




THE CITY OF SAN DIEGO

MEMORANDUM

DATE: September 27, 2023
TO: Charles Modica, City of San Diego Independent Budget Analyst
FROM: Councilmember Joe LaCava 
SUBJECT: Council District 1 Fiscal Year 2025 Budget Priorities
Stick to the Basics – Public Safety and Public Health

In June, the Mayor and the City Council developed and passed a budget that reversed years of operational disinvestment. This led to the approval of new contracts with three recognized employment organizations to become a competitive employer, the allocation of \$140 million for road repairs, fully funding our public safety, and the greatest ever General Fund investment in combatting homelessness. These budgetary decisions are now merely 88 days into their implementation and I look forward to their timely and complete realization.

In Fiscal Year 2024 (FY2024) the foundation of my budget strategy was “Back to Basics.” As we enter our next fiscal year without federal relief dollars that supported operations, my foundation remains the same. In FY2025, we must hold the line on new General Fund expenditures and **Stick to the Basics, with a focus on Public Safety and Public Health.**

This budget memo is submitted prior to the FY2023 Year-End Financial Performance Report, the First Quarter FY2024 Budget Monitoring Report, and the updated Five-Year Financial Outlook. With that caveat in mind, **the following are my General Fund priorities for FY2025.**

Recruitment, Retention, and Hiring Process

In FY2024, we funded 176 new General Fund positions. For FY2025, aside from Public Safety, **no new General Fund positions should be added to the City’s workforce.** As of this month, the City, across every department, has 2,126 budgeted vacancies which include 430 in Park and Recreation, 97 in Development Services, 200 in Police, and 470 in Public Utilities. Our focus must continue filling budgeted vacancies. We must continue to offer competitive salaries, benefits, and incentives, **especially for entry-level and early career positions.** Without full staffing, we cannot deliver basic City services and we risk burnout and loss of current hardworking employees.

Our concerted effort to attract and retain the best and brightest continues in FY2025, as we negotiate new contracts with the San Diego Police Officers Association (POA), Teamsters Local 911 (lifeguards,) and San Diego City Firefighters Local 145. These contracts are **our next opportunity to offer competitive salaries** and recruit and retain our first responders.

The Personnel Department and every city department must be faster, more flexible, and more transparent to City leadership, including publicly disclosing and implementing operational improvements. City departments too must identify and remove any hiring obstacles and provide progress reports.

Public Safety

Police

- Fill the 200 vacancies utilizing FY2024 pay increases, incentives, and recruitment support.
- Continue City-specific academies in partnership with the San Diego Community College District
- The design phase of the Police Plaza capital improvements.
 - \$4.5 million
- One FTE Police Sergeant position to supervise and coordinate the Police Cadet program.
- Recruiting, providing training, and purchasing uniforms and equipment for new Cadets.
 - \$50,000

Fire-Rescue

- Battalion 8, three FTE Battalion Chiefs and vehicles
 - \$300,000
- Replace one helicopter with a Bell 412 helicopter for Air Operations Sector including non-personnel maintenance expenditures.
 - \$1,187,240
- Fund San Pasqual Fast Response Squad, six FTE
 - \$1,100,852

Lifeguard Division

- Fund Lifeguard III, 4 FTE
 - \$332,000 annually
- Vehicle Replacement Fund
 - Annual funding addresses safety, efficiency, and long-term fiscal responsibility. It allows the Lifeguard Division to manage their assets effectively, prevent costly disruptions, and ensure compliance with evolving regulations while maintaining public trust.
 - \$400,000 annually

- North Pacific Beach Lifeguard Station
 - Replace the existing mobile shipping container and portable lifeguard tower with a new facility including restrooms, clean drinking water, security, and locker rooms, as well as greatly increase rescuer effectiveness and beach safety.
 - \$10,000,000

Homelessness Services, Prevention, & Housing

Public safety, public health, and our moral compass demand that we meet the needs of our unhoused population and prevent homelessness. We must **continue current funding levels and aggressively pursue new sustainable funding** through county, state, and federal sources.

