



**OFFICE OF COUNCIL PRESIDENT TODD GLORIA  
COUNCIL DISTRICT THREE**

**M E M O R A N D U M**

DATE: January 17, 2014  
TO: Andrea Tevlin, Independent Budget Analyst  
FROM: Council President Todd Gloria, Third Council District *Todd Gloria*  
SUBJECT: Council District Three Budget Priorities for Fiscal Year 2015

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The following items are my priorities for the FY 2015 City budget. I offer these recommendations with fiscal constraint in mind as we continue to maintain and protect core City services, while developing long term solutions to address our financial obligations and strengthen the City's fiscal integrity. I further offer these recommendations while advocating for continued reforms that will result in efficiencies, improved quality of life, taxpayer savings, and economic growth. These budget priorities are in line with my priorities established in past years, which champion Public Safety, Neighborhood Services, Job Creation/Economic Development, Homeless Prevention, and Responsible Governance.

**FY 2015 BUDGET PRIORITIES**

**PUBLIC SAFETY: POLICE, FIRE-RESCUE, INFRASTRUCTURE, CODE COMPLIANCE, ETC.**

Public safety must always be the City's top priority. I support a budget with increased investments in our public safety professionals who perform tremendous services daily. I further support a budget with a focus on long-term investments to address the City's deteriorating infrastructure, which continues to be our greatest challenge.

- **Police.** The Police Department's Five-Year Plan (FY 2014 – FY 2018) was approved by City Council on November 5, 2013 as a framework to begin the process of rebuilding the Department in the areas most impacted by past budget reductions. The plan includes \$66 million of both personnel and equipment needs over five years, including 142 sworn positions and 96 civilian positions. Our public safety plans are the most important of the City's multi-year needs assessments. However, given the projected deficit in next year's budget, difficult decisions must be made and incremental progress toward the goals laid out in this plan will necessary. Though full implementation is likely fiscally unfeasible in five years, I support a budget which incrementally adds sworn and civilian positions each year, making progress toward these targets. It is critical that any new positions added are also supported with correlating funding levels for new recruit equipment and vehicles.

Additionally, annual maintenance costs to support the replacement of the Computer Aided Dispatch (CAD) system will be necessary beginning in FY 16. I support the inclusion of these essential costs in future year's budgets.

- **Fire-Rescue.** We have learned painful lessons from the tragic wildfires and the decommissioning of fire engines and must invest as much as we can in fire prevention and fighting resources. In particular, new fire stations are necessary to reduce delays and service deficiencies in response to fire emergencies in the City. I support the construction of the three new fire stations identified for funding in the Deferred Capital Bond Three. Additional funding for personnel and non-personnel operating expenditures will be necessary to support these new facilities. I support a budget that includes these additional operating expenses, estimated at \$3,621,637 in FY 15.
- **Infrastructure.** Improving the city's infrastructure will continue to be one of my top priorities in FY 15. San Diegans are tired of driving over potholes and tripping over sidewalks, and smooth roads and reliable sewer and water pipelines are critical public safety issues. The Council's passage of Deferred Capital Bond Three is another step in the right direction, and I continue to support our long-term deferred capital projects bond program. I urge the public to provide input on what infrastructure improvements make sense for San Diego through our ongoing community workshops as we develop the City's first Multi-Year Infrastructure Plan. The City's sidewalk assessment, now underway, will also provide an unprecedented evaluation of the conditions we are facing. These condition assessments provide thorough and cost-effective analyses of building and other infrastructure conditions, assist in prioritizing projects, and help us to develop funding plans for all infrastructure needs. I support the continued allocation of one-time resources to perform condition assessments.

These focused investments and systemic reform will take us one step closer to achieving a sustainable capital infrastructure and maintenance program so that the City no longer falls behind in caring for its assets. Councilmember Kersey has done an excellent job leading this charge through his Chairmanship of the Infrastructure Committee. I look forward to continuing to work with and support him in this role. To remain economically competitive, we must also continue to work together to develop a comprehensive long term solution for how we will pay for the remaining infrastructure upgrades. I look forward to working with my Council colleagues on this agenda in the year ahead.

