



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Matt Loesch

SUBJECT: See Below

DATE: May 11, 2026

Approved

Date:

5/18/26

COUNCIL DISTRICT: 6

SUBJECT: Actions Related to The Alameda Community Benefit Improvement District Budget and Assessments for Fiscal Year 2026-2027

RECOMMENDATION

Adopt a resolution:

- (a) Approving The Alameda Community Benefit Improvement District for Fiscal Year 2026-2027 budget; and to confirm and levy the individual assessments; and
- (b) Directing the Director of Public Works or his designee to deliver the assessment roll to the County of Santa Clara for collection with the property taxes.

SUMMARY AND OUTCOME

The Alameda Community Benefit Improvement District (CBID) was formed in June 2025. For Fiscal Year (FY) 2026-2027, the CBID's property owners' association is not required to submit an annual budget report per state code because the district is currently in its first year of providing services. City staff recommend utilizing the approved budget and approved assessment rate established last fiscal year when the CBID was formed. City Council's approval of utilizing the same budget and assessments as FY 2025-2026 ensures that there is no disruption of CBID services and allows the Department of Public Works to authorize the County of Santa Clara to continue the collection of district assessments on the County property tax rolls.

BACKGROUND

The City of San José (City) established the Alameda CBID on June 17, 2025, pursuant to Chapter 14.31 Community Benefit and Improvement District Procedure of the San José Municipal Code. This chapter incorporates and modifies the Property and Business Improvement District Law of 1994 (California Streets and Highways Code Section 36600 et seq.) to fund specific enhanced services and improvements above those provided by the City from generally available funds. Since the enhanced services directly benefit individual parcels within the district, rather than the City as a whole, the costs are assessed to these benefiting parcels. The current voter-approved assessment formula provides an annual rate increase not to exceed 7%. The district has a term of 15 years, after which it would sunset and need to be renewed to continue beyond 2040.

ANALYSIS

The agreement between the City and The Alameda Business Association, together with applicable state law, requires the business association to submit an annual budget report each fiscal year after its first year of operation to the City Council. The annual budget report is not required for FY 2026-2027 because the district is currently still in its first year of providing services. Absent an annual budget report for FY 2026-2027, City staff recommend utilizing the approved budget and assessment rates, as shown below in Table 1 and Table 2, respectively, from when the CBID was formed last fiscal year.

Table 1 – Approved Budget from FY 2025-2026 Formation

EXPENDITURES	TOTAL BUDGET	% OF BUDGET
Clean and Safe	\$266,002	78.0%
Beautification and Image Enhancement	\$30,851	9.0%
Administration and Advocacy	\$34,121	10.0%
Contingency/Reserve	\$10,236	3.0%
Total Expenditures	\$341,210	100.0%
REVENUES	TOTAL BUDGET	% OF BUDGET
Assessment Revenues	\$327,977	96.1%
Other Revenues (general benefit*)	\$13,233	3.9%
Total Revenues	\$341,210	100.0%

* General public benefit includes contributions from The Alameda Business Association sources.

Table 2 – Assessment Rates

Parcel Type	Parcel Assessment Rate (\$/lot sq. ft.)	Building Assessment Rate (\$/building sq. ft.)	Frontage Assessment Rate** (\$/parcel linear ft.)
Zone 1 Commercial	\$0.0500	\$0.0500	\$11.00
Zone 1 Residential*, Nonprofit, Government (Non-Enterprise)	\$0.0375	\$0.0375	\$8.25
Zone 2*	\$0.0250	\$0.0250	\$5.50

* Properties zoned solely for residential use are not subject to the assessment

** Frontage assessment is related to properties fronting The Alameda, Race Street, and Stockton Avenue

Shortly after district formation, several properties in the district were rezoned to residential to align and match zoning and General Plan land use designations pursuant to Senate Bill 1333. Property zoned solely for residential use are presumed not to benefit from the improvements according to state law, therefore several properties are now exempt from the assessment.

If approved, the total maximum aggregate assessment for FY 2026-2027 will be \$320,403. The proposed assessment on each property will be equivalent to FY 2025-2026. The cost of CBID services and activities may vary in any given year depending on market conditions and the cost of providing those services. As a property owner within the CBID, the City's assessment will be \$8,450. The three City-owned properties are the Cahill Park, The Beautiful Way Park, and the Arena Hotel Transitional Housing Project. Sufficient funds to pay the City's assessment are included in the City's 2026-2027 Proposed Operating Budget in Fund 342. City staff is also in the process of transferring ownership of the Billy DeFrank LGBTQ+ Community Center located at 938 The Alameda from the Successor Agency to the San José Redevelopment Agency to the City. After such transfer, the City's assessment will increase by \$3,453 and would require the City to make a further budget adjustment.

