



# Memorandum

**TO:** CITY COUNCIL

**FROM:** Mayor Matt Mahan

**SUBJECT: JUNE BUDGET MESSAGE  
FOR FISCAL YEAR  
2025-2026**

**DATE:** June 4, 2025

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**APPROVED:**

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## **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 2025-2026.
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Manager's Budget Addenda and incorporate them in the Adopted Budget, except in cases where the Addenda are amended or superseded by the contents of this Budget Message.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 #2 – Measure E Policy Change and Budget Allocations

MBA #3 – Balancing the Budget and Prioritizing Our Work

MBA #4 – Parking Enforcement Enhancements

MBA #5 – Youth Commission 2025-2026 City Budget Priorities

MBA #6 – Office of Retirement Services' 2025-2026 Proposed Administrative Budget

MBA #7 – San José Youth Empowerment Alliance Bringing Everyone's Strengths Together  
Resource Allocation Plan

MBA #8 – Expanding Alternative Response and Co-Response to 911 Calls for Service

MBA #11 – Vanlording Enforcement

MBA #12 – Planning Commission Recommendation on the 2026-2030 Proposed Capital Improvement Program  
MBA #13 – Support and Protection of the Immigrant Community  
MBA #14 – Eliminating Fines for Library Overdue Materials  
MBA #15 – Children and Youth Services Master Plan Implementation  
MBA #17 – Mexican American Community Services Agency CDBG Funding Eligibility  
MBA #18 – Proposed 2025-2026 Arts and Cultural Development Grants  
MBA #20 – Team San José 2025-2026 Performance Measures  
MBA #21 – City Manager’s Office of Economic Development and Cultural Affairs: Economic Strategy Work Plan Implementation  
MBA # 23 – Code Enforcement Operational Assessment Report Implementation  
MBA #26 – 2025-2026 Recommended General Fund Revenue Estimates and Expenditure Allocations Revisions  
MBA #27 – Amendments to the Procurement Process and Authority, Contract Authority, and Claims Settlement Authority Provisions of the Municipal Code  
MBA #28 – 2025-2026 Proposed Fees and Charges Report Amendments  
MBA #29 – Community-Led Solutions to Domestic Violence  
MBA #30 – Updates to Community Indicators, Performance Measures, and Activity and Workload Highlights  
MBA #32 – Recommended Amendments to the 2025-2026 Proposed Operating Budget and 2025-2027 Proposed Biennial Capital Budget  
MBA #33 – Federal Funding Risks

## **BACKGROUND**

In accordance with Section 1204 of the San José City Charter, I present my Fiscal Year 2025-2026 June Budget Message for consideration by the City Council and the residents of San José.

This year’s budget requires us to make more difficult tradeoffs than last year and plan across two fiscal years in anticipation of a significant forecasted deficit in FY 26-27. Specifically, the City Manager’s Proposed FY 25-26 Operating Budget closes a projected \$35.6 million shortfall and reduces the projected shortfall in 2026-2027 by more than half, from \$52.9 million to \$25.9 million. Taking a longer budgetary view enables us to minimize impacts on city services and our workforce during what will likely be multiple challenging fiscal years, as indicated by the Five-Year Forecast.

## 2026-2030 Revised General Fund Five-Year Forecast

(\$ in millions)<sup>1</sup>

(Table 3)

	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	Five-Year Surplus/ (Shortfall)
<b>Incremental Surplus/ (Shortfall)</b>	(\$35.6) <sup>2</sup>	(\$52.9)	(\$3.7)	\$4.0	\$1.2	(\$87.0)
<b>Total Cumulative Shortfall</b>	(\$35.6)	(\$88.5)	(\$92.2)	(\$88.2)	(\$87.0)	(\$87.0)

<sup>1</sup> Does not include 1) costs associated with services funded on a one-time basis in 2024-2025; 2) costs associated with unmet/deferred infrastructure and maintenance needs; and 3) one-time revenue sources or expenditure needs.

<sup>2</sup> This figure was revised from the \$45.7 million shortfall as presented in the February 2025 Forecast as a result of continued analysis of projected revenues and expenditures.

I want to thank the Administration for working tirelessly to present a balanced budget that is fiscally responsible and maintains investment in our most critical services. While resolving the projected shortfall, the Proposed Budget:

- Enables us to operate our newly expanded interim housing and shelter system that will help thousands of people move directly out of encampments over the coming years;
- Funds a new, approximately \$60 million Notice of Financing Availability (NOFA) through a combination of Measure E and other housing funds to support new affordable housing development;
- Maintains previous investments in library hours, parks maintenance, and BeautifySJ;
- Invests in critical one-time needs related to 2026 Sporting Events to help ensure that visitors “Fly, Stay, and Play” in San José, driving local economic growth and ensuring visitors and residents alike are able to participate through safe and unique community activations.
- Protects our city workforce and avoids virtually all layoffs, even adding 5 net new positions from 6,994 to 6,999 full-time employees (FTE);
- Reserves ongoing funding of \$27 million in anticipation of next year’s projected budget shortfall to reduce service and workforce impacts in FY 2026-2027 and beyond.

I want to thank my colleagues, Vice Mayor Foley and Councilmembers Kamei, Cohen, and Candelas, for their contributions and collaboration throughout this year’s budget process. Together, we have spent hours discussing our budget deficit and future headwinds, identifying opportunities to create a better San José for all over the coming years despite challenging fiscal conditions.

I am also grateful for the thoughtful proposals the Council put forth to address community needs and priorities. Together, the Council authored 80 Budget Documents totaling \$8,061,559 in proposed one-time spending and \$768,106 in ongoing spending. Even with this year’s budgetary constraints, we were able to incorporate 74 of the 80 budget documents into this Budget Message to help address critical district needs while maintaining a balanced budget.

## **Balancing the Budget Across Two Years**

Council's approval of the March Budget Message reaffirmed our commitment to tackling our community's top priorities while taking fiscally responsible steps to stabilize our budget and minimize impacts on our community and workforce. While every budget cycle requires us to evaluate the long-term impact of City Council actions, this year we will budget for FY 2025-2026 while also taking a number of preemptive measures to reduce impacts in FY 2026-2027.

Thanks to our collective efforts to move previously one-time funded operations into the base budget, and the superb work of the City Manager's Budget Office, the Proposed Operating Budget closes out a projected \$36 million deficit with minimal employee impacts and service cuts. By bringing a new level of focus to City Hall and our budget in recent years, we've begun to move the needle on residents' top priorities and reduced the risk of painful program cuts in periods of weaker economic conditions.

Specifically, our City Council [Focus Area Scorecards and Dashboards](#) – which highlight the City's top priorities, associated goals and metrics, and performance over time – show many signs of progress over the last two years:

- Increased perceptions of public safety, especially in Downtown.
- Decreases in crimes against persons, crimes against property, and traffic fatalities.
- Decreased unsheltered homelessness and slight increases in shelter utilization rates.
- Improved performance related to encampment management and illegal dumping removal, and improved customer satisfaction related to abandoned vehicles.

These modest, but measurable improvements in both city performance and community outcomes within many of our key Focus Areas signal that our heightened focus is beginning to pay dividends. Continuing to focus on these priorities, learn from experience, and adjust our strategies based on real-world data will have a positive compounding effect on the progress we can make in the coming years.

At the same time, we must be clear-eyed about the challenges that lie ahead. Our most recent quarterly sales tax data suggests a period of flat revenues, if not risk of contraction. Balancing our budget will remain difficult for the foreseeable future, especially considering our small per capita tax base and previously accumulated liabilities. Homelessness, consistently ranked by residents as their number one priority, is far from resolved with over 5,000 people still living in unmanaged, unsheltered conditions across our city. To make matters worse, the Administration in Washington has created new risks for San José and other local governments across the country. As established in MBA #33, the Administration has developed an intentional approach to mitigating risks associated with current and prospective federal grant funding. These risks include \$27.4 million in airport projects administered by the FAA and \$37.2 million in housing and community development funds that require HUD approval for reimbursement.

Following Council's direction in the adopted March Message, the City Manager has aligned Measure E expenditures to maximize the number of people we are able to move off of our streets and into safer, more dignified spaces. The City Manager's 2025-2026 Proposed Budget dedicates \$39.2 million to expand interim solutions and services previously directed by Council. In the

next year, this will enable the City to operate a total of 1,937 interim placements ranging from interim housing units and converted hotel rooms to supportive parking spaces and safe sleeping sites.

