






COUNCILMEMBER CHRISTOPHER WARD
COUNCILMEMBER DAVID ALVAREZ
COUNCILMEMBER GEORGETTE GÓMEZ

M E M O R A N D U M

DATE: May 22, 2017

TO: Andrea Tevlin, Independent Budget Analyst

FROM: Councilmember Christopher Ward, Third Council District 
Councilmember David Alvarez, Eighth Council District 
Councilmember Georgette Gómez, Ninth Council District 

SUBJECT: **Final Budget Priorities and Revisions to the Fiscal Year 2018 Budget**

This memorandum contains our joint priorities for the Fiscal Year 2018 budget, which align with our commitment to create a San Diego where all people can achieve their full potential. In recent weeks, hundreds of San Diegans have attended Budget Review Committee hearings to voice their fervent support for civic priorities such as critical public safety and neighborhood services. The following are our final priorities for funding:

PUBLIC SAFETY

- **Police Department Recruitment and Retention:** Public safety remains our highest budget priority. The City must continue to prioritize the recruitment and retention of police officers. Although the May Revise allocated funding towards a retention study, significant resources have not been allocated to curb attrition rates during FY18, when officer staffing levels may fall below 1,800. As such, in FY18, the City should appropriate sufficient funding to prevent continued attrition and ensure minimum staffing levels are met throughout the duration of FY18. This one-time cost of accelerating step pay increases for roughly 175 new officers would provide a retention incentive without creating a significant structural cost

long-term. This funding could be used for this purpose or any retention strategy mutually agreed upon through the appropriate negotiation process. *Approximate cost: \$3.9 million.*

- **Police Department Minimum Staffing:** The City must implement a temporary stop-gap measure, including but not limited to additional overtime, to maintain SDPD minimum staffing levels 24 hours a day, seven days a week. *Approximate cost: \$3.0 million.*
- **Community Oriented Policing:** We encourage the Mayor and City Council to invest in a community policing philosophy and program that promotes organizational strategies, partnerships, and problem solving techniques between law enforcement, citizens, and neighborhood groups, to proactively address the immediate conditions that may otherwise give rise to public safety issues, such as crime, social disorder and fear of crime. It is imperative that the Police Department present a community-policing restoration plan to ensure a robust community policing strategy. Specifically, we request that additional Community Relations Officers and multi-lingual Police Officers/Police Service Officers be added as the Police Department continues to rebuild.
- **Homeless Outreach Team Expansion:** We request additional funding to expand the HOT team to 24 hours a day, seven days a week. This an effective health and safety outreach program which provides critical services to the homeless living on the streets. Expansion of this program would allow for the HOT team to service multiple areas of the City simultaneously. *Approximate cost: \$700,000.*
- **Rape Kit Test Backlog:** There is an estimated backlog of nearly 3,000 rape kits that have yet to be sent to the SDPD crime lab for testing. Analysis of such tests would not only help solve reported crimes, but would also provide key information to cold cases in other jurisdictions. We request funding to begin addressing some of this backlog. *Approximate initial cost: \$500,000.*
- **Implementation of the Racial and Identity Profiling Act (AB 953):** The regulations for this statewide legislation will be finalized imminently. The PS&LN Committee requested that San Diego Police Department (SDPD) implement AB 953 once the regulations were completed and bring information about what it would cost to do so. To best prepare SDPD for this shift in regulations, we recommend making an allocation for personnel, training, and management of this priority. *Approximate cost: \$200,000.*
- **Police Chief Recruitment Outreach Process:** We applaud the May Revise addition of \$100,000 for Police Chief Recruitment Services and we request that the use of these funds include support for both a nation-wide recruitment efforts, as well as a robust local community outreach process to solicit public input on the desired qualifications for the new Police Chief.
- **Fire-Rescue Department Resource Access Program:** The San Diego EMS Resource Access Program (RAP) is a paramedic-based surveillance and case management system that intercepts high EMS users. RAP seeks to reduce dependence on EMS and acute care services

by linking the individual with appropriate resources for their underlying medical, mental health, and social needs. RAP is coordinated by a San Diego Fire-Rescue paramedic who works under the direction of Dr. James Dunford, EMS Medical Director for the City of San Diego. Currently, there are no community paramedics dedicated for this program. Since its inception, RAP has saved taxpayers approximately \$2 million diverted public health costs. We request the addition of 4.0 FTE Community Paramedics for this program. *Approximate cost: \$380,000.*