The FY 2026-2027 boundary map (Attachment – District Map) that will be recorded with the County of Santa Clara and assessment roll will be on file with the City Clerk's Office approximately two weeks prior to the City Council meeting for public review.

EVALUATION AND FOLLOW-UP

The current agreement between the City and The Alameda Business Association requires the business association to submit an Annual Financial Report, containing an independent Certified Public Accountant Report in October of each year. This report will

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be submitted to City Council for acceptance once received starting in the second fiscal year of services rendered.

FISCAL IMPACTS

Estimated assessments for FY 2026-2027 will total \$320,403. The City's assessment is calculated to be about \$8,450. The FY 2026-2027 Proposed Operating Budget for Fund 342, subject to City Council approval, includes a transfer from the General Fund for the City's assessment of \$8,450. If the community center is transferred in FY 2026-2027, the City's General Fund transfer will be updated through a future budget action.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office, City Manager's Budget Office, and the Planning, Building and Code Enforcement Department.

PUBLIC OUTREACH

This memorandum will be posted on the City Council Agenda website for the June 2, 2026 City Council meeting.

BOARD, COMMISSION, COMMITTEE RECOMMENDATION AND INPUT

No board, commission, or committee recommendation or input is associated with this action.

CEQA

Not a Project, File No PP17-004, Government Funding Mechanism or Fiscal Activity with no commitment to a specific project which may result in a potentially significant impact on the environment.