- **Neighborhood Code Compliance.** The Neighborhood Code Compliance Division of the Development Services Department administers programs designed to protect the public's health, safety, welfare, and property value through enforcement of the City's ordinances and State/Federal laws relating to land use, zoning, housing, noise, public nuisances, graffiti abatement, and vegetation/fire hazard abatement. For too long, the staffing levels in the Division have been dismal and enforcement priorities have been adjusted downward to keep pace, particularly in enforcing conditional use permits. I ask that the resource capacity of the department be analyzed and considered for additional funding in FY 15. I also recommend that staff reestablish a working group to update noise regulations in urban areas, which continues to be an issue in my District.

#### **NEIGHBORHOOD SERVICES: LIBRARIES, PARKS AND RECREATION, ETC.**

The coming year's budget must prioritize critical services that are key to quality of life, especially in older, urban areas of the City. The public has indicated they will no longer accept reduced levels of neighborhood services. The FY 15 budget should seek to restore and improve the current levels of these critical community services to citizens, and there should be absolutely be no reduction of hours or personnel at parks and recreation centers or libraries.

- **Libraries.** It is clear that the public highly values these facilities. I would support a budget that increases Central Library operating hours by three, bringing the total to 52 hours per week, and increases Branch Library operating hours by four, to reach a core library schedule of 48 hours per week. This includes an additional \$1,707,941 in personnel expenses per year. Service levels at libraries can also be improved by filling vacancies in a timely manner. Finally, I recommend funding for additional electronic resources.

- **Parks and Recreation Centers.** There are numerous community benefits created by parks and recreation centers. They make communities desirable places to live, work, play, and visit, thereby contributing to the ongoing economic vitality of communities throughout our country. The programming promotes healthy lifestyles, deters crime, and helps our youth develop into contributing members of our communities; and the greenways and open spaces are critical components to protecting and preserving our natural environment. For these reasons, I would support a budget that increased operating hours at the City's recreation centers. Service levels at recreation centers can also be enhanced by immediately filling vacancies. I request that the department be fully staffed and resourced at its budgeted levels in FY 15.
- **Urban Forestry Program/Citywide Tree Maintenance.** Over the years, as the City faced budget woes, trimming of trees in the public right of way was one of the services eliminated. This has proven to be problematic, and often, a public safety matter in my Council District. Recommendations for a Citywide Urban Forestry Program and funding for uniform maintenance of trees on public property should be included in the FY 15 budget. This includes an Urban Forestry Coordinator position, requiring about \$150,000 in personnel and related non-personnel expenses, and an additional \$100,000 for Citywide tree maintenance.

**JOB CREATION AND ECONOMIC DEVELOPMENT: REDEVELOPMENT, LAND USE, AFFORDABLE HOUSING**

- **Redevelopment and Civic San Diego.** The City continues to face fiscal challenges as a result of the dissolution and unwinding of the City's Redevelopment Agency, and the City has lost a dedicated funding source for neighborhood investment, blight removal, and revitalization. I encourage the City Council to approve the corresponding amendment to the Civic San Diego Consulting agreement, which will allow them to continue the work of the former Redevelopment Agency, expand economic development opportunities throughout the City, and support future applications for Federal New Market Tax Credits and other innovative financing sources. I also encourage granting Civic San Diego additional one-time resources for long range planning and community outreach, as well as \$75,000 for an adaptive reuse study for the old library to ensure that we bring this building back to a useful life for the community and re-activate the block.
- **Community Plan Updates.** I would support a budget that recommends continued funding for the updating of community plans. These plans serve as community-specific "Land Use Constitutions" and establish the vision for long-term growth. As we continue to grapple with the elimination of redevelopment agencies, this is a wise investment to keep these plans updated in order to attract investment and appropriate infrastructure and development to our neighborhoods. Specifically, this includes the addition of \$2,786,243 in contractual expenditures to fund the completion of the Uptown, North Park, Golden Hill, and Otay Mesa Community Plan Updates and Grantville Community Plan Amendment; the continuation of the Mission Valley update; and initiation of the next plan updates.
- **Public Facilities Financing Plans.** The City's Capital Improvements Program hinges on effective Public Facilities Financing Plans (PFFP). I request that updated PFFPs be brought forward for Council consideration in advance of the release of the FY 15 budget. For example, the Mid-City PFFP update was completed approximately four years ago. The City adopted the FY 2010 budget without first adopting the new PFFP, and we adopted the FY 14 budget also without benefit of the new PFFP. I am pleased that progress is now underway to update the Mid City PFFP, and this update is expected to come to Council in the coming months. Approval of these plan updates could result in additional revenue for the Facilities Financing Division and also increase their reimbursement of administrative expenses from Development Impact Fees.
- **Affordable Housing/Infrastructure Financing Districts/Special Assessment Districts.** With the State's elimination of redevelopment, it is necessary now, more than ever, to continue to

