



THE CITY OF SAN DIEGO

MEMORANDUM

DATE: September 30, 2022

TO: Charles Modica, City of San Diego Independent Budget Analyst

FROM: Councilmember Joe LaCava *Joe LaCava*

SUBJECT: Council District 1 Fiscal Year 2024 Budget Priorities – **Back to Basics**

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For seven years, the City of San Diego avoided operational decision-making and failed to invest in our workforce. Mayor Gloria and City Council were saddled with a projected \$84M structural deficit in addition to COVID-related revenue losses. Together, we confronted the City's challenges and needs with bold leadership. We began anew our franchise agreements and Midway redevelopment options. We embraced the need for the City to do more and be more through the creation of new City departments for Sustainability and Mobility, Race and Equity, Homelessness Strategies and Solutions, and Labor Standards and Enforcement. We implemented pay raises for civilian employees after a decade of inaction and continued pay raises for public safety employees. We approved a first-in-the-nation childcare facility with the Police Officers Association Foundation.

Despite our efforts, long-term disinvestment impacts persist. Our reality is that basic services are falling short: trash pick-ups are missed, brush management and weed abatement services are delayed, permit applications are languishing, and comfort stations are not maintained. New obligations are on the horizon. We are unwinding Prop B with a \$119M impact, \$66M to the General Fund, and \$53M to our enterprise funds. We need an additional \$20M for organic waste recycling. And inflation is increasing construction and maintenance costs while supply issues delay their completion.

For two budget cycles, I have balanced the many needs of San Diegans with the "never-enough" resources our General Fund provides. Each vote I make is my attempt to earn our constituents' trust by demonstrating that government makes fiscally sound decisions based on data and duty. What I have learned in these two cycles is that it is time to get **back to basics**. We must fill our over 2,000 vacant budgeted positions to deliver City services at the level we expect and need, and we must offer competitive salaries to accomplish that. We must identify and secure one-time and ongoing revenues to pay for what our residents and businesses demand and deserve but the General Fund does not cover.

The achievements, new programs, new positions, and new City departments created over the past two years reflect our values and set the City on a new course. In Fiscal Year 2024 (FY24), we must hold the line on new General Fund expenditures and get **back to basics**.

This budget memo is submitted prior to hearing the FY22 Year-End Performance Report, the Mid-Year FY23 Budget, and the implementation of programs funded for the first time in the FY23 Budget. With that caveat in mind, the following are my priorities for FY24.

## **GENERAL FUND PRIORITIES**

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### **Recruitment and Retention**

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In FY23, we funded 800 new positions. For FY24, aside from Public Safety, **no new General Fund positions should be added to the City's workforce**. As of this month, the City has 2,066 budgeted vacancies which include 130 in Park and Recreation, 185 in Development Services, 300 in Police, and 387 in Public Utilities. Our focus must be on filling budgeted vacancies. We must offer competitive salaries and incentives, **especially for entry-level and early career positions at the lower end of the pay scale**. Without full staffing, we cannot deliver basic City services and we risk burnout and loss of current hardworking employees.

To retain our workforce and fill our vacancies, we must examine benefits and investments, such as childcare and flexible work opportunities, to sustain a family-friendly work environment.

The Personnel Department must be faster, more flexible, and more transparent to City leadership including publicly disclosing operational improvements and rationale for not moving ahead with a ballot measure. City departments too must identify and remove any hiring obstacles and provide progress reports.

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### **Public Safety**

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#### **Police**

- Hold City-specific academies in partnership with the San Diego Community College District
- Fill the 300 vacancies utilizing FY23 pay increases, incentives, and recruitment support. We look to the Department to strategically assign the new hires as those vacancies are filled
- Police Facilities – Tenant and Capital Improvements including upgrades to facilities such as carpets, plumbing, painting, HVAC systems, and energy system upgrades

### Lifeguard Division

Last year, over 19,500,000 people visited our beaches. Lifeguards performed over 400,000 preventative acts, 7,000 water rescues, and 50 cliff rescues. Our First Responders must be appropriately staffed to keep themselves, San Diegans, and tourists safe.

