




**OFFICE OF COUNCILMEMBER CHRISTOPHER WARD  
THIRD COUNCIL DISTRICT**

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

DATE: January 22, 2018  
TO: Andrea Tevlin, Independent Budget Analyst  
FROM: Councilmember Christopher Ward   
SUBJECT: Budget Priorities for Fiscal Year 2019

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I look forward to working with you, San Diego residents, the Mayor and my City Council colleagues to develop a spending plan that balances fiscal responsibility with the need to make bold investments in San Diego's future. My budget priorities are an expression of the values of District Three constituents and illustrate my commitment to making San Diego an equitable city that is growing responsibly and addressing the needs of all neighborhoods and residents.

My priorities include aggressive work and recommendations to address homelessness, create safe and livable neighborhoods, fulfill our Climate Action Plan goals, and expand initiatives to make our roads and sidewalks safer for all residents.

The following are my priorities for funding in the Fiscal Year 2019 budget:

**HOMELESSNESS**

The City must remain vigilant about expanding our homeless response and build on momentum from 2017 to pursue lasting solutions to the homelessness crisis. As I had outlined in the 2017 work plan for the Select Committee on Homelessness and memos my office released in March, July, and September, storage, increased street outreach, and better front doors to access the coordinated entry system are important first steps to connect homeless individuals with services. However, while focusing on more immediate opportunities, we must remain committed to additional actions that can have a broader impact. Through my work on the Regional Task Force on the Homeless and as Chair of the Select Committee on Homelessness, I hope to see the following prioritized in the FY19 budget:

**Establishment of a Flexible Spending Pool (FSP)**

The Rapid Rehousing Initiative conducted through the Select Committee on Homelessness this past fall identified delays which underscored the need for system-wide utilization of the Coordinated

Entry System, centralized housing navigation, and the need for additional, flexible financial resources. The City should initiate the development of a flexible spending account that can allocate funding to an expanded range of Housing First opportunities. Through the combined resources of the City, the San Diego Housing Commission, local governmental partners, and philanthropic assistance, this pool can be used to fill gaps in rental payments, security deposits, and other additional services needed to efficiently connect individuals to permanent housing. Successful FSPs like those in Los Angeles or Chicago serve as a stream of funding that is often outside the strict parameters of grants or government housing subsidies. An FSP in San Diego's competitive and challenging housing market would create assurances for landlords and may be used to prevent homelessness for San Diegans having difficulty affording their rent. Additionally, an FSP can ensure that federally supported vouchers are being utilized and funding is not being left on the table. Approximate cost: \$500,000 (start-up).

### **Continued Implementation of Homeless Prevention and Diversion Services**

Last year, the City Council allocated funding to assist up to 1,450 households which helped to reduce the inflow of newly homeless individuals and families. The City must continue its commitment to funding programs that prevent individuals from becoming homeless. Approximate cost: \$1.0 million.

### **Increase Capacity of Existing Homeless Services Providers**

The three bridge structures were important and significant investments in new locations to provide safe and sanitary conditions for individuals on the street. Now that those are operational, the City should identify opportunities to expand Permanent Supportive Housing beds at existing provider sites and promote the conversion of transitional beds to Permanent Supportive Housing so that those new beds may serve as exit points for clients of the bridge structures or other homeless service programs. I am aware that additional capacity exists for conversion at Father Joe's Villages and Connections Housing operated by PATH. Approximate cost: TBD.

### **Mobile Showers and Restrooms**

The City must establish additional sites for mobile showers and restrooms at key locations throughout the City. These sites will provide reliable sanitation and basic services to homeless individuals, and reduce the likelihood of a future public health emergency. Approximate cost: TBD.

### **Workforce Development and Job Training Program**

The City, in collaboration with the San Diego Workforce Partnership, the Regional Task Force on the Homeless, and other interested parties, should create a pathway to self-sufficiency for homeless and low-income individuals by providing the resources and support needed to find and retain employment. A steady job is often the single most important step in a person's transition out of poverty. Additionally, the City should explore opportunities to partner with its employee groups (and initiate meet and confer) and local non-profit agencies to insource services that are currently provided by third-party contractors and create a workforce development program for the homeless which also may help fulfill needed neighborhood services. Approximate cost: TBD.

