



Memorandum

TO: CITY COUNCIL

FROM: Mayor Sam Liccardo
Vice Mayor Chappie Jones
Councilmember Magdalena Carrasco
Councilmember Dev Davis
Councilmember Matt Mahan

**SUBJECT: COVID-19 PANDEMIC
RESPONSE AND
COMMUNITY AND
ECONOMIC RECOVERY
BUDGET ADJUSTMENTS**

DATE: October 29, 2021

APPROVED:

Direction:

Adopt the City Manager's recommendation, with the following additions:

1. **Housing Our Unhoused:** Allocate \$20 million to expand the City's inventory of quick-build apartments (aka, Emergency Interim Housing Communities, or EIHC's) to provide emergency and transitional housing for homeless residents. These dollars should be use for construction or operations, as needed, to supplement allocations contemplated from Homekey, HHAP, Measure E, County, ESG, CDBG, and philanthropic funding necessary to achieve the goal of having under development or completed 1,000 pandemic-era quick-build apartment units by the end of 2022.
 - a. Re-allocate any portion of the expenditures allocated within the American Rescue Plan or Coronavirus Relief Fund that may be subsequently reimbursed by FEMA--e.g., for isolation and quarantine support--and direct those reimbursements to the operations of the quick-build apartment/ EIHC communities.
2. **Child and Youth Services/ Childcare:**
 - a. Allocate an additional \$1 million to facilitate the build-out of child-care facilities to expand child care for our lowest-income families with working parents. These efforts should leverage other state and federal dollars, including CDBG funds, as appropriate.

- i. \$100,000 of the total amount should fund improvements to City-owned/operated community center “Recreation-Preschool” sites to implement facility assessments and improvement plans that were developed by PRNS and Public Works in 2020. As a result of this pilot, the sites--such as Mayfair and Edenvale Community Centers--will be enhanced to a “license-ready” or “license-able” standard, providing flexibility for future uses.
 - ii. Remaining funding may support the development of childcare facilities within affordable housing projects, where the financing for housing construction precludes tenant improvements in commercial spaces. The child care facilities should target low-income families living in such planned developments as Tamien, Vista Montaña, and the Housing Authority’s project on East Santa Clara Street.
 - b. Allocate an additional \$2 million for pilot efforts focused on expanding access to tutoring for TK-6 students from low-income families, to counter learning loss resulting from the pandemic. The funding shall be used:
 - i. As a “match” for school district and philanthropic dollars;
 - ii. As part of a coordinated initiative with Innovate Public Schools, the County Office of Education, and participating school districts to focus on expanding longer-term access to tutoring for families of limited means;
 - iii. With direct engagement of low-income parents, e.g., in providing feedback and vetting proposals.
 - iv. To expand the supply of tutoring services to students of limited means, by leveraging new sources of instruction, such as college students participating in Resilience Corps, participants in Khan Academy’s Schoolhouse.world program, and peer-to-peer tutoring initiatives.
3. **Police:** Allocate \$6 million in funding for the restoration of ten full-time police officer positions in the San Jose Police Department through June 30, 2024.
 - a. To counter reductions in sworn FTE’s resulting from June budget actions, these positions should support neighborhoods and Downtown areas with disproportionately high crime rates, with a focus on implementing walking beats and restoring community policing.
4. **Public Safety:** Allocate \$1.25 million for one-time funding to the following partnerships:
 - a. An allocation of one-time funding of \$750,000 to support a potential partnership with the California Department of Justice and Attorney General Rob Bonta for the State of California to utilize the state’s DOJ gun-purchasing database for communications with San Jose residents regarding gun harm-reduction measures, if and only if Council approves such measures in this fiscal year;
 - b. An allocation of \$500,000 to support a potential partnership with the County of Santa Clara and the Santa Clara County Courts for a pretrial detention facility for detoxification by methamphetamine- (and other stimulant)- using arrestees to achieve sobriety prior to their return to the community.

- c. If discussions do not yield an actionable partnership by the end of the fiscal year, funding shall be returned for the Council's allocation of remaining ARPA funds during the FY22-23 Budget process.
- d. To ensure appropriate data collection to enable eligibility for funding under ARPA, work with the Mayor's Office and Council to shape performance outcome criteria, such as (a) fees recovered to support medical and police emergency response to gun violence, (b) reductions in recidivism among meth-involved arrestees, for example.

