



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Councilmember Esparza

**SUBJECT:** SEE BELOW

**DATE:** June 11th, 2021

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Approved: *Maya Esparza*

Date: 6/11/2021

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**SUBJECT: APPROVAL OF THE 2021-2022 OPERATING AND CAPITAL BUDGETS  
FOR THE CITY OF SAN JOSÉ AND SCHEDULE OF FEES AND  
CHARGES.**

## **RECOMMENDATION**

Direct Staff to explore options to relieve debt incurred by residents during the pandemic through fees and fines issued by the City of San José, utilizing a portion of the remaining \$50.1M of American Rescue Plan funds, focusing on fees and fines that disproportionately impact low-income communities and return to Council with recommendations.

## **BACKGROUND**

The City of San José must not further perpetuate the cycle of poverty by collecting on fees and fines incurred during the pandemic, debt burdening our low-income residents who are overwhelmingly communities of color that have disproportionately impacted by COVID-19 and the ensuing economic devastation.

Fines are intended to deter certain behavior and should not be viewed as a revenue source the City depends on for a balanced budget. Fees serve to offset costs of City services but often serve as a barrier for many low-income communities to access these basic services.

The unfortunate reality is that for our residents of highest need, even modest fees can prevent them from receiving basic city services and participating in our programs. Our fees as well as our scholarship programs need to be designed with this reality in mind, and need to equitably address this serious issue.

The City of San José has already implemented some fee and fine relief during the pandemic to reduce the cascading impacts of debt and continue basic services to those who cannot afford to pay. These programs include suspending late fees during the pandemic for library book returns, a parking citation amnesty program, and a late payment moratorium for Municipal Water.

Cities & Counties for Fine and Fee Justice was launched last year to support local municipalities across the country in advancing fair and just policies to reform fines, fees, tickets, and financial penalties that often have an adverse and disproportionate impact on low-income people and people of color<sup>1</sup>. Using the Roadmap to Equitable Fine and Fee Reform<sup>2</sup>, a distillation of the curriculum provided through this initiative, we can expand upon existing programs, reinstate past programs, and explore new debt relief programs to ensure the City of San José is not perpetuating the cycle of poverty and creating further financial barriers for our residents in our recovery process.

While the City of San José takes a breath and gathers more information to best allocate the remaining \$50.1M of American Rescue Plan funding as stated in the Mayor's June Budget Message, exploring options to further reduce the debt burden on our low-income communities will provide the City Council with the information needed to best allocate the remaining American Rescue Plan funds in a meaningful and impactful way.

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<sup>1</sup> <https://www.policylink.org/node/57746>

<sup>2</sup> <https://www.policylink.org/resources-tools/equitable-fine-fee-reform>