Although too early to determine whether FY2024 funding is achieving performance metrics, we know empirically that unsheltered homelessness continues to rise. We must diligently **scrutinize every Homelessness Strategies and Solutions Department and San Diego Housing Commission program to stretch and leverage limited resources to effectively serve as many individuals and families as possible**. As the City continues to build a system of care with the limited resources available, it becomes even more necessary to prioritize where that money goes using data-driven methods. This approach requires services for those who need them, housing for those who need it, and prevention for those who have a home.

Traditionally, this has meant pitting prevention against shelter. Though both are vital, the reality is that the region saw an increase of 1,699 homeless individuals from the 2022 Point in Time Count to the 2023 Point in Time Count. According to the August 2023 Regional Taskforce on Homelessness monthly report, twice the number of individuals became homeless for the first time compared to the number housed that month. While this is a wider gap than in previous months, the trend of individuals experiencing homelessness persists. Therefore, prevention remains critical to ending homelessness.

With the passage of the Encampments on Public Property Ordinance we must deliver on our promise to provide viable alternatives to sidewalk, canyon, or park encampments. The FY2025 budget must be data-driven and lean on best practices. Shelter is only a step from the street to housing security and multidisciplinary outreach teams and housing specialists are the backbone of effective system-level improvement towards permanent housing. We must trust what works - that is good governance.

Prevention & Tenant Protections

- San Diego Eviction Prevention Program
 - This program helps provide critical education to families and individuals at risk of being evicted, doubling the fund will allow more households to receive this important support.
 - \$4,500,000
- Housing Instability Prevention Program
 - This Program provides shallow subsidies for low-income San Diego families and unstable housing situations to keep them housed and prevent the slide into homelessness.
 - \$7,500,000
- Tenant Termination Notice Registry
 - This online portal implements a component of the City of San Diego Tenant Protection Ordinance, which specifies that landlords will be required to notify the Housing Commission of any at-fault and no-fault terminations within three business days of issuing the tenant a termination notice.
 - \$400,000

Shelters & Outreach

- Shelters, Safe Parking, and Safe Camping
 - We must continue to expand options in line with the diverse needs of our unhoused population and consistent with the Comprehensive Shelter Strategy released in June 2023.
- LGBTQ+ Youth Housing and Related Services for LGBTQ+ Community
 - After demonstrated successful implementation of non-congregate safe and affirming emergency housing and support services it is vital to expand this program in recognition of the unique needs of this vulnerable cohort of homeless individuals.
 - \$2,035,000
- Multidisciplinary Outreach Team
 - The Multidisciplinary Outreach Program utilizes an integrated multidisciplinary team to provide a wide range of services, both medical and social work that meets people where they are.
 - \$1,050,000

Post-hospitalization (aka Recuperative Care)

Every person deserves a safe and sanitary place to recover from illness or procedure after discharge from the hospital. We must provide recuperative care beds and step-down facilities to meet the need. Seek county, state, and federal funding in collaboration with our regional hospitals and managed care health plans.

Climate Action Plan

The FY2024 budget process was a transformational shift in how the City addresses climate. As I requested in September 2022, for the first time, **meeting our climate action goals was included in all departmental budget planning and has become the standard operating procedure of every City department**. This inclusive approach kept our newly updated Climate Action Plan (CAP) targets and associated environmental justice-focus top of mind throughout the process. Prior to the release of the Mayor's FY2024 Proposed Budget, the Sustainability and Mobility Department released the Climate Action Implementation Plan to guide budget and policy decision-making. This comprehensive document, coupled with the adoption of Council Policy 900-22, allows the City to objectively prioritize climate needs.