### **Safe Parking**

The City's Safe Parking Program should be redirected and expanded to utilize private site locations and additional partnerships. Providing the emergency relief in 2017 on City property was the right decision, however City funding allocations can be more efficiently dispersed to serve even more clients through public private partnerships as is currently experienced by programs operated by Dreams for Change. Approximate cost: TBD – reduction from FY18 allocation due to efficiencies.

### **Safe Camping**

The Transitional Camp Area that operated in the City Operations Yard on 20th & B provided a refuge for individuals and families and served as an entry point into our homeless network of resources and housing. Additional opportunities for temporary safe camping should be explored in Mission Valley (Qualcomm site), Murphy Canyon (Former Chargers Training Facility), the former De Anza Mobile Home Park, or other appropriate locations to redirect individuals from sidewalks, alleys, canyons and floodplains to congregate in areas where services may be directed. Approximate cost: TBD.

### **Sustainable Bridge Shelter Funding**

The City must identify a funding source to sustain the operations of the temporary bridge shelters without drawing from additional permanent housing resources. Additionally, as part of the motion for the approval of the funding for the operations of the bridge shelters on November 14, 2017, the City Council/Housing Authority voted unanimously to also request that the “Mayor and Housing Commission staff identify a schedule for deployment of at least \$6.5 million in Successor Agency funds in FY18 for permanent supportive housing projects or a future Notice of Funding Availability for permanent supportive housing projects and ask that a subsequent item be brought forward to the Housing Authority/Successor Agency for action within 60 days.” The Council must follow-up and ensure that those funds are replaced and actually committed toward permanent supportive housing projects. Approximate cost: \$6.5 million, plus ongoing TBD for FY19.

### **Homeless Navigation Center**

The City must ensure that a funding source is identified so that services will be sustained at the Homeless Navigation Center. Additionally, it is critical that the funding source for operations of this facility not draw from or jeopardize permanent housing resources. Approximate cost: TBD.

### **Regional Street Outreach Program Expansion**

Under the leadership of the Regional Task Force on the Homeless and the San Diego Housing Commission, the City must dedicate additional resources for outreach and work with partner cities throughout the County to ensure we are not addressing homelessness alone. The work we have already done related to storage, safe camping, bridge structures, street outreach workers, and allocation of vouchers should be replicated in other cities. We need a regional effort to address this crisis.

To help our communities, supplementary funds are needed to ensure that year round outreach services are provided by both outside organizations and the Police Department’s Homeless Outreach Team to help address homelessness in various areas throughout the city, including neighborhood canyons, Business Improvement Districts, parks, underpasses and overpasses. Approximate cost: \$250,000.

## **PUBLIC SAFETY**

### **Fire-Rescue Department Resource Access Program**

The San Diego Emergency Medical Services (EMS) Resource Access Program (RAP) is a paramedic-based surveillance and case management system that intercepts high frequency 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 the 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 \$2,000,000 in diverted public health costs. I request the addition of 4.0 FTE Community Paramedics for this program. Approximate Cost: \$380,000.

### **Funding to Implement AB 953 (Racial and Identity Profiling Act of 2015)**

An annual independent Racial Impact Report should be funded and presented to the City Council analyzing the data collected under the Racial and Identity Profiling Act. The report should include information about any racial bias complaints and the outcomes of such complaints, as well as any action taken by SDPD to mitigate racial biases. The report should also make recommendations based on the data they collect. The Racial and Identity Profiling Act of 2015 only requires that the data be sent to the State Department of Justice. San Diego residents must have an opportunity to hear from SDPD directly. This will allow for us to see if we are making progress to deal with the disparities identified in the SDSU study, as well as under AB 953, and to ensure that officers are being held accountable for compliance with the law. Approximate Cost: \$75,000.

### **Police Performance Measures**

Having adequate performance measures that can be measured from year to year allows the City to be better informed about how to address staffing and operational issues as they arise. The FY19 proposed budget should include the following performance measures for the Police Department, including dispatch division:

- Comparison of actual sworn staffing with the sworn staffing goals remaining in the SDPD five year plan;
- Budgeted and actual sworn officers per 1,000 population (appeared in FY15, FY14, and FY13 adopted budgets) and how they compare with the average of other large cities;
- The percentage of 911 calls answered within 10 seconds;
- The number of 911 calls that were abandoned after waiting longer than 10 seconds;
- The number of 911 calls with wait times less than 10 seconds, between 10 seconds and 1 minute, between 1 minute and 2 minutes, between 2 minutes and five minutes, between 5 minutes and 10 minutes, and surpassing 10 minutes;
- Average non-emergency call wait time;
- The number of non-emergency calls with wait times: 1 minute or less, between 1 minute and 5 minutes, between 5 minutes and 10 minutes, between 10 minutes and 30 minutes, and surpassing 30 minutes;
- The number of abandoned non-emergency calls, and the number of abandoned non-emergency calls that received a call back;
- The number of sworn officer hours dedicated to dispatch, and the cost, including overtime pay;
- Percentage of police dispatcher background checks completed within three months.