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PUBLIC SUBSIDY REPORTING

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/

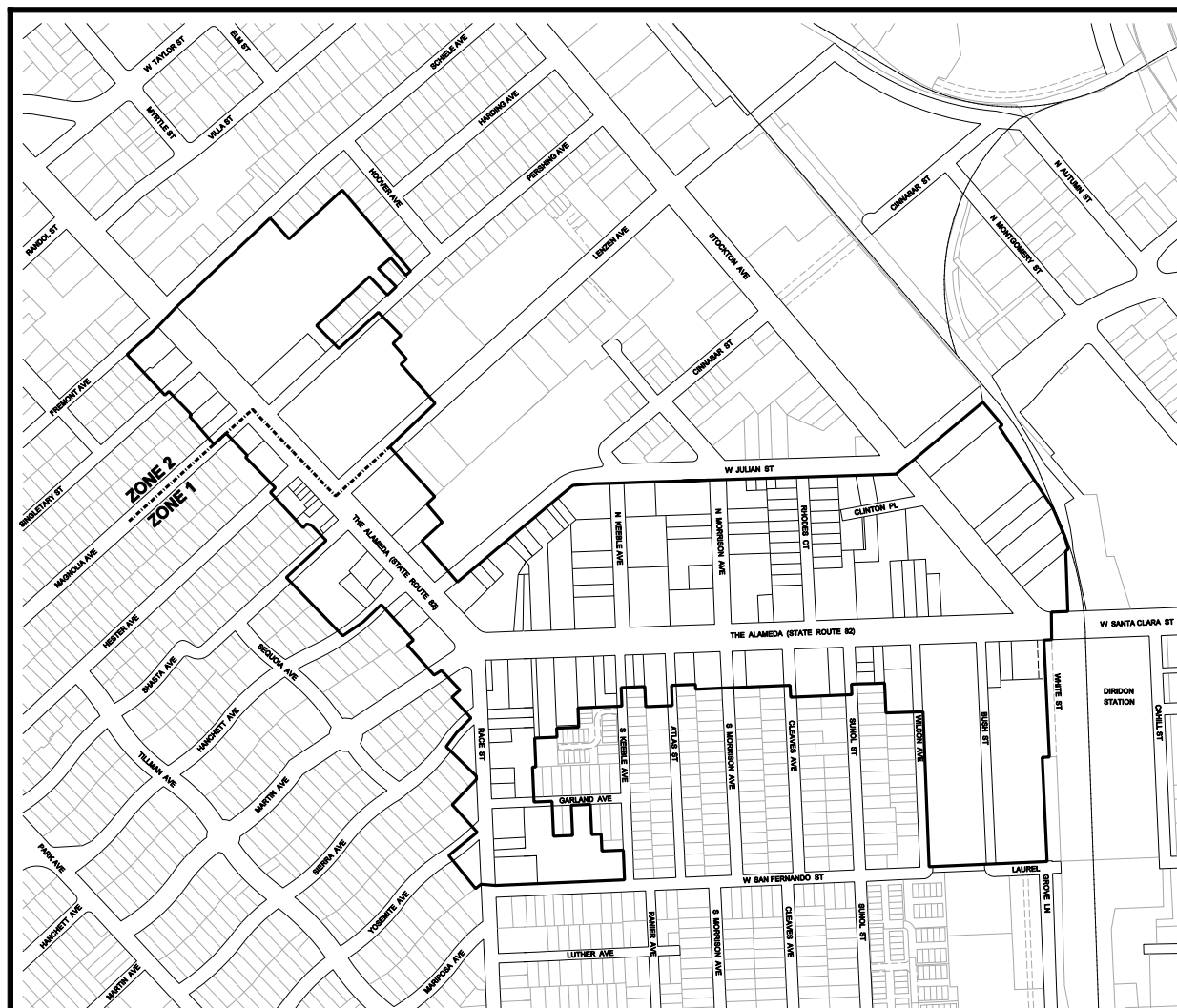
MATT LOESCH

Director of Public Works

For questions, please contact J. Guevara, Deputy Director of Public Works, Public Works Department at j.guevara@sanjoseca.gov or (408) 535-8300.

ATTACHMENT:

District Map



CERTIFICATIONS

(1) DIRECTOR OF PUBLIC WORKS

FILED THIS _____ DAY OF _____, 20____, IN THE OFFICE OF THE DIRECTOR OF PUBLIC
WORKS OF THE CITY OF SAN JOSE.

MATT LOESCH
DIRECTOR OF PUBLIC WORKS

(2) CITY CLERK

FILED THIS _____ DAY OF _____, 20____, IN THE OFFICE OF THE CITY CLERK OF THE CITY OF SAN JOSE.

TONI J. TABER, MMC
CITY CLERK

(S) CITY COUNCIL

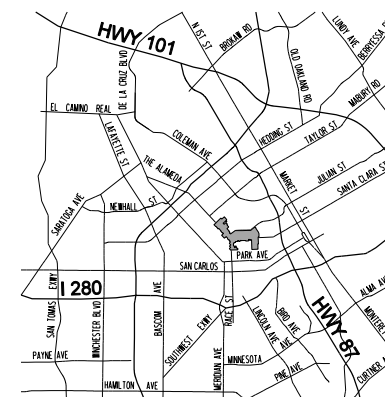
BY RESOLUTION NUMBER _____, ON THE _____ DAY OF _____, 20____,
AN ASSESSMENT WAS LEVIED BY THE CITY COUNCIL ON THE LOTS, PIECES, AND PARCELS OF LAND SHOWN ON
THIS DIAGRAM. THE APPROVED DIAGRAM AND ASSESSMENT ROLL FILED IN THE OFFICE OF THE DIRECTOR OF
PUBLIC WORKS CONTAINS THE EXACT AMOUNT OF EACH ASSESSMENT LEVIED AGAINST EACH PARCEL OF
LAND SHOWN ON THIS DIAGRAM.

TONI J. TABER, MMC
CITY CLERK

(4) COUNTY RECORDER

FILED THIS _____ DAY OF _____, 20____, AT THE HOUR OF _____ O'CLOCK _____ M.
IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS PAGE(S) _____,
IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SANTA CLARA.
RECORDER'S SERIES NO.: _____ FEE PAID: _____

LOUIS CHIARAMONTE, COUNTY RECORDER
COUNTY OF SANTA CLARA

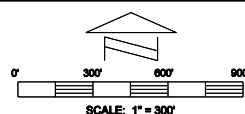


LOCATION MAP



LEGEND

	DISTRICT BOUNDARY		STREET RIGHT OF WAY
	RAILROAD TRACKS		PRIVATE STREET
	ZONE BOUNDARY		PROPERTY LINE



CITY OF SAN JOSE, COUNTY OF SANTA CLARA
STATE OF CALIFORNIA
THE ALAMEDA
COMMUNITY BENEFIT IMPROVEMENT DISTRICT
FISCAL YEAR 2026-2027