




THE CITY OF SAN DIEGO

**TODD GLORIA**  
MAYOR

M E M O R A N D U M

**DATE:** January 7, 2025  
**TO:** Councilmember Henry Foster III  
**FROM:** Mayor Todd Gloria   
**SUBJECT:** Response to Request to Reserve Excess Equity Funds for January 22, 2024  
Flood-Impacted Residents

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I received your November 18, 2024 memorandum requesting action during the Fiscal Year 2025 Mid-Year Budget Monitoring process to allocate \$5 million for San Diego flood-impacted residents.

I deeply appreciate your advocacy for the immense challenges faced by those affected by this unprecedented storm event. The City of San Diego remains committed to supporting residents in their recovery and rebuilding efforts. We have taken significant steps in partnership with state and federal agencies to ensure that immediate resources, including temporary housing assistance, debris removal, and public safety measures, are made available to impacted communities. These efforts continue to be a priority as we work to restore stability for those affected.

The Fiscal Year 2024 Year-End Financial Performance Report identified Excess Equity available above the Fiscal Year 2025 Adopted Budget of \$20.6 million. While additional Excess Equity has been identified at the close of Fiscal Year 2024, the Fiscal Year 2025 First Quarter Budget Monitoring Report projects major revenues to be under budget and certain expenditures to be over budget at the end of the fiscal year. Additionally, the City's structural budget deficit, estimated at \$258.2 million for Fiscal Year 2026, represents a challenge to how the City delivers core services in every neighborhood.

Additionally, in the adoption of this year's budget, the Council transferred \$3 million from the Community Equity Fund to the San Diego Housing Commission for the Flood Victim Recovery Program. While approximately \$2 million has already been spent, there is nearly \$1 million left in balance to be disbursed to flood-impacted residents. This is in addition to external funding sources, such as FEMA individualized grant assistance, California disaster recovery programs, and community non-profit partnerships, to provide sustained support for these residents.

The City is at a critical juncture in addressing our structural budget challenges, particularly as we anticipate a deficit in the upcoming fiscal year. While Excess Equity may seem like a flexible resource, it is necessary to allocate these funds prudently to help reduce cuts to essential city services including stormwater infrastructure to prevent future disasters.

That said, we will continue to work closely with the San Diego Housing Commission, state and federal agencies, and community-based organizations to ensure that available resources are maximized.

Your dedication to our shared goal of keeping families in their homes is commendable, and I encourage further dialogue on how we can address these critical needs collaboratively. I welcome the opportunity to discuss potential strategies that balance immediate support for impacted residents with our collective responsibility to ensure the city's long-term fiscal health.

cc: Paola Avila, Chief of Staff, Office of the Mayor  
Eric Dargan, Chief Operating Officer, Office of the Mayor  
Charles Modica, Independent Budget Analyst  
Matt Vespi, Chief Financial Officer  
Lisa Jones, President and Chief Executive Officer, San Diego Housing Commission  
Daniel Horton, Chief of Staff, Office of Councilmember Henry L. Foster III