### **Community Oriented Policing**

I 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 in order 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 Departments continues to rebuild. Approximate Cost: TBD. Rreallocation of existing resources.

### **Hiring of Police Civilian Positions**

The restoration of civilian positions to support our sworn officers, particularly dispatchers, has resulted in numerous cost benefits (i.e. reduced staff turnover) and has greatly improved customer service delivery and employee retention and morale. However, despite these improvements and pay adjustments, vacancies continue to remain a concern. I request continued effort and resource allocation toward civilian recruitment to allow existing sworn officers to return to patrol duties and to end mandatory overtime which has been in place since 2010. Approximate cost: N/A. Fill existing vacancies.

### **Improvements to San Diego Police Department Non-Emergency Line and Other Communication Channels**

While improvements to the non-emergency line are forthcoming, efforts to increase dispatch staffing should continue. Currently, wait times for SDPD's non-emergency phone line is often reported as exceeding 10 minutes or far more. This not only prevents citizens from having an immediate resource to address an active non-emergency criminal situation, but encourages residents to contact 911 for an issue that is not an emergency. Further, it frustrates constituents who want to engage the police department for a non-active or less urgent issue that requires eventual attention; to this end, the City should explore expansion of Get It Done, online services, 3-1-1 implementation or other means to connect to the Police Department where a need may not require a live call to the Non-Emergency Line. Approximate cost: N/A. Expedite efforts.

### **Rape Kit Testing**

I continue to urge the Mayor and Police Department to reduce the backlog of untested rape and sexual assault evidence. Last year, the public was made aware of the over 2,000 untested rape kits. The evidence collection process itself is a personal for victims. How we treat this evidence can either deter from or encourage other victims to come forward. Approximate cost: \$500,000.

### **San Diego Fire-Rescue Department Paramedic School**

The City Council should be provided an update regarding the plan for a city-operated Paramedic School so that the appropriate staffing levels and financial resources can be identified. Approximate cost: TBD.

### **San Diego Fire-Rescue Department Death & Disability Benefits**

The City should prioritize and conclude negotiations regarding the Death & Disability Benefits for members of the Fire-Rescue Department. When voters approved Proposition B, the city vowed that first responders would never face the situation of being without that benefit. Approximate cost: TBD.

### **Lifeguard Division**

In order for our Lifeguard Division to continue to provide exceptional service and safety at our beaches and bays, the following should be included in the FY19 budget:

- Addition of 1.0 FTE Senior Management Analyst to assist lifeguards in tracking special events, operational data, and oversee \$23 million in personnel, contracts, and equipment. Approximate cost: \$125,000.
- Addition of 2.0 FTE Lifeguard III positions for Children's Pool/La Jolla Cove. Approximate cost: \$278,000.
- Re-opening of the lifeguard Vessel Replacement Plan (which was depleted in FY17). The Vessel Replacement Plan prepares for future vessel replacement to keep lifeguards mission-ready. Approximate cost: \$322,000.

### **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, substandard housing, noise, public nuisances, graffiti abatement, and vegetation/fire hazard abatement. I ask that the resource capacity of the division be analyzed, that vacancies be prioritized and filled, and that funding for an additional 2.0 FTE Combination Inspectors (\$64,000 each) and 2.0 FTE Zoning Investigators (\$56,000 each) be included in the FY19 budget, particularly as new city policies and regulations are implemented. Approximate cost: \$240,000. Any additional expenses may be offset by revenue from increased activity (i.e. issuance of permits for compliance, citations, etc.)

### **Brush Abatement for "Paper Streets"**

The Transportation and Stormwater (TSW) Department is responsible for the abatement of brush on so called "paper streets", empty and unimproved lots that are owned by the City of San Diego, that fall within the parameters of our street system. The budget for brush abatement within TSW was reduced from \$400,000 to \$0 from FY17 to FY18, and given the active fire seasons that San Diego has experienced, the lack of funding for abatement of dry brush poses a significant fire danger, especially in areas next to high density residential areas. TSW currently cannot address their backlog of fire risk violations. Approximate cost: \$400,000.

