



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Councilmember Ortiz
Councilmember Kamei

SUBJECT: SEE BELOW

DATE: 3/20/2026

Approved

Date: 3/20/2026

SUBJECT: City of San José Investment Policy Annual Review

RECOMMENDATION:

1. Direct the City Manager to implement Alternative Scenario 2 identified in the March 20, 2026 Supplemental Memorandum, by allowing existing investments in Alphabet, Amazon, and Microsoft to mature while prohibiting any new investments in these companies, in light of community concerns regarding certain business relationships with U.S. Immigration and Customs Enforcement (ICE), and to return to Council with any necessary updates to the City's Investment Policy to operationalize this direction.

BACKGROUND:

On October 1, 2025, the Rules Committee, in response to a memorandum from Councilmember Ortiz, directed staff to analyze the benefits and trade-offs of divesting from corporations that provide services to U.S. Immigration and Customs Enforcement (ICE). This direction is reflected in the current City of San José Investment Policy Annual Review and accompanying supplemental analysis, which evaluates the City's holdings in select corporate issuers and outlines alternative approaches for Council consideration, including allowing investments to mature while restricting future investments.

At the February 19, 2026, Public Safety, Finance, and Strategic Support Committee meeting, Councilmember Kamei further requested targeted analysis of the City's investments in Alphabet, Amazon, and Microsoft under these alternative scenarios.

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Public comment and community input have continued to raise concerns regarding certain business relationships between these companies and ICE, prompting consideration of how the City's investment practices can remain aligned with community values while maintaining its fiduciary responsibilities. As outlined in the Supplemental Memorandum, Alternative Scenario 2 would allow the City to continue receiving anticipated returns by holding existing investments to maturity, while limiting future exposure by restricting new investments in the identified companies.

Public reporting indicates that these relationships take different forms, including direct federal contracting for Microsoft and third-party service arrangements for Alphabet and Amazon¹. These third-party arrangements may involve the provision of cloud or technology services through resellers, subcontractors, or bundled federal contracts, in which the company's products are used by immigration enforcement agencies.

The City Council has consistently expressed its position on U.S. Immigration and Customs Enforcement (ICE) and the importance of protecting immigrant and mixed-status families in San José, including through prior actions supporting state legislation aimed at establishing greater accountability for businesses with financial ties to ICE.

This item represents a natural next step in aligning the City's investment practices with those values by providing direction to limit future exposure to companies with identified ties to ICE. In doing so, the City reinforces its commitment to ensuring that public funds are managed in a manner that reflects both its fiduciary responsibilities and the priorities of the community it serves.

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

¹ See

<https://www.forbes.com/sites/the-wiretap/2026/01/27/immigration-record-spend-on-amazon-and-trump/?ctpv=searchpage>