager allocate \$125,000 to install high-visibility markings and flashing beacons at the existing crosswalk, and study the feasibility of adding bulb outs, a median, or reconstruct curb ramps. (BD #50 Foley)
- **Monterey Road Wildlife Corridor Safety Improvements:** Monterey Road presents the greatest barrier to east-west wildlife movement in the Coyote Valley, primarily due to the continuous median barrier created by concrete k-rails with a metal screen. Wildlife collisions also pose a grave risk to oncoming roadway traffic. Recognizing that removal of median barriers might impact traffic safety,

partners such as the Peninsula Open Space Trust (POST) and the Santa Clara Valley Open Space Authority (OSA) are exploring the feasibility of improvements to facilitate better wildlife movement over or under Monterey. I recommend the City Manager provide \$100,000 to POST as a match to OSA's \$100,000 commitment to support the development of a wildlife crossing infrastructure feasibility study. (BD #43 Jimenez)

- **Sideshows in District 10:** DOT installed sideshow deterrents at several hotspot locations over the last year and will monitor their effectiveness in the coming months. I recommend that the City Manager allocate \$100,000 from the Essential Services Reserve and \$50,000 from District 10's Safety-Pedestrian Improvements fund to install sideshow deterrents at three intersections in Council District 10, with the identification of locations informed by data from SJPD and Council Office feedback. (BD #84 Mahan)

Emergency Preparedness

The Community Emergency Response Teams (CERT) program provides emergency response training to volunteers willing to assist residents across the city in the event of a significant natural disaster. The City Manager's Proposed Budget dedicates \$200,000 to provide classes to train and certify volunteers this year—with particular focus in Council Districts, 3, 5, 7, and 8—to meet our goal of graduating 600 volunteers out of the program in 2022-2033, and enough ongoing funding to provide ten classes per year thereafter. Additionally, the Office of Emergency Management has submitted five applications to Cal OES for funding to support even more classes, however non-personal funding is needed now to purchase fully equipped backpacks with personal protective equipment for CERT graduates. I recommend that the City Manager allocate \$85,600 to purchase backpacks for all twenty CERT trainings planned for FY 22-23. (BD #51 Foley)

Gun Safety Contract Work with the State of CA Department of Justice (DOJ)

We must inform gun owners about changes in state and local ordinances—such as our safe storage, insurance and fee requirements, and ghost gun ban—to obtain greater compliance and safety. Moreover, new investments in violence reduction—such as suicide and domestic violence prevention and mental health resources—[must primarily serve persons living in a household with a gun if we seek to mitigate the harm to those subjected to the highest risks](#), according to [multiple studies](#). Accomplishing these objectives requires communicating with our roughly 55,000 residents who own guns, yet doing so in a manner respectful of their privacy. Assemblymember Phil Ting has graciously authored a bill (AB 2883) that would require the California Department of Justice (DOJ) to notify gun owners of local gun-safety ordinances when a city or county contracts with the DOJ to do so. I recommend that the City Manager set aside \$150,000 to contract with the DOJ for this work, or related gun safety communication efforts.

Public-Facing SJPD Portal for Evidence Collection

In 2020, SJPD began collecting digital evidence in the field using an application on City-issued cell phones, allowing officers to upload picture and video evidence directly to SJPD's evidence storage system. Expanding the application to include a public-facing portal will allow residents impacted by crime to also upload media evidence. Various methods for "gatekeeping" –such as requiring the user to enter an SJPD case number– could limit the flood of irrelevant video or photos. I recommend the City Manager allocate \$125,000 for software purchase. (MBA #34)

3. Eradicating Blight

San José 311

The Neighborhoods Commission has advocated that the City launch a campaign to improve awareness among residents about the use of the 311 app. They report—and we have found—high levels of resident satisfaction for those who use many of the app's features, particularly for services such as free junk pickup, providing a promising path to reducing our city's blight. I recommend that the City Manager direct existing resources allocated to Beautify San José to work with the Public Information Officer of the Mayor's Office to launch a campaign that reminds residents to download and use the 311 app. Many low- or zero-cost means for doing so—such as leveraging signature blocks on outgoing City emails and communications, social media platforms such as Nextdoor, the City's public access channel, and City-controlled digital advertising—should be considered. (MBA #2)

Blight Busters 2.0

Before the Great Recession compelled severe budget cuts, San José's "Blight Busters" program provided a helpful tool in the battle against blight. In response to advocacy from neighborhood leaders in District 5 to restart the program three years ago, my June 2019-2020 Budget Message recommended a sequel to Blight Busters that would rely on a volunteer corps of residents to report a specified list of frequent parking and code violations. We hoped to reduce Code Enforcement's workload, improve enforcement, and empower residents to report blight in their neighborhoods. The City encountered challenges recruiting staff to manage the program through the pandemic, however, and it never re-launched. The need for blight-busting has become only more imperative. I recommend the City Manager allocate \$198,000 in carryover savings for this purpose.

Beautification of Hedding and North Bayshore

Adjacent to the 101 overpass, the four corners of Hedding and North Bayshore have seen an infiltration of vandalism, blight, and crime. Often overlooked because of its location

along a freeway and near a heavy industrial zone, the growth of criminal activity has put the nearby neighborhood at risk. One culprit placed a pipe bomb from a nearby RV in a resident's yard out of retaliation for neighbors complaining about nighttime disturbances coming from the RV's that frequently park in the area. Although that safety issue has abated, the area needs attention. I recommend that the City Manager allocate \$9,000 for the planting of trees and drought-tolerant shrubs on the city-owned corners surrounding the intersection, red painting of curbs, and gateway signage. (BD #10 Peralez)

Illegal Dumping in Alleyways of Guadalupe Washington

The Guadalupe Washington neighborhood (GWNA) has long struggled with illegal dumping in its alleyways, particularly along Oak and Virginia Streets. The exorbitant cost of installing basic lighting infrastructure—more than \$400,000 in this case—makes it imperative that the City find more cost-effective ways to address the need for better lighting in many blighted alleyways from Guadalupe Washington to Spartan Keyes to Northside. I recommend that the City Manager allocate \$100,000 Community Development Block Grant (CDBG) funding out of the \$3.95 million allocated for “Place-based Street and Infrastructure Enhancements” for the installation of “No Dumping” signage in multiple languages, and to explore the feasibility of a pilot that would install dozens of solar-powered, motion-detecting lights in multiple locations along the alley, to provide a deterrent for illegal activity at a much lower cost than the cost of electrical infrastructure installation. Should staff deem this approach infeasible, the City Manager should return in mid-year with a proposal to utilize the same source to fund the more costly electrical infrastructure. (BD #11 Peralez; p. 973)

Enhanced Street Sweeping in Downtown Neighborhoods

Many Downtown streets lack signage informing residents of “street sweeping” days, resulting in poor coverage and cleaning. Cleaning the street debris and dust reduces pollutants that flow to our streams and creeks through the storm drains, and improves the appearance of our neighborhoods. I recommend that the City Manager allocate \$5,320 from Councilmember Peralez's Community Budget for enhanced street sweeping in heavily impacted neighborhoods, until staffing, signage, and parking enforcement in the area improve. (BD #14 Peralez)