### **Downtown Park Ranger**

As the City's fastest growing neighborhood, Downtown San Diego is continuously adding park space to the multiple City parks currently in place. However, unlike other communities, Downtown parks are not supported by a Park & Recreation Department ranger. In light of ongoing public safety issues at Horton Plaza Park, Fault Line Park, and Children's Park, and in order to meet the standard of activation and support afforded to communities throughout the City, the Downtown neighborhoods of Core, Marina, Gaslamp Quarter, Little Italy, East Village, and Cortez Hill should have a dedicated Ranger. Approximate cost: \$75,000.

## **INFRASTRUCTURE AND SUSTAINABILITY**

### **Storm Water Channel and Storm Drain Maintenance in vulnerable areas of Golden Hill, Hillcrest, Normal Heights, North Park, and University Heights**

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 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 FY19 and beyond. Approximate cost: TBD.

### **Vision Zero**

It is imperative that the City fund improvements at 15 of the deadliest intersections to ensure basic, low-cost pedestrian safety infrastructure improvements such as high visibility crosswalks, audible signals, and countdown signals are present at all intersections.

- Construct a safe crossing at Kansas Street and El Cajon Boulevard. City engineers have recommended a two-phase crosswalk for this intersection. Approximate Cost: \$357,000.
- Hire one dedicated Vision Zero/multi-modal staff person to oversee Vision Zero activities and complete streets implementation. This staff person will assist City staff with coordinating

and implementing upcoming education campaigns and engineering safety improvements. Funding is requested to be allocated for this staff position. Approximate Cost: \$75,000.

### **Sidewalk Maintenance and Repairs**

With the completion of the citywide Sidewalk Condition Assessment, the Mayor and City Council must take action to develop policy and a plan to address the findings in the condition assessment and mitigate all tripping hazards to effectively reduce the city's liability and improve the conditions of our sidewalks. If Prop H funds are not suspended (as I have recommended below), at least \$15 million in infrastructure funds should be directed toward repairs and subsidy programs for sidewalks and emphasize repair of the segments in worst conditions as evaluated in the Assessment.

Additionally, the City has an opportunity to reduce liability and expenditures for sidewalk replacement by coordinating construction with appropriate capital improvement projects, particularly ones involving street repaving. Approximate cost: \$15 million.

### **Urban Forestry Program**

I request an increase in urban forestry staff and resources as identified in the Five-Year Urban Forest Management Plan and the Climate Action Plan goals. Insufficient staffing levels for this program limit the full execution of California State grants and Mayoral initiatives. Furthermore, recent extreme weather events have demonstrated the need to adequately mitigate erosion in our urban canyons and parks. The current program, which consists of the City Forester, the Arborist, and two support staff should be increased by at least four employees to meet the needs of the City. Approximate cost: \$200,000. Any additional expenses may be offset by grant opportunities.

### **Community Choice Energy Local Buildout Study**

Community Choice Energy (CCE) program for the City of San Diego will provide local energy choice, local community investment, and sustained local jobs. The recent feasibility study reported that a CCE would achieve these ends in San Diego and now a business plan is being developed for the prospective program. In order to fully maximize the benefits of a CCE program in San Diego, the City should fund a local buildout study that captures the economic value of local clean energy generation and affiliated jobs. The analysis would provide further direction on how best to support communities of concern (top 25% of CalEnviroScreen rankings) through CCE-related investments. Approximate cost: \$75,000.

### **Transportation Master Plan**

The City must complete the development of a comprehensive Transportation Master Plan that includes analysis of mode share and defines the strategies the City will implement to achieve the mode share targets set forth in the Climate Action Plan. The plan should establish a clear vision for how San Diego will become a multi-modal city that supports mobility for healthy citizens in a safe, accessible, and vibrant city, increases affordability, reduces VMT, and protects and enhances the natural environment. It should lay out both high-level policies and specific actions to achieve that vision. Approximate Cost: No cost. In development but prioritization must be elevated.

### **Environmental Services Department (ESD)/Zero Waste Management Implementation**

Staff capacity and resources for neighborhood cleanups should be expanded. Additionally, I request that the Environmental Services Department establish a program or develop a partnership to provide city residents a reasonably priced and accessible outlet for illegal dumping. Currently, far too many City residents are opting to dump items illegally and in the public right of way, rather than haul items to the Miramar landfill.