NEIGHBORHOOD SERVICES

- **Code Compliance Officers:** The Development Services Department's Neighborhood Code Compliance Division provides significant value to neighborhoods by enforcing our municipal code and protecting the public from a variety of health and safety violations. Our districts contain some of the oldest neighborhoods in the City, which rely on code enforcement to mitigate such nuisances as illegal business operations, high occupancy housing issues, short term vacation rentals, noise generators, accumulation of materials in yards, and unsafe and unsanitary housing conditions. We request the restoration of the 4.0 FTE Code Compliance Officers that were eliminated in Development Services. *Approximate cost: \$406,000. Note: This cost could be offset by corresponding revenue from short-term vacation rental permits. 5.0 FTEs are being added in the Office of the City Treasurer to support Short-Term Rental Compliance. The addition of Code Compliance Officers should be complementary.*
- **Library Programming:** In the FY18 proposal, the Library's \$500,000 programming budget was eliminated. This item serves as a tool to ensure equity across the Library system by helping to sustain programming for branches in underserved and less affluent neighborhoods, which don't have access to private support. While we applaud the Mayor for restoring \$100,000 of the programming budget, it is not enough. We request the restoration of the Library programming budget to ensure greater equity in our communities. *Approximate cost: \$400,000.*
- **Penny for the Arts:** Currently, the Mayor's 5-year Outlook shows 6.60% of projected TOT revenue budgeted to support the Penny for the Arts Blueprint, falling short of the Blueprint's stated 9.5% goal for FY18 and down nearly 15% from the FY17 adopted budget. This means that for the next five years, Arts and Culture funding will continue to be millions of dollars short of the Blueprint's commitment. The FY18 proposed budget cut funding for arts programs by approximately 31%. The May Revise partially restored funding for arts and culture programs, but still falls far short of the Blueprint goal for FY18. Although our preference would be for the Blueprint goal to be met, it is imperative that at the very least, arts programs be funded at the same level (\$15.1M) as FY17. *Approximate cost: \$2.3 million.*

- **Expansion and Improvements to “Get It Done” Application:** The City should seek improved coordination and expansion opportunities for its primary customer service (pilot) application “Get It Done”. *Approximate cost: \$500,000.*

INFRASTRUCTURE & SUSTAINABILITY

- **Storm Water Channel and Storm Drain Maintenance:** The City has engaged in an effort to enhance the maintenance of its storm water channels and storm drains to ensure that life and property are protected during the winter storm season. Much of the work performed in the last 18 months by the department has been through emergency permitting. In order to avoid the need to do last minute emergency permits to prevent flooding, the City should continue funding our storm water channel and storm drain maintenance program at an enhanced level that proactively addresses high flood risk locations in FY18 and beyond. The proposed FY18 budget cut funding for the Master Maintenance Program and services related to “Channel and Environmental Permitting Services.” These items should be fully funded to ensure the City stays on an aggressive path to keep storm drains and channels properly maintained. *Approximate cost: \$1.4 million.*
- **Chollas Creek Master Plan Restoration and Active Transportation Improvement Project:** Chollas Creek is a significant asset that traverses the City Heights, Eastern, Encanto, Southeastern San Diego, and Barrio Logan communities. Planning work has been completed as part of the 2015 Southeastern and Encanto Community Plans; Chollas Triangle Plan amendment; Southcrest Trails Park General Development Plan; and improvements from private development projects along the creek that implement the 2002 Chollas Creek Enhancement Plan. The total cost of the Master Plan is estimated to be \$1.0 million based on the costs of the San Diego River Park Master Plan/CEQA document. However, Park Planning staff reports that the Master Plan could be funded in phases over a three year time period. Chollas Creek as a Regional Park requires work to begin on the Master Plan. *Approximate cost of Phase I: \$500,000. Note: Funding could also come from the \$13.6 million lump sum paid to the City from the County of San Diego in FY17 for the annexation of property adjacent to Chollas Creek in Mt. Hope. If funds can’t be identified, we respectfully request that Planning Department staff seek grant funding for this project.*
- **Shade Tree Trimming (Transportation & Storm Water):** Tree trimming services were reduced in the Transportation & Storm Water department by \$881,746. This would significantly reduce the number of trees trimmed in FY18 from 25,000 to 12,000. This creates liability issues that would potentially burden the City in the future. Further, with the addition of a \$100,000 tree planting contract added in the May Revise, it is especially important to contribute funding to maintain our urban canopy. We request the restoration of the tree trimming budget, which includes adequate staffing to implement the Phase 1 actions of the Urban Forest Management Plan. *Approximate cost: \$880,000.*