5. Small Business Support

- a. Disburse \$300,000 to fund a small business liaison focused exclusively on supporting and serving East San José businesses for a two-year period, either through contract with an existing non-profit or with City staff.
- b. Increase the revenue loss reimbursement to the General Fund by adding \$400,000 to the City's matching fund to implement a Disparity Study to identify barriers that local minority-, women-, and veteran-owned businesses face in the procurement processes of the City and other local public agencies. Matching dollars may come from foundations, businesses, governmental agencies, or other philanthropic sources.
- c. Supplement the existing \$850,000 allocation to the *Al Fresco* program to better assist small businesses with permitting and construction of safe outdoor public spaces with another \$650,000 of ARPA funding, for a total of \$1.5 million.
 - i. Provide priority for small businesses operating in economically struggling areas of our City, including the Downtown, and increase grant amounts per applicant due to significant cost increases caused by the pandemic.
 - ii. Explore purchasing of K-Rail or a suitable (and more attractive) substitute to reduce the ongoing cost of leasing K-Rail (approximately \$1,000 per business per month), and to enable the City to deploy K-Rail in the future for many other purposes (e.g., outdoor events such as Viva Calle, emergency operations, etc), and return to Council in February 2022 with recommendations.
- d. Alum Rock Cultural District: Allocate \$250,000 to establish a cultural district to support the recovery of small businesses along the Alum Rock Corridor, and explore grant opportunities for this work through the Knight Foundation.

6. Community Engagement

- a. Work with the REAL Coalition, and consider recommendations of the COVID-19 Recovery Task Force, to shape staff's proposed investment of \$500,000 in community engagement and a promotores pilot program

7. Non-Profit Infrastructure

- a. Incubator Fund: Allocate \$500,000 to create an "incubator fund" for Community Development Corporations, Community Land Trusts, cooperative home purchasing programs, and other wealth-building institutions in economically struggling neighborhoods. Work in collaboration with the REAL Coalition, and considering the recommendations of the COVID-19 Recovery Task Force.

- b. Nonprofit Sustainability: allocate \$500,000 to assist those struggling community-based organizations that provide direct services to low-income San Jose residents with financial assistance for such long-term needs as development/fund-raising, technology and data management, equipment, and sites, working in collaboration with the REAL Coalition.
- c. Veggielution: Allocate \$100,000 to upgrade the cooling and refrigeration system at Emma Prusch Farm to support food distribution efforts.
- d. PAL Stadium: Allocate \$500,000 to support facility repairs and improve the location's emergency-readiness, and return through the budget process in March 2022 to identify additional funding needs.

8. Neighborhood Quality of Life

- a. BeautifySJ: Allocate vacancy savings to the City Manager's proposed allocation for BeautifySJ operations in the following year.
 - b. Explore potential partnerships with waste haulers for expansion of scope of their contract to include designated SOAR and other sites with dumpsters or waste receptacles on publicly-owned land, and evaluate cost of contract amendment (funded by the City) compared to a City-managed response.
 - c. Vehicle Abatement: Allocate up to \$500,000 to the Vehicle Abatement Program (via revenue loss reimbursement to the General Fund) to explore options related to expanding the current proactive hybrid model to improve response to neighborhood complaints, and to expand qualifying criteria for vehicle investigations.
9. Designate the remaining balance of funds to be available for the coming fiscal year, to support food or other necessities that might be required should the pandemic worsen in the coming year, and to help continue funding existing workstreams into 2022-2023.

Discussion

While most of these proposed expenditures will not invite much controversy--few can dispute the immediacy of need to address homelessness, child care, student learning-loss, or the struggles of small businesses--the funding of policing has invited a firestorm of debate nationally, particularly since the death of George Floyd.

After many hours of public hearings on the subject in May and June of 2020, we declined to follow the path of other cities that had decided to defund their police departments, for many reasons--some of which [Mayor Liccardo described in a lengthy blog post](#). The most palpable reason: San Jose has the most thinly staffed major city police department in the United States. San Jose has already endured "defunding" through a half-decade following the Great Recession, when we lost nearly 600 officers. The City has only recovered a net of half that many--about 300-- in the years since, with the passage of two funding measures in 2016.

Through the June budget, we unanimously supported efforts for civilianization of several SJPD positions--and we expect to continue to support other efforts of civilianization--but we did not increase the number of officers on patrol as a result. Budgetary realities resulted in a reduction of several vacant police positions in June. As we have seen rising rates of aggravated assault and rape rise--and as

violent crime spikes more severely in other large U.S. cities-- it is imperative that we supplement our thin patrol staff.

That is not to say we should merely rely on hiring officers to address our public safety challenges. We have been investing heavily in non-sworn response since 2014, when we launched our Community Service Officer program, which has grown dramatically since. We articulated a policy of declining to arrest high school students for on-campus fights and disturbances since 2018, preferring to leave discipline to teachers and administrators. More than three years ago, we began working with the County to create a Mobile Crisis Response Team to respond more appropriately to residents experiencing episodes of mental health distress. With the launch of a community-based commission tasked with reimagining our public safety responses, we will continue to innovate and identify public safety solutions that don't involve police officers.

Nonetheless, we must restore positions in a very thinly staffed police force. Positioning officers in high-crime communities--with a focus on walking beats-- will improve officers' ability to engage collaboratively in community policing with local residents, teachers, parents, and small business owners. In the absence of Council allocation of future ongoing funding to make these restorations permanent by 2023, this action will boost the City's "hire-ahead" efforts to counter SJPD's attrition through retirement.

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.