Green waste collection service, particularly in communities south of Interstate 8, should be expanded inclusive of the provision of green waste collection bins.

Additionally, ESD Code Compliance resources to assist in the street abatements and sanitation efforts as related to Hepatitis A and future disease prevention throughout the city are essential and must continue. Staff workload has increased dramatically and they are overworked. Additional resources should be sought in the form of volunteer efforts and partnerships, homeless workforce development programs, and short-term contracting out opportunities.

Lastly, additional resources are needed for the Landfill Fee Booth to address the increase in traffic into the landfill due to a staff shortages caused by Managed Competition. Corrections to staffing levels have been slow to come and if remain unaddressed, will continue to have unintended environmental and community impacts. Approximate cost: TBD.

### **Citywide Parks Master Plan**

The City's General Plan Recreation Element recommends that a comprehensive Parks Master Plan (PMP) be prepared to inventory and assess all City park lands, recreational uses, facilities and services, set priorities for protection and enhancement of existing park and recreation assets, and develop implementation strategies to meet present and future community needs. It is through the proposed development of a citywide PMP that "equivalencies" will be addressed on a community-by-community basis. This is important to ensuring that there are sufficient recreation opportunities in the urbanized transit-priority areas. According to the City's Request for Proposals for the PMP, the estimated cost to complete the PMP is between \$1 and \$1.4 million, excluding the preparation of the environmental document which is anticipated to total around \$350,000. Approximate cost: \$1.75 million (phased allocation)

### **Balboa Park Master Plan Project Implementation Plan**

Additional funding and staff resources have accelerated the process of many of our community plans. In order to prioritize park improvements requested by the community and stakeholders, it is critical to create a project implementation plan. The 1989 Balboa Park General Plan outlined the projects the community wanted to see completed within the park but a significant number of projects have yet to move forward. Additional projects and facility or infrastructure maintenance needs have also been identified in recent years. Prioritization of the remaining projects and a draft implementation plan will result in updated project costs and provided a comprehensive needs list for new projects in the park, and allow us the opportunity to explore revenue streams to meet and close this funding gap in a reasonable future timeframe. Approximate cost: TBD.

### **Upcoming Infrastructure/Commercial Paper/Deferred Capital (DC4) Bond**

The projects listed in *Addendum A* are high priority community needs for the FY19 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.



## **NEIGHBORHOOD SERVICES AND PROGRAMS**

### **Balboa Park Maintenance and Public Safety Staffing**

The recruitment and hiring for the vacant park rangers and park maintenance staff positions must be prioritized.

### **Penny for the Arts**

The Penny for the Arts Blueprint (Blueprint) adopted by the City Council in 2012 included a goal of restoring annual Arts, Culture, and Community Festivals allocations to 9.5% of the City's transient occupancy tax (TOT) revenues by FY17. In the years since, the City has not met the Blueprint's annual funding targets. Although in FY17 the City Council increased the Penny for the Arts allocation in the Adopted Budget from 6.44% to 7% of TOT, for a total FY17 budget of \$15.1 million, funding was reduced in FY18. The Mayor's 5-year Outlook currently projects 33% growth in general fund TOT revenue over the next five years, and a recent study found that San Diego's non-profit arts and culture industry generates \$1.1 billion in annual economic activity, supports 35,914 full-time equivalent jobs and generates \$116 million in local and state government revenues. In order to continue supporting the growth of this critical economic driver and get closer to our stated commitments in the Blueprint, funding levels for the Commission for Arts and Culture Funding Programs should be increased to at least 7.5% of anticipated TOT receipts.

### **Placemaking Pilot Program**

Resources should be identified to support the creation of intersection murals throughout the diverse neighborhoods of our city. This pilot program will, through a creative and collaborative process, empower communities to reshape public spaces to enhance their overall physical, cultural and social identities. Approximate cost: \$50,000.

### **Community Development Block Grant (CDBG) Reinvestment Initiative**

SB 107, approved in 2015, provided substantial reform of the redevelopment wind-down process and ensures that San Diego will properly receive CDBG repayment/recovery of nearly \$240 million. Last year, the City Council approved a CDBG Reinvestment Initiative which is geared at reinvesting in San Diego's economically disadvantaged communities in the form of infrastructure investment, housing solutions, homeless service, job creation, and economic development. An evaluation of the initiative is warranted to understand outcomes and whether or not changes to the strategy are necessary to address more urgent community needs. Approximate cost: TBD.

