Council Agenda: 06/09/2026
ITEM: 3.3

CITY OF
SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: CITY COUNCIL

FROM: Mayor Matt Mahan

SUBJECT: **JUNE BUDGET MESSAGE FOR FISCAL YEAR 2026-2027**

DATE: June 1, 2026

APPROVED: Matt Mahan

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 2026-2027.

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, subject to applicable procurement and 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Manager's Budget Addenda and incorporate them in the Adopted Budget, except in cases where the Addenda are amended or superseded by the contents of this Budget Message.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 #4: Office of Retirement Services' FY26-27 Proposed Administrative Budget
MBA #6: Emergency Interim Housing CalAIM Implementation and System Optimization Update
MBA #8: Fiscal Year 2026-2027 Focus Area Work Plans
MBA #9: Graffiti Eradication on Private Property
MBA #10: Planning Commission Recommendation on the 2027-2031 Proposed Capital Improvement Program

MBA #11: San José Youth Empowerment Alliance's Bringing Everyone's Strengths Together Resource Allocation Plan
MBA #14: Children and Youth Services Master Plan
MBA #15: Downtown Enhanced Vacant Building Program
MBA #16: Neighborhood Traffic Calming Funding
MBA #17: Team San José 2026-2027 Performance Measures
MBA #18: Proposed 2026-2027 Arts and Cultural Development Grants
MBA #20: Parking Enforcement
MBA #22: 2026-2027 Proposed Fees and Charges Report Amendments
MBA #23: 2026-2027 Proposed Mid-Biennial Capital Budget, 2026-2027 Proposed Operating Budget and 2026-2027 Proposed Fees and Charges Document Updates
MBA #24: Citywide Planning - Workplan, Potential New Planning Efforts, and Funding Strategies
MBA #26 - Recommended Amendments to the 2026-2027 Proposed Operating Budget and 2026-2027 Proposed Mid Biennial Capital Budget
MBA #27: 2026-2027 Beginning Fund Balance Adjustments

BACKGROUND

In accordance with Section 1204 of the San José City Charter, I present my Fiscal Year (FY) 2026-2027 June Budget Message (JBM) for consideration by the City Council (Council) and the residents of San José. This year's budget requires us to make difficult tradeoffs as we close a significant forecasted deficit this year, as well as next. Specifically, the City Manager's Proposed FY 2026-2027 Operating Budget fully resolves the projected $50.3 million shortfall on an ongoing basis, to ensure that the City is ready to address a projected shortfall of an additional $26.8 million.

2027-2031 Revised General Fund Five-Year Forecast
($ in millions)[1]
(Table 3)

	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	Five-Year Surplus/ (Shortfall)
Incremental Surplus/ (Shortfall)	($50.3) [2]	($26.8)	($11.8)	$13.8	$11.6	($63.5)
Total Cumulative Shortfall	($50.3)	($77.1)	($88.9)	($75.1)	($63.5)	($63.5)

[1] Does not include 1) costs associated with services funded on a one-time basis in 2025-2026; 2) costs associated with unmet/deferred infrastructure and maintenance needs; and 3) one-time revenue sources or expenditure needs.

[2] This figure was revised from the $56.0 million shortfall as presented in the Forecast released in March 2026 as a result of continued analysis of projected revenues and expenditures.

I want to thank the Administration for the hard work required to present a balanced budget that is fiscally responsible and still protects critical services. While resolving the projected shortfall, the Proposed Budget:

- Identifies new revenues of $19.1 million in 2026-2027, of which $18.4 million is ongoing.

- Advances strategic service changes in homelessness-related programs, translating into $5.4 million in FY 2026-2027 and $20.6 million ongoing cost reductions, reducing the ongoing shortfall by 40%.

- Protects our city workforce even with a net loss of 85 roles; the majority of these are vacant positions and displaced workers will have opportunities to be reassigned.

- Maintains current investments in library hours and park maintenance.

I want to thank my colleagues, Vice Mayor Foley and Councilmembers Kamei, Cohen, and Tordillos, for their contributions and collaboration throughout this process. Together, we spent hours weighing tradeoffs and working toward a budget that keeps San José moving forward despite challenging fiscal conditions.

I am also grateful for the thoughtful proposals the City Council submitted to address community needs and priorities. Together, the Council authored 78 Budget Documents totaling over $11 million in proposed one-time spending. Even with this year's budgetary constraints, we were able to incorporate 67 of the 78 budget documents into the JBM to help address critical district needs while maintaining a balanced budget.

While the City Manager's Proposed Budget and this JBM resolve the projected shortfall, San José still faces serious fiscal risks. There are three inherent risks to the City's stability. First is the passage of the Transient Occupancy Tax Ballot Measure (Measure A) — which voters will decide on June 2nd – that proposes an increase on the tax paid by visitors staying in hotels, which will help bolster general public services relied on by residents and visitors alike. Measure A has the potential to raise General Fund revenue by $6.75 million in FY 2026-2027 and $9.50 million the following year. However, if the ballot measure fails, we will face an immediate $9.5 million ongoing deficit that requires offsets.

The second threat comes from 20% of the City's Educational Revenue Augmentation Fund revenue. The County of Santa Clara (County) collects property tax revenues from local governments and disburses it to support schools. The State Controller is expected to perform an audit that would challenge the County's method of calculation and collection. The County has preemptively filed litigation to dispute this audit but there is little certainty regarding the timing of a resolution. Depending on the outcome, the City could lose $9-$10 million annually on an ongoing basis and be subject to a one-time payback of $35-39 million.

The final risk involves tax revenue associated with cardrooms operating in the city. The California Bureau of Gambling Control recently approved regulations that restrict cardroom operations. While this decision was temporarily enjoined by the courts, some industry groups predict an 85% loss of revenue for the cardrooms that would result in a roughly $25 million loss to the General Fund. The proposed budget does not currently account for this loss given the uncertainty as to when the regulations would take effect and their ultimate impact on revenue collections.

Collectively these three items could result in a net loss of $75 million. To prepare for the first risk, the City Manager devised a $9.5 million contingency plan of further reductions that the Council could implement to balance the budget for FY 2026-2027. The other scenarios would require use of the City's limited reserves and necessarily would require deeper reductions to community-facing programs that would be reduced in scope or eliminated. The Administration anticipates only $25 million remaining in the Budget Stabilization Reserve once the budget is adopted, meaning a very limited emergency fund for minor corrective adjustments.

<u>Continuing Our Commitment to Focus</u>

During times of fiscal uncertainty, it is particularly important to remain focused on San José residents' highest priorities. According to the Annual Report on City Services, San Joséans continue to hold the City accountable for reducing homelessness, increasing housing production and affordability, beautifying our community, and improving public safety. This budget continues to invest in and build upon the momentum we've achieved by driving outcomes in these priority areas.

Over the last three years, our shared focus delivered measurable progress that is driving new investment, expanding opportunity, and restoring confidence in what City Hall can achieve. Since August 2022, trust in City Hall has increased by nearly 40 percent — proof that trust is earned by delivering tangible outcomes. And while there's more work ahead, there are a few accomplishments of which we should be especially proud:

- We've steadily reduced unsheltered homelessness and are on track to have more unhoused residents living indoors than outdoors.

- Over the past three years, resident satisfaction with citywide cleanliness has increased by 21%, with a majority of San Joséans now viewing our city as clean. Seventy-seven percent of San Joséans now rate their neighborhood as clean, up 10% over the same period.

- According to a recent [Center for American Progress report](), gun violence in San José dropped over 70% from 2021-2025, the largest reduction of any city included in the analysis.