I requested that the Office of the Independent Budget Analyst prepare a comprehensive list of unfunded operational and capital costs prior to the submittal of this memorandum. The IBA's published report¹ concluded:

Funding contained in the FY 2024 Adopted Budget related to the CAP is more than \$543 million, which is significantly above the amount called for in the CAIP. That noted, many CAP activities are not fully funded. The majority of the CAP funding gap, in both the operating budget and the CIP, directly overlaps with funding gaps for overall operational and infrastructure needs to support core services across the City, as well as consensus budget priority items for the City Council. These unfunded activities will be in addition to other yet-to-be estimated activities, including fleet electrification, building electrification, and additional mobility projects. Thus, if Councilmembers desire to see the CAP fully implemented and funded, the most crucial action is to solve the City's structural budget deficit and infrastructure funding gap. In the short term, Councilmembers wishing to prioritize CAP actions could also include in their memoranda those items which were requested but unfunded in FY 2024, particularly the unfunded requests highlighted for the Transportation, Stormwater, Parks and Recreation, and General Services departments.

¹ IBA Report 23-26, FY 2024 Climate Action Plan Expenditures, Funding Gaps, and Other Policy Considerations, page 12, https://www.sandiego.gov/sites/default/files/23-26_fy_2024_climate_action_plan_funding_gap.pdf

All FY2024 unfunded items must be included in the FY2025 budget.² Furthermore, we must realign this budget with the timeline of the Climate Action Implementation Plan and fund all programs and projects listed for FY2025. Should limited resources be an immediate obstacle to full funding, the FY2025 budget should utilize the prioritization tools included in Council Policy 900-22.

The Biden Administration has given the country, and especially San Diego, a once-in-a-generation opportunity to achieve our climate goals with the passage of the Bipartisan Infrastructure Law and the Inflation Reduction Act. The City must aggressively pursue all grants and cost-sharing programs in partnership with our regional partners, including the County, SANDAG, San Diego Community Power and others. Additionally, the City's strategic decision to include climate in all department actions allows us to utilize the elective pay programs offered by the U.S. Department of Energy to significantly reduce the City's costs to infrastructure projects.

See my Climate Action Plan Infrastructure Priorities on page 8.

Arts and Culture

My original goal was to deliver on the promise of Penny for the Arts by fully funding the 9.52 percent allocation within five years. We made progress in FY2022 and FY2023. In FY2024 we increased actual dollars but reduced the percentage allocation. Considering anticipated FY2025 budget deficits and no new revenue sources, I request that the **FY2025 allocation be set at 5.25 per cent of Citywide Transient Occupancy Tax (TOT.)** This won't meet my five-year goal but with projected increases in TOT revenue, net funding should be greater than allocated in the FY2024 budget.

Reserves

In FY2024, we used the last of the American Rescue Plan Act 2021 (ARPA) funds which, in turn, was the last year we are not permitted to contribute to Reserves. In FY2025, we must strive to reinstate levels consistent with our Reserve Policy.

City-Wide Neighborhood Services

Free4ME

- Fund the continuation and expansion of the Free4ME menstrual equity pilot at City recreation centers, libraries, pools, and public-facing facilities.

² IBA Report 23-26, FY 2024 Climate Action Plan Expenditures, Funding Gaps, and Other Policy Considerations, page 9, https://www.sandiego.gov/sites/default/files/23-26_fy_2024_climate_action_plan_funding_gap.pdf.

Libraries

- Create a library maintenance fund. This will ensure the maintenance city facilities so that every San Diegan can benefit from quality library programs.
 - \$500,000
- Increase the books and materials budget.
 - \$250,000 to supplement the three-year \$500,000 materials grant from the State of California.

City Facilities

- Expand FY2024 security measures at the City Administration Building, Civic Center Plaza Building, City Operations Building, Evan V. Jones Parkade, and adjacent City facilities to ensure safety for all City employees and visitors.

District 1 Neighborhood Priorities

Solving neighborhood issues often falls within the annual workplans of city departments, I request the issues itemized in Appendix I be prioritized in department work plans to maximize existing resources as we fully staff those departments and resolve supply chain issues.

See Appendix I, attached.