### **Small Business Development and Support**

San Diego small businesses are essential to our neighborhoods and economy. \$4.9 million in CDBG Reinvestment funds have been identified for investment in workforce development, support for small business accelerators, and the creation of a loan and investment fund that will also provide consulting services to help small businesses grow and remain competitive. I supported the development of these assistance programs and request a status update regarding the remaining funding available for deployment of resources to support our neighborhood small businesses. Approximate cost: N/A. Expedite efforts.

### **Youth Services/Youth Workforce Development/Connect2Careers (C2C) Program Expansion**

C2C/San Diego Workforce Partnership provides work readiness, job matching, and job placement for 16-24 year-olds in San Diego. With a strong team, deep community connections, best-in class web-portal and IT solution, C2C/San Diego Workforce Partnership have the foundation needed to

dramatically expand the program to rival youth employment programs in other large cities. I request that an additional \$250,000 (current allocation is \$500,000) be allocated to the Workforce Partnership to expand the C2C program. This costs includes a budget for 8 staff (one director, one manager, 3 job developers, and 3 trainers) and 10 paid C2C interns that provide one-to-one job coaching to youth enrolled in the program, as well as IT system support, communications supplies and costs, and event supplies and costs. The C2C goal is to find jobs for at least 3,000 youth; up from 2,000 in 2017. Approximate cost: \$750,000.

### **Temporary Pool Program**

This hugely successful program provides access to pools during hot summer months to communities that do not have the benefit of a pool facility at their local recreation center. The cost of this program is low, while the positive impact on pool users is very high. The following recreation center locations should be funded for a temporary pool in FY19: Adams Avenue and North Park. Approximate cost: \$7,500 per location.

### **Play All Day Initiative**

The Play All Day Parks Program is an initiative put forth by the Mayor and the Superintendent of the San Diego Unified School District to break ground on over 30 new joint-use park sites in the next five to 10 years. Ensure there is adequate staffing and funding is secured to support the planned development of the 30 new City-wide joint-use park sites. Approximate cost: N/A. Expedite efforts.

## **OPERATIONAL NEEDS**

### **Administration and Enforcement of Earned Sick Leave and Minimum Wage Ordinance**

City administration and enforcement of the application of minimum wage and earned sick leave is critical to the stability of the city's workforce and overall economy. As such, it is critical that appropriate staffing be filled immediately and additional resources for proactive outreach and City Attorney assistance be identified to ensure compliance with the law. I urge the Mayor to protect these programs from any budgetary reductions.

### **City Employee Childcare Services**

Finding licensed childcare for many families has become increasingly difficult, including for many parents who work for the City of San Diego. Childcare is a basic infrastructure element that should be pursued for children of city employees that are 2 months to 5 years of age. Staff should explore the costs associated with offering this service, what partnerships could be obtained, and prepare to engage the negotiating units during the reopener period in FY19.

### **Personnel Department**

It is critical to maintain current staff resources and service levels which are all necessary to process and expedite the hiring process. The positions that have been added over the years are particularly critical in making sure that safety sensitive positions are cleared for hire in a timely manner. In addition, I request 1.0 FTE Associate Personnel Analyst to assist in classification and compensation duties. This individual would be responsible for studying and allocating new positions Citywide and would be responsible for evaluating all requests for special salary adjustments in accordance with City Charter Section 130, and in anticipation of the scheduled sunset provision of Proposition B on July 1, 2018. Approximate cost: \$75,000.

### **Council Administration Department**

I request \$38,000 for non-personnel expenditures to support the City Council's Select Committee on Homelessness for the remainder of calendar year 2018/first half of FY19. Additionally, I request 1.0 FTE Council Representative to support the increased operational responsibilities of the department. Approximate cost: \$115,000.

## **ADDITIONAL REVENUE OPPORTUNITIES**

While I acknowledge the very difficult budgetary decisions ahead, I am determined to continue progress and not allow for any reductions in neighborhood services. I am committed to creating opportunities that further expand economic development opportunities and improve public safety and neighborhood quality of life. In doing so, I offer the following revenue opportunities:

### **Vacancy Savings**

The FY18 adopted budget included the addition of approximately 190 new positions, 86 of which remain unfilled as of January 18, 2018. Unanticipated vacancy savings may be redirected toward one-time FY19 expenditures.

### **Excess Equity**

The First Quarter Report estimates Excess Equity will be \$17.9 million at year end which may be budgeted for one-time FY19 expenditures.