- We jumpstarted construction of 2,216 new homes this past year thanks to the Multifamily Housing Incentive Program. This incentive program, paired with the impact of our multifamily ministerial approval policy, puts us on track to start construction on more than 800 additional homes later this year.

- Our progress has catalyzed 10 consecutive years of net new business growth and enabled a record $1.6 billion infrastructure investment commitment from the PG&E to upgrade our local grid and connect new users to the grid faster.

A key contributor to these achievements has been our commitment to Focus Areas coupled with dashboards that are updated quarterly to guide leadership decisions and organizational learning. I'm proud that this public reporting not only shows progress in terms of outcomes, but also clearly describes theories of change and intermediate goals that we think will move the needle on our biggest challenges. MBA #8 outlines our theories of change for big bets next fiscal year. To ensure continued development, iteration, and collective learning that includes staff, Council, and the public, the City Manager is directed to maintain quarterly reporting, keeping June Focus Area reports to the respective Council Committee.

The City Manager is further directed to ensure dashboard development prioritizes generating learnings and cultivating discussion over reporting raw data and producing memoranda. I am mindful of the significant time required to prepare thorough written memoranda, and understand the need for staff to focus on executing projects to help the City Council learn how to best achieve ambitious goals. To that end, the December and June Council Committee reports should be verbal presentations with PowerPoints posted at least one week in advance. The presentations should include dashboard data and trends, including reflections on how our work may influence and respond to those trends.

We cannot measure progress or solve problems we cannot see. Because many of the tools needed to achieve our Focus Area goals require reliable information from the County, the City Manager is directed to continue working with our County partners to gather outcome and performance data on the utilization of new tools that are key to achieving our Focus Area goals, including the use of and outcomes associated with CARE Court, Prop 1 treatment beds, SB43 conservatorship reform, and Prop 36-mandated treatment.

As a Council and Administration, we've made meaningful progress on one of our community's most pressing challenges through the Reducing Unsheltered Homelessness Focus Area. These efforts directly resulted in more than 2,000 new safe and managed alternatives to encampments, enabling San José to experience a roughly one-third drop in unsheltered homelessness since

2019. We've dramatically increased our shelter capacity and reduced the number and size of encampments as a result of the thoughtful and coordinated execution of our Focus Area initiatives over the past year. Now we must ensure long-term fiscal sustainability while continuing to drive results.

While we are proud of our progress, consecutive years of projected budget shortfalls require tradeoffs. For example, the City's Taylor Street Safe Sleeping site, a successful navigation hub with 56 tents, has served over 200 individuals since it opened, with an average length of stay of about three weeks and an overwhelming majority of clients transferring to another interim housing unit. In the near-term, the City Manager's Proposed Budget reduces costs by suspending operations at the Taylor Street Safe Sleeping site starting January 2027. However, the site will remain a turnkey asset in the City's inventory that can be reactivated in emergencies or when our financial outlook improves in the future.

Service optimization within our homelessness portfolio is required to reduce pressure on our General Fund. The City Manager's Proposed Budget projects $1.25 million in savings in FY 2026-2027 and $14.2M ongoing across interim housing programs, most of which depends upon our partners at the County meeting their cost-sharing commitments while we better integrate our respective services. This work is not possible without our partnership with the County, and our adopted agreements allow us to hold each other accountable on implementation. Fortunately, with the adoption of MBA #27, we will be contributing an additional $1 million to the County-run Homelessness Prevention System. This MBA also allows us to reduce our General Fund EIH contributions, improving our overall fiscal position.

MBA #6 outlines additional creative initiatives and partnership models to improve the long-term fiscal and operational stability of our interim housing system. To sustain our partnership with the County and protect the City's fiscal position, I commit to engaging directly with the County Board of Supervisors throughout FY 2026-2027 to ensure these cost-sharing commitments translate into timely action. Progress at the staff level depends on alignment at the elected level. I will prioritize that engagement personally, and I ask my colleagues to join in those discussions. Should the County fall short of its commitments, the City Manager is directed to return to the City Council with a clear accounting of the gap and the City's options.

Given our limited funding and ability to scale services next year, we must be strategic in our planning and execution of strategies that significantly move us toward "functional zero" unsheltered homelessness. While the Reducing Unsheltered Homelessness Focus Area workplan in MBA #8 outlines important existing efforts, there are opportunities to build upon the functional zero framework first presented during last fiscal year's budget priority setting session. Therefore, the City Manager is directed to deliver a study session this September on an updated functional zero model. The study session should provide an opportunity for both near-term and long-term strategic planning by clearly delineating where we were last year, where we are today based on the progress made, what role prevention plays, and where we are headed given the optimization efforts underway. The update should integrate the projected impacts of the County's commitments. Recognizing that progress toward functional zero depends partly on factors beyond the City's direct control, the study session should clearly distinguish between outcomes the City can directly influence and those that require regional partnership. This framework will allow the Council to calibrate expectations and resources accordingly.

Further, the City Manager is directed to return to Council with an updated Focus Area framework after the study session. Staff should consider strategies that increase successful graduations from interim housing sites, expand scalable pathways out of homelessness, increase the average number of individuals served per unit/bed, reduce average operating costs per unit, and sustainably preserve our progress along no-encampment zones. This refinement is not intended to create additional workstreams, but to identify the biggest bets the Council can make now to meaningfully move the City toward functional zero over a multiyear period. These biggest bets should be understood as strategic policy choices and interventions that may require testing, refinement, and learning over time. Staff should be accountable for disciplined execution of Council-directed work, transparent reporting, and identifying implementation barriers and lessons learned — not for controlling every real-world outcome in a complex regional system shaped by funding, County commitments, market conditions, and other external factors. Any multiyear, resource-dependent commitments are intended to guide long-term direction and investment decisions rather than serve as single-year performance benchmarks for staff. The framework should include realistic milestones tied to the resources actually appropriated in each budget cycle, with the understanding that targets will be adjusted as funding, County commitments, and operating conditions evolve.

Additionally, MBA #8 includes a recommendation to drop direction from the 2025 March Budget Message to explore real estate acquisitions for below market leasing for interim housing sites. While the Council has not taken action to add more interim housing locations, the Housing Department is using creative financing to convert interim housing sites to Single Room Occupancy housing. The City Manager is directed to include this work in the updated Building More Housing Focus Area.

The Oversized Lived-In Vehicle Enforcement (OLIVE) program and new parking enforcement initiatives have helped reduce oversized and lived-in vehicles on our streets by approximately 50% over the past year, delivering measurable impacts for neighborhoods across San José. While challenges remain, we should ensure the permanent parking restrictions now being implemented at identified OLIVE locations are producing the intended results before expanding similar restrictions citywide. Adopting MBA #20 takes a practical approach by reallocating existing parking enforcement overtime to give every Council district flexible resources to address local parking concerns while sustaining the progress we've made with oversized and lived-in vehicle enforcement.

We can also improve neighborhood cleanliness and safety by holding negligent property owners accountable when they allow vacant buildings to become sources of blight. The Downtown Enhanced Vacant Building Program strengthens proactive monitoring, enhanced enforcement, and legal action when owners refuse to do their part. By adopting MBA #15, the Administration will increase necessary fees to reduce impact to the General Fund, improve collections and billing, and consider a new reinspection fee to hold bad actors accountable.