To maximize the effectiveness of our outreach services, the Proposed Budget establishes a Targeted Outreach and Engagement Program that will strategically deploy outreach along the City's waterways and near where new interim housing sites open. By centralizing outreach services in-house, we will improve accountability and enable more consistent follow-up, data tracking, and coordination across departments. The Proposed Budget also continues the Homeward Bound program for another year as an immediate offering to help people who need shelter reconnect with their loved ones.

Additionally, we preserve 10% of Measure E dollars for homelessness prevention, recognizing that we must also support upstream solutions to homelessness. This maintains the original prevention allocation set out in the 2020 Measure E spending plan. As directed in the March Budget Message, the City Manager should continue to explore other potential local, state, federal and philanthropic sources of prevention resources that can be leveraged to expand our prevention efforts. The City Manager is further directed to determine whether additional investments can be made in prevention resources if additional resources become available later in the fiscal year.

Addressing the immediate crisis on our streets does not deter from our commitment to building affordable housing. Last year we celebrated the opening of 492 new affordable homes. Our Housing Department will release a NOFA for approximately \$60 million before the end of FY 24-25. Through other public funding sources and collaboration with the County of Santa Clara Office of Supportive Housing, we will be able to begin construction on 760 new affordable housing units this year.

To give housing supply and affordability the attention it deserves, we will create a fifth distinct Focus Area this year: "Building More Housing." By prioritizing housing production across all income levels, we will increase accountability at City Hall and take meaningful action to remove barriers to development that are within our control. We're already seeing the impact of this commitment. Thanks to our new Multifamily Housing Incentive program, nearly 2,000 units of new housing will break ground this year via projects that were previously stalled. We will continue building on this success by finding other areas of efficiency in our policies and processes and updating our General Plan to unblock the homebuilding we critically need. To free up more capacity for proactive policy work within our Planning, Building, and Code Enforcement Department (PBCE), the Proposed Budget makes General Fund investments in CEQA reform and standardization, as well as expanding the Ministerial Ordinance.

At the same time, MBA #22 underscores a broader impediment to unlocking more areas for development: PBCE lacks the resources to consistently prioritize planning efforts that benefit the entire city, such as General Plan updates, urban village plans, historic preservation work, and zoning code maintenance. Since development fees alone cannot cover these costs, the City Manager is directed to develop a long-term funding strategy that begins to sustainably support citywide planning work on an ongoing basis from the General Fund so that the City Council can consider potential service level trade-offs as part of the 2026-2027 budget development process.

Along with homelessness and housing affordability, San Joséans consistently rank public safety as one of their top three priorities for City Hall. The Proposed Budget maintains investments in recruitment and backgrounding for the San José Police Department (SJPD) approved in last year's budget to ensure continued growth of our academy classes. We'll continue investments in the Real Time Intelligence Center, which has already expedited digital forensic processes from one week to two hours. The Proposed Budget also reallocates existing resources with the departmental budget to establish a new Neighborhood Quality of Life Unit within SJPD that will help make our streets safer by enforcing quality of life laws. Furthermore, we'll not only maintain existing recruitment, hiring and training resources for Fire Academy classes, but also add 17 full-time positions to our Fire department, including 14 to staff the new Fire Station 32.

The deadly and destructive fires in Los Angeles earlier this year raised concerns about our own wildfire preparedness. We've long known that Alum Rock Park is one of the highest fire-risk areas in our city, in part due to eucalyptus trees in the park, which are especially flammable. Unfortunately, resource constraints have required a pivot away from mechanical weed abatement and toward the use of chemical weed management in the park. The City Manager is directed to allocate \$150,000 from the Essential Services Reserve (ESR) to remove eucalyptus trees in Alum Rock Park but not limited to other parks in the East Foothills identified as the highest risk by Parks, Recreation and Neighborhood Services (PRNS) and the Fire Department (\$90,000 one-time), and increase contracted services on an ongoing basis for the mechanical, rather than chemical, abatement of weeds (\$60,000 ongoing).

Recognizing opportunities to improve public safety response times by deploying alternative response models for mental health-related calls, last year the Council committed \$450,000 for a San José-focused Trusted Response Urgent Response Team (TRUST). According to MBA #8, in its first four months, the San José TRUST team responded to an average of only 20 calls per month – less than one call per day – underscoring the need to improve 911 to 988 call transfers. The City Manager is directed to return in Fall 2025 with considerations for extending the San José TRUST team pilot using opioid settlement funds. Considerations should include updated call volume, potential tradeoffs with other potential uses for opioid settlement funds, including services for at-risk youth, and the status of our request for the County to embed a trained behavioral health professional in 911 call centers to increase appropriate call transfers to 988.

In May, the Council received a report on Community-Led Solutions to Domestic Violence and directed staff to explore potential investments in violence prevention. MBA #29 outlines four options for allocating \$80,000 in rebudgeted one-time funds toward either broad violence prevention or domestic violence-specific efforts. The City Manager is directed to allocate the \$80,000 to increase Caminar BEST Grant Funding (Alternative 2), which will nearly double the number of families served through their Families and Schools Together Program. Among the four options, Caminar's program offers the most tangible outcomes and aligns most closely with broad violence prevention goals.

Keeping our communities safe also requires continued focus on addressing blight. When our neighborhoods are neglected— beset by abandoned vehicles, illegal dumping, and deteriorating properties – it signals that disorder is tolerated. Thanks to impressive investigative efforts by

SJPD officers, three prolific taggers have recently been apprehended and prosecuted – sending the message that San José doesn’t tolerate vandalism, while also pursuing opportunities for these repeat offenders to make amends with the community and choose a better path in life. The Proposed Budget includes funding for illegal dumping and graffiti enforcement, including the purchase of a limited number of Automated License Plate Readers (ALPR) that can support targeted enforcement in frequently vandalized areas, which are often located in traditionally underserved neighborhoods. The City Manager is directed to work with Council Offices to identify dumping and graffiti hotspot locations for ALPR deployment.

Beyond increasing enforcement for graffiti and illegal dumping, we must also hold negligent property owners accountable for addressing code violations that contribute to blight and harm the surrounding community. With the approval of MBA #23, we will hire a Transformation Manager and Community Engagement Supervisor within Code Enforcement to lead the implementation of recommendations aimed at improving the division’s efficiency and service delivery. The City Manager is directed to ensure that, with this new capacity, staff conducts regular outreach to owners of blighted properties to inform them of violations and potential enforcement actions the City may pursue if violations are not addressed.

Blighted and nuisance properties can significantly impact quality-of-life for residents in our suburban neighborhoods. The Responsible Landlord Engagement Initiative (RLEI) helps mediate local disputes among neighbors by notifying negligent landlords of necessary improvements to improve neighborhood conditions by providing another avenue of resolution beyond contacting SJPD or Code Enforcement. The City Manager is directed to allocate \$250,000 from the Rental Stabilization Program Fee Fund to continue the program for another year.

SJ311 is our primary means of receiving and responding to residents’ non-emergency neighborhood concerns. The Proposed Operating Budget makes investments to bring engineering resources in-house to build out the SJ311 platform. This will enable faster service enhancements and lay the groundwork for more robust features that will deliver a best-in-class resident experience in the coming years. Relatedly, the Customer Service Vision (CSV) championed by the City Manager will be deployed in FY 2025-2026. The CSV will better promote continuity and efficiency as residents request and receive services from multiple departments.

Procurement regulations are intended to ensure open, competitive and efficient purchasing of goods and services, but when overly restrictive, they can hinder our ability to move quickly and deliver results for our residents. While we await the full suite of recommendations from our City Auditor, MBA #27 modernizes our procurement procedures in part by increasing the competitive procurement threshold from \$10,000 to \$15,000, and expanding the informal procurement threshold from \$250,000 to \$350,000. These amendments to the Muni Code will bring us closer into alignment with comparable cities like San Diego and San Francisco. MBA #27 also includes recommendations such as 4(a) that directs the City Manager to explore future amendments, including increasing the competitive threshold above \$15,000.

To build on the Oversized and Lived in Vehicle Enforcement (OLIVE) program, we will establish two new expanded enforcement programs through adoption of MBA #4. Before launching the new enforcement programs, the City Manager is directed to engage in an education

and communications effort to ensure the community is well-informed and appropriately aware of the programs ahead of implementation. The City Manager is further directed to provide written warnings instead of issuing citations or initiating tows for the first month of enforcement, and start implementation within no-return zones.

Next year will present the perfect opportunity to demonstrate how San José builds on our “back to basics” foundation and capitalize on our momentum to grow our economy. As we gear up to host Super Bowl 60, the NCAA Men’s Basketball Tournament, and the World Cup in 2026, the Proposed Budget allocates resources to support unique fan experiences, such as watch parties, live music, and drone shows. In partnership with the San José Sports Authority, we’ll design and promote a coherent brand and fan experience for the various large sporting events in our region. Guadalupe River Park and Trail will be beautified and revitalized as Downtown’s “Central Park” with the help of community partners. As directed in the March Budget Message, the Proposed Budget funds the Stitching Districts Initiative to connect the SAP Center, Little Italy, and San Pedro Square. Investments in wayfinding and increased event security will be essential as we strive to create the best experience for residents and visitors alike.