- 2 FTE, One Lifeguard II position to provide support at La Jolla Shores (\$62,000-\$79,000)
- 1 FTE, Administrative Lifeguard Sergeant to serve as the Lifeguard Division's sole hiring, recruitment, and onboarding supervisor (\$81,000-\$97,000)
- 2 FTE, Lifeguard II Oceanfront Relief Lifeguards to reduce overtime required of staff (\$62,000-\$79,000)
- 1 Advanced Lifeguard Academy for required biennial training (\$210,000)
- Non-Personnel Funds to provide Rescue Watercraft, ATVs, UTVs, vessel repair and replacement, facility maintenance, rescue equipment, medical supplies, station supplies, furniture, specialty team equipment, and personal protective gear (\$400,000)
- North Pacific Beach Lifeguard Tower - Secure site control, finish the design, and construct a permanent facility to replace the temporary mini shipping container (\$10,000,000)
- Ocean Beach Lifeguard Tower - Replace the tower (\$15,000,000)

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### Climate Action Plan

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The 2022 adoption of CAP 2.0 leads with the ambitious goal of reaching net zero emissions by 2035. A detailed implementation plan is due February 2023. My priority is for the City to pivot all departmental operations and align their workplans with the CAP Implementation Plan at current staffing and operational funding. No longer should CAP implementation be a unique line item in the Budget but **standard operating procedure of every city department.**

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### Penny for the Arts

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The City must deliver on the promise of Penny for the Arts by fully funding the approved 9.52 percent allocation within five years. We made progress in FY22 and FY23 and that momentum must be continued. I request that the FY23 allocation equating to 5.25 percent of Citywide Transient Occupancy Tax (TOT) be increased to 7.0 percent of TOT in FY24.

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### Reserves

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In FY24, we will use the last of the American Rescue Plan Act 2021 (ARPA) funds which, in turn, will be the last year we are not permitted to contribute to Reserves. In FY25, we must reinstate maintain levels consistent with our Reserve Policy.

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## Homelessness Services & Prevention

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My priority is to meet the needs of those living in shelters and on the street and to be proactive in preventing homelessness through current funding levels and aggressive pursuit of sustainable new funding through county, state, and federal sources. Furthermore, we must diligently scrutinize every program to stretch and leverage limited resources to effectively serve as many individuals and families as possible.

At this time, it is too early to determine whether FY23 funding is achieving performance metrics and meeting the needs of this vulnerable population. The FY24 budget should be data-driven, based on a critical assessment of whether continued investment in existing programs is good governance, responsible use of our limited dollars, and serves our vulnerable populations in a direct and effective way. Several new programs were initiated over the past two years and should also be part of that critical assessment.

- **Non-Congregate Shelters**  
Reduce reliance on congregate shelters and develop non-congregate shelters for individuals and families.
- **San Diego Eviction Prevention Program**  
This pilot program initiated in 2021 and funded through June 30, 2022 with CARES Act and formula CDBG funds helps provide critical education to families and individuals at risk of being evicted. Secure outside funding for this program.
- **Housing Instability Prevention Program**  
The Housing Instability Prevention Program (HIPP) was funded at \$3,600,000 by the FY23 General Fund and continues to be a critical resource to keep families and individuals housed. Secure outside funding to sustain this program.
- **LGBTQ+ Youth Housing and Related Services for LGBTQ+ Community**  
We made a policy decision in the FY23 Budget to recognize the unique needs for this vulnerable cohort of our homeless population and allocated funding which has not yet been implemented. After the first year's implementation of non-congregate safe and affirming emergency housing and support services, assess the program and adequacy of the funding.
- **Establish Affordable Housing Preservation Fund**  
The City receives residual Redevelopment Property Tax Trust Funds (RPTTF) each year that go directly into the General Fund. Historically, redevelopment projects required a 20 percent set aside for affordable housing. Based on