Hardscape Solutions and Physical Deterrents to Protect Trail Systems

We've seen early signs of success with the use of physical barriers and hardscape solutions to prevent re-encampments, deter vehicles, and reduce illegal dumping along our trails and riparian corridors. Last November, we celebrated the opening of the 1.65-mile segment of the Coyote Creek Trail from Selma-Olinder to Phelan Avenue, however we continue to struggle to keep vehicles off of the trail near the Tully Ballfields, necessitating deterrents in strategic locations and common access points to protect trail

users. I recommend that the City Manager dedicate \$200,000 from the \$900,000 in American Rescue Plan funds earmarked for bollards, wooden fencing, and other deterrents in the City Manager's Proposed budget to install barriers along Coyote Creek Trail (BD #62 Esparza), and another \$100,000 from that source to install barriers along Three Creeks Trail at several locations outlined by Councilmember Davis in Budget Document #37.

Parking Compliance and Vehicle Abatement

In response to overwhelming community frustration with abandoned vehicles that litter our neighborhoods, my March Budget Message called for ongoing funding to continue a hybrid vehicle abatement model and funding to boost parking enforcement for two years with a focus on small business corridors. The City Manager's Proposed Operating Budget responded to that request with \$1.2 million in a combination of one-time and ongoing funds to accelerate parking enforcement in hotspot areas and small business corridors, as well as provide 500 hours of overtime per year for the next two years to support vehicle abatement special operations in neighborhoods of concern. While the Department of Transportation confirmed that their proactive approach to vehicle abatement prioritizes high-need neighborhoods, our community is demanding more. The City Manager is recommended to return to the City Council in the coming months with recommendations on how to best allocate the \$300,000 of ongoing funding from the Vehicle Abatement Program Enhancement Reserve, also included in the Proposed Operating Budget, to further improve the program. To the extent that additional funding could be effectively leveraged, I recommend that the City Manager carry over any unspent funds allocated to this program from FY 21-22 to support additional special parking operations. (BD #64 Esparza)

Downtown Streets Team

I recommend that the City Manager allocate \$150,000 to the Downtown Streets Team (DST) to undertake cleaning around several prominent gateways to our Downtown. DST recently received a \$600,000 grant from Caltrans to hire formerly-incarcerated and unhoused residents to remove debris along freeways in San José. Additional funding will allow them to expand their work to Downtown three days per week and create transitional employment for 45 team members this next year, while removing more than 3,000 tons of debris.

4. Resilience

Climate Smart San Jose

In 2016, San José became one the first major U.S. cities to chart a course to meet the greenhouse gas emission targets of the international Paris Agreement. Since the adoption

of Climate Smart San José in 2018, we've accomplished much, including the launch of San José Clean Energy—providing 95% emissions-free electricity to our community—and the adoption of a nation-leading, all-electric mandate for new commercial and residential construction. Additional work remains on a reach code and building electrification policy, and additional funding will assist staff in accelerating that work. I recommend that the City Manager allocate \$200,000. (MBA # 32)

Tree Planting

The Community Forest Management Plan underscored the need to restore our urban forest to reduce the heat island effect in barren neighborhoods, beautify our city, and improve San José's resilience to climate change. My March Message provided direction on key resilience objectives—including guiding the growth of our urban forest—and the City Manager's proposed budget includes \$3.6 million in one-time and ongoing funding to help us reach our goal of planting 1,000 trees annually.

- To pilot opportunities for Council Offices to support tree planting efforts, I recommend that the City Manager allocate funding for up to 200 of the targeted 1,000 trees in the first year for this pilot program. Council Offices interested in this program should leverage community relationships to identify volunteers and locations for tree plantings as a means to enhance tree planting and maintenance care capacity, in partnership with the City and Our City Forest. Any efficiencies realized through this effort can provide savings for the planting of additional trees. (BD #87 Mahan)
- I recommend the City Manager allocate \$50,000 in staff time to utilize GIS mapping and other tools to identify locations on public land within District 4—which has the most depleted tree canopy in the city—and appropriate tree species for community planting events. Councilmember Cohen will deploy fundraising to meet his goal of planting 1,000 trees in the district. (BD #19 Cohen)
- I recommend the City Manager consider the allocation of CDBG funding for tree planting in CDBG-eligible neighborhoods, to accelerate our efforts to restore our urban forest.

5. Equitable Recovery: Expanding Educational and Economic Opportunity

Opening Libraries on Sunday to Serve Low-Resource Neighborhoods

We have heard clearly from many in our community that Sundays provide the most convenient time to use our libraries – fewer parents have work commitments, families have time together, and students gather motivation with looming Monday deadlines. Data from a 2007 pilot revealed that Sundays typically drew the greatest number of patrons, and reliably opening our libraries on Sundays would amplify that pattern. Two

councilmembers (BD #39 Davis and #63 Esparza) have sought to expand Sunday service to libraries in their district. I agree, but also seek a comprehensive approach.

Our services exist for our residents, and our service models should center their needs and access. I recommend that the City Manager open 13 branch libraries serving lower resourced neighborhoods on Sundays, at an expenditure of \$2.165 million. Of that \$2.165 million, I recommend that the City Manager allocate (a) \$200,000 in one-time savings from the anticipated shift of the operational model of San José Aspires, (b) \$500,000 from the Library Parcel Tax Reserve, and (c) the remainder from the Essential Services Reserve. Going forward, I recommend that the City Manager fund \$1.9 million of this cost on an ongoing basis in the General Fund, in light of the Budget Office's recent identification of additional ongoing sales tax revenue (MBA #37), and look for ongoing savings within the Library Department's budget through such options as security staffing consolidation, the upcoming deployment of book lockers, and the "Open+" self-service pilot program. (MBA #6; Budget Attachment D, p. 70)

Hispanic Foundation College Success Program

More than 8,000 families have taken part in the Hispanic Foundation's STEM-focused programs and parent educational academies. I recommend that the City Manager allocate \$50,000 to enable HFSV to serve 1,370 participants in their Educational Excellence, Leadership Development and Convening and Engaging programs. (BD #92 Carrasco)

Latina Economic Advancement Program (LEAP)

Latina workers left the workforce at higher rates than any other demographic group during the pandemic—many to care for their children and families at home—and many still struggle to regain employment. The Latina Coalition of Silicon Valley is launching two programs in San José focused on teaching financial empowerment, providing tools for economic advancement, and helping Latinas develop skills for higher wage jobs. I recommend the City Manager provide a \$75,000 grant to the Latina Coalition from the Essential Services Reserve to support the LEAP programs to help uplift Latinas in our community, to enhance a recent commitment of \$25,000 from the Silicon Valley Community Foundation, for total funding of \$100,000 for the program.

Supporting Struggling Small Businesses

Our small, predominantly immigrant-led businesses disproportionately bore the financial fallout of the pandemic. We have seen how the creation of formal business associations along Monterey Road and Tully Road have improved the resilience of their member small businesses, and improved the City's responsiveness to their needs.