Beyond 2026, this budget funds various strategic initiatives to make San José the region’s premier destination for sports, entertainment, shopping, and business creation. We fund planning efforts to establish a future sports and entertainment district in the downtown area. We retain business outreach roles to support business association expansion in commercial corridors such as Story Road, East Village and Alum Rock. And as we compete to attract the growth industries of the future, this budget leverages funding from PG&E for a limited number of positions dedicated to attracting and facilitating data center investments and other large-load customers. We also are excited to welcome Plug and Play’s AI Center for Excellence to Downtown San José, a move that will help the next generation of diverse founders from institutions like San José State University turn their visions into reality. Last year’s budget funded incentives to attract early-stage AI startups interested in expanding into San José, which ultimately drew 170 applicants from across the country.

The Proposed Budget also supports a range of vital community programs and services that our residents rely upon. Unfortunately, due to the projected shortfall, the Proposed Budget included a \$526,434 reduction in grants to multiple nonprofits that serve seniors in San José. These organizations provide a comprehensive array of programs, including legal advice, dental healthcare, culturally relevant social environments, and digital access. The City Manager is directed to allocate \$300,000 in one-time funding from the ESR to preserve a large portion of current funding levels for these services.

The Youth Commission provides a forum for our young people to begin their journey of civic engagement and serve as advocates for their peers. In accordance with MBA #5, the City Manager is directed to allocate \$8,000 in one-time funding from the ESR to the Youth Commission's Annual Recognition Event. Also in the spirit of supporting our youth, the City should extend its high-dosage tutoring pilot program in partnership with the Franklin McKinley School District. Across East San José, only about one-third of 3rd graders are currently reading at grade level. Last year, the Ignite Fellowship – funded in collaboration with Santa Clara



County – demonstrated success in increasing school attendance and, on average across their service area, delivered on-grade level reading scores at twice the level of district averages. The City Manager is directed to allocate \$75,000 in one-time funding from the ESR to continue the Ignite Fellowship in East San José schools and work with the San José Public Library (SJPL) and the Mayor’s Office to explore securing long-term philanthropic funding partners to expand this evidence-based work in partnership with local school districts.

Viva CalleSJ is a beloved community activation series that provides our residents with an opportunity to explore the streets of San José in a unique and safe way. The Proposed Budget includes three Viva CalleSJ events, with two being fully funded. To ensure we continue to host a trio of Viva CalleSJ events in 2026, the City Manager is directed to allocate \$26,000 in one-time funding from the ESR to close the remaining gap.

San José’s greatest strength is our diverse community and the immensely talented people who continue to be drawn to our valley from across the world. Given recent rhetoric and policy action at the federal level, we have an obligation to help our immigrant community understand their rights, know about policies and legal standards that are changing, and navigate what can often be confusing and intimidating government processes. The proposed budget makes a \$250,000 investment to fund educational and legal services for our immigrant community. The City Manager is directed to double our investment – representing a tenfold increase from last year – with an additional \$250,000 one-time contribution from the ESR, as outlined in MBA #13 and BD #73, Ortiz.

Once again, I want to commend the Administration on a job well done. In response to the Council’s direction in adopting the March Budget Message, the City Manager has skillfully proposed a balanced budget that enables further progress in our Focus Areas and protects core services across the organization while closing a projected shortfall.

Additionally, the Council and key community partners have proposed a number of focused, mostly district-specific, investments that address some of our community’s greatest needs, as reflected in the following additional spending decisions:

## Supporting and Protecting our Community

### *Supporting Our Police Officers*

The San José Police Foundation (SJPF) helps promote public safety, strengthen police-community relations and provides critical support to the San José Police Department. The City Manager is directed to allocate \$25,000 in one-time funding from the ESR to support the History of Policing course and SJPF’s annual awards dinner.

### *Improving Safety at the Tully Library*

The Tully Library is an essential community center in District 7 that provides a recreational space for children, adults, and families to enjoy. Recently, Tully Library has been challenged by loitering, drug use, unauthorized parking, and overnight camping. These activities interfere with the community's ability to use the library. The SJPL has recently developed a comprehensive Tully Library Safety Plan to increase safety in this area through encampment abatement, new signage, increasing enforcement of existing laws and regulations, and physical barriers to limit access after hours. The City Manager is directed to allocate \$21,000 in one-time funding from the ESR to SJPL to support implementation of the Tully Library Safety Plan. (BD #18, Doan)

### *Community Emergency Response Team*

The Community Emergency Response Team (CERT) program is a valuable community-based asset for ensuring residents' disaster preparedness. The City Manager is directed to allocate \$7,000 in one-time funding from the ESR towards providing one CERT training for District 7 residents (BD #17, Doan).

### *District 1 Leadership Group*

Active neighborhood associations make communities safer, more welcoming, and resilient by bringing people together and offering forums for dialogue and collective action. The City Manager is directed to allocate \$6,500 in one-time funding from the ESR to the District 1 Leadership Group to promote the development of stronger neighborhood associations. (BD #64, Kamei)

### *Improving Public Health and Cleanliness at the Alma Senior Center*

The Alma Senior Center faces a growing number of quality-of-life issues negatively impacting the community's ability to access and enjoy the facility. Illegal dumping, human waste, and littering regularly stain the pavement, resulting in putrid odors and health risks. The City Manager is directed to allocate \$6,000 in one-time funding from the ESR for additional power washings at the Alma Senior Center. (BD #25, Doan)

## **Cleaning and Beautifying Our Neighborhoods**

### *Backesto Park Ground Repairs*

Backesto Park is a cherished community space in the Northside Neighborhood and is regularly used by surrounding neighborhoods for events like the Luna Park Chalk Festival. Recently, the park has been damaged by burrowing animals, creating serious safety risks for visitors. The City Manager is directed to allocate one-time funding of \$112,000 from District 3's Construction and Conveyance Tax Fund to remove burrowing animals from the park and repair the grounds. (BD #5, Salas)

#### *Business Districts Streets Team Services*

The Downtown Streets Team has been an effective partner in creating a clean and vibrant San José while also empowering unhoused individuals through volunteer opportunities. Their services consist of debris removal, weeding, illegal dumping reporting and peer-to-peer outreach in business districts once a week. With a new contract, the Downtown Streets Team can offer weekly 4-hour shifts for crew members to service Calle Willow, Luna Park, East Village and Alum Rock East Santa Clara. To support this effort, the City Manager is directed to allocate \$100,000 in one-time funding from the ESR to initiate a new contract with Downtown Streets Team to service these areas. (BD #4, Salas)

#### *Municipal Rose Garden Assistant Pilot Program*

Every year, the San José Municipal Rose Garden attracts visitors from across the city and greater Bay Area to enjoy the colorful showcase of blooming flowers. Currently, the site does not have dedicated staff to monitor the condition of the amenities, which has created unique challenges for the park's restrooms and issues with recurring vandalism. To improve these conditions and restore this beloved space, the City Manager is directed to allocate \$41,400 in one-time funding from the ESR for the initiation of a pilot program. This pilot shall fund two part-time positions – a Park Ranger Assistant and a Recreation Leader – who will provide a visible presence to enforce park rules and foster a welcoming environment on weekends during the peak seasons of August to October 2025 and March to June 2026. (BD #55, Mulcahy)

#### *Coe and Lincoln Gateway Beautification*

The Lincoln Avenue Bridge serves as a primary gateway into Downtown Willow Glen, but it has become blighted by graffiti and general degradation. The City Manager is directed to allocate \$15,000 in one-time funding from the ESR to the Glenside Riviera Neighborhood Association for beautification efforts on the bridge. (BD #53, Mulcahy)

#### *Our City Forest*

Growing our urban tree canopy creates more hospitable streetscapes, beautifies our neighborhoods, and reduces our collective carbon footprint. To supplement our tree planting efforts, the City Manager is directed to allocate \$10,000 in one-time funding from the ESR to Our City Forest for the planting of 20 trees across District 1. (BD #69, Kamei)

#### *Mt. Pleasant Neighborhood Association Beautification Efforts*

The Mt. Pleasant Neighborhood Association (MPNA) has made significant efforts in recent years to uplift the neighborhood. To build on this work, MPNA plans to launch a comprehensive Beautification and Capacity Building Initiative that will help shape the community through clean up efforts and placemaking projects. The City Manager is directed to allocate \$10,000 in one-time funding from the ESR for MPNA-led community beautification efforts. While this funding will help support some of the projects envisioned by neighbors, MPNA is also encouraged to apply for additional resources through the BeautifySJ and TogetherSJ programs. (BD #74, Ortiz)

### *Illegal Dumping Abatement in the Buena Vista Neighborhood*

Persistent illegal dumping impacts quality of life in the Buena Vista Neighborhood in District 6. To address recurring blight, the City Manager is directed to allocate \$7,095 in one-time funding from the ESR to fund overtime for two Maintenance Worker II positions and supplies for additional blight eradication. In addition to this funding, the District 6 Office is encouraged to partner with BeautifySJ and Code Enforcement to explore other strategies for getting upstream of this ongoing challenge, particularly through tenant education and landlord engagement. (BD #80, Mulcahy)

## Improving Traffic Safety and Accessibility

In 2024, there were 48 reported traffic fatalities on our roadways, one less than the prior year. These are tragic and avoidable deaths that demand further investment in safe streets in accordance with our commitment to achieving Vision Zero. I appreciate my colleagues' many thoughtful proposals for traffic infrastructure and other safety improvements across San José.