Illegal dumping and blight reduction efforts should operate as a coordinated system. MBA #12 aligns the City's Free Junk Pickup Program and BeautifySJ RAPID response teams, with the goal of maximizing blight reduction per dollar spent. Further, as the city has stepped up graffiti eradication, we've seen graffiti shift from public to private property. MBA # 9 proposes a fee-for-service pilot program for private property owners seeking timely graffiti removal. The City Manager is directed to allocate $39,000 from the Essential Services Reserve (ESR) to fund this pilot and evaluate long term sustainability.

San José's economy grows when businesses choose to invest and create jobs here – individual decisions that are influenced by, but also require more than ensuring the basics of a safe, clean, and housed city. The Focus Area framework for Growing Our Economy reflects the strategic direction advanced through the March Budget Message and reinforces the City's role in supporting the industry clusters most likely to drive future job growth, doubling down on the experience economy, and strengthening our commercial corridors and small business ecosystems.

The City increasingly relies on sports, entertainment, conventions, and cultural activity to support Downtown recovery and generate economic activity. MBA #17 highlights how Team San José plays a central role in this strategy, operating at the intersection of economic development, tourism, Downtown activation, arts, culture, and major events. As Team San José's role in our economic development strategy continues to grow, the Council should receive information that provides a clearer understanding of competitiveness, facility utilization, and return on investment. Current reporting focuses primarily on room nights booked, occupied event days, and customer satisfaction metrics, but does not fully demonstrate whether City facilities are operating to their market potential or competing effectively against peer cities. To better evaluate performance, the City Manager is directed to include a supplemental performance framework as part of the October Community and Economic Development Committee Team San José Semi-Annual Status Report. This framework should include facility-level and peer-city benchmarking, including but not limited to revenue per seat per year, tickets sold or attendance, utilization by venue, revenue by venue, cost recovery, and comparisons to peer convention and theater facilities. Because the City's investment in these facilities aims principally to generate off-site economic activity, the framework should also capture induced economic impact — including transient occupancy tax, estimated visitor spending, and regional economic output — so the Council evaluates return on investment at the community level, not solely at the facility level. To ensure valid comparisons, the framework should identify the specific peer facilities and markets used, and account for structural differences — market size, hotel room inventory, air service, and climate — that materially affect competitiveness independent of operator performance. This analysis should help Council understand not only whether Team San José met its performance targets, but whether the City's facilities are operating to their full capacity and market potential.

Within the Building More Housing Focus Area, we are advancing innovative housing solutions to expand affordability and increase housing supply. For example, the Multi-Family Housing Incentive Program reduced one time fees and is now delivering thousands of new homes in growth areas. We made it easier to turn outdated office space to housing and have already broken ground on a proof of concept with the Bank of Italy conversion, which will provide 109 homes. We are also piloting the LIVE SJ program that creates affordability in existing market rate housing. The Faye will prioritize 197 affordable homes for public service workers under this model.

The work outlined in MBA #8 will build on this work and make San José a better place to build housing that is affordable at all income levels. We will improve on the ministerial system by creating a 90-day entitlement approval timeline citywide for all ministerial projects to create predictable pathways for homebuilding approvals. To reduce costs we are barriers by eliminating excessive local building codes. Unnecessary local building codes are added on top of the state requirements, adding costs that are directly passed on to consumers. This effort directly makes housing cheaper to produce and subsequently more affordable.

We are also simplifying the development process by aligning all development fees so that they appear as a single, easily calculated monetary contribution that will allow developers to make faster decisions on the feasibility of their projects. Deferring collection of these fees and taxes will improve the financial feasibility of these projects by reducing up front costs.

The City is committed to exploring how existing financing tools could be used to not only expand traditional affordable housing, but also to support mixed-income housing, such as Accessory Dwelling Units (ADUs). A key barrier to increase production of ADUs is the lack of funding model options. A pilot program will be developed and funded in the Proposed Budget for launch in FY 2027-2028 to fund up to 50 ADU homeownership units.

During last fiscal year's budget process, the Council approved $1 million in one-time funding to support immigrant communities – representing an unprecedented twentyfold increase in the City's investment to meet this unprecedented moment. At a time of ongoing fear and uncertainty, these resources are helping support immigrant families, including U.S. citizen children and their loved ones. It is critical to maintain the basic emergency response, and legal and outreach services, in coordination with the County – because we know timely and accurate interventions dispel fear and protect our communities. The $500,000 in the City Manager's Proposed Budget will sustain these efforts, and in a year with dynamically shifting conditions on the ground, we recognize the need for contingency planning. Therefore, the City Manager is directed to allocate into a reserve fund an additional $500,000 in one-time funding – funded by the reallocation of $300,000 from the IT Sinking Fund Reserve, $100,000 previously allocated to support economic development and business impact research as part of a potential future ballot measure initiative as discussed in MBA #7, and $100,000 from the ESR (BD #7, Doan) – to protect our community in the event of heavily escalated and sustained immigration enforcement activity. I applaud all of my Council colleagues for their strong support of our immigrant neighbors, and want to thank Councilmember Doan for submitting a Budget Document advocating for additional funding for these services.

Lastly, the resources in the Proposed Budget plus those outlined in MBA #14 represents a significant investment in the Children and Youth Services (CYS) Master Plan. This includes $920,000 in funding for FY 2026-2027 and $2.43 million for future investment, bringing the City's total commitment to $3.35 million. MBA #14 establishes a framework for focusing our efforts on the initiatives most likely to expand opportunity and improve outcomes for San José's young people. Continued investment in the demonstration sites in Mayfair/Poco Way and Seven Trees/Santee allows us to test place-based and equity-focused interventions in communities with the greatest need.

To scale interventions with measurable impact, the City Manager is directed to build on the three priority areas identified and create a logic model framework for the demonstration sites grounded in a clear theory of change, baseline data, and metrics that provide signals about what works. A logic model framework includes the following components: long-term goal, hypothesis, indicator data, problem areas, goals, and performance measures. Each indicator will include baseline data for a geographical boundary surrounding each demonstration site and target populations who will be served with selected interventions.

Building this infrastructure is essential if the City is to expand demonstration sites in the future. Further, it will inform how the Mayor's Strategic Partnerships Lead develops a strategy that leverages private and regional partnerships, ensuring City dollars are catalytic, coordinated, and deployed for measurable impact. The City Manager is directed to return to City Council in October 2026 instead of publishing the information memorandum referenced in the MBA. This City Council item should include lessons learned at the demonstration sites to date and a complete logic model with indicator baseline data. Lastly, this item should include the amended demonstration site contracts with performance metrics aligned with the logic model.

In addition to our demonstration site programming, the Increasing Community Safety Focus Area in MBA #8 includes a youth violence prevention problem area aligned with the CYS Master Plan. This effort will ensure our investments are informed by the latest evidence-based practices and focused on delivering safer neighborhoods and better outcomes for young people.

As we move forward, we will continue to learn, adapt, and invest in the strategies that demonstrate measurable success.

