

City of San Leandro

City Council Workshop

March 6, 2026

Surlene G. Grant Community Meeting Room





**Welcome
from
Mayor
Juan González III**

Public Comment

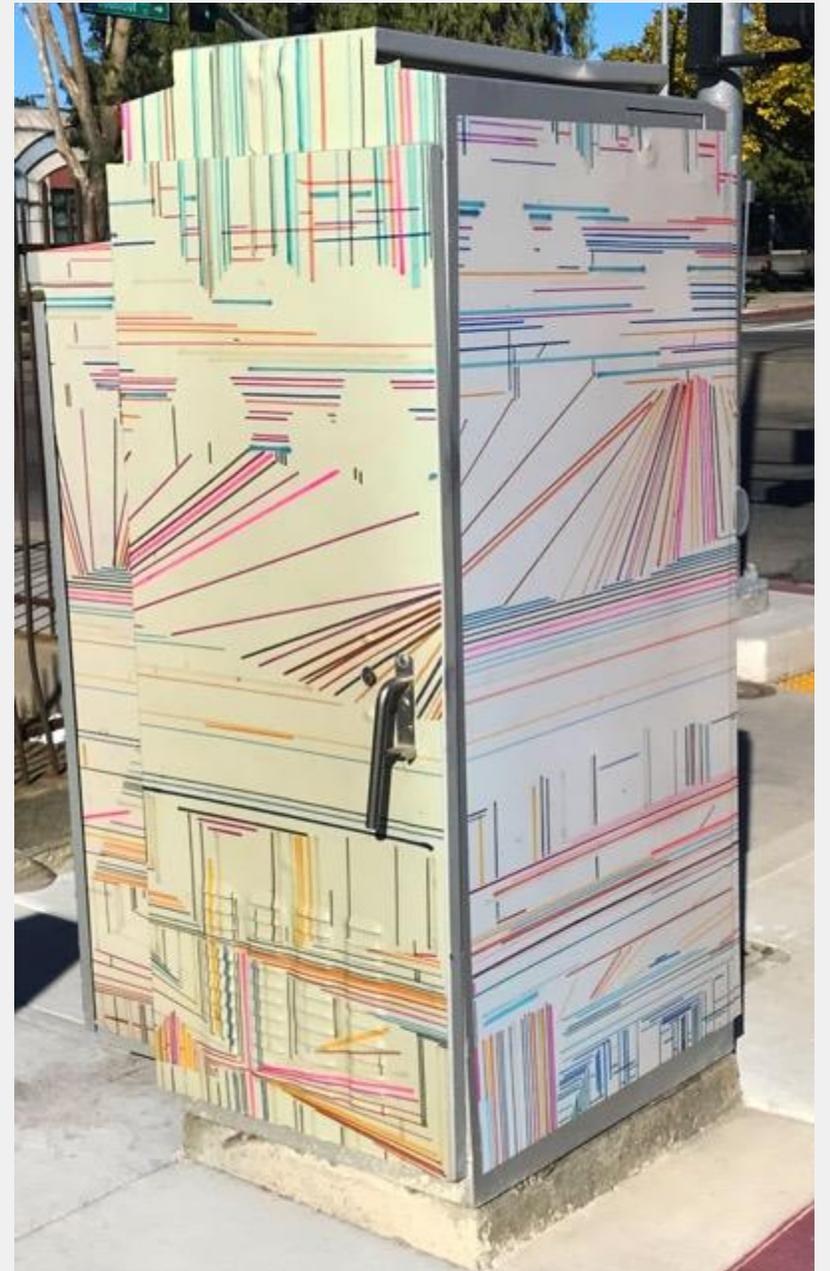


**Opening
Comments
from
*City Manager
Janelle
Cameron***



Today's Objectives

- ✓ Build consensus on our approach to a balanced budget in FY 2026-27 and long term fiscal sustainability
- ✓ Confirm the existing five Council priorities and add fiscal sustainability as a baseline principle
- ✓ Consensus on the work plan
- ✓ Share and hear each other's perspectives
- ✓ Strengthen collaboration in achieving fiscal sustainability



Hansen Utility Box

Council Interview Themes



- Concerns about fiscal situation
- Current five priority areas remain relevant
- A variety of interests about projects – both small and large
- Would like to discuss revenue measures
- Interest in different priority setting process than before

Today's Agenda

1. Reflect on accomplishments
2. Understanding the City's financial outlook
3. Consensus on approach to balancing the budget and ensuring long term financial sustainability
4. Lunch break
5. Discussion and consensus on Council priorities and work plan
6. Collaboration for achieving financial sustainability
7. Wrap up and next steps



Chime Way

Meeting Norms

- Seek areas of consensus
- Respect different perspectives
- Hold a “One San Leandro” mindset
- Think long-term



Bike Rack

Time management tool



Icebreaker





Let's Start With Good News:

Sample Examples Highlighted by Members of Council

- Public reporting on website of largest projects
- Increased communications
- Rent stabilization ordinance
- Mulford Marina Library groundbreaking
- Expanded library programming
- Lewelling Interim Housing & Drop-In Center
- Steven Taylor Memorial
- Progress on infrastructure projects
- Expansion of recreation programming
- Opening of Centro Callan/Sprouts
- Downtown improvements
- Memorial All Abilities Park