### *District 9 Road Improvements Near Schools*

Throughout her tenure on the Council, Vice Mayor Foley has championed citywide traffic safety initiatives and previously chaired the Vision Zero Task Force. I commend her focus on projects that will upgrade roadway infrastructure in vulnerable school zones. The City Manager is directed to allocate:

- \$125,000 in one-time funding, of which \$25,000 should come from the ESR and \$100,000 should come from District 9's Pedestrian Safety Enhancement (PSE) allocation to strengthen an existing enhanced crosswalk across Kooser Road at Dartmouth Drive by installing Rapid Rectangular Flashing Beacons (RRFBs), curb extensions, striping and signage. (BD #39, Foley)
- \$125,000 in one-time funding, of which \$25,000 should come from the ESR and \$100,000 should come from District 9's PSE allocation to improve an existing enhanced crosswalk across Leigh Avenue at Laurinda Drive by installing RRFBs, curb extensions, striping and signage. (BD #41, Foley)

### *District 2 Protected Intersections*

Branham Lane is a key east-west corridor in South San José that has seen many improvements in previous years, however, there has been less focus on the eastern side of the corridor. To address this imbalance, Councilmember Campos has identified three traffic infrastructure projects that will improve safety and community connectivity for pedestrians, bikers and drivers. The City Manager is directed to allocate \$230,000 of the remaining funds from the previous Branham and Snell Street Improvement Projects as follows:

- \$90,000 for permanent improvements with concrete curb extensions at E. Branham Lane and Admiral Way;
- \$100,000 for permanent improvements with concrete curb extensions at E. Branham Lane and Battle Dance Drive;

- \$40,000 for quick-build improvements, including high-visibility traffic signal backplates to enhance signal visibility at Charlotte Drive and Raleigh Road. (BD #49, Campos)

#### *Southside Transit Access Study*

Diverse transit options are essential to the development of San José. To better serve our residents' commuting needs, the City Manager is directed to allocate \$200,000 in one-time funding from Charities Housing's prior year contribution related to the 397 Blossom Hill Road project toward a traffic safety study. These funds shall be used to analyze barriers to accessing public transit hubs and identify how transit connectivity can be improved along Highway 85, specifically to the Blossom Hill, Snell, and Cottle VTA Light Rail Stations, as well as other relevant transit portals. (BD #50, Campos)

#### *District 8 Traffic Safety Enhancements*

Residents across District 8 have voiced concerns about dangerous driving behavior near schools, parks and on residential streets. To help address these safety concerns, the City Manager is directed to allocate \$30,000 of one-time funding from District 8's Pedestrian Safety Enhancement (PSE) allocation for a range of targeted traffic safety improvements, such as centerlines, edge lines and mini-roundabouts, identified in consultation with DOT and community stakeholders. (BD #32, Candelas)

#### *Mariposa Avenue Speed Study*

District 6 residents have consistently reported vehicles speeding along Mariposa Avenue, a residential street that connects two major roads: The Alameda and Park Avenue. To better understand roadway behaviors in this area, the City Manager is directed to allocate \$30,000 in one-time funding from District 6's PSE allocation to conduct a speed study and take appropriate measures to mitigate any dangerous driving conditions. (BD #59, Mulcahy)

#### *Paso Los Cerritos Speed Mitigation*

Despite the 25 mph speed limit in the residential street between Paso Los Cerritos between Camden Avenue and Meridian Avenue, the 85th percentile speed on this road is 32.8 mph. Given the pedestrian safety risks due to this high average speed, San José's Department of Transportation recommends adding centerlines and edge lines to encourage slower speeds. The City Manager is directed to allocate \$47,936 in one-time funding from the previously allocated and unspent District 10 Fireworks Budget Document from the FY 24-25 Adopted Operating Budget. (BD#8, Casey)

#### *Los Alamitos Creek Trail Improvements*

The Los Alamitos Creek Trail is a highly utilized walking and bike path for the residents of Almaden. The City Manager is directed to dedicate \$5,000 of one-time funding from the Minor Park Equipment appropriation in the Council District 10 Parks Construction and Conveyance Tax Fund for the installation of new signage and other infrastructure to enhance safety and regulate e-bike usage along the trail from Almaden Lake Park to McKean Road. (BD #9, Casey)

### *Interjurisdictional Transportation Impact Fee in and around Saratoga Urban Village*

Recent development approvals for projects like the Costco at Westgate West surfaced the difficulty of obtaining adequate funding to offset transportation impacts in the Saratoga Avenue Urban Village. Further, this area encompasses multiple jurisdictions, presenting other challenges and opportunities to explore. Due to the complexity and need to scope transportation improvements that could benefit all jurisdictions, a feasibility study of an interjurisdictional transportation impact fee may provide clarity and justification for such improvements. This study would explore the legal and geographic scope, process, roles and responsibilities and, most importantly, City resource capacity. To enable this important scope, the City Manager is directed to allocate \$40,000 in one-time funding from the ESR. (BD #65, Kamei)

## Enhancing Community Spaces

### *Mexican American Community Services Agency (MACSA) Youth Center*

Years ago, the MACSA Youth Center served as a hub in East San José for youth services and recreational activities, social support programs, parenting workshops, and cultural events. Councilmember Ortiz is now working with a coalition of organizations toward revitalizing MACSA and restoring its former services. As stated in MBA #17, the Housing Department has identified \$500,000 in Community Development Block Grants (CDBG) to support facility improvements at the MACSA Youth Center. While the future of CDBG funding remains uncertain in this political environment, the City Manager is directed to allocate CDBG funds to MACSA as available and work with community partners to define the scope and timeline for the rehabilitation project.

### *Sharks Way and Little Italy Way Streetlights*

With the passage of the March Budget Message, the City Council approved funding for the Stitching Districts Initiative to connect the SAP Center, Little Italy, and San Pedro Square along St. John Street. To further enhance the aesthetic and infrastructure of this corridor, the City Manager is directed to allocate \$1,650,000 in one-time funding from the Building and Structure Construction Tax Fund as follows:

- \$650,000 to install eight 13-foot vintage-style pedestrian street lights on W. St John Street/Sharks Way;
- \$400,000 to install four 13-foot vintage-style pedestrian street lights on N. Almaden Boulevard/Little Italy Way;
- \$600,000 to install eight 32-foot standard street lights on W. St John Street/Sharks Way. (BD #60, Mulcahy)

### *Calabazas Park BMX Bike Course Improvements*

Calabazas Park BMX Bike Course is a heavily utilized and one-of-a-kind park for San José's BMX community. Community members have noted a need for maintenance, repairs and safety enhancements to improve the longevity of the park. The City Manager is directed to allocate \$130,450 in one-time funding from the Citywide Construction and Conveyance Tax Fund to

fund various improvements, including rules signage and track maintenance and tools. (BD #62, Kamei)

#### *Alebrijes*

Alebrijes is a vibrant sculpture series that celebrates elements of Oaxacan culture – a source of personal connection and pride for many in our community. San José Jazz has raised private and philanthropic funds to exhibit these sculptures in San José from August to September 2025, beginning the week of the 35th Annual San José Summer Jazz Fest, which is expected to draw thousands of people into Downtown. The City Manager is directed to allocate \$75,000 in one-time funding from the ESR to close San José Jazz’s remaining funding gap and bring Alebrijes to San José.