Accordingly, I've adopted the following recommendations of my colleagues:

- **East San José Small Business Corridor Support Manager:** I recommend that the City Manager allocate \$347,174 for a two-year position within the Office of Economic Development to support East San José business corridors such as Alum Rock and Story Road, helping to forge strong business associations that can link small entrepreneurs to advisers, lenders, marketing, customers, and suppliers. (BD #70 Carrasco)
- **Winchester Business Association:** I recommend that the City Manager allocate \$50,000 to formalize the Winchester Business Association as a non-profit organization that can receive and distribute NBD grants, support member businesses, facilitate community engagement, promote business, and provide access to resources to businesses along Winchester Boulevard. OED may provide assistance directly, or through contract/agreement with a non-profit organization. (BD #28 Jones)
- **Promoting Our Business and Entertainment Districts:** I recommend that the City Manager allocate \$21,000 to enable CreaTV to produce 6 videos highlighting business and entertainment districts citywide, to help showcase their unique character and local events, for social media, display at the airport and convention center, and local cable television.
- **Vitality Grants for Small Businesses in Council District 8:** The Tully Road Corridor comprises primarily small, immigrant-owned businesses that provide critical resources to the residents of East San José. I recommend that the City Manager allocate \$150,000 to provide modest grants, administered through the Enterprise Foundation, to many of the small businesses in this area that have exhausted pandemic-related financial support and struggle to keep their doors open. (BD #78 Arenas)
- **Small Business Advisory Committee:** Greater City collaboration with small-business-serving CBO's will support their mission, yet the City can have even greater impact by convening helpful partners, such as local commercial banks, consultants, universities, CBO's, and other entities. Building a stronger interface, for example, between the ethnic chambers and lenders can ensure greater awareness by both on the use of Community Reinvestment Act dollars to benefit local immigrant-led entrepreneurs. I recommend that the City Manager convene the Small Business Advisory Committee four times annually, with the support provided by the new member of the newly expanded team at the Office of Economic Development team referenced above. (BD #27 Jones)

Library Fine Forgiveness for Seniors

In March 2020, the Library paused the collection of late fees for all library cardholders; however, lost and damaged material fees remained in place. A one-time revenue reduction to waive fees for seniors in 2022-2023 is preliminarily estimated at \$5,000. I

recommend that the City Manager allocate \$5,000 from the Library Parcel Tax Fund to forgive library fines for seniors on a one-time basis and evaluate the ongoing impact as part of a future budget cycle. (BD #52 Foley)

Mesa Redonda

Prosperity Lab’s Mesa Redonda (*Roundtable*) program leads local street vendors and aspiring restaurateurs through a comprehensive training program in safe food handling, marketing, operational efficiency, and certification. I recommend that the City Manager provide Mesa Redonda \$60,000 to offset the costs of utilizing kitchen spaces housed in the City’s community center network, and to cover city rental costs and health permits for a one-year pilot program.

Supporting Women’s Safe Access to Reproductive Care

With so much uncertainty regarding the future of *Roe v. Wade*, and the likelihood of a sharp reduction in women’s healthcare options nationally, it’s imperative that we support our local clinics that provide a safe place for women to turn to for reproductive guidance and care. As the largest Planned Parenthood affiliate in the U.S, Planned Parenthood Mar Monte (PPMM) in San José expects a surge in patients needing access to healthcare in the coming months, and requires additional resources to expand critical services such as telehealth and access to trained clinicians. Telehealth offers a low-barrier healthcare option that provides a safe environment for patients to access care without compromising their work or childcare commitments. To meet the expected increase in demand for their services, PPMM also needs resources to train clinicians—many who live in San José—to provide care to patients both virtually and in person at the Mar Monte clinic. I recommend that the City Manager allocate \$250,000 to support their clinical exam training and service expansion.

Family-Friendly City Hall

Since 2016, we have allocated funding to add areas and “pods” for changing tables and private lactation within city facilities—including park restrooms, libraries, community centers, and the convention center—to make them more family-friendly. Staff currently has funding for the installation of one such pod at City Hall, but the need for access to running water and a sink requires the installation of plumbing in private rooms adjacent to bathrooms near the floor lobbies. I recommend the City Manager allocate \$100,000 to connect plumbing from adjacent bathrooms into two private rooms. (BD #24 Jones)

6. Parks and Trails

Alum Rock Park Maintenance

A single park district supervisor for Park District 8 serves a very large area with many high need-communities and important facilities (Alum Rock Park, Overfelt Gardens, and most of the parks in Council Districts 4 and 5). These parks have the lowest average PCA scores citywide and need the most improvement. Although this Council has made one-time funding available to perform some park and trail rehabilitation in Alum Rock Park, maintenance needs remain largely unmet in light of the very large need for wildfire prevention and emergency management in the park.

I recommend that the City Manager allocate \$170,750 for a dedicated Parks Facility Supervisor (PFS) for Alum Rock Park and identify future cost savings to fund this on an ongoing basis. That PFS will have the safety-focused primary responsibility of (a) overseeing and monitoring Cherry Flat Dam, (b) creating and implementing a vegetation management plan for wildfire safety, (c) operating the Green Climber (a versatile remote-controlled mower that can manage vegetation on the steep, poison oak-covered hillsides of Alum Rock), (d) coordinating efforts of the Resilience Corps in controlling overgrown and invasive vegetation, rehabilitating trails, and supporting Overfelt Gardens Park health, and (e) seeking partnership opportunities and grant funding to continue the work of restoration of Alum Rock park.

I further recommend that the City Manager allocate \$70,000 from the Parks C&C Central Fund to purchase a truck suitable for navigating the terrain of Alum Rock Park and responding to Cherry Flat Dam in the event of an emergency. (BD #2 Cohen)

Park and Trail Improvement Projects

- **Brooktree Park Sidewalk Access:** I recommend that the City Manager allocate \$74,000 from the District 4 Construction & Conveyance Tax Fund to extend the sidewalk where it currently terminates at Shade Tree Lane to the connecting sidewalk at Shadowtree Drive. The City should avoid removal of mature trees unless absolutely necessary, and if so, replace any removed trees at a ratio of 4:1. (BD #4 Cohen)
- **Alviso Community Garden:** While renovating the Alviso Community Garden last year, staff discovered that the water pressure from the same water line appears insufficient to supply the Alviso Community Garden along with the pool and restored bathrooms. I recommend that the City Manager allocate \$32,732 to tap into the main water line in the street to provide the necessary pressure. (BD #3 Cohen)

- **Emma Prusch Park and Veggielution:** I recommend that the City Manager allocate additional dollars to help this community gem continue to shine. Specifically, Veggielution should receive \$33,394 for trees, picnic benches, and irrigation outlined in Councilmember Carrasco’s Budget Document #72 to support its efforts to provide fresh fruit for struggling families, and \$1 million to enable a down-payment on needed electrical and lighting infrastructure, animal exhibit improvements, and other upgrades for the park, drawing:

- \$400,000 from the District 5 Construction & Conveyance Tax Fund Ending Fund Balance,
- \$200,000 from the Emma Prusch Fund,
- \$200,000 from CDBG’s Infrastructure allocation,
- \$100,000 from the District 5 Construction & Conveyance Tax Fund Infrastructure Backlog Reserve, and
- \$100,000 from the Essential Services Reserve.