Supporting and Protecting Our Community

Park Camera Signage
Starbird Park faces public safety challenges stemming from loitering, damage of public property, and blight accumulation. The City Manager is directed to allocate $5,000 in one-time funding from the ESR to place signs alerting visitors to the presence of security cameras to deter illegal activity. (BD #59, Kamei)

District 8 Community Emergency Response Team (CERT) Support
Community Emergency Response Team (CERT) provides neighborhood level disaster preparedness and emergency preparation. In District 8, CERT members have conducted training exercises, preparedness activities, and assisted at community events to strengthen coordination between neighbors and emergency response agencies. The City Manager is directed to allocate $10,000 in one-time funding from the ESR to support District 8 CERT's ongoing efforts. (BD #64, Candelas)

Downtown Patronscan Pilot
Nightlife establishments in Downtown San José have experienced challenges with disruptive patrons. Technology that scans the ID provided by patrons can prevent the use of illegal ID's and alert nearby establishments if a patron was recently discharged from or cited at a nearby establishment. The City Manager is directed to allocate $25,000 in one-time funding from the ESR to the San José Downtown Association to pilot this technology in 10-15 establishments. (BD #50, Tordillos)

Cleaning and Beautifying Our Neighborhoods

Trash Punx Community-Based Cleanup Event
Trash Punx is a long-standing environmental conservation group in San José that plays a key role in restoring our public spaces and waterways. The City Manager is directed to allocate $5,000 in one-time funding from the ESR to support a community-based cleanup that combines environmental action with accessible, place-based education for all ages. Funds will be used for supplies, volunteer coordination, educational materials, and community materials. (BD #29, Foley)

Municipal Rose Garden & Willow Street Bramhall Park Pilot Expansion
Last year, Councilmember Mulcahy funded a pilot program at the Municipal Rose Garden that provided staffing to conduct permit enforcement, maintenance of the grounds, and volunteer management that has proven successful. Willow Street Bramhall Park is another beloved public

space facing similar challenges. The City Manager is directed to allocate $87,385 in one-time funding from the ESR to continue the Municipal Rose Garden program, expanding it from six to eight months of the year on weekends during the peak months, and expanding the model to Willow Street Bramhall Park, during the same peak-use periods. (BD #33, Mulcahy)

West Santa Clara Underpass Beautification & Connectivity Initiative
The Caltrain underpass on West Santa Clara Street serves as one of the primary pedestrian and vehicular connections between our major commercial corridors. However, ongoing cleanliness and maintenance issues continue to negatively impact the appearance and experience of this important corridor. The City Manager is directed to allocate $50,000 in one-time funding from the ESR to clean and maintain this space. (BD #36, Mulcahy)

Expanded BeautifySJ Hours for West San Carlos Corridor
The Buena Vista BeautifySJ pilot is a proven and effective community beautification tool. Additional resource allocation could result in improved corridor cleanliness, reduced illegal dumping and graffiti, support for small businesses, and strengthened community pride within one of District 6's major commercial corridors. The City Manager is directed to allocate $11,000 in one-time funding from the ESR to maintain the same service level as the original pilot: twenty-four (24) shifts throughout the fiscal year, in 2-hour increments, carried out twice per month, with staffing assumptions reflecting two (2) Maintenance Worker II employees performing this work on an overtime basis. (BD #37, Mulcahy)

Downtown Bike Lane Beautification
The City recently installed protected bicycle lanes Downtown between 3rd and 4th Streets. Beautification of these areas will contribute to a sense of placemaking and community cohesion. As such, the City Manager is directed to allocate $57,300 in one-time funding (inclusive of two years of maintenance costs) from the ESR to the San José Downtown Association to support these efforts. The City Manager is further directed to conduct an engineering assessment and receive a work order before releasing the funds. (BD #49, Tordillos)

Beautify District 8 Pilot Program
District 8 is experiencing growing interest from residents who want to establish new neighborhood associations and become more involved in their communities. The City Manager is directed to allocate $75,000 in one-time funding from the ESR to the District 8 Community Roundtable to support a pilot program that nurtures District 8 community groups and neighborhood associations. (BD #63, Candelas)

District 8 Overgrown Brush & Weed Abatement Pilot Program
The San José Conservation Corps is a key partner in protecting and beautifying our public spaces. The City Manager is directed to allocate $21,000 in one-time funding from the ESR to

the San José Conservation Corps and Charter school to provide funds for a paid work experience for youth to work in District 8 hotspots like the Thompson Creek Trail. (BD #68, Candelas)

BeautifySJ Illegal Dumping Hotspot Team Pilot
Illegal dumping remains a consistent challenge in addressing the City's beautification goals and presents a unique challenge in District 5. The City Manager is directed to allocate $70,000 in one-time funding from the ESR to BeautifySJ to establish a proactive hotspot team on an overtime basis focused on District 5. (BD #72, Ortiz)

Improving Traffic Safety and Accessibility

Traffic Safety is a core principle of public safety. I commend Vice Mayor Foley's dedication to the advancement of our Vision Zero objectives citywide and consistently advocating for improved conditions on the streets of District 9. The City Manager is directed to allocate the following funding for the following traffic safety projects:

- $34,000 from ESR for two speed humps on Bryan Ave, between Almaden Expressway and Vistamont Drive. (BD #18, Foley)
- $85,000 from ESR for five speed humps along Ross Avenue from Hillsdale Avenue to Ewer Drive. (BD #25, Foley)
- $80,000 from District 9 Pedestrian Safety Enhancement Program (PSE) Program allocation and $5,000 from the ESR to install Rectangular Rapid Flashing Beacons and a concrete pedestrian refuge island with center Rectangular Rapid Flashing Beacons at an existing marked crosswalk at Samaritan Drive and Cooper Avenue next to Carolyn Norris Park. (BD #26, Foley)
- $90,000 from District 9 PSE allocation and $5,000 from the ESR to install Rapid Rectangular Flashing Beacons and concrete bulb extensions at Foxworthy Avenue and Arroba Way. (BD #20, Foley)

Additionally, Councilmember Campos has identified impactful traffic safety improvements for roadways in District 2. The City Manager is directed to allocate $115,000 from District 2's PSE allocation to install quick-build bulb-outs, reduced crossing distances, and high-visibility crosswalks at the following locations: (BD #41, Campos)

- $30,000 for Calpine Drive and Bangor Avenue
- $30,000 for Ella Drive and Snow Drive
- $30,000 for Ella Drive and Savstrom Way

- $25,000 for Giusti Drive and Snow Drive

Enhancing Community Spaces

Welcome to San José Signs in North San José
Placemaking builds community for residents and assists visitors in wayfinding. As North San José continues to experience the lion's share of the city's new growth, greater placemaking will ensure that there is a sense of civic pride and connection to the rest of the city. The City Manager is directed to allocate $35,000 in one-time funding from the ESR to install Welcome to San José signage at the Oakland Road entrance at Montague Expressway. (BD #11, Cohen)

Cataldi Pickleball
The Cataldi Pickleball court is experiencing high utilization after-hours, causing excessive noise for nearby neighbors. The City Manager is directed to allocate $81,000 from District 4's Subdivision Park Trust Fund allocation and $69,000 from District 4's Construction and Conveyance Tax Fund allocation to install fencing around the courts to ensure the gates are closed at night and provide sound proofing. Any minor costs for the opening and closing of the gate should be absorbed within Parks, Recreation and Neighborhood Service's existing budget. (BD #12, Cohen)

Cataldi Park Second Parking Lot Gate
Cataldi Park has also been experiencing unauthorized late night activity within its back parking lot. The site's parking lot off of Morrill Avenue has a gate that is locked at night preventing this behavior. To combat undesirable use, the City Manager is directed to allocate $25,000 in one-time funding from the ESR to install a gate at Cataldi Park's second parking lot off of Bethany Avenue, with the minor ongoing cost for gate operation to be absorbed within the Department's existing budget. (BD #14, Cohen)

Orchard School Walkway
The Orchard School is adjacent to a City-owned parcel that has long been neglected and is an eyesore for parents and students. The City Manager is directed to allocate $71,425 in one-time funding from the ESR to work with the Department of Transportation and Public Works Department to enhance the parcel by incorporating trees, grasses, shrubbery, and a walking path. (BD #15, Cohen)