#### *West Valley Community Services*

West Valley Community Services (WVCS) provides West San José residents with vital services, including food distribution, homeless services, and short-term financial assistance. The organization’s robust continuum of resources has especially supported the historically underserved Cadillac-Winchester neighborhood. To continue this crucial work, the City Manager is directed to allocate \$75,000 in one-time funding from the Multi-Source Housing Fund to WVCS. (BD #67, Kamei)

#### *Rose Garden Streetlight Installations*

Burrell Court and Dana Avenue in San José’s historic Rose Garden Neighborhood lack sufficient street lighting, creating visibility and safety concerns. To address poor illumination, the City Manager is directed to allocate \$56,000 in one-time funding from the Construction Excise Tax Fund and \$44,000 in one-time funding from the ESR to install four PG&E pole-mounted streetlights – three on Burrell Court and one on Dana Avenue – between Shasta Avenue and Hester Avenue. (BD #56 and BD #58, Mulcahy)

#### *Schiele Subdivision Historic District Signage*

In 2023, the City Council approved an allocation of \$100,000 to support the designation of the Schiele Subdivision and adjacent Alameda Park as a City Landmark Historic District. To further this initiative, the City Manager is directed to allocate the remaining \$40,000 of the original allocation to the Public Works Department to install signage to identify and honor the Historic District and cover the costs of the Community Sign Application Fee. (BD #57, Mulcahy)

#### *Evergreen Village Square Vibrancy Improvements*

The Evergreen Village Square is a hub for cultural vibrancy and community building in District 8. Walkability and landscaping upgrades will improve this area for residents, small businesses and community partners to enjoy. The City Manager is directed to allocate \$25,000 in one-time funding from the ESR to acquire safety flags for crosswalks, new trash cans, trees and improved light fixtures. (BD #30, Candelas)

### *Sakaue Farmhouse Relocation*

The redevelopment of 0 Seely Avenue requires the relocation of a historic farmhouse owned by Eiichi Sakaue and his family. To preserve this landmark and its legacy, the City Manager is directed to allocate \$25,000 in one-time funding from the ESR toward the movement of the Sakaue Farmhouse to History Park and planting memorial trees in the surrounding area. These funds shall be reallocated to the General Fund if they are not expended by the end of the FY 25-26 fiscal year. (BD #66, Kamei)

### *Plaza de Cesar Chavez*

Plaza de Cesar Chavez – home to popular events like the San José Jazz Summer Fest, SV Pride, the Fountain Blues and Brews Festival, and many others – deserves additional community investment. The City Manager is directed to redirect the \$100,000 initially allocated in the Proposed Budget for establishing a Plaza de Cesar Chaves conservancy toward building a permanent stage to benefit multiple event organizers. That funding should be paired with an additional \$500,000 from the Council District 3 Subdivision Park Trust Fund previously set aside for Discovery Meadow Park for a total of \$600,000. While the infrastructure improvements in Plaza de Cesar Chavez progress, the City Manager is directed to issue an RFP to establish a future conservancy. The City Manager is further directed to allocate an additional \$17,500 in one-time ESR funds, matched by \$17,500 of existing funds from the Office of Economic Development and Cultural Affairs (OEDCA), for a temporary stage truss and canopy for this year's upcoming events.

### *District 8 Public Art for Public Infrastructure*

Public Art on utility boxes and pedestrian bridges deter graffiti and vandalism. Our City, a local nonprofit, collaborates with youth and artists to beautify utility boxes and pedestrian bridges with murals in District 8. The City Manager is directed to allocate \$10,000 in one-time funding to Our City out of the ESR to create vibrant community-informed artwork on utility boxes and pedestrian bridges in District 8 (BD #31, Candelas)

### *District 8 Community Gardens*

Community gardens can facilitate social connections, build civic pride and beautify public spaces. They can also deter illegal dumping and unsafe activity. The City Manager is directed to allocate \$10,000 in one-time funding from the ESR to the District 8 Community Round Table to enable various community garden projects across District 8 (BD #27, Candelas)

### *Camden Community Center*

The Camden Community Center serves as a central space for programs that keep the community social and active. To continue this work, the City Manager is directed to allocate \$2,319 in one-time funding from the ESR for additional basketball nets, yoga mats, carts, white erase boards and pickleball nets. (BD #37, Foley)



### *Catholic Charities*

The merging of Catholic Charities' Parish Engagement and Outreach with Community Organizing programs will help provide culturally responsive services to the community, regardless of their faith or background. Creating this new hub will not only provide a place to receive supportive services, such as mobile medical clinics, but also help build community. To support the build out of this physical hub, the City Manager is directed to allocate \$10,000 in one-time funding from the ESR. (BD #71, Ortiz)

## Increasing Community Events

### *Fourth of July Fireworks*

Firework shows not only provide community enjoyment and celebration but also reduce demand for illegal fireworks. Last year, Councilmember Candelas piloted a new fireworks show at Lake Cunningham Park that was enjoyed by thousands of families. Historically, the District 10 Council Office has also hosted a popular fireworks show at Almaden Lake Park. However, to accommodate ever-growing attendance, District 10 intended to relocate this year's show to the Santa Clara County Fairgrounds. Unfortunately, this relocation appears to be infeasible this year. The City's other large fireworks show has been moved by the Downtown Rotary Club from Discovery Meadow to Excite Park, in partnership with the San José Giants, and thankfully will not require any public subsidy this year.

The City Manager is directed to support two of our large, sanctioned community fireworks shows by allocating \$100,000 in one-time funding from the ESR for District 10's 2026 Fourth of July event and \$100,000 for the event hosted at Lake Cunningham Park; \$60,936 in one-time funding from the ESR and \$39,064 from District 10's unspent fireworks show allocation from last year's approved budget. The remaining funds from this prior appropriation will be used to fund BD #8, Casey. Given our uncertain budget outlook, Councilmembers hosting large-scale events like these fireworks shows are encouraged to develop increasingly sustainable funding models over time, such as charging for parking or securing long-term philanthropic commitments. (BD #10, Casey and BD #34, Candelas)

### *Christmas in the Park*

A beloved local holiday tradition, Christmas in the Park brings thousands of visitors into Downtown San José every year. This festive event spurs economic activity and provides a family-friendly environment with an array of Christmas trees decorated by community partners and entertainment provided by talented groups from every corner of San José. To continue this tradition, the City Manager is directed to allocate \$72,000 in one-time funding from the ESR to Christmas in the Park to support their operations.

### *Downtown Ice*

Downtown Ice is another cherished San José holiday tradition. This seasonal amenity offers affordable entertainment and special memories for families and helps make Downtown San Jose a regional destination during the holidays. The City Manager is directed to allocate \$200,000

from the General Purpose Parking Fund to the San José Downtown Association (SJDA) to support Downtown Ice once again this year.

#### *Urban Vibrancy Institute*

Urban Vibrancy Institute (UVI) regularly hosts successful block parties and concerts in our Downtown, which have drawn thousands of attendees. These activities revitalize our urban centers and provide significant revenue for local businesses. The City Manager is directed to allocate \$35,000 in one-time funding from the ESR to the UVI to support large downtown events in 2026.

#### *Great Oaks Neighborhood Activation and Engagement*

I commend the collective effort of Councilmember Campos and City staff in developing the Great Oaks Neighborhood: Community Activation and Engagement Plan. To invigorate this South San José community and lay the foundation for a Great Oaks Neighborhood Association, the City Manager is directed to allocate \$28,250 in one-time funding from the ESR for the following programming: \$800 for eight neighborhood meetings, \$1,200 for a National Night Out event, \$1,500 for three neighborhood action planning events, \$2,000 for two community art murals, \$2,000 to host the SJPD Ice Cream Truck, \$2,250 for three neighborhood forums, \$5,500 to host a dumpster day, and \$13,000 to host a pop-up park activation with a third-party vendor. (BD #48, Campos)

#### *Silicon Valley Pride*

Silicon Valley Pride hosts an annual celebration of our LGBTQ+ community, attracting thousands of people to San José for the festivities. This year will commemorate a historic milestone: the 50th anniversary of the event. The City Manager is directed to allocate \$25,000 in one-time funding from the ESR to SV Pride to support entertainment costs, rental equipment and event services related to the event.

#### *San José Day*

Since 2017, San José Day has brought San Joséans together to celebrate our diverse local arts and culture scene. The event has grown into an annual tradition, pairing local art, performances and small business vendors. The 2025 celebration successfully partnered with Viva CalleSJ at Emma Prusch Farm Park, creating a unique and vibrant activation for our community to enjoy. To support San José Day's continued growth, the City Manager is directed to allocate \$20,000 in one-time funding from the ESR for staffing operations and performing artists, and explore pairing the event with Viva Calle once again in 2026.