### **Risk Management Reserves in Excess of Policy Targets**

Approximately \$17.0 million in one-time revenues in excess of reserve policy targets are anticipated which can be redirected for one-time FY19 expenditures.

- Excess Public Liability Reserve of \$4.1 million
- Excess Workers' Compensation Reserve of \$5.7 million
- Excess Long-Term Disability Reserve of \$7.2 million

### **Pension Payment Stabilization Reserve Contribution**

Since the City is facing near-term deficits and given the healthy General Fund emergency and stabilization reserve levels, I recommend that the City reconsider the need for this unnecessary reserve account and at minimum, I recommend that the replenishment plan for this particular account be delayed until after FY19. \$3.5 million can be redirected for one-time FY19 expenditures.

### **Use of Redevelopment Property Tax Trust Fund (RPTTF) to Ensure Economic Revitalization and Job Creation**

The Five-Year Outlook noted that the adjusted residual RPTTF revenue over the next five years increases from \$18.5 to \$26.1 million, for a total of \$115 million. Using this revenue going forward to invest in San Diego's economically disadvantaged communities, as originally intended, allows areas in the greatest need of economic investment an opportunity to attract new commercial activity, which in turn creates new jobs and greater tax revenue for the City's general fund. The prioritized investment of these residual RPTTF funds could fund many capital projects across the city that currently do not have identified funding sources.

### **Capital Outlay**

The City Council recently authorized the sale of city assets with a combined value of over \$3.25 million. This funding may be directed toward capital needs or can be used to establish a Notice of Funding Availability for development/production of affordable housing on city owned property.

### **Increase Grant Opportunities/Citywide Grants Writer**

The City must be more aggressive in pursuing grant opportunities to support new and existing projects. I recommend that a position be established to write grant applications, continually research grants and ensure that the City remains competitive. Examples of grant opportunities include:

- Caltrans Active Transportation Program: The Safe Routes to School program will educate parents, students, and teachers about road safety and can fund planning and infrastructure to increase safety. The City could fund this effort by applying for Caltrans' Active Transportation Program. It is anticipated that approximately \$440 million in ATP funding will be available.
- SANDAG Smart Growth Incentive Program (SGIP): This grant provides an opportunity to support projects in sites identified by SANDAG as "Smart Growth Opportunity Areas" including capital, non-capital, planning, and programmatic interventions that support Smart Growth objectives. Cities need to have adopted a Complete Streets Policy and a Climate Action Plan to be eligible. Approximately \$27 million is anticipated to be available.
- SANDAG Active Transportation Program: Approximately \$3.6 million is anticipated to be available for cities which have adopted a Complete Streets Policy and a Climate Action Plan to support capital, non-capital, planning, and programs that support walking and biking as well as traffic calming interventions.

### **Contracts**

The City utilizes outside contractors for a variety of services totaling \$245 million. The City should utilize the appropriate termination clause language within each contract to more aggressively renegotiate the cost of each contract. Additionally, it must be more cautious about the frequency of change orders and the inclusion of automatic cost escalators. A 10% overall reduction in contracts for outside services would provide the City with \$24 million for more immediate General Fund purposes.

### **Ongoing CIP Cash Management**

Ongoing review of CIP cash management activities will ensure the appropriate alignment of the timing and use of funding for CIP projects.

### **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. Considering the City Council's adoption of land use and business regulations, the industry has quickly developed. The City should reevaluate revenue assumptions related to the cannabis industry.

**Reallocation of Costs Associated with the Deputy Chief Operating Officer (DCOO) Special Projects Position**

Given the recent announcement of the promotion of the current DCOO of Special Projects to Chief Operating Officer, the costs associated with funding the position can be redirected for ongoing FY19 expenditures.

**Potential Revenue from Short-Term Vacation Rentals**

The City Council must take immediate action and adopt sound policy regarding short-term vacation rentals to reduce neighborhood nuisances, deter investor motive in housing supply, and provide code enforcement monitors. 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 enforcement to ensure compliance of applicable laws.

**Proposition H – Infrastructure Fund**

In 2016, San Diego voters approved Proposition H, a ballot measure that requires the dedication of General Fund revenue growth to an Infrastructure Fund. The Outlook recognizes these allocations to the Infrastructure Fund as a General Fund expense, but does not include projections for any expenditures paid for by the Infrastructure Fund. Allocations to the Infrastructure Fund could be used to support certain strategic expenditures, potentially including the City's Infrastructure Asset Management Program, street repair, and storm water permit compliance projects, thereby addressing critical needs while mitigating the projected deficit. 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. If funding for non-infrastructure critical expenditures is needed, Council could consider suspending the measure upon recommendation of the Mayor, which would allow the revenue to flow to the General Fund for other City uses.