Staff shall explore State, County, OSA, and other grant funding opportunities to determine whether the \$1 million in local match can leverage a much larger commitment from other sources, and to further determine whether additional dollars can be found in CDBG’s capital funds in the coming year. (BD #72 and #82 Carrasco)

- **Monkton Court Bench:** After learning that the small stretch of property that connects Monkton Court to Fenwick Way was transferred from PG&E to the City’s PRNS department, Councilmember Arenas’ office worked with PRNS and the community to transform the site from a blighted property to a neighborhood walking path. Residents have since expressed the desire for a park bench along the path, so I recommend that the City Manager allocate \$3,000 from the District 8 Construction & Conveyance Strategic Capital Replacement and Maintenance Needs ongoing funding to install a park bench. (BD #80 Arenas)
- **Thompson Creek Trail:** Dog owners regularly use the Thompson Creek Trail and have reported the need for dog waste stations to clean-up after their pets and reduce litter. The City Manager is directed to allocate \$2,000 from the District 8 Construction & Conveyance Strategic Capital Replacement and Maintenance Needs ongoing funding to install four dog waste stations at strategic access points along Thompson Creek Trail. (BD #76 Arenas)
- **Welch Park Neighborhood Center:** As the Welch Park Neighborhood Center transitioned to provide more recreational afterschool programming for families in response to the pandemic, we learned that the current design of the bathrooms present safety, maintenance, and use challenges. Per Councilmember Arenas’ recommendation, the City Manager is directed to release \$400,000 from the Bridgadoon Tot Lot Reserve and allocate \$100,000 from the District 8

Construction & Conveyance Tax Fund to redesign the bathrooms. (BD #81 Arenas)

- **Welch Dog Park:** The Welch Dog Park in Council District 8 opened to the public last spring. However, the park lacks a shaded area for dogs and owners to seek refuge from the sun and heat. I recommend that the City Manager allocate \$54,000 from the District 8 Construction & Conveyance Tax Fund to install two small shade sails and three trees. (BD #74 Arenas)
- **Camden Community Center:** I recommend that the City Manager allocate \$11,000 to replace two outdated projectors and install three new smart TVs at Camden Community Center using the District 9 Construction & Conveyance Capital Replacement Needs ongoing funding. (BD #60 Foley).

Agnews Park

With the completion of the Santa Clara Unified School District (SCUSD) K-12 schools on the Agnews site and the settlement of a lawsuit with SCUSD providing funding for Master Planning for a public park at the city-owned parcel, it's time to prioritize the multi-phase development of Agnews Park for the North San José community. As part of the purchase of this property for the future Agnews Park, \$4 million was allocated for site clean-up costs. This amount will not suffice to clear the site of the remaining buildings, due to contamination that was discovered at the site. While still insufficient to cover the very large remediation and demolition costs, the request for gap funding of \$1.665 million cannot be accommodated at this time, I recommend that the City Manager allocate \$200,000 as a local match for state and other grant funding, and provide to the Council by memorandum in the next fiscal year (1) updated cost estimates for the remaining project scope, (2) identification of all potential funding sources for this work; (3) determination of whether the City can file a claim for environmental liability coverage procured as part of the land acquisition to execute any portion of the demolition scope, especially the removal of the debris stockpile; and (4) determination of what project scope, if any, can be developed for a portion of the demolition within the current budget of the project. (BD #7 Cohen)

7. Community-Building, Place Making, and the Arts

Cesar Chavez Home

In partnership with Los Amigos de Guadalupe, the City has an opportunity to preserve a critical part of our heritage, the Scharff Avenue family home of Cesar Chavez during some of the early days of his organizing with the Community Service Organization in the 1950's. The non-profit intends to restore the home, and to use it for some combination of community education, historic preservation, and housing of young adults serving East San José with local non-profits. I recommend that the City Manager allocate \$500,000 to

Los Amigos de Guadalupe for the purchase of the home, as a 1:1 match with other philanthropic contributions. To identify funding for this acquisition, the City Manager is directed to move the \$500,000 allocated for the local match for state grants for an outpatient drug-treatment facility connected to an emergency interim housing community (EIHC), because the \$40 million allocated for EIHC's should provide ample basis for that grant match.

Park Access for Native American Tribes

Land acknowledgements have become commonplace at public events, but conveying meaning to those acknowledgments includes a recognition of the irony of imposing City fees on tribal celebrations of indigenous communities on public park land. The City Manager's analysis demonstrates that such a fee waiver policy would have a negligible impact on the budget, so the City Manager is directed to implement a waiver of park fees and associated City costs limited to local tribal convenings and celebrations. (MBA #22)

Grants for Non-Profits

The City Manager is directed to provide one-time grants to the following organizations, based on the requests of my colleagues:

- \$50,000 to assist Good Karma Bikes in its relocation to Blossom Hill Road at the Charities Housing 100% senior affordable housing project. (BD #48 Jimenez)
- \$50,000 from the City's Housing Trust Fund to West Valley Community Services to provide basic and supportive services for low income families and individuals in West San José.
- A matching grant of up to \$50,000 to community partners establishing a Girls and Women Empowerment Conference, to educate and empower girls and young women who have survived abuse. (BD #77 Arenas).
- \$30,000 to the San José Parks Foundation. (BD #59 Jimenez, Cohen and Foley)
- \$2,000 from Councilmember Davis' surplus campaign funds to Friends of the Rose Garden to help off-set the cost of volunteer equipment. (BD #30 Davis)
- \$2,000 from Councilmember Davis' surplus campaign funds to the Willow Glen Little League. (BD #31 Davis)
- \$2,000 from Councilmember Davis' surplus campaign funds to the Lincoln Glen Little League. (BD #35 Davis)
- \$3,000 to the Kyle J. Taylor Foundation to support their efforts to provide life-saving equipment to schools and recreational facilities. (BD #53 Foley)
- \$5,000 to the CUHSD Education Foundation to help them adopt on-campus wellness centers. (BD #54 Foley)
- \$17,000 to the Cambrian Little League Challenger Division for an adaptive baseball program designed for individuals with disabilities. (BD #56 Foley)

- \$15,000 to the BAWSI Rollers Program to help introduce local students with disabilities to adaptive physical activity. (BD #58 Foley)

San José's Animal Care Center

Many dedicated volunteers at the Animal Care Center have lamented the impacts of the shelter's severe staffing shortfalls, particularly with the recent departure of veterinary teams and upper management. A building maintenance backlog—including plumbing failures, a leaking roof, and deteriorating dog kennels—exacerbates the situation.