#### *Celebrating Our Vietnamese Culture with a Tet Parade*

With the largest Vietnamese population in any single city outside of Vietnam, San José proudly hosts Tet Nguyen Dan every year. This multi-week festival kicks off the Lunar New Year and is an important tradition for many in our community. The City Manager is directed to allocate \$15,000 in one-time funding out of the ESR for the annual parade. (BD #16, Doan)

### *Supporting the School of Arts and Culture at the Mexican Heritage Plaza*

The School of Arts and Culture (SOAC) helps preserve the cultural identity of East San José and serves as a connector for our Latino community. To assist in continuing their valuable work and supporting their culturally rich events, such as the Fiesta del Mariachi and Avenida de Altares, the City Manager is directed to allocate \$15,000 in one-time funding from the ESR to the SOAC. (BD #24, Doan and BD #78, Ortiz)

### *Enhanced Park Activations in District 2*

San José's Viva Parks event series activates our public spaces by gathering neighbors across the city for free activities and resources to catalyze social connection. The City Manager is directed to allocate \$5,000 in one-time funding from the ESR to enhance two existing Viva Parks activations in District 2 with live music or art programming. (BD #47, Campos)

### *District 7 Movie Nights*

Movie nights offer safe, accessible, family-friendly entertainment while allowing neighbors to connect and build community. Building on past success, the City Manager is directed to allocate \$10,000 in one-time funding from the ESR to the District 7 Office for the facilitation of five movie nights in 2026, organized in coordination with the City's approved movie night vendor. (BD #20, Doan)

## **Supporting Small Businesses**

### *Prosperity Labs*

Prosperity Labs' Mesa Redonda program supports local street vendors by providing comprehensive training and incubation programs. Their work provides a path to self-sufficiency by helping vendors gain new skills, secure permits and navigate other local laws. The City Manager is directed to allocate \$20,000 in one-time funding from the ESR to support these efforts. Additionally, Prosperity Labs provides economic empowerment to historically disadvantaged communities, women and micro-enterprises, such as by helping local entrepreneurs open brick-and-mortar locations. To further support Prosperity Lab's economic inclusion work, the City Manager is directed to allocate another \$55,000 in one-time funding from the ESR to ensure success for programs besides the Mesa Redonda program. This total sum of \$75,000 in one-time funding from the ESR to support Prosperity Labs will be matched 1:1 by the Governor's Office of Business and Economic Development, deepening the impact of these investments. (BD #3, Salas and BD #76, Ortiz)

### *Village Oaks/Santa Teresa Neighborhood Vitality District*

The Village Oaks and Santa Teresa neighborhoods span both District 2 and District 10. The community hosts the corporate headquarters of Western Digital and the Kaiser Permanente San José Medical Center, presenting immense potential to build out this area with the goal of becoming a Business Improvement District. To initiate these efforts, the City Manager is directed to allocate \$50,000 in one-time funding from the ESR to collaborate with OEDCA to conduct outreach, identify community-building opportunities and improve the pedestrian experience. (BD #51, Campos and Casey)

*Supporting Neighborhood Small Business Development Centers in East San José*

District 7 is home to a number of Vietnamese and Latino entrepreneurs operating small businesses that make significant contributions to the local economy. District 7 would benefit from a Neighborhood Small Business Development Center (NSBDC) hosted by the Enterprise Foundation. The City Manager is directed to allocate \$27,000 in one-time funding from the ESR to establish an NSBDC that will provide multilingual, neighborhood-based business advising, culturally relevant training and outreach to entrepreneurs in D7. (BD #23, Doan)

*Winchester Row Business Association Empowerment Grant*

The newly formed Winchester Row Business Association, consisting of small businesses on Winchester Boulevard south of I-280, brings together local businesses to lay the groundwork for a future Business Improvement District that can fund additional clean and safe initiatives along this corridor. Seed funding for the association will help expand the membership base through targeted outreach campaigns and events. The City Manager is directed to allocate \$25,000 in one-time funding from the ESR to support these efforts. (BD #68, Kamei)

*Evergreen Business Association Empowerment Grant*

The newly formed Evergreen Business Association represents a variety of businesses on White Road, ranging from culturally rich retail spaces to service shops. Working together, the businesses hope to increase economic activity and partner to improve community development. The City Manager is directed to allocate \$10,000 in one-time funding from the ESR to the Evergreen Business Association to support membership expansion, marketing campaigns and outreach efforts. This funding will be supplemented by a \$40,000 investment from Santa Clara County to advance these efforts. (BD #29, Candelas)

*Alum Rock Village Action Committee (ARVAC) Beautification Initiative*

The Alum Rock Village Action Committee is a beautification initiative that will enhance the Alum Rock commercial corridor by installing decorative planter boxes, power washing sidewalks, and creating community-centered public art. The City Manager is directed to allocate \$10,000 in one-time funding from the ESR to support aesthetic appeal, safety, and community pride in Alum Rock Village. (BD #75, Ortiz)

*Supporting District 3 Neighborhood Districts*

District 3 is fortunate to have four vibrant neighborhood business districts that serve residents: Calle Willow, Japantown, East Village and Alum Rock. Providing support to these districts enables more activations and marketing for their commercial districts, which can in turn increase economic activity for local businesses. The City Manager is directed to allocate \$10,000 in one-time funding from the ESR split equally among the four District 3 business districts to support activation and marketing efforts, such as street banners, block parties, cultural events and vendor resources. (BD #7, Salas)

#### *Latino Business Foundation Silicon Valley (LBSFV)*

The Latino Business Foundation of Silicon Valley offers resources for diverse small business owners, with women representing over 80% of program participants. Notably, their Mujeres Imparables program emphasizes support for domestic violence survivors seeking financial independence. The City Manager is directed to allocate \$10,000 in one-time funding from the ESR to LBFSV's Business Academy, Single Mother Business Owner, and Mujeres Imparables programs. (BD #40, Foley)

#### *Activating the Story Road Business Association*

The recently formed Story Road Business Association leads meaningful work to support small businesses and enhance this important and unique cultural district. Since 2024, the association has organized and hosted community events like the Story Road Night Market, Tet festivals and the upcoming Moon Festival. To bolster their placemaking and community engagement efforts, the City Manager is directed to allocate \$5,000 in one-time funding from the ESR to enable watch parties for the 2026 FIFA World Cup in Vietnam Town. (BD #15, Doan)

#### *AI Innovator Meetup Series*

A recent CBRE report identified 91 AI startups in San José with funding and a formal presence. In order to support this growing cluster of startups that we hope will fuel future employment and tax base growth for our city, last year's June Budget Message made a nominal investment (matched by the Knight Foundation) to pilot an AI Innovator Meetup Series. To date, the series has convened over 400 people, including many local college students, across six bimonthly events exploring AI-driven innovations and trends. The City Manager is directed to allocate \$10,000 in one-time funding from the ESR to OEDCA and the Mayor's Office of Technology and Innovation to leverage external partner funding to continue AI Innovator Meetups in San José through the coming fiscal year.

#### *Camera Pilot Program for Winchester Row and Downtown Corridor*

The Mayor's Office received requests for investments in security cameras in small business corridors. Based on recent experience with a similar initiative funded a few years ago, SJPd reported implementation challenges and a strain on staff capacity related to outreach, education, and installation. In the past, however, the District 9 office led a successful citywide camera rebate program that enabled new cameras for dozens of businesses, nonprofits, and residents across San José. This program offered a rebate through a nonprofit fiscal agent to businesses and others who purchased cameras and integrated them into SJPd's database. Rebates were conditional on proof of purchase and camera registration with the department. By relying on partners to take the initiative to buy and install cameras, the program was efficient and effective to implement, which is all the more important with our low staffing levels. Interested Councilmembers are encouraged to review District 9's previous camera rebate program and, prior to next year's Budget Document process, secure a nonprofit fiscal agent to manage a future rebate program. Borrowing from the experience of our Digital Inclusion Fund, a newly revamped rebate program might also benefit from securing one or more nonprofit partners to assist small business owners in their native languages to install cameras and register them with SJPd. Such a

program would be a strong candidate for funding in next year's budget process. (BD#2, Salas and BD #63, Kamei)

## Improving Education Outcomes

### *Youth Science Institute*

The Youth Science Institute at Alum Rock Park uplifts disadvantaged students with educational outdoor programming, such as interactions with live animals and habitat education. The City Manager is directed to allocate \$60,000 in one-time funding from the ESR to the Youth Science Institute at Alum Rock Park to support free programs and transportation for children in Title 1 schools in San José. (BD #12, Cohen)

### *Silicon Valley Education Foundation*

The Silicon Valley Education Foundation (SVEF) provides San José students with crucial math and science education outside of normal school hours and during summer vacation. The City Manager is directed to allocate \$35,000 in one-time funding from the ESR to SVEF to support their Berryessa Elevate Math Summer Program, which prepares students for their next grade level in a safe learning environment. (BD #13, Cohen)

### *Opportunity Youth Academy*

Operated by the Santa Clara County Office of Education, the Opportunity Youth Academy (OYA) serves over 300 students, ages 16 to 24, across five sites in San José. The majority of students served by OYA are experiencing homelessness, receiving foster care services, involved in the justice system or facing economic hardship. To prepare these students for our regional workforce, the City Manager is directed to allocate \$15,000 in one-time funding to support the development of OYA's AI-powered pre-apprenticeship pilot program with Paleo Tech Group.