- **Tree Trimming & Pool Maintenance (Park & Recreation):** The Park & Recreation Budget has a reduction to tree trimming and pool maintenance services in the amount of \$268,000. This reduction would decrease the frequency of trimming trees 70 feet or higher to an as-needed or emergency-only basis. This poses liability issues that would potentially burden the City in the future. We encourage the restoration of this line item to protect the City from risk, preserve neighborhood service levels, and maintain our urban canopy. *Approximate cost: \$250,000.*
- **Climate Action Plan Five-Year Implementation Plan:** Our Climate Action Plan is a landmark policy that requires effort and collaboration between multiple City departments to achieve greenhouse emissions reduction targets of 15% by 2020 and 50% by 2035. This is the most ambitious climate plan in California and a model for our region. We request that the Independent Budget Analyst prepare a five-year implementation plan with associated costs to ensure that the City is on track to achieving our goals.
- **Community Choice Energy (CCE) Program:** We request funding for the next phase of development of a Community Choice Energy program. This would include a study and accompanying business plan that will allow the City to explore and potentially implement a CCE in Phase II of the Climate Action Plan. Moving in the direction of providing CCE would benefit San Diegans by providing more clean energy. *Approximate cost: \$200,000.*
- **Upcoming Infrastructure/Commercial Paper/DC4 Bond:** The projects listed in *Addendum A* are our high priority community needs for the FY18 budget. Consideration should be provided to those projects eligible for upcoming funding opportunities. In addition to the short-term funding strategies being contemplated, the Mayor and City Council must work to identify a comprehensive infrastructure investment plan. Without a sustainable new revenue source to address our infrastructure needs, San Diego's streets, sidewalks, and public buildings will continue to deteriorate.
- **Use of Regional Water Quality Control Board (RWQCB) Penalty for Tijuana River Valley Restoration Projects:** \$1.6 million has been allocated for four restoration projects. \$682,932 has been allocated to develop systems to identify and prioritize impaired waterways for cleanup and maintenance. A portion of this funding should be used for planning purposes that address sewage contamination and flooding in the Tijuana River Valley. *Approximate cost: \$500,000.*

OPERATIONAL NEEDS

- **Earned Sick Leave and Minimum Wage Ordinance:** City administration and enforcement of the minimum wage and earned sick leave ordinance is critical to the stability of the city's workforce and overall economy. Additionally, in a May 3, 2017 letter from California Labor Commissioner Julie Su, it is noted that in order for a Partnership Agreement to be formed for State enforcement, the City must first assign staff to the

enforcement of the minimum wage ordinance. San Diego has a mandate to take the lead in addressing it. As such, it is critical that appropriate staffing be filled immediately and additional resources be identified to ensure pro-active enforcement and compliance with the law.

- **Vacant City Attorney positions:** 5.0 FTE in the City Attorney's Office are proposed to be eliminated. These positions should be kept vacant and not eliminated to ensure adequate staffing in the City Attorney's Office in future years. Citywide Program Expenditures, which incurs the cost of outside counsel, could be utilized to offset the cost of restoring the positions.

SUGGESTED REVENUE SOURCES

While we acknowledge the City's budgetary constraints, we offer the following revenue sources to continue progress and prevent any reductions to public safety and critical neighborhood services:

- **Excess Equity:** *Available resource: \$4 million.*
- **Proposition H/Infrastructure Fund and New State Gas Tax Revenue (SB 1):** Last year, San Diego voters approved Proposition H, a ballot measure that requires the dedication of General Fund revenue growth to an Infrastructure Fund. Additionally, Proposition H included a provision that allows a one-year suspension of the requirement to allocate General Fund revenue growth to the Infrastructure Fund upon a two-thirds vote of the City Council. Since funding for non-infrastructure critical expenditures is needed, the Mayor should consider requesting City Council suspend the measure, which would allow the revenue to flow to the General Fund for other City uses. Additionally, new and unanticipated State Gas Tax revenue (SB1) is projected to provide the City with roughly \$319.0 million over ten years, starting in FY 2018. This revenue could fund the same street repair contemplated in Prop H. A one-year suspension of Prop H, in tandem with SB1 funds, would free up approximately \$9.6 million in unrestricted General Funds, in turn allowing the City to address major shortfalls in public safety and community-serving priorities, all while continuing to make the largest annual infrastructure investment of this decade. *Available resource: \$9.6 million.*
- **Implementation of City Reserve Policy:** The proposed budget includes a contribution to General Fund Reserves to hit the FY19 Reserve Policy Target of 15.25%. This pre-funding is proposed despite the City facing across-the-board cuts to every city department, including police support, arts and culture funding, code enforcement and other critical community programs. The City should not pre-fund reserves and adhere to the FY18 target as outlined the City Reserve Policy. *Available resource: \$ 10.3 million.*
- **Sale of Certain Former Redevelopment Agency Properties in Accordance with the Approved Amended and Restated Long-Range Property Management Plan:** On May 16, 2017, the City Council authorized the sale of six properties. The redevelopment dissolution laws mandate that net proceeds from the sale of these assets be transmitted to the County