In January, the City Council voted unanimously to increase wages for veterinarians by 25%, and mid-contract negotiations with unions that represent shelter staff resulted in recommended wage increases for Animal Care Attendants and Health Technicians, in addition to \$5,000 one-time signing bonuses for Veterinarians. The Proposed Operating Budget will add \$668,999 to convert vacant part-time slots to more desirable full-time positions, add Division Managers, address staff recruitment and retention needs, and oversee volunteer coordination. While the department works expeditiously to fill these positions, I recommend that the City Manager provide a \$50,000 grant to St. Francis of Assisi to accelerate a trap-neuter-release (TNR) spay and neuter program focused on Guadalupe River Park and Coyote Creek. St. Francis has indicated that they can conduct at least 25 spay and neuters per week at their San Mateo facility, and that they can serve as an umbrella organization to allocate funds to other nonprofits willing to support TNR surgeries. Additionally, to the extent that vacancies within the Public Works Department occur during 2022-2023, the City Manager is directed to prioritize and repurpose those savings to hire additional qualified part-time veterinarians above authorized levels in advance of potential turnover and vacancies in the future. (BD #34 Davis and #91 Mahan)

The City Manager has identified \$500,000 in savings from FY 21-22 from other capital projects that can be made immediately available for facility maintenance and improvements such as plumbing, roofing, and kennel repairs at the shelter. I recommend that the City Manager rebudget these funds to complete facility improvements as soon as possible. (BD #83 Mahan)

Downtown Ice

Since the March Budget Message, the San José Downtown Association has learned that the producer of last year's ice rink will not return due to ongoing loss of revenue through the pandemic. Additional funding will be required for a transition to maintain this iconic and wildly popular community tradition. The City Manager is directed to allocate \$100,000 from the General Purpose Parking Fund to the San José Downtown Association toward the production of downtown ice in its current location or a new downtown

location in 2022—or, if Downtown Ice becomes infeasible to restore—toward new holiday programming at the Circle of Palms, such as a light show or holiday market.

Paseo de San Antonio Update

Our Downtown paseos enable an active, pedestrian-friendly environment, and new investment from San José State and various restaurants and entertainment venues along the Paseo de San Antonio brings a unique opportunity to reinvigorate our Downtown. I recommend that the City Manager add \$75,000 to the line item for Downtown pedestrian activation with a requirement to revise design in the existing Park Paseo plan, identifying ground floor activation opportunities, public realm improvements and enhanced outdoor dining.

Children’s Discovery Museum

Families throughout San José and the Bay Area have treasured the Children’s Discovery Museum (CDM) for decades. Recently, however, CDM’s outdoor facilities have fallen victim to theft and vandalism, especially during its temporary closure. The museum must replace its stolen equipment and reestablish a sense of safety for their patrons and employees. CDM can replace and install needed equipment at a substantially lower cost than can the City’s Public Works Department, so I recommend that the City Manager allocate \$175,500 to CDM for this purpose. (BD #16 Peralez)

Calle Willow Banner Replacement

The City Manager is directed to allocate \$7,000 to replace the fading and torn street banners in the Calle Willow Business District in the Guadalupe Washington neighborhood. (BD #17 Peralez)

Art and Mural Beautification

I recommend that the City Manager expend \$250,000 to expand the City’s successful partnership with local artists to beautify our community. The dollars should be allocated with an equity screen, focusing on neighborhoods suffering most from blight, in addition to the following allocations: (BD #18 Peralez)

- **Billy DeFrank Center Mural:** The City Manager is directed to allocate an additional \$3,000 for a mural at the Billy DeFrank Center in support of our LGBTQ+ community. (BD #49 Foley)
- **Mural to Commemorate Keyla Salazar:** In 2020, a San José family lost 13-year old Keyla Salazar in the senseless and tragic Gilroy Garlic Festival shooting. Keyla loved to express herself through her drawings and dreamt of owning a golden retriever one day – a wish fulfilled posthumously through a gift to her mother. I recommend the City manager dedicate \$25,000 to install a mural at

Mayfair Community Center to commemorate Keyla's life, and to confer with Kayla's family in the design process.

Thang Do Memorial

Community leader Thang Do passed away several weeks ago. An immigrant who fled war-torn Vietnam as a teen, Thang became a nationally renowned architect, leaving his imprint on the San José area through his passion for sustainability and inspired design on San José's public schools, the SoFA Market in Downtown, and the Vietnamese American Service Center. A former Chair of our Planning Commission, member of San José's architectural review committee, board member of the Housing Trust, the San José Museum of Art, SPUR, and the Downtown Association, and senior fellow at the American Leadership Forum, Thang leaves a rich legacy of community engagement and leadership. The City Manager is directed to contribute up to \$25,000—in collaboration with Thang's family, AEDIS Architects, and the American Leadership Forum—to engage with a local artist or artisan for a memorial for Thang Do at a location reflecting his architectural contribution to our city.

Tully Night Market

Last year, the Tully Night Market drew more than two thousand people to the area surrounding the Tully Library and Ballfields through a series of events that brought food, music, games, and entertainment to a public space that has struggled with blight and illegal dumping. Given the market's success in activating the neighborhood and highlighting local vendors and small businesses, the City Manager is directed to allocate \$66,966 from the San José Abierto allocation of American Rescue Plan (ARP) funding to continue the Tully Night Market for eight more activations in the next fiscal year. (BD #61 Esparza)

Viva Parks in District 2

For the first time since the inception of the Viva Parks program, the City Manager's proposed budget includes enough ongoing funding to support 100 activation events citywide every year. The City Manager is directed to ensure up to seven of those events are held in Council District 2 for park activations, movie nights, and paint nights next spring and summer, drawing from the \$1.2 million in ARP funding allocated for San José Abierto. (BD #47 Jimenez)

City Lights Theater Company

City Lights Theater Company has produced edgy, world-premiere plays and musicals for 40 years, but redevelopment on its South Second Street block may push the company out of its current location. To ensure that City Lights continues to add to Downtown's cultural vitality, I recommend that the City Manager allocate up to \$50,000 to City Lights

Theater Company to cover preparatory and transition costs of a potential move to a new theater and rehearsal facility in late 2023 or 2024.

3Below Theater Up on the Roof

Like many arts organizations that had to creatively pivot throughout the COVID-19 pandemic, 3Below Theaters and Café successfully implemented a theater “Up on the Roof” series that utilized the rooftop space of the city parking garage directly over their location. This series hosted several live theater performances as well as a sunset cinema series that drew wide praise. I recommend that the City Manager negotiate with 3Below to enable the continued use of the rooftop space for Up on the Roof activation this summer and fall, and allocate \$55,000 from the San José Abierto allocation of ARP funding for power and security needs.

SubZERO Festival

The SubZERO summer festival in the SoFA district brings together artistic and inventive visitors to Downtown San José. Visitors find outdoor stages of entertainment artists, performers, and musicians celebrating an indie-creative experience that is unique to San José. I recommend that the City Manager redirect \$10,000 from the San José Abierto ARP allocation to offset increased costs for electrical services at the 2022 SubZERO Festival.