San José Downtown Association Gateway Enhancement Grant
Councilmember Muclahy has been advocating for the designation of the Schiele Subdivision and the adjacent Alameda Park as City Landmark Historic District. The previous allocation of $40,000 to support the installation of signage has been rebudgeted, as outlined in MBA #26. The City Manager is directed to utilize the rebudgeted $40,000 in one-time funding, $35,000 to

install additional wayfinding signage throughout the greater downtown area and $5,000 for maintenance of the Little Italy Streetlights. (BD #34, Mulcahy)

Sakauye Farmhouse Rebuilding at History Park
With previous investments from the City and community fundraising efforts, the historic Sakauye Farmhouse was successfully relocated from its original site in North San José to History Park. The structure now requires additional rehabilitation so it can be used for programming and education provided by History San José. To ensure the Sakauye Farmhouse is properly restored, the City Manager is directed to allocate $47,140 in one-time funding from the ESR to deepen our community's appreciation of local history. (BD #57, Kamei)

West Valley Community Services
For 52 years, West Valley Community Services has provided West San José residents with a continuum of services, including food distribution, homeless services, financial assistance, and case management. The services they provide support the Cadillac-Winchester Neighborhood, a historically underserved and under-resourced area. The City Manager is directed to allocate $75,000 in one-time funding from the ESR to continue this essential work and support the cost of one case manager. (BD #60, Kamei)

Clyde L. Fischer Field Repairs and Improvements
The Eastridge Little League has operated without a permanent home field since being displaced from its former field at Reid Hillview Airport, creating challenges in providing safe and fun programming. Alum Rock Union Elementary School District identified Clyde L. Fisher's campus — which will soon be home to Adelante I and Adelante II following consolidation efforts — as a suitable landing spot for the league. To repair the field as a safe and functional space for our East Side youth, the City Manager is directed to allocate $40,000 in one-time funding from the ESR to Alum Rock Union Elementary School District. Additionally, this project will receive matching funds from County Supervisor Betty Duong. (BD #76, Ortiz)

Chopsticks Alley
Chopsticks Alley Art is a San José-based arts organization dedicated to celebrating and preserving Southeast Asian cultural heritage through exhibitions, art workshops, and community-centered creative programming. Its gallery and events draw visitors to Downtown San José, helping to generate foot traffic for nearby businesses while supporting the city's creative workforce. To support Chopsticks Alley Art's upcoming educational programming and gallery exhibitions, the City Manager is directed to allocate $25,000 in one-time funding from the ESR to Chopsticks Alley Art.

Little Saigon Gateway Sign
Little Saigon is a hub for commerce and social connection for San José's Vietnamese community. Strategic placemaking in the area can increase civic pride and local cohesion, while

also welcoming San Joséans from other neighborhoods into the area. The City Manager is directed to allocate $50,000 from the ESR to create a "Welcome to Little Saigon Sign". (BD #78, Doan)

CreaTV

CreaTV is a longstanding member of our creative community. Since 2019, their Summer Documentary Institute has provided hands-on experience in documentary filmmaking and digital storytelling, teaching transferable industry skills by partnering with local high schools and San José Works. The program directly led participants from economically disadvantaged backgrounds into careers in arts and technology. To support the expansion of this program and the creation of an in-house podcast suite, the City Manager is directed to allocate $25,000 in one-time funding from the ESR to CreaTV.

Camden Community Center Pool Equipment

The existing pace clock at the Camden Community Center Pool is broken and needs to be replaced. To ensure swimmers can have effective workouts and increased visibility, the City Manager is directed to allocate $10,000 in one-time funding from the ESR to install two new wall-mounted, all-weather pace clocks. (BD #19, Foley)

Arena Green Restrooms

Arena Green is a vital community gathering and recreation space featuring athletic courts, trails, public art, and activations. As the City continues to attempt to identify capital funding to support the construction of future permanent facilities, temporary bathroom facilities ensure the public can fully utilize the space The City Manager is directed to allocate $103,000 in one-time funding from the ESR to support the temporary facilities for another year at Arena Green. (BD #31, Mulcahy).

Shared Arts Center of San José

Starting Arts' Shared Arts Center empowers diverse communities by providing high quality visual and performing arts programming in Downtown San José. The center offers below-market rehearsal, performance, and office spaces to many local arts organizations, providing a safe and cost effective facility for creative pursuits. The City Manager is directed to allocate $15,000 in one-time funding from the ESR to Starting Arts to further expand their inclusive arts education and cultural programming throughout San José. (BD, #28 Foley)

Operational Funding for Our City Forest

Since 1994, Our City Forest (OCF) has played a vital role in expanding our tree canopy across San José. Through their efforts, more than 80,000 trees and 20,000 shrubs have been planted citywide, and over 150,000 residents have rolled up their sleeves to support the work. The City Manager is directed to allocate $145,000 in one-time funding from the ESR to support one year of office and leasing support for Our City Forest. The City Manager is further directed to work with OCF to help them identify a long-term solution, including potential relocation to a City-owned facility, that meets OCF's office and leasing needs, as the City will be unable to sustain ongoing support for office leasing costs. (BD, #10 Cohen)

Convention Center 90-Minute Free Parking Expansion Pilot
Almost all City-owned garages in Downtown San José have 90-minute free parking which is a highly utilized benefit to residents, workers, and patrons of downtown. The garage at the San José McEnery Convention Center has approximately 700 spaces that are an exception to this rule. Expanding 90-minute free parking on non-event days has the potential to increase foot traffic and patronage in Downtown San José. The City Manager is directed to bring forward actions to provide 90-minute free parking at the Convention Center on non-event days; the estimated revenue loss of $350,000 in the General Purpose Parking Fund will be offset by the Ending Fund Balance. After implementation, the City Manager is directed to assess the economic impact and garage utilization of this change and recommend future modifications as appropriate. (BD #48, Tordillos)

Increasing Community Events

District 7 Cultural Events
Council District 7 is home to many significant cultural events for both our Vietnamese and Mexican communities, such as the annual Tet/Lunar New Year Parade, Cinco de Mayo, and Mexican Independence Day. These events provide opportunities for community members to celebrate their heritage and break bread, all while boosting economic activity and community engagement. The City Manager is directed to allocate $25,000 in one-time funding from the ESR and repurpose $5,000 previously allocated and approved in the FY 2025-2026 Adopted Budget for the Vietnamese American Cultural Center's Mid-Autumn and Tet Festivals to Councilmember Doan's office to advance event coordination efforts such as permitting, outreach, and additional fundraising. (BD #5, Doan)

District 2 Viva Parks and Community Activation
The City's Viva Parks program, hosted by the Parks, Recreation and Neighborhood Services Department, invigorates our park system across the City and brings neighborhoods together in shared public space. District 2 is scheduled to host three Viva Parks events in July and August 2026. To enhance these activations, the City Manager is directed to allocate $10,400 in one-time funding from the ESR to augment two of the three existing programs and to add one additional Viva Park activation after July 2026. (BD #42, Campos)

Fourth of July Celebration at Lake Cunningham Regional Park
Councilmember Candelas has grown the annual Fourth of July celebration at Lake Cunningham Regional Park into a flagship event for East San José. The event provides a family-friendly venue for residents and visitors to enjoy Independence Day, while reducing illegal firework

activity in the area. To ensure this event's continued success, the City Manager is directed to rebudget $100,000 of savings from previous allocations for 4th of July celebrations and continue close coordination with the District 8 office to again produce a safe and well-organized event in 2027. (BD #62, Candelas)