explore new, additional or enhanced sources of funding for the preservation and development of affordable housing and neighborhood infrastructure. I applaud the Council's approval of the Workforce Housing Offset update this past December. Governor Brown's Proposed FY 15 Budget proposes expanding Infrastructure Financing Districts (IFDs) as a potential source of funding for affordable housing. Similar to former redevelopment law, IFDs use tax increment financing to fund neighborhood infrastructure, facilities, and transportation projects. The City should fund an adequate level of resources to assist individual neighborhoods in the formation of IFDs and special assessment districts, and position San Diego to leverage the potential expansion of this program.

### **HOMELESS PREVENTION**

A year ago, I set the goal of ending homelessness in Downtown by the end of 2016. In addition to the direct benefit of helping individuals break the cycle of homelessness, investing in solutions has positive impacts for the City and saves taxpayer dollars. Without these critical homeless programs and services, we will continue to see an increase in the need for law enforcement, emergency services, and Neighborhood Code Compliance activities.

Consistent with the Memorandum of Understanding between the City of San Diego and the San Diego Housing Commission for the Provision of Homeless Services, funding for the Neil Good Day Center, the Veterans Shelter Program, Cortez Hill Family Center and the annual contribution to PATH Connections Housing should continue through the CDBG Program in an amount not to exceed \$1,318,078. Note that these discretionary funds no longer fund the Single Adult Emergency Shelter.

The FY 14 Budget committed an additional \$1.9 million from the General Fund to extend operations of both winter shelter programs. I recommend allocating the same level of General Funds for homeless services in the FY 15 budget, but directing these funds toward outcomes-focused services and critical program enhancements that result in the most effective use of our resources and a coordinated system to help end homelessness. I recommend that this FY 15 \$1.9 million allocation include:

- **Enhanced Single Adult Winter Shelter and Veterans Winter Shelter.** An investment of \$800,000 for an enhanced winter shelter program would enable shelter operators to improve the assessment and case management services offered and partner closely with the existing integrated homeless outreach efforts, increasing opportunities for homeless San Diegans residing at the shelters to be placed in more stable and permanent housing so we can end the cycle of homelessness for many neighbors while the shelters are open. Anticipated outcomes from this investment should be tracked and evaluated throughout the year to ensure its success. This allocation would fully fund an enhanced Single Adult Winter Shelter, which does not have any funding currently identified, and augment CDBG funding for the Veterans Winter Shelter, from November through March 31<sup>st</sup> during the coldest and wettest months of the year.
- **Homeless Management Information System (HMIS).** A one-time investment of \$400,000 would provide funding to support the Regional Continuum of Care's creation of a coordinated intake and assessment system, applicable to all organizations throughout the City and region and addressing the needs of our critical homeless housing and services programs. This is currently an unfunded federal mandate, and is a critical step in delivering coordinated and efficient services to homeless individuals, and identifying what our needs are and where to spend our limited resources. Furthermore, investing in this system is essential to bringing nearly \$16 million in federal funds from the U.S. Department of Housing and Urban Development to the City and County of San Diego every year for homeless programs and services. Because the HMIS serves the entire San Diego region, the City should also approach the County of San Diego for matching investment funds.