Cultural Expression in San José

History San José has been working on a pilot program to celebrate the diversity of San José’s cultural expression with a series of interactive commemorative markers—mixing both physical display (murals, monuments, etc) with an accompanying virtual or augmented reality experience with audiovisual content that recognizes the creative pioneers—writers, musicians, playwrights, and artists—of San José. They have explored partnerships with San José State University and other schools to enable an educational component that would engage local students in the work, and to expose them to historical research. I recommend the City Manager allocate \$30,000 to History San José to implement this pilot program.

Community Rental of Library Gathering Space

Many community groups, neighborhood organizations and nonprofits look to our libraries for space to hold community forums, meetings, and informational sessions to provide services and resources. In some cases, the Library charges these groups a \$40 fee for reservation, which can become cost-prohibitive for volunteer-based organizations. We all benefit from the positive impact these organizations can have in our community. I recommend that the City Manager allocate \$5,000 to offset the fee for community groups

to use library space, utilizing an equity lens for the distribution of this free-use benefit. (BD #9 Peralez)

Fourth of July Fireworks Celebrations

Professional fireworks displays offer a safer alternative to illegal fireworks, evidenced by the increased calls to police to report illegal fireworks in 2020 and 2021 when professional displays were canceled due to the pandemic. We will welcome the return of the San José Rotary Club's citywide 4th of July Celebration this year in Discovery Meadow and District 10's festival at Almaden Lake Park. In their initial planning stages, District 10 budgeted a 20% increase over 2019 expenses, however, some of the core expenses have returned at more than double the 2019 costs. The City Manager is directed to allocate \$250,000 to the San José Rotary Club to support their 2023 celebration and \$20,000 to District 10's 4th of July Festival to cover increased costs for their 2022 celebration. (BD #32 Davis and #90 Mahan)

"Thank You, America" Monument

For two decades, San José's Vietnamese Community has voiced their desire to erect a monument within the Viet Heritage Garden to the American and South Vietnamese soldiers who fought alongside one another in the Vietnam War. Pandemic-related delays and escalating costs have put the project on hold, but the San José Vietnamese community has committed to fundraising \$100,000 towards the shortfall. The City Manager is directed to allocate \$296,000 to complete the "Thank You, America" Monument and direct the Office of Cultural Affairs to engage the community in the selection of a final design. (BD #67 Esparza)

Eliminating Park Event Permit Fees

Community groups and neighborhood associations rely on their local parks to host social gatherings and events, such as movie nights, ice cream socials, and neighborhood gatherings. The City Manager's 2022-2023 Proposed Fees & Charges report includes permanently eliminating the Temporary Street Closure fee, however neighborhood groups are still required to pay for a permit to host an event in a park. The City Manager is directed to allocate \$4,000 to eliminate park permit fees on a one-time basis for neighborhood associations requesting a permit to activate a park in their neighborhood. (BD #57 Foley)

Sister Cities International and the Mayors' Community Summit

The City of San José has long provided a leading role in supporting Sister Cities International, and I recommend that the City Manager allocate a \$15,000 grant to support SCI's Mayors' Community Summit, bringing together leading cities on both sides of the U.S.-Mexico border. (BD #42 Jimenez)

8. Fiscal Sustainability

Boosting Reserves

Many employers and economists have pointed to warning signs of a looming recession. Rising interest rates, accelerating inflation, supply chain breakdowns, a persistent pandemic, and war in Europe all give cause for nervousness.

Throughout my tenure, I have pushed to boost our reserves from their chronically low levels, to better cushion basic city services against recessionary cuts. City Council Policy 1-18 and budgetary standards identify a target level amount for the sum of the General Purposes Reserves equal to 10% of General Fund operating expenditures. The Budget Office's latest analysis of revenues and expenditures identified positive adjustments to the General Fund's overall position, with an additional \$5 million for the Budget Stabilization Reserve. I concur with this approach and, when combined with the \$2 million addition authorized by the March Budget Message, these additions would bring the total of Budget Stabilization Reserve to \$53.5 million, its highest level in nearly two decades. Collectively, the City's reserves will stand at 7.7% of the total operating expenditures of the General Fund, putting us on safer footing for the inevitable recessions ahead.

9. Administrative

Essential Services Reserve: The total available Essential Services Reserve of \$6.9 million, of which \$1.9 million is ongoing, is directed to be allocated to fund the actions identified in this Message.

Mayor and Council Office Rebudgets: For Mayor and City Council Offices, I recommend the following rebudgets subject to final verification of accounts by the City Clerk's Office:

| | Office Rebudget | Constituent Outreach Rebudget | Total Net Rebudget |
|------------------------|-----------------|-------------------------------|--------------------|
| Mayor's Office | \$24,868.00 | | \$24,868.00 |
| Council General | - | - | - |
| District 1 | \$339,912.00 | \$7,000.00 | \$346,912.00 |
| District 2 | \$46,486.00 | \$7,000.00 | \$53,486.00 |
| District 3 | \$67,842.00 | \$7,500.00 | \$75,342.00 |
| District 4 | \$720,000.00 | - | \$720,000.00 |
| District 5 | \$377,482.00 | - | \$377,482.00 |
| District 6 | \$411,587.00 | - | \$411,587.00 |
| District 7 | \$295,246.00 | - | \$295,246.00 |
| District 8 | \$88,320.00 | \$5,000.00 | \$93,320.00 |
| District 9 | \$557,838.00 | \$4,000.00 | \$561,838.00 |
| District 10 | \$351,483.00 | \$8,000.00 | \$359,483.00 |

COORDINATION

This memorandum has been coordinated with the City Manager and City Attorney. For more information on this memorandum, please contact Mackenzie Mossing, the Mayor's Deputy Chief of Staff, at mackenzie.mossing@sanjoseca.gov.

Attachments:

Attachment A - City Source and Use of Funds

Mayor's June Budget Message for Fiscal Year 2022-2023

City Source and Use of Funds

| GENERAL FUND | | 2022-2023 | Ongoing |
|------------------------|--|------------------|----------------|
| Source of Funds | | | |
| Page 32 | Offset Fees for Community Rentals at Libraries | (5,000) | |
| Page 33 | Eliminating Park Event Permit Fees | (4,000) | |
| | Beginning Fund Balance: Rebudgets (Mayor and City Council) | 3,319,564 | |
| | Total General Fund Source of Funds | 3,310,564 | |
| Use of Funds | | | |
| Page 12 | Rehousing Individuals Living Along Guadalupe River Trail | 580,000 | |
| Page 12 | Measure E Reserve | (580,000) | |
| Page 12 | South Bay Community Land Trust | 250,000 | |
| Page 12 | Google's Community Benefits - Community Stabilization | (250,000) | |
| Page 12 | Mobilehome Park Protections | 30,000 | |
| Page 13 | African American Cultural Center | 560,000 | |
| Page 13 | Measure E - 30% Low-Income Households Reserve | (560,000) | |
| Page 14 | Police Walking Patrol in Police Districts Lincoln, Sam, X-Ray, and Charlie | 194,000 | |
| Page 14 | Overtime for Downtown Walking Patrol | 550,000 | |
| Page 14 | Police Department Overtime | (550,000) | |
| Page 14 | Lateral Hiring Incentives for Police Officers | 150,000 | |
| Page 14 | Police Sworn Hire Ahead Program | (150,000) | |
| Page 15 | Gunshot Detection Equipment | 72,000 | |
| Page 15 | Capture Crime Pilot Program | 50,000 | |
| Page 15 | Traffic Calming and Pedestrian Safety: Red Light Running Cameras Pilot Program | 733,000 | |
| Page 16 | Traffic Calming and Pedestrian Safety: Bernal Way Sound Wall | 4,000 | |
| Page 16 | Traffic Calming and Pedestrian Safety: Branham & Monterey Sideshow Deterrents | 50,000 | |
| Page 16 | Traffic Calming and Pedestrian Safety: Croypley Avenue Crosswalk | 25,000 | |
| Page 16 | Traffic Calming and Pedestrian Safety: Downtown Neighborhoods | 100,000 | |
| Page 16 | Traffic Calming and Pedestrian Safety: Kooser Crosswalk | 125,000 | |
| Page 16 | Monterey Road Wildlife Corridor Improvements | 100,000 | |
| Page 17 | Traffic Calming and Pedestrian Safety: Sideshow Mitigation in District 10 | 100,000 | |
| Page 17 | Emergency Preparedness: CERT Backpacks | 85,600 | |
| Page 17 | Gun Safety Contract Work with the California Department of Justice | 150,000 | |
| Page 18 | Public-Facing Portal for Evidence Collection | 125,000 | |
| Page 19 | Beautification of Hedding and North Bayshore | 9,000 | |
| Page 19 | Enhanced Street Sweeping in Downtown Neighborhoods | 5,320 | |
| Page 19 | Council District #03 Budget | (5,320) | |
| Page 20 | Downtown Streets Team Transitional Employment | 150,000 | |
| Page 21 | Climate Smart - Accelerating Reach Code and Building Electrification Evaluations | 200,000 | |

June Budget Message for Fiscal Year 2022-2023

June 7, 2022

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| | | | |
|---------|---|-----------|-----------|
| Page 21 | Tree Planting: GIS Mapping in District 4 | 50,000 | |
| Page 22 | Restoring Sunday Hours at Under-Resourced Libraries | 1,456,850 | 1,900,000 |
| Page 22 | Hispanic Foundation of Silicon Valley College Success Program | 50,000 | |
| Page 22 | Latina Coalition Economic Advancement Program | 75,000 | |
| Page 23 | East San Jose Small Business Corridor Support Manager and Small Business Advisory Committee Support | 347,174 | |
| Page 23 | Winchester Business Association | 50,000 | |
| Page 23 | Commercials to Promote Business and Entertainment Districts | 21,000 | |
| Page 23 | Vitality Grants for Small Businesses in District 8 | 150,000 | |
| Page 24 | Mesa Redonda Street Vendor Trainings | 60,000 | |
| Page 24 | Grant to Planned Parenthood Mar Monte for Telehealth and Clinical Trainings | 250,000 | |
| Page 24 | Lactation Rooms at City Hall | 100,000 | |
| Page 25 | Alum Rock Park Maintenance - Parks Facility Supervisor | 170,750 | |
| Page 25 | Alviso Community Garden | 32,732 | |
| Page 26 | Emma Prusch Park - Trees for Veggielution | 33,394 | |
| Page 26 | Emma Prusch Reserve for Electrical and Infrastructure Upgrades | 100,000 | |
| Page 27 | Agnews Park - Demolition of Buildings | 200,000 | |
| Page 27 | Purchase of Cesar Chavez's Former Home on Scharff Avenue | 500,000 | |
| Page 27 | Drug Treatment and Mental Health Services Partnership | (500,000) | |
| Page 28 | Good Karma Bikes | 50,000 | |
| Page 28 | Girls and Women Empowerment Conference | 50,000 | |
| Page 28 | San Jose Parks Foundation | 30,000 | |
| Page 28 | Kyle J. Taylor Foundation | 3,000 | |
| Page 28 | CUHSD Education Foundation | 5,000 | |
| Page 28 | Cambrian Little League Challenger Division | 17,000 | |
| Page 29 | BAWSI Rollers Program | 15,000 | |
| Page 29 | Animal Care TNR Services - Grant to St. Francis of Assisi | 50,000 | |
| Page 30 | Paseo de San Antonio Update | 75,000 | |
| Page 30 | Children's Discovery Museum Security Upgrades | 175,500 | |
| Page 30 | Calle Willow Banner Replacement | 7,000 | |
| Page 30 | Art and Mural Beautification | 250,000 | |
| Page 30 | Mural at Billy DeFrank Center | 3,000 | |
| Page 30 | Mural to Commemorate Keyla Salazar | 25,000 | |
| Page 31 | Memorial to Thang Do | 25,000 | |
| Page 31 | City Lights Theatre Company | 50,000 | |
| Page 32 | History San Jose - Historical Markers | 30,000 | |
| Page 33 | Fourth of July Fireworks - San Jose Rotary | 250,000 | |
| Page 33 | Fourth of July Fireworks - Almaden Festival | 20,000 | |
| Page 33 | Thank You, America Monument | 296,000 | |
| Page 33 | Sister Cities International Mayor's Community Summit | 15,000 | |
| Page 35 | Rebudget: District 2 | 53,486 | |
| Page 35 | Rebudget: District 3 | 75,342 | |
| Page 35 | Rebudget: District 4 | 720,000 | |

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|--|-----------------------|------------------|----------|
| Page 35 | Rebudget: District 5 | 377,482 | |
| Page 35 | Rebudget: District 6 | 411,587 | |
| Page 35 | Rebudget: District 7 | 295,246 | |
| Page 35 | Rebudget: District 8 | 93,320 | |
| Page 35 | Rebudget: District 9 | 561,838 | |
| Page 35 | Rebudget: District 10 | 359,483 | |
| | | <hr/> | |
| Total General Fund Use of Funds | | 3,310,564 | - |

| | |
|--|------------------|
| AMERICAN RESCUE PLAN FUND (402) | 2022-2023 |
|--|------------------|

| | | | |
|--|---|-----------|---------|
| Source of Funds | | | |
| | NONE | | <hr/> - |
| Total American Rescue Plan Fund Source of Funds | | | - |
| Use of Funds | | | |
| Page 19 | BeautifySJ - Physical Deterrents | (200,000) | |
| Page 19 | Vehicle Deterrents for Coyote Creek Trail | 200,000 | |
| Page 19 | BeautifySJ - Physical Deterrents | (100,000) | |
| Page 19 | Hardscape Solutions for Three Creeks Trail | 100,000 | |
| Page 21 | Restoring Sunday Hours at Under-Resourced Libraries (San Jose Aspires Administrative Support) | (200,000) | |
| Page 21 | Restoring Sunday Hours at Under-Resourced Libraries (Transfer to General Fund - Revenue Loss Reimbursement) | 200,000 | |
| | | <hr/> | |
| Total American Rescue Plan Fund Use of Funds | | | - |