City-Wide Infrastructure

City infrastructure is the most basic and essential service that a city can provide – roads, bike lanes, sidewalks, streetlights, and stormwater. Consistent lack of funding has contributed to enormous backlogs, with residents growing more and more frustrated. My priority is to increase confidence in our City government by sticking to the basics and adequately funding infrastructure, filling budgeted vacancies, and demonstrating customer service improvements. We must fill vacant positions and listen to departments about how much funding they need to keep on top of the work and prevent additional backlogs. Our City has spent time and energy studying these issues and recommending solutions. It is time to invest in those fixes.

- Build on investment from FY2024 to continue street repair work.
- Fund sidewalk replacement to full \$10 million that the Department is resourced to deliver.
- Fund an in-house sidewalk maintenance team focused on sidewalk ramping.
- Fund expanded streetlight repair contract to reduce backlog.
- Fund protected Class I and IV bike lanes to reduce accidents and fatalities.
- Partner with regional partners to provide additional neighborhood shuttles, like the FRED or Beach Bug.

District 1 Infrastructure Priorities

The road to essential infrastructure services starts in our neighborhoods. Working together as planning groups, town councils and community associations, District 1 residents and businesses have compiled their infrastructure needs in Appendix II to this memorandum.

See Appendix II, attached.

Climate Action Plan Infrastructure Priorities

Consistent with my climate priorities above, include the following infrastructure projects in the FY2025 budget:

Vision Zero

- Address the underlying safety concerns for motorists, pedestrians, and cyclists in the Fatal Fifteen intersections.
- In consultation with corresponding Council districts, convert all class II bikeways to class IV bikeways for all upcoming infrastructure projects.

Resiliency

- Restore salt marsh land, tidal wetlands, and riparian habitats in line with our 2035 goal of 700 acres of new wetlands
 - Initiate permitting for a minimum 225-acre wetland restoration project in the northeast corner of Mission Bay.
 - Full funding for the Los Peñasquitos Lagoon Habitat project (funding includes contributions from other agencies in the watershed).

Transportation

- Pilot new shuttles from high usage transit stops to City facilities for City employees, contractors, and visitors.

Urban Forestry

- Use the recent \$10M grant award from the U.S. Forest Service to expand tree planting and maintenance.
- Fund tree planting in areas that have low Climate Equity scores, but are not eligible for CalFire grants.
 - \$1,000,000³
- Increase tree care contracts to inspect, protect and care for street trees, including \$600,000 for pest treatments and removal of park and street palms.
 - \$2,000,000³

³ To the extent possible, utilize funding from the recent U.S. Forest Service grant for \$10M to the City of San Diego.

I look forward to robust discussions with the Mayor, my Council colleagues, the Independent Budget Analyst, and the community to forge a balanced budget that meets the many real needs of San Diegans. Again, my priority is to **Stick to the Basics, with a focus on Public Safety and Public Health.**

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

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

Appendix I: District 1 Neighborhood Issues

Solving neighborhood issues often falls within the annual workplans of city departments, I request the following issues in Appendix I be prioritized in department work plans to maximize existing resources as we fully staff those departments and resolve supply chain issues.

Planning Department

Pacific Beach

- Explore closing Ocean Boulevard between Grand Ave and Thomas Ave to through traffic.

La Jolla

- Prepare a Scripps Park Resource Land Management Plan and EIR.

Del Mar Mesa

- Update and amend the Del Mar Mesa Specific Plan:
 - Reclassify the Camino Santa Fe (Little McGonigle Ranch Road) 2 Lane Collector to an Emergency Access Road and Public Trails Project connecting Carmel Valley Road at SR-56 with Del Mar Mesa. The access road can be used by Fire Station 47 to access the Del Mar Mesa community and meet recommended response times.
 - Reclassify portions of Carmel Mountain Road from a Modified Local Collector to a Local Collector.

Transportation Department

Pacific Beach

- Install bike lanes from Campland entrance, along PB Drive to Crown Point Dr, then south on Crown Point Drive to Park entrance at Lamont St.
- Install continental crosswalks or beacons on:
 - Garnet Ave. at Kendall St.
 - Garnet Ave. at Morrell St.
 - Garnet Ave. at Noyes St.
 - Garnet Ave. at Pendleton St.
- Install 4-way stop signs at:
 - Hornblend St. and Cass St.¹
 - Emerald St. & Fanuel St.
 - Hornblend St. & Fanuel St.
 - Emerald St. & Bayard St.
 - Emerald St. & Dawes St.