- **Serial Inebriate Program (SIP) Expansion.** Established in January 2000, SIP has positively impacted hundreds of chronic, homeless alcoholics who cycle in and out of detoxification centers, county jail, and local emergency rooms. By providing intensive case management and access to housing, clients are able to improve their well-being and achieve long-term recovery. Since 2007, SIP's budget has been cut 34 percent, or \$27,295, inhibiting its ability to operate at full capacity. At the same time, the economic recovery in the housing market is causing rents to increase thereby shortening the lifespan of the housing subsidies provided to SIP clients. An allocation of \$120,000 would restore SIP to its pre-reduction funding levels and nearly triple the number of individuals capable of being served, making an additional 20 units/beds available for SIP participants (raising the total SIP supported units/bed to 32).
- **Neil Good Day Center Service Enhancement.** Currently, the Neil Good Day Center provides homeless individuals access to showers, mail services, computers, medical care and case management. In addition, the Neil Good Day Center serves as a point-of-entry to San Diego's full array of homeless services. An additional \$80,000 would enhance the services that the Neil Good Day Center offers, including targeted case management that increases opportunities to connect homeless
- **Homeless Outreach Team Enhancement.** An allocation of \$40,000 to link the San Diego Police Department's Homeless Outreach Team's (HOT) efforts with local housing and service providers would enhance the street outreach and engagement services that HOT currently provides to homeless individuals. With this additional funding, each HOT rotation would include alternating members of the provider community. Together, the combined knowledge of police officers assigned to HOT and service providers would be a great asset for engaging homeless individuals and linking them with appropriate resources. SDHC would work with participating providers to set aside housing inventories for eligible homeless individuals encountered by HOT officers while they are on patrol.
- **Homeless Transitional Storage Facility.** Currently operated by Girls Think Tank, this storage facility provides a place for 350 homeless families and individuals to safely store their personal belongings. For the previous two years, the facility has been sustained with private contributions and funds allocated by the City Council. During this time, Girls Think Tank has worked diligently to locate a permanent home for the facility but has been unsuccessful. With the generous help of community partners such as Father Joe's Villages, the facility has been operating free-of-charge in a downtown San Diego parking lot. This is neither an ideal nor a permanent solution. Allocating \$150,000 per year would fully fund the facility's annual operating budget, including relocation funds to rent interior property.
- **Connections Housing Downtown Gap Funding.** In its first year in operation, Connections Housing Downtown has become an essential component of the City of San Diego's homeless services. More than 500 homeless individuals have been positively impacted since the center's grand opening in March 2013. After recognizing the higher level of services the building's residents required, the intensive services budget was implemented immediately, resulting in a budget gap of \$400,000. A commitment of \$300,000 per year will help ensure PATH's continued success and provision of essential services, and development partners will continue to pursue private fundraising and public grants to fill the remaining gap in operating funds.

#### **RESPONSIBLE GOVERNANCE**

- **City Reserve Policy.** This year, the Budget & Government Efficiency Committee will consider an update to the Reserve Policy for the City, reexamining goals for allocations to reserve accounts in order to ensure that emergencies and unanticipated economic circumstances, particularly State and Federal budget impacts, will not pose insurmountable challenges. We must rigorously adhere to these goals for providing "rainy day" protection for the City. In particular, this update

will also lay out a process for the utilization of reserve funds when a level is reached in excess of our established goals.

- **General Fund User Fee Policy.** In 2009, the City Council adopted a comprehensive General Fund User Fee Policy to assist with determining the appropriate level of user fees for services and related cost-recovery revenues. The Policy was intended to require a fee review and adjustment process as part of the City's annual budget process. I urge the incoming Mayor to adhere to this practice. Annual inflationary or other technical adjustments to fees should be considered each year as part of the budget process. The City must achieve 100% cost recovery for programs and services that are intended to be fully cost recoverable through fees.
- **Compliance with Mandates, Best Practices and Policies.** This year, the City has continued to find it is unable to meet its responsibilities to monitor, audit, and review its activities and programs due to a lack of sufficient staffing. We must provide sufficient funds for staffing for such activities as program compliance, maintaining prudent internal controls on financial transactions, ensuring equal opportunity in our contracting program, and complying with the requirements of state and federally funded programs.

In particular, since inception, the **Living Wage Ordinance (LWO) Program** has not been optimally staffed, and efficient administration of the proposed program amendment requires expanded monitoring. Adequate staffing for the LWO Program should include addition of a Program Manager and a Senior Management Analyst at a fully loaded cost of \$230,000. Some cost recovery may be achieved through assessment and collection of fines for violations, however, such monies must be deposited in the General Fund and cannot provide direct support for LWO Program staffing.