### *Hispanic Foundation of Silicon Valley*

Latinos represent 26% of Silicon Valley's overall population, but account for less than 3% of our STEM workforce. The Hispanic Foundation of Silicon Valley's (HFSV) Latinos in Technology Initiative equips low-income students and their families with the tools needed to find success in STEM careers. The City Manager is directed to allocate \$10,000 in one-time funding from the ESR to HSFV to support Latino youth interested in entering the Silicon Valley STEM workforce. (BD #72, Ortiz)

### *Sunol Community School*

The Sunol Community School, operated by the Santa Clara Office of Education, serves approximately 70 youth ranging from 6th to 12th grade who have been expelled from local schools. The students primarily come from disadvantaged backgrounds, with the school providing enriching activities like field trips, which steer them towards better outcomes. The City Manager is directed to allocate \$5,000 in one-time funding from the ESR to assist in the purchase of a new vehicle for Sunol Community School's Positive Childhood Experiences (PACE) program. (BD #54, Mulcahy)

## Enabling Community-Based Solutions

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

- \$10,000 to support Bay Area Women's Sports Initiative (BAWSI)'s Rollers Program, which offers adaptive physical activities for youth with disabilities. (BD #36, Foley)
- \$10,000 to BAWSI to advance equity by waiving fees for sports and recreation programs for youth, including but not limited to programs at Overfelt, Silver Creek and Evergreen Valley High School. (BD #28, Candelas)
- \$10,000 to Community Seva to support their food and resource distribution efforts. (BD #38, Foley)
- \$10,000 to Scouting America, Silicon Valley Monterey Bay Council, to expand their Special Needs and Abilities Awareness Scouting program, which provides a modified Scouting experience for youth with disabilities. (BD #43, Foley)
- \$10,000 to Recovery Café to support their therapeutic community service model in Downtown San José. (BD #42, Foley)
- \$5,000 to support Movimiento de Arte y Cultura Latino Americana's Core Arts and Youth Education Programs (BD #22, Doan)

### **General Provisions**

**a.) San José Animal Care and Services:** Expanding Trap, Neuter, and Release (TNR) and low-cost spay/neuter services represents one of the most effective strategies to improve animal welfare outcomes in our community. In fact, a study conducted by San José Animal Care and Services (SJACS) from 2010 and 2014 found that increased TNR services were correlated with significant declines in cat intake, euthanasia rates, and re-impoundments. However, SJACS currently only offers TNR services two days per week. MBA #24 identifies a shortage of Registered Veterinary Technicians (RVTs) and part-time veterinarians as the primary barrier to restoring TNR services to five days per week. Therefore, the City Manager is directed to work with SJACS management and the Human Resources Department to prioritize filling RVT and part-time veterinarian roles. Additionally, to improve accountability for restoring these key services, the City Manager is directed to update the SJACS "[Operations Dashboard](#)" to include monthly metrics for: 1) TNR surgeries performed by SJACS staff, 2) spay/neuter surgeries for both dogs and cats performed by contracted vendors, 3) in-house spay/neuter surgeries for both dogs and cats performed by SJACS staff, and 4) spay/neuter surgeries for owned pets performed by SJACS staff.

**b.) Commercial Linkage Fee:** The Commercial Linkage Fee (CLF) is a relatively new fee imposed in the City of San Jose prior to the COVID-19 pandemic that is levied upon new commercial development and intended to generate additional funds for community benefits like affordable housing. Given the stagnant commercial construction market, the City Manager is

directed to maintain current levels for the CLF and maintain the CLF application fee at FY 24-25 levels.

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

<u>Council Office</u>	<u>Office Budget Rebudget</u>	<u>Constituent Outreach Rebudget</u>	<u>Total Rebudget</u>
COUNCIL DISTRICT #1	\$575,000.00	\$-	\$575,000.00
COUNCIL DISTRICT #2	\$170,000.00	\$-	\$170,000.00
COUNCIL DISTRICT #3	\$0	\$-	\$0
COUNCIL DISTRICT #4	\$270,000.00	\$-	\$270,000.00
COUNCIL DISTRICT #5	\$310,000.00	\$-	\$310,000.00
COUNCIL DISTRICT #6	\$200,000.00	\$-	\$200,000.00
COUNCIL DISTRICT #7	\$530,000.00	\$-	\$530,000.00
COUNCIL DISTRICT #8	\$333,000.00	\$-	\$333,000.00
COUNCIL DISTRICT #9	\$310,000.00	\$-	\$310,000.00
COUNCIL DISTRICT #10	\$600,000.00	\$-	\$600,000.00
OFFICE OF THE MAYOR	\$100,000.00	\$-	\$100,000.00

**d.) Essential Services Reserve:** The total available one-time ESR funding of \$2,165,000 is directed to be allocated to fund the General Fund items in this message.

### **Coordination**

This memorandum has been coordinated with the City Manager and City Attorney.

For more information on this memorandum, please contact Stephen Caines, Mayor's Budget Director, at [stephen.caines@sanjoseca.gov](mailto:stephen.caines@sanjoseca.gov).

### **ATTACHMENTS:**

Attachment A – Measure E Reallocation

Attachment B – Source and Use of Funds



### Attachment A - Measure E Reallocation

<b>Recommended Allocation of Measure E Revenues in the 2025-2026 Proposed Operating Budget (\$ Millions)</b>		
	<b><u>2025-2026</u></b>	<b><u>2026-2027</u></b>
Program Administration (5% of total revenue)	2.75	3.00
Homelessness Prevention (10% of remaining revenue)	5.23	5.70
Homelessness Sheltering and Support (90% of remaining revenue)	47.02	51.30
Interim Housing Construction and Operations	32.84	47.80
Outreach, Sanitation and Other Support Services	3.50	3.50
Beautify San José Encampment Management Services*	6.68	
Homeless Rapid Rehousing*	4.00	
Total Measure E Revenues	55.0	60.0

\*One-time funding shift from the General Fund to the Real Property Transfer Tax Fund; these services will again be funded in the General Fund in 2026-2027 and ongoing.

# Mayor's June Budget Message for Fiscal Year 2025-2026

Attachment B

## City Source and Use of Funds

General Fund (001)		2025-2026	Ongoing
<b>Source of Funds</b>			
Page 13	397 Blossom Hill In-Lieu Fee (Southside Transit Access Study)	200,000	
Page 15	Beginning Fund Balance: Schiele Subdivision Historic District Signage	40,000	
Page 23	Transfers and Reimbursements (San Jose Downtown Association - Downtown Ice)	200,000	-
Page 21	Beginning Fund Balance: Rebudgets (Mayor and City Council)	3,398,000	-
<b>Total General Fund (001) Source of Funds</b>		<b>\$ 3,838,000</b>	<b>\$ -</b>
<b>Use of Funds</b>			
Page 6	Alum Rock Vegetation Management	150,000	60,000
Page 6	2026-2027 Future Deficit Reserve		(60,000)
Page 8	Older Adults Health and Wellness Grant Funding	300,000	
Page 9	San Jose Youth Commission Annual Awards Dinner	8,000	
Page 9	Ignite Fellowship Program	75,000	-
Page 9	Viva Calle	26,000	-
Page 9	Immigration Legal Response	250,000	-
Page 9	San Jose Police Foundation	25,000	-
Page 10	Tully Library Safety	21,000	-
Page 10	Community Emergency Response Team - District 7	7,000	-
Page 10	District 1 Leadership Group	6,500	-
Page 10	Alma Senior Center	6,000	-
Page 11	Business Districts Streets Team Services	100,000	-
Page 11	Municipal Rose Garden Assistant Pilot Program	41,400	-
Page 11	Coe and Lincoln Gateway Beautification	15,000	-
Page 11	Our City Forest	10,000	-
Page 11	Mt Pleasant Neighborhood Association Beautification Efforts	10,000	-
Page 12	Buena Vista Illegal Dumping Mitigation	7,095	-
Page 12	Safety Improvements at Kooser Road and Darthmouth Drive	25,000	
Page 12	Safety Improvements at Leigh Avenue and Laurinda Drive	25,000	
Page 13	Southside Transit Access Study	200,000	-
Page 14	Saratoga Urban Village - Interjurisdictional Transportation Impact Fee	40,000	-
Page 15	Alebrijes	75,000	-
Page 15	Rose Garden Streetlight Installations	44,000	-
Page 15	Schiele Subdivision Historic District Signage	40,000	
Page 15	Evergreen Village Square Vibrancy Improvements	25,000	
Page 16	Sakauye Farmhouse Relocation	25,000	-
Page 16	Plaza de Cesar Chavez Temporary Stage and Canopy	17,500	
Page 16	Plaza de Cesar Chavez Permanent Stage	100,000	
Page 16	Plaza de Cesar Chavez Conservancy Reserve	(100,000)	
Page 16	District 8 Public Art for Public Infrastrucutre	10,000	-
Page 16	District 8 Community Gardens	10,000	-
Page 16	Camden Community Center	2,319	-
Page 17	Catholic Charities	10,000	-
Page 17	Lake Cunningham Regional Park - Fireworks	60,936	-
Page 17	District 10 - Fireworks	100,000	
Page 17	Christmas in the Park	72,000	
Page 17	San Jose Downtown Association - Downtown Ice	200,000	
Page 18	Urban Vibrancy Intitute	35,000	-
Page 18	Great Oaks Neighborhood Activation and Engagement	28,250	-
Page 18	Silicon Valley Pride	25,000	