¹ Received highest vote of stop sign installations by Pacific Beach Planning Group.

- Explore restriping Garnet Ave. between Balboa Ave. and Ingraham St. to add bike lanes in both directions.
- Explore making Crown Point Dr. between Pacific Beach Dr. and Lamont St. one way.
- Facilitate pedestrian and bicycle access on Garnet Ave west of Ingraham.
- Explore slow streets along PB Pathways with potential improvements such as new signage, in-pavement decals, bollards, or other quick-build improvements that will slow vehicle traffic.

La Jolla

- Repair, replace and install stop signs and crosswalks in La Jolla Shores beach area.
- Maintain landscaping in gas tax median at the throat (Aztec contract compliance).
- Strengthen weed abatement measures on all La Jolla streets, medians, ROW and sidewalks.
- Conduct a comprehensive traffic circulation study of high impact beach areas (Windansea, Shores, Cove).
- Conduct a comprehensive traffic study at the Throat.

Carmel Valley

- Implement recommendations in the Carmel Valley Livability Study.

Del Mar Mesa

- Perform a Safe Streets Study for Del Mar Heights Corridor and subarea & Implement Recommendations:
 - Develop a cohesive network of complete streets with emphasis on active transportation.
 - Improve bike and pedestrian quality and connectivity, with the potential to increase the percentage of bicyclists and pedestrians within the Torrey Pines community.
 - Educate and encourage the community to use active transportation for trips in the immediate vicinity and surrounding communities.
 - Work with surrounding communities of Del Mar and Carmel Valley to develop a cohesive active transportation plan along the corridor and across communities.
 - Build recommended traffic calming/street improvement recommendations from Safe Streets Study. Said improvements will likely be phased and may include, but are not limited to, center medians along Del Mar Heights Road, traffic calming devices, safety islands for pedestrian crossings,

safety barriers for oncoming vehicular traffic, and corridor beautification that serves calming traffic.

Parks and Recreation Department

La Jolla

- Increase cleaning, sanitation and trash pick-up for all Shoreline Parks and overlooks comfort stations and restrooms.
- Update beach signage on beach fire regulations.

Pacific Beach

- Update beach signage on beach fire regulations.

Multiple Departments

La Jolla

- Intensify security and code enforcement of overnight parking, vehicle habitation, sidewalk vending and beach fires in all La Jolla beaches and shoreline parks.

Miscellaneous

Pacific Beach

- Install Pacific Beach “entrance signs”:
 - Northbound at the Ingraham St bridge.
 - At westbound Balboa Ave.
 - Southbound on La Jolla Blvd.
 - At northbound Mission Blvd. after the I-5 offramp.

Appendix II: District 1 Capital Improvement Program Priorities

Fire-Rescue Lifeguard Division

- North Pacific Beach Lifeguard Tower.¹

Police Department

- Police Plaza Capital Improvements (Fund design phase.)

Transportation Department

Pacific Beach

- Traffic regulating/calming measures on Beryl St. between Foothill Blvd. and Soledad Mountain Rd.
- Traffic regulating/calming measures on Lamont St. between Diamond St. and Kate Sessions Park.
- Traffic circle on Foothill Blvd. at Vickie Dr.
- Crosswalk with pedestrian beacons, a pedestrian refuge island, and curb extensions on Soledad Rd. at Los Altos Way.²
- Repair and improve the entire length of Garnet Ave. sidewalks.
- Realign Pacific Beach Drive.
- Crosswalk and pedestrian beacons on Ingraham St. at Fortuna Ave.
- Reconfigure Grand Ave./Mission Bay Dr. per Balboa Trolley Station Plan.
- Streetlights on Rose Creek Trail.
- Sidewalk on the south side of Bluffside Ave.
- Sidewalk along southbound Mission Bay Dr. starting at Bluffside Ave. to Garnet Ave.³
- Street Repaving
 - Ingraham St. from Riviera Dr. to La Playa Ave.⁴
 - Worst 5% of streets in PB per the latest city street conditions survey which began March 2023.⁵
 - Grand Ave. from Rose Creek to Mission Bay Dr.
 - Riviera Dr. between Ingraham St and Moorland Dr.⁶

¹ Ranked as High Priority by Pacific Beach Planning Group.