FY23's RPTTF total of approximately \$43M<sup>1</sup>, upwards of \$8.6M of the RPTTF and any other eligible funding source should be dedicated to the Affordable Housing Preservation Fund:

- Neil Good Day Center Fund Operations (\$850,000) and improvements, including outdoor sink, staff room, shade sails, security cameras, women's restroom, and erosion control

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## Infrastructure

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My priorities reflect identified projects that have not yet been funded, partially funded projects, and emerging needs as improvements age out.

### Community Specific Projects

- Reprogram the traffic signals at Genesee Avenue and Governor Drive to include a Leading Pedestrian Interval (LPI). Also, install LED "No Right Turn on Red" signs and tie to the crosswalk buttons and illuminated during the LPI (\$28,000)
- Connect Del Mar Mesa community to the existing recycled water/purple pipe at Carmel Country Road and Del Mar Mesa Road, including water meters and a circulation loop connecting at Carmel Mountain Road for redundancy
- Replace the sidewalk in Scripps Park adjacent to Coast Boulevard and widen to 12'.
- Resurface pathway and rebuild seawall at La Jolla Shores Boardwalk (aka La Vereda)
- Rehabilitate Children's Pool seawall, beach access stair/retaining wall, adding ADA access (pending completion of feasibility study)
- Add steps at the bottom of staircase to Cove Beach
- Extend railing along boardwalk at Point La Jolla (Coastal Commission recommendation)
- Install Torrey Pines Road Pedestrian Hybrid Beacon (B20146)
- Install roundabouts: Foothill Blvd at Vickie Drive, Foothill Boulevard at Tourmaline Street, and Foothill Boulevard at Opal Street
- Install Pedestrian Beacons at Soledad Mountain Road at Kate Session's Park Drive, and Ingraham at Fortuna Avenue.
- Repair seawall from South Mission Beach to Crystal Pier
- Install traffic signal at Del Mar Heights Road and Mercado Drive (CIP B22046, additional \$315,000 to address increase in construction costs)
- Construct McGonigle Canyon Park (fully funded through FBA)
- Extend Village Center Loop Road to Carmel Valley Road (partial funding available through FBA)
- Implement roundabout at Carmel Mountain Road at Carmel Country Road (CIP B21102 fully funded through FBA)

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<sup>1</sup> IBA Review of FY 2023 Proposed Budget, April 2022.

- **Road Re-Paving Projects**

- Del Mar Heights Road between Carmel Country Road and Landsdale Road; especially in front of Torrey Pines High School
- High Bluff Drive between Del Mar Heights Road and El Camino Real
- Carmel Creek Road between Carmel Country Road and SR-56
- Neptune Place from Nautilus Street to Palomar Avenue with concrete, widen sidewalk, and add bike lanes (pending completion of funded design study)
- Mission Boulevard from Loring to Chalcedony
- Grand Avenue from Rose Creek to Mission Bay Drive

### Climate Action Plan Implementation

The 2022 update of our Climate Action Plan requires infrastructure targeted to meet the Plan's ambitious goals. That infrastructure cuts across multiple departments. As **outside one-time and sustainable funding can be secured**, consideration should be given to the following programs.

- **Continued and Expanded Safe Biking Facilities**
  - Expand existing Quick Build Program to purchase additional materials and expand network (\$2,700,000)
  - Close critical bikeway network gaps with out-of-cycle resurfacing (\$2,000,000)
  - Fix San Diego's most dangerous intersections, continuing work initiated through the Systemic Safety Analysis Report Program (\$2,100,000)
  - Study lowering speed limits on Vision Zero corridors using AB 43 (\$50,000)
  - Update the Bicycle Master Plan (\$500,000)
  - Install physical protection for all new full-build Class IV bikeways (\$50,000 to \$200,000 per mile)
- **Continue Integrated Water Management Implementation and conduct stormwater harvesting analysis leading to stormwater capture, greywater reuse, and updated building standards**
- **Restore salt marsh land, tidal wetlands, and riparian habitats**  
Initiate planning and permitting for a 220-acre wetland restoration project in the northeast corner of Mission Bay to help meet our 2035 goal of 700 acres of new wetlands