Page 18	San José Day	20,000	-
Page 18	Celebrating Our Vietnamese Culture with a Tet Parade	15,000	-
Page 19	Supporting the School of Arts and Culture at the Mexican Heritage Plaza	15,000	-
Page 19	Enhanced Park Activations in District 2	5,000	-
Page 19	District 7 Movie Nights	10,000	-
Page 19	Prosperity Labs	75,000	-
Page 19	Village Oaks/ Santa Teresa Neighborhood Vitality District	50,000	-
Page 20	Supporting Neighborhood Small Business Development Centers in East San Jose	27,000	
Page 20	Winchester Row Business Association Empowerment Grant	25,000	-
Page 20	Evergreen Business Association Empowerment Grant	10,000	-
Page 20	Alum Rock Village Action Committee	10,000	-
Page 20	Supporting District 3 Neighborhood Districts	10,000	
Page 20	Latino Business Foundation Silicon Valley (LBSFV)	10,000	-
Page 21	Activating the Story Road Business Association	5,000	-
Page 21	AI Innovator Meetup Series	10,000	-
Page 22	Youth Science Institute	60,000	
Page 22	Silicon Valley Education Foundation	35,000	
Page 22	Opportunity Youth Academy	15,000	
Page 22	Hispanic Foundation of Silicon Valley	10,000	
Page 22	Sunol Community School	5,000	
Page 23	Bay Area Women's Sports Initiative (BAWSI) Program Support	10,000	
Page 23	Bay Area Women's Sports Initiative (BAWSI) Fee Waivers	10,000	
Page 23	Community Seva	10,000	
Page 23	Scouting America, Silicon Valley Monterey Bay Council (SVMBC)	10,000	
Page 23	Recovery Café	10,000	
Page 23	Movimiento de Arte y Cultura Latino Americana (MACLA)	5,000	
Page 24	Rebudget: Mayor's Office	100,000	-
Page 24	Rebudget: District 1	575,000	-
Page 24	Rebudget: District 2	170,000	-
Page 24	Rebudget: District 3	-	-
Page 24	Rebudget: District 4	270,000	-
Page 24	Rebudget: District 5	310,000	-
Page 24	Rebudget: District 6	200,000	-
Page 24	Rebudget: District 7	530,000	-
Page 24	Rebudget: District 8	333,000	-
Page 24	Rebudget: District 9	310,000	-
Page 24	Rebudget: District 10	600,000	-
Page 24	Essential Services Reserve	(2,165,000)	-
<b>Total General Fund (001) Use of Funds</b>		<b>\$ 3,838,000</b>	<b>\$ -</b>
<b>Net General Fund</b>		<b>\$ -</b>	<b>\$ -</b>

Construction Tax and Property Conveyance Tax Fund: City-Wide (391)		2024-2025	Ongoing
<b>Source of Funds</b>			
	NONE	-	-
<b>Total Construction Tax and Property Conveyance Tax Fund: City-Wide (391) Source of Funds</b>		\$ -	\$ -
<b>Use of Funds</b>			
Page 14	Calabazas Park BMX Bike Course Improvements	130,450	-
	Unrestricted Ending Fund Balance	(130,450)	-
<b>Total Construction Tax and Property Conveyance Tax Fund: City-Wide (391) Use of Funds</b>		\$ -	\$ -
<b>General Purpose Parking Fund (533)</b>		2024-2025	Ongoing
<b>Source of Funds</b>			
	NONE	-	-
<b>Total General Purpose Parking Fund (533) Source of Funds</b>		\$ -	\$ -
<b>Use of Funds</b>			
Page 17	Transfer to the General Fund (San Jose Downtown Association - Downtown Ice)	\$ 200,000	\$ -
	Unrestricted Ending Fund Balance	(200,000)	-
<b>Total General Purpose Parking Fund (533) Use of Funds</b>		\$ -	\$ -
<b>Multi-Source Housing Fund (448)</b>		2024-2025	Ongoing
<b>Source of Funds</b>			
	NONE	-	-
<b>Total Multi-Source Housing Fund (448) Source of Funds</b>		\$ -	\$ -
<b>Use of Funds</b>			
Page 15	West Valley Community Services	75,000	-
	Unrestricted Ending Fund Balance	(75,000)	-
<b>Total Multi-Source Housing Fund (448) Use of Funds</b>		\$ -	\$ -
<b>Rent Stabilization Program Fee Fund (450)</b>		2025-2026	Ongoing
<b>Source of Funds</b>			
	NONE	-	-
<b>Total Rent Stabilization Program Fee Fund (450) Source of Funds</b>		\$ -	\$ -
<b>Use of Funds</b>			
Page 7	Responsible Landlord Engagement Initiative	250,000	-
	Unrestricted Ending Fund Balance	(250,000)	-
<b>Total Rent Stabilization Program Fee Fund (450) Use of Funds</b>		\$ (250,000)	\$ -

Subdivision Park Trust Fund (375)		2024-2025	Ongoing
<b>Source of Funds</b>			
	NONE	-	-
<b>Total Subdivision Park Trust Fund (375) Source of Funds</b>		\$ -	\$ -
<b>Use of Funds</b>			
Page 16	Plaza de Cesar Chavez Permanent Stage	500,000	-
Page 16	Guadalupe River Park - Discovery Meadow Renovation	(500,000)	-
<b>Total Subdivision Park Trust Fund (375) Use of Funds</b>		\$ -	\$ -
Construction Tax and Property Conveyance Tax Fund: Council District #3 (380)		2024-2025	Ongoing
<b>Source of Funds</b>			
	NONE	-	-
<b>Total Construction Tax and Property Conveyance Tax Fund: Council District #3 (380) Source of Funds</b>		\$ -	\$ -
<b>Use of Funds</b>			
Page 10	Backesto Park Ground Repairs	112,000	-
	Unrestricted Ending Fund Balance	(112,000)	-
<b>Total Construction Tax and Property Conveyance Tax Fund: Council District #3 (380) Use of Funds</b>		\$ -	\$ -
Building and Structure Construction Tax Fund (429)		2024-2025	Ongoing
<b>Source of Funds</b>			
Page 13	Beginning Fund Balance	230,000	-
<b>Total Building and Structure Construction Tax Fund (429) Source of Funds</b>		\$ -	\$ -
<b>Use of Funds</b>			
Page 12	Council District 2 Protected Intersections	230,000	-
Page 14	Sharks Way and Little Italy Way Streetlights	1,650,000	-
Page 14	Unrestricted Ending Fund Balance	(1,650,000)	-
<b>Total Building and Structure Construction Tax Fund (429) Use of Funds</b>		\$ 230,000	\$ -
Construction Excise Tax Fund (465)		2025-2026	Ongoing
<b>Source of Funds</b>			
	NONE	-	-
<b>Total Construction Excise Tax Fund (465) Source of Funds</b>		\$ -	\$ -
<b>Use of Funds</b>			
Page 15	Rose Garden Streetlight Installations	56,000	-
	Unrestricted Ending Fund Balance	(56,000)	-
<b>Total Construction Excise Tax Fund (465) Use of Funds</b>		\$ (56,000)	\$ -