Auditor for distribution to the Affected Taxing Entities in proportion to their share of general property tax revenues. Ultimately, the City of San Diego will receive an amount equal to approximately 17% of net proceeds, which would be revenue to the General Fund. *Available resource: \$1.5 million.*

- **Contracts:** The City utilizes outside contractors for a variety of services. Proposed contract expenditures in FY18 total \$240.2 million (General Fund). The City should utilize the appropriate termination clause language within each contract to renegotiate the cost of each contract. A 10% overall reduction in contracts for outside services would provide the City with \$24 million for more immediate General Fund purposes. *Available resource: \$24.0 million.*
- **Proposed TOT Tax Increase at a November 2017 Special Election:** The City Council will decide in the upcoming weeks whether or not the City should call a special election for the Mayor's TOT proposal. Should the proposal not be supported, \$5.0 million would be available for other critical needs. *Available resource: \$5.0 million.*
- **Cannabis Tax Revenue:** On November 8, 2016, the voters of San Diego approved Measure N, which established a Cannabis Business Tax (CBT) on non-medical cannabis (marijuana) businesses in the City of San Diego to raise revenue for general governmental purposes of the City, contingent upon the passage of Proposition 64, the Adult Use of Marijuana Act, which was also approved by voters on the November 2016 ballot. The fiscal impact statement prepared for Measure N estimated potential future CBT revenue of \$22 to \$35 million annually. The City Council must consider land use and business regulations expeditiously so that the industry develops responsibly and potential revenue is captured. *Available resource: per the IBA, \$2.4 - \$4.8 million.*
- **Potential Revenue from Short-Term Vacation Rentals:** The City Council must take immediate action and adopt sound policy regarding short-term vacation rentals. In doing so, the city will be better suited to track business activity and will create opportunities to generate revenue in the form of permit fees and Transient Occupancy Tax that can support code enforcement to ensure compliance of applicable laws. *Available resource: The City has an opportunity to develop a cost-recoverable STVR Code Enforcement Program.*
- **May Revision: Littering and Graffiti Abatement Pilot Program and City Treasurer Information Technology Customer Projects:** The Mayor's May Revision included two new programs without Council knowledge or public vetting. Until further information is provided regarding the necessity of these programs, we request that funding not be included in the budget. *Available resource: \$1.0 million.*

Thank you for your consideration of these priorities. This memo reflects our top priorities and will serve as the basis for our support of the budget.

ADDENDUM A

- **Aldine Dr. Road Improvements (Council District 9):** We request a storm water study to be done on Aldine Dr. to address the various traffic and storm water issues that impact the area. Poor sightlines, eroding hillsides, and occasional mudslides severely impact this road, which services nearly 22,000 trips per day. In addition to repairing and maintain the current storm drains at the area, we are requesting an initial pre design study for road improvements at the location in order to begin to implement Facilities Financing Project T-1. Based on recommendation from city staff, road improvements are needed to fully address the issue of flooding at the area during rains. The full cost to implement Project T-1: \$6,000,000. *Approximate cost: \$250,000 to conduct the storm water study and begin evaluating the project. If funding cannot be identified for this study, we respectfully request that staff apply for the FEMA Hazard Mitigation Grant program for associated costs.*
- **Baybridge Community Center Roof (Council District 8):** The Baybridge Community Center is a single story 9,890 gross square foot building located adjacent to Chicano Park. The facility was originally built in 1971 and is part of the Parks and Recreation Department. The building is in very poor condition with many pressing needs to be move-in ready for the next tenant. The current roof needs replacement and is identified as a critical need in the City's facilities assessment report. *Approximate cost: \$483,000.*
- **Clay Avenue Park (Council District 8):** This park project is part of the Southeast Mini-Parks CIP L16000. Design and construction should be accelerated. It includes play structure for ages 5-12, installation of tables and BBQ grills and ADA improvements. *Approximate cost: \$1 million.*
- **Complete Boulevard Study Phase II (Council District 9):** Construct new medians, sidewalk improvements, curb extensions, and safe crossings at the intersections of El Cajon Boulevard and Menlo Avenue, and El Cajon Boulevard and Euclid Avenue as outlined in the Complete Boulevard Study. This includes pedestrian improvements in the vicinity of Hoover High School such as enhanced paved crosswalks, new pedestrian signals, and new sidewalk. A full cost estimate is not available at this time. *Approximate cost: \$250,000 to establish CIP and begin design and construction drawings. If funding cannot be identified for this project, we respectfully request that staff apply for a grant from SANDAG's Active Transportation Program.*
- **Downtown Mobility Plan and Vision Zero Implementation (Council District 3):** The City has been working on preliminary design drawings and is developing a specific implementation plan for this project. The proposed budget does include \$2.5 million to complete this work and additional funds are available once decisions have been made about implementation strategies. We request timely execution of the design and full implementation within the three year target period. The Downtown Mobility Plan and cycle track are crucial elements to meeting the Climate Action Plan's 2020 target of 6% bicycle commuter mode share. Critical to meeting this target is the funding for both the