- **Transparency, Reform, and Efficiencies.** The incoming Mayor and City Council must continue to examine departments for greater efficiency and innovation. Examples include the continued streamlining of Capital Improvements Program to complete projects at a quicker pace, diversify the workforce and increase City staff capacity, the implementation of Labor Management Committees and Business Process Reengineering to achieve immediate efficiencies and taxpayer savings. I also support and encourage efforts to make the City's website more business and user friendly.
- **Fill Existing, Already Budgeted Vacancies.** We must provide adequate workforce and staffing levels as necessary to meet our obligations and deliver core City services. For the first time, the FY 2014 First Quarter Budget Monitoring Report provided a list of current vacant budgeted positions for General Fund Departments and non-general funds. The City must aggressively fill these identified vacancies and find efficiencies in the recruitment process to ensure that the workforce is staffed at budgeted levels. Proper staffing will result in higher quality service delivery and overall performance.
- **Five-Year Financial Outlook.** The additional detail that was made available in this year's Five-Year Financial Outlook has allowed this Council to better assert its role and encouraged increased public input in the budget process. The report is much more user friendly, comprehensive, and transparent, in an effort to assist us in making the educated spending decisions necessary for implementing a balanced budget. I encourage this same level of detail to be included in the Outlook in future years, and support the continued enhancement of this document as a tool for long-term fiscal planning.

#### **OTHER ISSUES FOR CONSIDERATION**

- **2015 Balboa Park Centennial.** In previous years, Transient Occupancy Tax funding in the amount of \$150,000 has been identified to assist in the planning effort for the 2015 Centennial Celebration in Balboa Park. At a minimum, the same level of funding should be included in FY 15

and FY 16 for the planning and implementation of this celebration, in addition to any remaining unused funds from FY 14. The funds should be deposited into the Major Events Revolving Fund so that it may be used to cover permitting costs and other City expenses for the Celebration.

- **Climate Action Plan.** The City is currently in the process of updating our Climate Action Plan with new goals, strategies and actions that put us on the path of achieving carbon neutrality and preparing for the impacts of a changing climate. In order to begin our implementation measures for climate protection, we need Citywide coordination, cross-functioning and planning among City departments, as well as our regional and community partners. Based on current staff analysis, at least 3 full-time equivalent (FTE) staffers (Climate Protection and Preparedness Coordinators/Policy Advisors) will be necessary over the next two years to steer this initiative forward and prepare our annual monitoring reports to track our success. This includes the addition of one Program Manager in the Office of the Mayor in FY 15 at a fully loaded cost of \$122,210 per year, and the addition of one Associate Planner and one Associate Management Analyst in the Environmental Services Department in FY 16 at a combined fully loaded cost of \$188,157 per year.
- **Purchasing and Contracting Department Staffing and Resources.** The Purchasing and Contracting Department interacts as a customer service department to the City and vendors. The department ensures the competitive process is utilized for best price and highest quality while conforming to purchasing regulations. The Department must be properly staffed and resourced in the FY 15 budget so it may provide for efficient and orderly administration of all purchasing and contracting activities. In addition, I encourage the Department's ongoing efforts to find efficiencies within existing operations and look forward to monitoring this progress at the Budget & Government Efficiency Committee in 2014.
- **Encourage Corporate Sponsorships and Public-Private Partnerships.** The City should continue to explore innovative ways and revisit existing codes and policies in order to encourage the private industry to partner with the City. These Partnerships are sure to benefit our taxpayers and strengthen our General Fund.

In addition to Council District Three Budget Priorities, I support the Deferred Capital Bond Three project list approved by City Council. I have attached my Project Recommendations for Deferred Capital Bond Three. For projects not included in this round of bond financing, I offer these recommendations for priority in the CIP budget and future financing opportunities, as well as the Starlight Bowl, which is in critical need of repair and rehabilitation. These projects would provide improvements for the neighborhoods I represent.

Thank you for your guidance in consolidating our priorities. This process will once again ensure that Council asserts its role early on, resulting in a more collaborative, better informed and more effective budget process. I look forward to working with you, the management team, and our neighbors to develop a balanced budget for Fiscal Year 2015, and I urge us all to consider these critical issues as we consider policy commitments throughout the year.

TG:jl

Attachments:

1. Project Recommendations for Deferred Capital Bond Three;  
<http://www.sandiego.gov/citycouncil/cd3/pdf/news/2013/memo130517.pdf>