Supporting Cultural Initiatives at the School of Arts and Culture
The School of Arts and Culture serves as a hub for San José's Latino community and plays a key role in uplifting the cultural identity of East San José. The annual Fiesta del Mariachi event hosted by The School of Arts and Culture at the Mexican Heritage Plaza gathers talented artists and provides a stage to celebrate traditional mariachi music. The City Manager is directed to allocate $10,000 in one-time funding from the ESR to support this tradition. (BD #74, Ortiz)

Christmas in the Park
Since 1980, Christmas in the Park (CITP) has been a beloved San José holiday tradition, welcoming more than one million visitors annually to our Downtown Core for community performances, hot cocoa, and hundreds of uniquely decorated trees. Beyond the seasonal activation, CITP operates a year-round workshop that deploys STEAM skills to repair and maintain event assets while serving as a hands-on learning environment for local youth. CITP is seeking to expand its STEAM Education and Workforce Pipeline, a program that transforms San José's largest free public event into a launchpad for underserved youth through paid internships, professional certifications, scholarships to San José State University, paid post-graduation fellowships, and long-term mentorship opportunities. To catalyze the program's expansion, the City Manager is directed to allocate $50,000 in one-time funding from the ESR for CITP's incoming STEAM Education and Workforce Pipeline cohort.

Downtown Ice
This year will mark 30 years of Downtown Ice, another treasured San José holiday activation presented alongside Christmas in the Park. This seasonal attraction offers an affordable, family-friendly experience in the heart of Downtown and helps drive activity and economic vibrancy during the holiday season. The City Manager is directed to allocate $150,000 in one-time funding from the General Purpose Parking Fund to the San José Downtown Association to support this tradition.

San José Day
For eight years running, San Joséans have come together in early April to celebrate San José Day, a vibrant showcase of the culture, creativity, and diversity that define our city. The event highlights the many communities and artistic expressions that make San José unique, including live art installations, local hardcore bands, and lowrider displays. San José Day has evolved into a weeklong multi-event celebration featuring art galleries, photography events, and fashion

shows. To support the ninth annual San José Day, the City Manager is directed to allocate $35,000 in one-time funding from the ESR to support staffing operations and performing artists.

Viva Callecita
Viva Calle is one of our community's most beloved events where miles of City streets are closed to traffic and open only to cyclists and pedestrians. This year's proposed budget reduced the number of Viva Calles from 3 events to 2. A smaller scale and scope Viva Calle, Viva Callecita, could potentially be executed for reduced City investment while still providing great community benefit, especially when paired with local business sponsorships or philanthropic support. The City Manager is directed to allocate $60,000 in one-time funding from the ESR to explore the creation of a Viva Callecita in collaboration with business associations, and work with District 3 Council Staff to explore external support. (BD #51, Tordillos)

Great Oaks Park Mural
The 2025 June Budget Message included BD #48 from Councilmember Campos which provided a total allocation of $28,250 in one-time funding from the ESR to support park activations in Great Oaks Park. The allocation included $13,000 to host a pop-up park activation that has not yet occurred. As an alternative, this message reallocates the remaining balance to support the installation of the Great Oaks Park Mural that is already planned by PRNS.

Supporting Small Businesses

Latino Business Foundation Silicon Valley Business Academy (LBFSVBA)
The Latino Business Foundation Silicon Valley Business Academy works with Santa Clara University's My Own Business Initiative to offer an online training program for aspiring immigrant entrepreneurs. The City Manager is directed to allocate $10,000 in one-time funding from the ESR to support the Academy. (BD #23, Foley)

Director's Alliance Small Business Support
Over the past three years, San José has supported the creation of seven new Business Associations and Districts across the city, reflecting growing momentum around neighborhood-based economic development. In response, the Directors' Alliance was formed in 2023 as a collaborative network of leaders from eleven organizations working to strengthen economic vitality both citywide and within their respective boundaries, with a particular focus on underserved and under-resourced commercial corridors. To support their continued development and operations, the City Manager is directed to allocate $20,000 in one-time funding from the ESR to be distributed evenly among Council District 3 business districts, including Alum Rock Santa Clara Street, Japantown, East Village, and Calle Willow. (BD #52, Tordillos)

FIFA 2026 East Side Small Business Activation Program
With the FIFA World Cup coming to town, San José has a unique opportunity to engage communities across the city and maximize economic benefits. The Mayor, in collaboration with SJ26 and the San José Sports Authority, secured funds to support World Cup-related activities, and is actively coordinating activations in East San José. To complement these efforts and support additional neighborhood-based activities, the City Manager is directed to allocate $10,000 in one-time ESR funding — $5,000 to the Alum Rock Santa Clara Street Business Association and $5,000 to the Alum Rock Village Business Association. (BD #70, Ortiz)

Support for the Establishment of the Story Road Business Association
The Story Road corridor between King Road and White Road in East San José is home to a vibrant and diverse small business community. To assess interest in strengthening collaboration and economic vitality along the corridor, the City Manager is directed to work with Councilmember Ortiz to conduct community outreach and engagement with local businesses and stakeholders regarding the potential formation of a Story Road Business Association. Following community engagement efforts, if there is sufficient interest in forming an association, the City Manager shall allocate $33,000 in one-time ESR funding to the Office of Economic Development and Cultural Affairs to conduct a competitive procurement process and select a vendor to support the Association's formation and development, with the goal of enhancing coordination, economic activity, and business retention. (BD #75, Ortiz)

Investing in our Youth and Seniors

Catholic Charities Promotora Initiative
The Promotora Initiative utilizes community ambassadors that provide culturally responsive outreach, relationship building, multilingual engagement, and service to underserved communities in San José. The City Manager is directed to allocate $40,000 in one-time funding from the ESR to fund the Promotora model in neighborhoods including: Seven Trees, Santee, Washington, and Mayfair. (BD #39, Campos & Doan)

Youth Empowerment Summit
The Youth Commission Awards is an annual celebration held by the Youth Commission to recognize contributions of their members. This proposal enhances the Summit by adding a half day program in collaboration with the Parks, Recreation and Neighborhood Services Department that includes an active Resource and Services Fair with City departments, social service providers, and community-based organizations. The Youth will also participate in two breakout sessions and will have capacity for a dinner for 200 attendees.. The City Manager is directed to allocate $26,350 in one-time funding from the ESR to continue and enhance the Youth Empowerment Summit. (BD #44, Campos, Cohen, Doan, Candelas, and Casey).

Hoffman Via Monte Youth Summer and Fall Enrichment Program
The Hoffman Via Monte Neighborhood has several service gaps for youth ages 10 to 21. The Almaden Hills Methodist Church hosts an industrial kitchen for culinary teaching and job-readiness training that produces daily prep of hot meals. New Hope For Youth, a B.E.S.T funded agency, is prepared to provide after-school programming for youth three days a week from 3pm-7pm and Saturdays from 10am-4pm with support from PRNS Project Hope Staff. The City Manager is directed to allocate $100,000 in one-time funding from the ESR to support New Hope For Youth's Programming in the Hoffman Via Monte Neighborhood. (BD #46, Casey)

San José Jazz Programming in West San José
San José Jazz is one of our City's most premiere arts organizations and they actively contribute to youth programming in the Cadillac-Winchester Neighborhood. The City Manager is directed to allocate $25,000 in one-time funding from the ESR to continue and expand its youth offerings in the Cadillac-Winchester Neighborhood. (BD #58, Kamei)

District 8 Youth & Older Adult Programming
San José Public Library provides myriad digital inclusion and literacy resources for the general community. As technology continues to reshape the way we all live, work, and play, it's important to ensure youth and seniors aren't left behind. The City Manager is directed to allocate $21,000 from the ESR to the San José Public Library to provide additional resources for youth and seniors in District 8 (BD #65, Candelas):

- One in Math – A nationwide volunteer-run program providing weekly foundational math skills development for K-3 students.
- Reading Partners – Helps expand access to quality literacy education by building reading confidence and competence. Volunteers create an individualized learning environment for every participant and provide one-on-one tutoring assistance.
- An additional STEM and art enrichment program every quarter for all school aged children.
- Digital Skill Building Pathways – Digital empowerment workshops for older adults. Topics include, but are not limited to, basic computer skills, digital safety, fraud and scam prevention, and artificial intelligence.

