

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Councilmember Esparza
Councilmember Arenas

**SUBJECT: MARCH BUDGET MESSAGE
FOR FISCAL YEAR 2021-2022**

DATE: March 12th, 2021

Approved *Maya Esparza* *Sylvia Arenas*

Date: 3/12/2021

RECOMMENDATION

1. Define high-need neighborhoods in the Mayor's March Budget Message as Low Resource census tracts, designated by the California Fair Housing Task Force.
2. Utilize data collected by the technical lead, as proposed in the Mayor's March Budget Message – Data Equity, to ensure an equitable standard of service is delivered across all communities including, but not limited to: response to blight and illegal dumping; programming and utilization of libraries, parks, community centers, and daycare facilities; emergency services response time; roadway conditions and repairs; access to public art; code enforcement; and economic development, business development, and workforce development services.
3. Refer any items in the Mayor's budget that have no budgetary impact to the Rules process for Council consideration.
4. Direct the City Manager to produce a Manager's Budget Addendum providing performance metrics for all currently budgeted and newly proposed Learning Loss and College and Career Readiness programs. Bring forward a comprehensive and strategic plan for COVID related learning loss for grades K-12.
5. Building upon the Mayor's Memo regarding Protecting Services To Our Low-Income Communities, direct the City Manager to produce a Manager's Budget Addendum on childcare and recreation services, including steps to continue PRNS's current expanded scholarship program for low-income COVID impacted families through the fiscal year and into the future.
6. Direct the City Manager to produce a Manager's Budget Addendum to integrate a community development model such as the "promotora" approach to high-need neighborhoods, leveraging Project Hope and the proposed Resilience Corps towards this effort.

BACKGROUND

We appreciate the Mayor's focus on providing programs and resources to our high-need neighborhoods, neighborhoods that have a history of being underserved. While high-needs neighborhoods can be determined by a number of factors, we propose, as a baseline, defining high-needs neighborhoods as census tracts designated by the California Fair Housing Task Force as Low Resource¹.

The California Fair Housing Task Force is a group of independent organizations and research centers convened by the Department of Housing and Community Development (HCD) and the California Tax Credit Allocation Committee (TCAC). TCAC and HCD convened this Task Force to create an opportunity map to identify areas in every region of the state whose characteristics have been shown by research to support positive economic, educational, and health outcomes for low-income families—particularly long-term outcomes for children². Census tracts designated as Low Resource lack these characteristics.

The methodology which designates the Resource level of census tracts considers poverty, adult education, employment, job proximity, median home value, CalEnviroScreen 3.0 indicators, math proficiency, reading proficiency, high school graduation rates, and student poverty rates with a filter for Poverty and Segregation. As expected, census tracts designated as Low Resource nearly mirrors census tracts that are overcrowded, low-income, and hardest hit by COVID-19.

This methodology is heavily weighted in the methodology for RHNA allocations approved by the Association of Bay Area Government (ABAG) and Metropolitan Transportation Commission (MTC) and supported by the City of San Jose.

Furthermore, as the Mayor and Councilmember Mahan state, we must use data to create key performance indicators to ensure an equitable standard of service is delivered across all of our communities. This data will ensure we are not merely focusing our service delivery on the number of complaints received, but delivering services based the actual need of our communities we serve. With objective standards derived from the data collected, we can ensure our communities receive an equitable standard of service.

We appreciate the Mayor's many ideas and suggestions for addressing critical community needs through our budget process. However, some of the items proposed in his March Budget Message appear to fall outside the scope of our budget process, such as Opportunity Housing in the General Plan, Transformative Transit Projects, and addressing Methamphetamine and Addiction-Related Crime. These items that do not have a direct budgetary impact would be best referred to the Rules Committee for consideration by Council through the standard process, allowing us to focus our budget deliberations on those proposals that are directly linked to our budgetary decisions.

San Jose budgets provides the Council not just funding levels, but also performance metrics. These metrics allow the Council to use the budget process to carefully evaluate programs for expanded investment or help phase out underperforming programs. Given the critical moment in time that San Jose's young people face, it's absolutely vital that we are strategic in how we

¹ <https://belonging.berkeley.edu/2021-tcac-opportunity-map>

² <https://www.treasurer.ca.gov/ctcac/opportunity/2021-hcd-methodology.pdf>

invest in their futures, and we thank the mayor for making this a priority in his message. An MBA that specifically provides the Council with clear performance measures and goals for learning loss and college and career readiness – and a clear plan of action at the systems level – will allow the Council sufficient information to make this critical investment.

The pandemic revealed the incredible value childcare and recreation services bring to our communities. As childcare and recreation services were halted to protect against the spread of COVID-19, parents, and especially low-income workers who often were still required to work onsite, faced an incredible challenge. Furthermore, our low-income communities faced a wave of violence without recreation services for their children to have positive experiences within their communities. Understanding this challenge, we must expand our scholarship programs to allow our low-income families to benefit from childcare and recreational activities provided by the City. This will also aid in our economic recovery by allowing residents, particularly women who have exited the job market, to reenter the workforce as well as removing burdens for families that rely on dual income and affordable childcare to afford the incredible cost of living in San Jose.

Project Hope has offered a path forward for San Jose families in some of our city's absolutely most high-need neighborhoods. While the program has shown real successes – and is well poised to expand on those successes in the coming year – it would be even stronger if our Council provided funding and direction to include a promotora model in the program. This model has already been effectively deployed in a number of neighborhoods in San Jose by SOMOS Mayfair. There is also a possible opportunity to align this program with the Mayor's Resilience Corp by making becoming a Project Hope Promotora an option in the program. Many don't realize, the model has its origins in health care – starting in Ciudad Juarez, where promotoras provided basic health and education services in underserved communities. Clearly, the model can be applied to our present moment. For those looking for more information on SOMOS's highly successful deployment of the model, it can be found on their website:

<https://www.somosmayfair.org/leadership-development>

The signers of this memorandum have not had, and will not have, any private conversation with any other member of the City Council, or that member's staff, concerning any action discussed in the memorandum, and that each signer's staff members have not had, and have been instructed not to have, any such conversation with any other member of the City Council or that member's staff.