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### **Prioritizing District 1 Neighborhood Issues**

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Solving neighborhood issues often falls within the annual workplans of City departments. I request the following issues be prioritized in Departmental workplans to maximize existing resources as we fully staff those departments and resolve supply chain issues.

### Planning Department

- Update and amend the Del Mar Mesa Specific Plan
  - Reclassify the Camino Santa Fe (Little McGonigle Ranch Road) 2 Lane Collector to the proposed Emergency Access Road and Public Trails Project connecting Carmel Valley Road with Del Mar Mesa which can be used by Fire Station 47 to access the Del Mar Mesa community and meet recommended response times
  - Reclassify portions of Carmel Mountain Road from a Modified Local Collector to a Local Collector.
- Amend La Jolla Community Plan and/or Planned District Ordinance to include
  - An updated Landscape and Street Tree Plan
  - An updated La Jolla Transportation Safety and Traffic Calming Plan

### Transportation Department

- Repair and/or replace streetlights throughout District 1 for public safety and to reach Vision Zero goals
- On the Del Mar Mesa segment of Carmel Mountain Road restripe to eliminate the center turn lane, add sharrows and trailhead on-street parking, and reduce posted speed limit.
- Update the traffic evaluation of the La Jolla Parkway/Torrey Pines Road intersection (aka the "Throat") and surrounding streets, re-synchronize the traffic signals, and implement surface improvements
- Repair and replace existing stop signs and crosswalks in La Jolla Shores
- Provide periodic weed removal on Torrey Pines Road medians and trash removal on La Jolla Parkway
- Repair streetlights on: Rose Creek Trail; Hornblend Street from Mission Boulevard to Ingraham Street; and along Felspar Street
- Complete Pacific Beach Pathways Phase 3, including the connection at Olney Street to the Campland entrance, the Cass Street component between Tourmaline Street and Pacific Beach Drive, and connection at Diamond, Fanuel and Reed Streets
- Install community bike racks at Garnet Ave, Cass Street, and Grand Ave
- Install continental crosswalks at Garnet Avenue where it intersects with Haines Street, Ingraham Street, and Jewell Street

### Park & Recreation Department

- Increase cleaning and sanitation of La Jolla Shores comfort stations
- Add trash, recycling, and organic bins at all shoreline parks and increase collection frequency
- Increase security and code enforcement of overnight parking and habitation at Kellogg Park and parking enforcement along Coast Boulevard
- Cliffridge Park Playground improvements
- Reimburse the Torrey Hills Maintenance Assessment District for the Torrey Pine trees that were cut down by the Breakthrough development project
- Add pickleball courts at existing city parks and recreation centers

**Miscellaneous**

- Install Pacific Beach “entrance signs” at the Ingraham Street Bridge and southbound La Jolla Boulevard.
- Support Placemaking around Pacific Beach schools and parks

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**Worthy Programs to be Funded by Sustainable Outside Sources and/or Grants**

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- **Library Foundation:**
  - Increase materials budget by \$250,000
  - Invest \$602,000 to ensure every branch has a full time Youth Service Librarian
  - Invest \$500,000 to create a library maintenance budget
  - Increase the library matching fund by \$200,000 to \$1.4M
- **Child Care Facilities**  
Take action to be “shovel-ready” and eligible to apply for the State’s Child Care and Development Infrastructure Grant Program for childcare facilities.

Thank you, Mr. Independent Budget Analyst for your time and attention.

cc: Mayor Todd Gloria  
Chief Operating Officer Eric Dargan  
Chief Financial Officer Matt Vespi