City Peace Project - District 5 and 8
The City Peace Project provides targeted intervention, mentorship, and family support services for youth who are at risk of gang recruitment, currently involved in gang activity, or experiencing challenges at home that increase vulnerability to violence and negative outcomes. Their services are a critical part of the crime prevention pipeline and help provide safe spaces

and environments for youth. The City Manager is directed to allocate $10,000 in one-time funding from the ESR to support their operations in District 8 (BD #67, Candelas). The City Manager is further directed to allocate $10,000 in one-time funding from the ESR to support their operations in District 5 (BD #73, Ortiz).

Older Adult Health & Wellness Grant Program - Vehicle Maintenance and Operations Fund
The Older Adult Health & Wellness Grant Program provides funding to various local agencies that serve our senior population. The services include transportation assistance, exercise classes, legal advice, healthcare navigation, and provide connectivity to combat social isolation. The program's funding was shifted from ongoing to one-time in the 2025-2026 Approved Operating Budget, accompanied by a reduction in the total funds available. To maintain this program over the next year at the current funding level, the City Manager is directed to reduce the General Fund Transfer to the Vehicle Maintenance and Operations Fund by $300,000 and allocate the funds to the Older Adult Health & Wellness Grant Program on a one-time basis. (BD #24, Foley).

Silicon Valley Education Foundation
The Silicon Valley Education Foundation provides a variety of programs that support students, their parents and their teachers. They primarily focus on empowering disadvantaged and low-income students from 3rd grade to 12th grade. Their Elevate Math Summer Program is held after-school and during the summer months to help prepare students for their next grade-level math courses. To support this safe and transformative learning environment, the City Manager is directed to allocate $15,000 in one-time funding from the ESR for Silicon Valley Education Foundation's Summer of 2027 program.

High-Dosage Tutoring
The City of San José, SJPL Foundation, Teach for America, and local school districts (Alum Rock, Franklin McKinley and SJUSD) have teamed up in advance of the upcoming school year to invest in high-dosage tutoring with a focus on developing best practices and measurable improvement in students' reading proficiency. The initiative, Ignite, has demonstrated success by improving grade-level reading by nearly 40% in target classrooms over two years when compared to district peers. The San José Public Library Foundation already invested $88,000 to sustain the program at Santee Elementary and RFK Elementary through the upcoming school year, but a $50,000 resource gap remains that would result in one of the schools withdrawing from the program. The City Manager is directed to allocate $50,000 in one-time funding from the ESR to support Ignite at Santee Elementary and RFK Elementary.

Economic Development in San José

Airport Marketing for San José's 250th Anniversary
San José's 250th Anniversary presents a unique opportunity for the City to build upon the momentum of SJ26 to increase passengers and drive economic development. An intentional destination marketing campaign and assets could have a tangible impact on the activity and passenger volume at San José Mineta International Airport. The City Manager is directed to leverage $75,000 of existing one-time funding in the Airport Maintenance and Operation Fund to support destination marketing efforts related to San José's 250th Anniversary at the San José Mineta International Airport. (BD #32, Mulcahy)

Microfiche to Digital Imaging Conversion
Planning Building and Code Enforcement (PBCE) conducts public information research and project review for older legacy zoning and development permits from 1949 through 1995 on a daily basis. This process is highly manual for both the requestor and PBCE staff, and requires in-person retrieval and review on a microfiche reader. Digitization of these records would reduce the demand on City staff, as well as improve the customer experience. The City Manager is directed to allocate $50,000 in one-time funding from the ESR to PBCE to support one year of the microfiche to digital imaging conversion pilot. (BD #43, Campos)

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:

- $2,000 to With Purpose, a San José-based nonprofit that provides free haircuts and grooming services to underserved community members. (BD #71, Ortiz)

- $5,000 to the Hispanic Foundation of Silicon Valley to support their Parent Education Academies, a culturally-responsive program that empowers parents to support their child's academic success by strengthening their understanding of the education system and deepening relationships with school leadership and communities. (BD #3, Campos)

- $5,000 to the Boys and Girls Club of Silicon Valley's International Day of the Girl event, which provides a week of educational and leadership programming culminating in a special mentorship event that connects adolescent girls with female mentors from a range of professional and community backgrounds. (BD #21, Foley)

- $6,000 to the Catholic Charities' Junior Giants Program, an 8-week youth baseball program that provides instruction in the fundamentals of baseball and life-skills development that is open to San Joséans ages 5 to 13. (BD #22, Foley)

- $10,000 to support Bay Area Women's Sports Initiative (BAWSI)'s Rollers Program, which offers adaptive physical activities for youth with disabilities. (BD #17, 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 #27, Foley)

General Provisions

a) 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.

Office	**Rebudget Amount**
Council District #1	$890,000.00
Council District #2	$260,000.00
Council District #3	$300,000.00
Council District #4	$260,000.00
Council District #5	$103,000.00
Council District #5 (January-June)	$103,000.00
Council District #6	$342,000.00
Council District #7	$235,000.00
Council District #7 (January-June)	$235,000.00
Council District #8	$380,000.00
Council District #9	$80,000.00
Council District #9 (January-June)	$80,000.00
Council District #10	$739,000.00
Office of the Mayor	$100,000.00

b) Essential Services Reserve: The total available one-time ESR funding of $2,000,000 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.