² These first three were all ranked as High Priority by the Pacific Beach Planning Group.

³ The subsequent seven were ranked as Medium Priority by the Pacific Beach Planning Group.

⁴ Confirm this will be done upon completion of utility undergrounding project.

⁵ Repaving Ingraham from Riviera to La Playa and repaving worst 5% of streets received highest votes of street repaving by Pacific Beach Planning Group.

⁶ Confirm this will be done upon completion of utility undergrounding project.

La Jolla

- Widen and rebuild sidewalk adjacent to Coast Blvd at Scripps Park.
- Completely resurface pathway at La Jolla Shores Boardwalk
- Repave with concrete, ROW, widen sidewalk, add bike lane at Neptune Pl.
- Replace and repair street lighting throughout La Jolla.
- Repair deteriorating sidewalks, curbs and gutters throughout La Jolla.
- Enhance pedestrian safety throughout La Jolla including installing and upgrading pedestrian signals on La Jolla Blvd.
- Install mid-block crosswalk with Rectangular Rapid Flashing Beacons and other ancillary improvements at the northern end of La Jolla Shores Drive to facilitate pedestrian access to Scripps Institute of Oceanography.
- Girard Streetscape, Phase 1. Fund the typical public portion (street lighting, storm water, curbs, street trees) in this unique Private-Public project that also enjoys state funding. Private funds will provide plazas, enhanced street lighting, decorative sidewalks, benches, public art, and more.

Carmel Valley

- Resolve right-of-way acquisition and extend Village Center Loop Road northerly to Carmel Valey Road (P24007).

Del Mar Mesa

- Restripe Carmel Mountain Road, eliminate the center turn lane, add sharrows and trailhead on-street parking, and reduce posted speed limit.

Torrey Pines

- Pedestrian, Street, and sidewalk Improvements to create safe routes to Del Mar Heights Elementary School
 - Install ADA compliant sidewalk along the south side of Del Mar Heights Road connecting Mango Drive to Mira Montana.
 - Sidewalk improvements along Mercado Drive.

Parks and Recreation

La Jolla

- Extend railing along Boardwalk at Point La Jolla (Coastal Commission recommendation).
- Rebuild crumbling walls at La Jolla Shores Boardwalk.
- Repair and restore park area at La Jolla Hermosa Park.
- Add steps at bottom of staircase at La Jolla Cove Beach.

- Improve open beach access via pedestrian walkway at Spindrifft/Marine Room.
- Repair handrails and steps for ocean access at Camino de la Costa viewpoint.
- Extend railing along Boardwalk at Point La Jolla (Coastal Commission recommendation).

Torrey Pines

- Crest Canyon Passive improvements: Prepare a General Development Plan for a one-to two-acre public park in partial fulfillment of the 17 acres called for in the Community Plan. Improvements could include lighting, signage, exercise stations, seating, dog and people water station, trail improvements.

Mission Bay Golf Course

- Use golf enterprise funds to install netting/barrier along the westerly edge of the Mission Bay Golf Course to protect the adjacent McEvoy Fields and Pacific Beach Tennis Club.

Stormwater

Pacific Beach

- Drainage improvements between Olney St. and Campland entrance.

La Jolla

- Evaluate, update, and repair storm water system throughout La Jolla.

Torrey Pines

- Street & Drainage Improvements in Sorrento Valley.

Public Utilities

Del Mar Mesa

- Extend existing recycled water/purple pipe at Carmel Country Road and Del Mar Mesa Road, including water meters and a circulation loop connecting at Carmel Mountain Road. Provide recycled water to the Del Mar Mesa parkways and park.