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

### ***Addendum A***

#### **Balboa Park Restroom Rehabilitation/Modernization**

Improvements are critically needed to the restrooms in Balboa Park near the Organ Pavilion/International Cottages and other key locations. Self-cleaning, single-use style restrooms should be considered in addition to the use of the streamlined design/bulk purchase and installation to reduce the cost per unit. Approximate cost: TBD.

#### **Downtown Cycle Track Network**

It is essential to fully fund the construction of the cycle track network in the Downtown Mobility Plan to ensure completion in FY19. These protected bike lanes will serve as the central node of San Diego's bike network and an essential component of any effort to increase bicycle mode share. The total cost is \$15 million, of which approximately \$3.5 million remains unfunded.

#### **Golden Hill Recreation Center**

The outdoor surface courts at the recreation center must undergo underlying structural repairs to prevent the need for frequent repairs/resurfacing. Approximate cost: TBD.

#### **Golf Course Drive Improvements/CIP S-15040**

This project provides for the design and construction of a paved pedestrian pathway and bike facility along Golf Course Drive, connecting the existing Golden Hill Recreation Center to 28<sup>th</sup> Street. A feasibility study was scheduled to be completed in FY17. Funding is requested to initiate the design phase. Approximate cost: \$1.8 million (phased).

#### **North Park Community Park Recreation and Adult Center Facility Upgrades and Park Maintenance**

We request a park assessment to improve the safety and condition of the North Park Community Park, including the active park space, recreation center and adult center. Additional programmatic and maintenance resources are requested to activate and upkeep the park, thereby deterring nuisance activity. Approximate cost: TBD.

#### **Open Space Parks/CIP AGE-00001**

There are over 150 canyons throughout urban San Diego. We request that this CIP be amended to incorporate and properly fund the Canyon Enhancement Planning (CEP) Program produced by San Diego Canyonlands. The CEP identifies green infrastructure needs and opportunities which provide valuable ecosystem services, including work to clean and filter our urban runoff. The CEP also identifies trail restoration area and recommends wetland and habitat restoration in Juniper, Maple, Mission Hills, and Switzer Canyons, among others, helping to create valuable recreational opportunities in otherwise paved and urbanized environments.

Additionally, I request that the Mission Valley trail connections through Buchanan Canyon (University Heights) and the 33<sup>rd</sup> Street Mini-Park (Normal Heights) be considered for restoration. Approximate cost: TBD.

#### **Presidio Community Park Sidewalk Repair and Replacement**

As identified in the Unfunded Park Improvement List, root-damaged sidewalks throughout the park should be repaired or replaced. Approximate cost: \$100,000-\$250,000.

### **Reynard Way Neighborhood Park: Mission Hills**

I request that funding be identified to initiate a General Development Plan for the long awaited Reynard Way Neighborhood Park. Few opportunities exist in Uptown for the development of park space. The City must capitalize on this opportunity.

### **Sidewalk Installation to Enhance Pedestrian Safety**

- Richmond Street Sidewalks: Richmond Street in Hillcrest/Marston Hills
- Upas Street Sidewalk: 28<sup>th</sup> to Alabama Street, south side in Balboa Park.

### **Street Light Requests**

- Meade and Texas Streets
- Washington and Cleveland Streets
- 26th and Broadway
- F Street between 21st & 24th Streets

### **Trolley Barn Park Comfort Station**

As identified in the Unfunded Park Improvement List, a comfort station should be added to the heavily utilized park. Approximate cost: \$500,000 to \$1.0 million.

### **Ward Canyon Neighborhood Park Phase II Completion**

Ward Canyon Neighborhood Park: The temporary dog park at Ward Canyon Neighborhood Park was an important step toward realizing this long awaited and significant community asset. We would like to see the construction of these permanent park improvements included in the next bond/funding opportunity. Ward Canyon Park Phase II also called for the demolition of the Mock Building/Storefront located in the northwest corner of the park, as well as the construction of a new Mid-City police building on the western end, with windows facing the park for increased visibility and public safety. Approximate cost: \$7.5 million (per Facilities Finance Program Estimation)