

**FOR IMMEDIATE RELEASE**

March 8, 2019

*Media Contact:*

*Mattie Zazueta, Office of Mayor Liccardo; 408-535-4840 or [mattie.zazueta@sanjoseca.gov](mailto:mattie.zazueta@sanjoseca.gov)*

## **Mayor Sam Liccardo Releases March Budget Message**

*Mayor's budget message calls for one-time investments in key City services, emphasizes savings and long term fiscal sustainability*

*San José, Calif.* – Mayor Sam Liccardo today released his [March Budget Message](#) for the upcoming fiscal year--a plan that balances investments in key City services, such as public safety, housing, homelessness, and blight, with an emphasis on saving, building reserves, and reducing debt to make San Jose resilient to any looming downturn in the future.

“Through belt-tightening and focused spending, we’ve made significant strides in restoring our City’s fiscal health and core services -- such as rebuilding our police department and funding major road and infrastructure projects,” said Mayor Liccardo. “We can build on our progress with additional one-time investments, while also preparing for expected fiscal strains in the years ahead and protecting residents from the severe cuts that characterized the last economic downturn.”

While the [Budget Office's General Fund Forecast](#) projects a modest \$3.5 million surplus in the coming year, its five-year projection offers a more cautious outlook. Projected future deficits, coupled with growing retirement costs and the possibility of an inevitable recession informed the Mayor’s proposal to prioritize savings and focus on one-time strategic investments:

### **Savings**

- Allocate \$3.2 million of our surplus to reserves.
- Boost reserves with one-time funds to protect against likely economic downturn.
- Use one-time funds to pay down up to \$5 million in debt to provide ongoing savings.
- Build up the budget stabilization reserve to protect against the growing budget deficit.

### **Public Safety**

- Fund a “Hire Ahead” Program to accelerate SJPD’s ability to hire and train officers.
- Identify permanent sites for a police training facility, and prepare for the transition of the South Substation from a training facility to fully activated substation.
- Embark on analysis to triage non-emergency calls to SJFD to re-focus on life-saving and fire mitigation.

### **Housing & Living Costs**

- Boost supply of affordable childcare by incentivizing construction of facilities and support care provider training.
- Allocate \$10 million to support Governor Newsom’s investment in the development of housing for “missing middle” workers earning modest incomes.
- Fund dedicated staff to expedite housing development.

## **Homelessness**

- Use one-time funds to double the capacity of the [Transitional Jobs Pilot Program](#) to employ more homeless individuals in cleaning our streets, creeks, and public spaces.
- Direct the City Manager to identify a location for a “navigation center,” and return with a proposal to use one-time Homeless Emergency Aid Program (HEAP) funds to construct the project.
- Embark on “Cash-for-Trash” pilot program for homeless individuals who will be incentivized to keep areas clean.
- Explore partnerships with local colleges to help homeless students.

## **Blight**

- Expand our Removing and Preventing Illegal Dumping (RAPID) team to expedite response and engage in more proactive clean-ups.
- Boost enforcement of legal penalties against neglectful owners of blighted and nuisance properties.
- Fill dark, empty retail spaces with Storefront Activation Grant program and a Citywide Retail Attraction Program.
- Continuing support for the neighborhood-led BeautifySJ Grant program.

“We will continue to make strategic investments that offer long-term cost savings, improve efficiency, and fund our residents’ highest-priority services,” expressed Liccardo. “Adhering to these principles will enable our City to remain resilient amid the challenges we expect in the years ahead.”

The City Council will discuss and vote on the [Mayor’s March Budget Message](#) at its March 19<sup>th</sup> City Council meeting. The City Manager will use the Council’s direction to develop a proposed budget for the 2019-2020 fiscal year, which will be released on May 1<sup>st</sup>. The Mayor’s June Budget Message will follow, ahead of the Council’s vote to adopt a final budget.

# # #