ATTACHMENT A - Source and Use of Funds

Mayor's June Budget Message for Fiscal Year 2026-2027

City Source and Use of Funds

General Fund (001)		2026-2027	Ongoing
Source of Funds			
Page 17	Beginning Fund Balance: Rebudgets (Savings from Prior Year Allocations for 4th of July Celebrations)	100,000	
Page 18	Transfers and Reimbursements (San Jose Downtown Association - Downtown Ice)	150,000	-
Page 24	Beginning Fund Balance: Rebudgets (Mayor and City Council)	4,107,000	-
			-
	Total General Fund (001) Source of Funds	**$ 4,357,000**	**$ -**
Use of Funds			
Page 8	Fee-For-Service Pilot: Private Property Graffiti Eradication - MBA #9	39,000	-
Page 10	Information Technology Sinking Fund Reserve	(300,000)	-
Page 10	Immigration Funding (Reallocation from Information Technology Sinking Fund Reserve)	300,000	
Page 10	City Manager's Office (Non-Personal/Equipment)	(100,000)	
Page 10	Immigration Funding (Reallocation from Office of Administration, Policy, and Intergovernmental Relations – Ballot Measure Polling)	100,000	
Page 10	Immigration Funding (BD #7. Doan)	100,000	-
Page 11	Starbird Park Camera Signage	5,000	-
Page 11	Community Emergency Response Team Support for District 8	10,000	-
Page 11	Downtown Patronscan Pilot	25,000	-
Page 11	Trash Punx Community-Based Cleanup Event	5,000	-
Page 11	Municipal Rose Garden & Willow Street Bramhall Park Pilot Expansion	87,385	-
Page 12	West Santa Clara Underpass Beautification & Connectivity Initiative	50,000	-
Page 12	Expanded BSJ Hours for West San Carlos Corridor	11,000	-
Page 12	Downtown Bike Lane Beautification	57,300	
Page 12	Beautify District 8 Pilot Program	75,000	-
Page 12	District 8 Overgrown Brush and Weed Abatement Pilot Program	21,000	-
Page 13	BeautifySJ Illegal Dumping Hotspot Team Pilot	70,000	-
Page 13	Bryan Avenue Speed Humps	34,000	-
Page 13	Ross Avenue Speed Humps	85,000	-
Page 13	Safety Improvements at Samaritan Drive and Cooper Avenue	5,000	-
Page 13	Safety Improvements at Foxworthy Avenue and Arroba Way	5,000	-
Page 14	Welcome to San Jose Signs in North San Jose	35,000	-
Page 14	Cataldi Park 2nd Parking Lot Gate	25,000	-
Page 14	Orchard School Walkway	71,425	-
Page 14	SJDA Enhancement Grant	40,000	-
Page 14	Schiele Subdivision Historic District Signage	(40,000)	-
Page 15	Sakauye Farmhouse Rebuilding at History Park	47,140	-
Page 15	West Valley Community Services	75,000	-
Page 15	Clyde L. Fischer Field Repairs and Improvements	40,000	-
Page 15	Chopsticks Alley	25,000	-
Page 15	Little Saigon Gateway Sign	50,000	-
Page 16	CreaTV	25,000	-
Page 16	Camden Community Pool Equipment	10,000	-
Page 16	Arena Green Restrooms	103,000	-
Page 16	Shared Arts Center of San Jose	15,000	-
Page 16	Operational Funding for Our City Forest	145,000	-

Page 17	District 7 - Vietnamese American Cultural Center's Mid-Autumn and Tet Festivals	(5,000)	
Page 17	District 7 Cultural Events	30,000	-
Page 18	District 2 Viva Parks and Community Activation	10,400	-
Page 17	Fourth of July Celebration at Lake Cunningham Regional Park	100,000	-
Page 18	Supporting the School of Arts and Culture (SOAC) Cultural Initiatives	10,000	-
Page 18	Christmas in the Park	50,000	-
Page 18	San José Downtown Association (Downtown Ice)	150,000	
Page 18	San Jose Day	35,000	-
Page 19	Viva Callecita	60,000	-
Page 19	Council District #2 Budget (Great Oaks Park Mural)	13,000	-
Page 19	Council District #2 Budget (Great Oaks Neighborhood Activation and Engagement)	(13,000)	
Page 19	Latino Business Foundation Silicon Valley Business Academy (LBFSVBA)	10,000	-
Page 19	Director’s Alliance Small Business Support	20,000	-
Page 20	FIFA 2026 East Side Small Business Activation Program	10,000	-
Page 20	Support for the Establishment of the Story Road Business Association	33,000	-
Page 20	Catholic Charities Promotora Initiative	40,000	-
Page 20	Youth Empowerment Summit	26,350	-
Page 21	Hoffman Via Monte Youth Summer and Fall Enrichment Program	100,000	-
Page 21	San José Jazz Programming in West San José	25,000	-
Page 21	District 8 Youth & Older Adult Programming	21,000	-
Page 21	City Peace Project - District 5	10,000	-
Page 21	City Peace Project - District 8	10,000	-
Page 22	Older Adult Health & Wellness Grant Program	300,000	-
Page 22	Transfer to the Vehicle Maintenance and Operations Fund	(300,000)	
Page 22	Silicon Valley Education Foundation	15,000	-
Page 22	High Dosage Tutoring	50,000	-
Page 23	Microfiche to Digital Imaging Conversion	50,000	-
Page 23	With Purpose	2,000	-
Page 23	Hispanic Foundation of Silicon Valley Parent Education Academy	5,000	-
Page 23	Boys and Girls Club of Silicon Valley International Day of the Girl	5,000	-
Page 23	Catholic Charities Junior Giants	6,000	-
Page 24	Bay Area Women's Sports Initiative (BAWSI) Rollers Program	10,000	-
Page 24	Scouting America, Silicon Valley Monterey Bay Council (SVMBC)	10,000	-
Page 24	Rebudget: Mayor's Office	100,000	-
Page 24	Rebudget: District 1	890,000	-
Page 24	Rebudget: District 2	260,000	-
Page 24	Rebudget: District 3	300,000	-
Page 24	Rebudget: District 4	260,000	-
Page 24	Rebudget: District 5	103,000	-
Page 24	Rebudget: District 5 (January-June)	103,000	
Page 24	Rebudget: District 6	342,000	-
Page 24	Rebudget: District 7	235,000	-
Page 24	Rebudget: District 7 (January-June)	235,000	
Page 24	Rebudget: District 8	380,000	-
Page 24	Rebudget: District 9	80,000	-
Page 24	Rebudget: District 9 (January-June)	80,000	
Page 24	Rebudget: District 10	739,000	-
Page 24	Essential Services Reserve	(2,000,000)	-
	Total General Fund (001) Use of Funds	**$ 4,357,000**	-
			-
Net General Fund		**$ -**	-

General Purpose Parking Fund (533)			2026-2027		Ongoing
Source of Funds					
Page 17	Fees, Rates and Charges (Convention Center 90-Minute Free Parking Expansion)	$	(350,000)		
	Total General Purpose Parking Fund (533) Source of Funds	**$**	**(350,000)**	**$**	**-**
Use of Funds					
Page 18	Transfer to the General Fund (San Jose Downtown Association - Downtown Ice)	$	150,000	$	-
	Unrestricted Ending Fund Balance		(500,000)		-
	Total General Purpose Parking Fund (533) Use of Funds	**$**	**(350,000)**	**$**	**-**

Subdivision Park Trust Fund (375)			2026-2027		Ongoing
Source of Funds					
	NONE		-		-
	Total Subdivision Park Trust Fund (375) Source of Funds	**$**	**-**	**$**	**-**
Use of Funds					
Page 14	Cataldi Pickleball		81,000		-
Page 14	Future PDO / PIO Projects Reserve		(81,000)		-
	Total Subdivision Park Trust Fund (375) Use of Funds	**$**	**-**	**$**	**-**

Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District #4 (381)			2026-2027		Ongoing
Source of Funds					
	NONE		-		-
	Total Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District #4 (381) Source of Funds	**$**	**-**	**$**	**-**
Use of Funds					
Page 14	Cataldi Pickleball Fencing		69,000		-
Page 14	Unrestricted Ending Fund Balance		(69,000)		-
	Total Construction Tax and Property Conveyance Tax Fund: Parks Purposes Council District #4 (381) Use of Funds	**$**	**-**	**$**	**-**

Vehicle Maintenance and Operations Fund (552)			2026-2027		Ongoing
Source of Funds					
Page 22	Transfers and Reimbursements (Vehicle Replacement)		(300,000)		-
	Total Vehicle Maintenance and Operations Fund (552) Source of Funds	**$**	**-**	**$**	**-**
Use of Funds					
Page 22	Unrestricted Ending Fund Balance		(300,000)		-
	Total Vehicle Maintenance and Operations Fund (552) Use of Funds	**$**	**(300,000)**	**$**	**-**