completion of the City's priority bike lanes on University Avenue and El Cajon Boulevard and counters to collect data on mode share activity. As the City strives for Vision Zero, a safe crossing should be constructed at the intersection of Kansas Street and El Cajon Boulevard at \$357,105. *Approximate cost: \$357,105 (additional).*

- **Egger Highlands Missing Sidewalk (Council District 8):** Installation of a missing sidewalk on the west side of Saturn Boulevard between Palm Avenue and Boundary Street. This sidewalk is located next to the mobile home park across the street of the shopping center. The scope of project would include the design and construction of the sidewalk. Design will cost approximately \$100,000 with the entire project costing approximately \$350,000.
- **Island Avenue Park (Council District 8):** This park project is part of the Southeast Mini-Parks CIP L16000. Design and construction should be accelerated and completed, including ADA improvements, playground and amenities. *Approximate cost: \$1.5 million.*
- **J Street Park (Council District 8):** This park project is part of the Southeast Mini-Parks CIP L16000. Design and construction should be accelerated and completed. ADA improvements and playground upgrade. *Approximate cost: \$1 million.*
- **Lighting (Council Districts 8 & 9):** Our communities are seriously deficient in sufficient street and parks lighting. It is imperative that we provide and repair lighting in our neighborhoods and public facilities. The following are priorities to provide and repair lighting:
 - Lighting in Gamma Mini-Park in Southcrest. If traditional lighting is not an option, consider installing solar lighting. *Approximate cost: \$250,000.*
 - Dahlia Street between Saturn Boulevard and 18th Street qualifies for three additional street lights. Their proposed locations are as followed: Dahlia Avenue west of Saturn Blvd 305' south side, Dahlia Avenue west of Saturn Blvd 105' south side, and Dahlia Avenue east of 18th Street 160' south side. *Approximate cost: \$7,500.*
- **Pedestrian/Safe Routes to School Improvement Projects (Council District 8)**
 - **Picador Boulevard and Majestic Drive Crosswalk/Rectangular Rapid Flash Beacon (RRFB):** There is a crosswalk at the intersection of Picador Boulevard and Majestic Drive, located in front of Montgomery Middle School. This crosswalk is heavily used by students and families walking to and from Montgomery Middle School. The crosswalk was recently upgraded. Among the improvements made were: converting the crosswalk to a new yellow continental crosswalk and the installation of new "slow school xing" pavement markings for northbound traffic. Furthermore, this location has qualified for the installation of Rectangular Rapid Flashing Beacon lights (RRFBs). Funding should be provided to install these much needed RRFBs. *Approximate cost: \$10,000.*

- **Richmond Street Sidewalk between Pennsylvania and Myrtle Avenues (Council District 3):** We request that funding be identified for the design of streetscape improvements and a sidewalk installation to enhance pedestrian safety in the Hillcrest/Marston Hills neighborhood. *Approximate cost: \$100,000.*

- **Tubman Joint Use Park (Council District 9):** A General Development Plan has been completed for the 1.72-acre Tubman Joint-Use Park located at 6880 Mohawk Street in the College Area Community. In order to create additional parkland in this park deficient community, a total cost of \$2.7 million is estimated to complete the project. A developer contribution of \$1,430,000 is anticipated for FY18 which will assist in funding the park. There was also a \$150,000 addition in the May Revise via Development Impact Fees. However, there is a \$250,000 funding deficit according to CIP S-13000. *Approximate cost: \$250,000.*

- **Ward Canyon Park (Council District 3):** A General Development Plan was completed for Ward Canyon Park in January 2013. The Public Works Department estimated that the project needs \$7.5 million to complete the park as designed. It was also noted that the project could may be phased, requiring \$3.9 million for the first phase. We request that the Park and Recreation Department in conjunction with the Planning Department explore grant opportunities and seek the necessary funding to complete the project. *Approximate cost: \$3,500,000.*