| | |
|--|------------------|
| CONSTRUCTION AND CONVEYANCE TAX FUND - COUNCIL DISTRICT 4 (381) | 2022-2023 |
|--|------------------|

| | | | |
|--|---------------------------------------|----------|---------|
| Source of Funds | | | |
| | NONE | | <hr/> - |
| Total Construction and Conveyance Tax Fund - Council District 4 Source of Funds | | | - |
| Use of Funds | | | |
| Page 25 | Sidewalk Completion at Brooktree Park | 74,000 | |
| | Unrestricted Ending Fund Balance | (74,000) | |
| | | <hr/> | |
| Total Construction and Conveyance Tax Fund - Council District 4 Use of Funds | | | - |

| | |
|--|------------------|
| CONSTRUCTION AND CONVEYANCE TAX FUND - COUNCIL DISTRICT 5 (382) | 2022-2023 |
|--|------------------|

| | | | |
|--|--|-----------|---------|
| Source of Funds | | | |
| | NONE | | <hr/> - |
| Total Construction and Conveyance Tax Fund - Council District 5 Source of Funds | | | - |
| Use of Funds | | | |
| Page 26 | Emma Prusch Reserve for Electrical and Infrastructure Upgrades | 500,000 | |
| Page 26 | Infrastructure Backlog Reserve | (100,000) | |
| | Unrestricted Ending Fund Balance | (400,000) | |
| | | <hr/> | |
| Total Construction and Conveyance Tax Fund - Council District 5 Use of Funds | | | - |

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| CONSTRUCTION AND CONVEYANCE TAX FUND - COUNCIL DISTRICT 8 (386) | | 2022-2023 |
|---|--|------------------|
| Source of Funds | | |
| | NONE | - |
| Total Construction and Conveyance Tax Fund - Council District 8 Source of Funds | | - |
| Use of Funds | | |
| Page 26 | Welch Park Neighborhood Center Restroom Upgrades | 500,000 |
| Page 27 | Welch Dog Park Shade Structures | 54,000 |
| | Brigadoon Park Tot Lot Reserve | (400,000) |
| | Unrestricted Ending Fund Balance | (154,000) |
| Total Construction and Conveyance Tax Fund - Council District 8 Use of Funds | | - |
| CONSTRUCTION AND CONVEYANCE TAX FUND - COUNCIL DISTRICT 9 (388) | | 2022-2023 |
| Source of Funds | | |
| | NONE | - |
| Total Construction and Conveyance Tax Fund - Council District 9 Source of Funds | | - |
| Use of Funds | | |
| Page 27 | Camden Community Center Projectors and Smart TVs | 11,000 |
| | Unrestricted Ending Fund Balance | (11,000) |
| Total Construction and Conveyance Tax Fund - Council District 9 Use of Funds | | - |
| CONSTRUCTION AND CONVEYANCE TAX FUND - PARKS PURPOSES CENTRAL FUND (390) | | 2022-2023 |
| Source of Funds | | |
| | NONE | - |
| Total Construction and Conveyance Tax Fund - Parks Purposes Central Fund Source of Funds | | - |
| Use of Funds | | |
| Page 25 | Alum Rock Park Maintenance - Truck | 70,000 |
| | Unrestricted Ending Fund Balance | (70,000) |
| Total Construction and Conveyance Tax Fund - Parks Purposes Central Fund Use of Funds | | - |
| EMMA PRUSCH FUND (131) | | 2022-2023 |
| Source of Funds | | |
| | NONE | - |
| Total Emma Prusch Fund - Source of Funds | | - |
| Use of Funds | | |
| Page 26 | Emma Prusch Reserve for Electrical and Infrastructure Upgrades | 200,000 |
| | Unrestricted Ending Fund Balance | (200,000) |
| Total Emma Prusch Fund - Use of Funds | | - |

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| GENERAL PURPOSE PARKING FUND (533) | | 2022-2023 |
|--|--|------------------|
| Source of Funds | | |
| | NONE | - |
| | Total General Purpose Parking Fund Source of Funds | - |
| Use of Funds | | |
| Page 29 | San Jose Downtown Association - Downtown Ice | 100,000 |
| | Unrestricted Ending Fund Balance | (100,000) |
| | Total General Purpose Parking Fund Use of Funds | - |
| HOUSING TRUST FUND (440) | | 2022-2023 |
| Source of Funds | | |
| | NONE | - |
| | Total Housing Trust Fund Source of Funds | - |
| Use of Funds | | |
| Page 28 | West Valley Community Services | 50,000 |
| | Unrestricted Ending Fund Balance | (50,000) |
| | Total Housing Trust Fund Use of Funds | - |
| LIBRARY PARCEL TAX FUND (418) | | 2022-2023 |
| Source of Funds | | |
| | NONE | - |
| | Total Library Parcel Tax Fund Source of Funds | - |
| Use of Funds | | |
| Page 23 | Library Fine Forgiveness for Seniors | 5,000 |
| Page 21 | Restoring Sunday Hours at Under-Resourced Libraries | 500,000 |
| | Six Day Expansion Model Reserve | (500,000) |
| | Unrestricted Ending Fund Balance | (5,000) |
| | Total Library Parcel Tax Fund Use of Funds | - |
| PLANNING DEVELOPMENT FEE PROGRAM FUND (238) | | 2022-2023 |
| Source of Funds | | |
| | NONE | - |
| | Total Planning Development Fee Program Fund Source of Funds | - |
| Use of Funds | | |
| Page 13 | Planning Relations Coordinator - (Adds 1.0 Planner IV) | 213,000 |
| | Unrestricted Ending Fund Balance | (213,000) |
| | Total Planning Development Fee Program Fund Use of Funds | - |



Memorandum

TO: CITY COUNCIL
FROM: Mayor Sam Liccardo
SUBJECT: JUNE BUDGET MESSAGE
FOR FISCAL YEAR 2022-2023
DATE: June 10, 2022

APPROVED:

Date: 6/10/2022

RECOMMENDATION

In addition to the recommendations outlined in my FY 22-23 June Budget Message, direct the City Manager to appropriate \$400,000 from the Al Fresco allocation of American Rescue Plan Funding to complete a conceptual design for the permanent closure of San Pedro Street, cover equipment and fee costs associated with closing San Pedro Street for another year, and pilot a 6-month initiative to close Post Street. The conceptual design for permanently closing San Pedro Street should incorporate feedback from local business owners and community partners to ensure an equitable and collaborative approach that balances activation, ADA requirements, emergency access, fire suppression, and vehicular egress and ingress. Staff is further directed to return to Council by the end of February 2023 with a cost estimate for a final design and associated construction costs.

Should staff deem a permanent closure of Post Street infeasible after the 6-month pilot, purchased equipment should be redistributed to alleviate k-rail rental costs for the San Pedro Street closure, or to other Al Fresco locations that necessitate median barriers. (MBA #26)