



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

SUBJECT: SEE BELOW

FROM: Councilmember Ortiz

DATE: 1/30/2026

Approved

Date: 1/30/2026

SUBJECT: East San José Economic Revitalization Framework – Budget Priority Setting Information

DISCUSSION:

This Memorandum is provided to inform the City Council of a proposed East San José Economic Revitalization Framework and the need for one-time consultant funding to support its plan development. The proposed framework would establish a clear, place-based economic strategy for East San José, aligned with the City Council-approved two-year Economic Strategy Work Plan, and would help guide near and mid-term economic investment, programming, and partnerships in the area.

BACKGROUND:

East San José is one of San José's most culturally significant and resilient communities, home to long-standing residents, small businesses, and institutions that contribute to the City's social, cultural, and economic fabric. Despite these strengths, East San José has experienced decades of historic underinvestment, rooted in redlining and other disinvestment practices, resulting in persistent economic disparities.

Research by UC Berkeley and the Santa Clara County Latino Health Assessment indicates that neighborhoods with prolonged underinvestment experience compounded challenges related to educational attainment, health outcomes, economic stability, and public safety. These conditions affect not only East San José residents, but the overall economic health and fiscal stability of the entire City.

Recent analysis of philanthropic and private investment patterns further underscores the need for a coordinated City-led approach. While the Bay Area benefits from significant private wealth, only a limited share of philanthropic capital remains invested locally, leaving neighborhoods such as East San José without sustained external investment. As a result, there is an increased need for the City to proactively establish a framework that can guide public investment, align partners, and position East San José to compete for state, federal, philanthropic, and private funding opportunities.

ANALYSIS:

The proposed East San José Economic Revitalization Framework would be a concise, action-oriented document intended to guide near- and mid-term economic investment and coordination in East San José. The framework would serve as a place-based companion to the City's adopted Economic Strategy Work Plan and focus on implementation rather than long-range land-use planning.

The framework would be designed to:

- Identify priority economic focus areas specific to East San José, including job growth, small business and commercial corridor revitalization, the cultural and creative economy, and workforce access and participation.
- Elevate East San José's vibrant cultural assets and community institutions as core economic strengths, recognizing culture as a driver of neighborhood vitality, small business activity, and place-based investment
- Align City departments, Council District leadership, and external partners around shared economic priorities.
- Provide a clear implementation roadmap to inform City investment decisions and support grant, philanthropic, and private funding applications.
- Leverage recent and planned catalytic investments to ensure economic growth benefits current residents, workers, and businesses.

Engagement would prioritize coordination with Council District leadership and conversations with trusted community-based organizations, cultural institutions, small business stakeholders, workforce partners, and neighborhood leaders. This approach is intended to identify priorities, incorporate lived experience, and ensure the framework reflects community needs while remaining efficient and implementation-oriented.

Preliminary cost estimates indicate a one-time consultant fee of approximately \$75,000 to \$125,000, with City staff providing overall project management and coordination. We have a soft commitment from philanthropic partners to fund half of the overall budget needed for the consultant, so the city would not be expected to cover the full cost. The anticipated timeline for completion of the framework is approximately four to six months.

Identifying consultant funding through the budget process would enable the City to establish a clear, actionable economic revitalization framework for East San José, strengthening its ability to coordinate investment, attract external funding, and inform future budget and policy discussions.