Many other accomplishments as shown in the Work Plan and on dashboard

**What contributed
to our
accomplishments?**

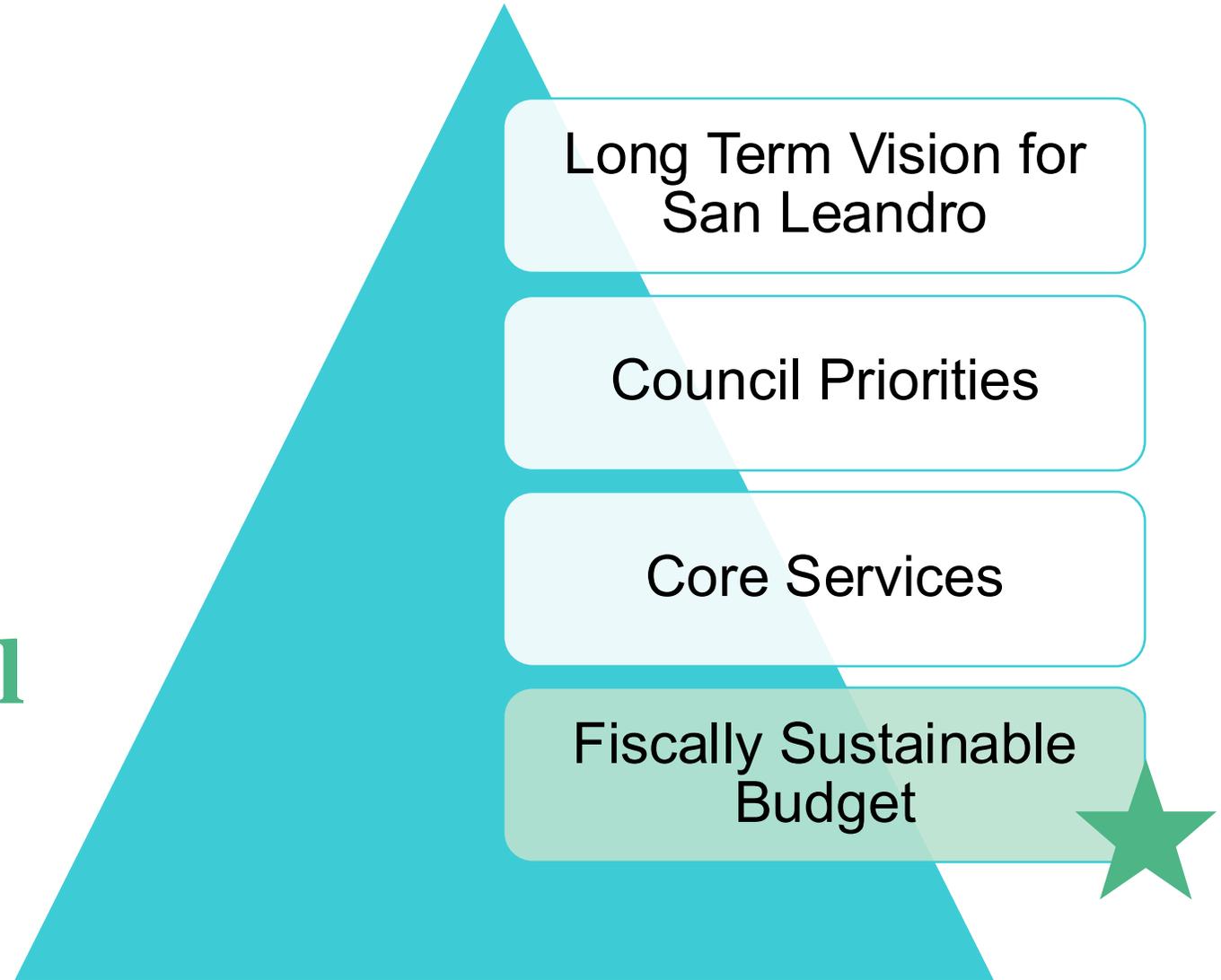


Financial Outlook



City's core services are the foundation for our community

Requires financial stability





Day to day operations require 90+% of our City's budget and staff effort

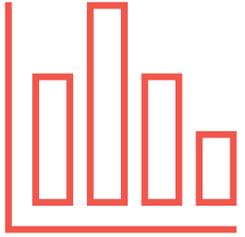
Council priorities are best implemented when **focused on the fundamentals** that support basic services

General Fund Budget Overview

We are
living
above our
means



What Our Financial Outlook Tells Us



- Not enough income to support our current services
- Reductions required are not small
- Priorities in spending need to be around the basics – funding the “**first things first**”
- The basics include **costs to avoid critical failure**
- Adding costs for new programs or projects will result in real reductions in services in other areas – some costs are baked in and cannot be reduced
- The trajectory is **negative** – will not get better by waiting
- Cutting into our reserves will only delay problems and creates other risks
- Need an **intentional, supported plan** to get to balance that is sustainable in the long term

Table 1: GF Forecast w/ Reduction Targets to Meet Goal (June 2025)

A	B	C	D	E	F
	FY 2025				
1 Fund Balance by Category	Adjusted Budget	FY 2026 Adopted	FY 2027 Adopted	FY 2028 Projected	FY 2029 Projected
2 Beginning Balance	\$75,454	\$54,733	\$48,606	\$43,732	\$44,004
3 Revenue	\$143,404	\$149,938	\$154,448	\$157,490	\$160,442
4 Expenditures	\$158,236	\$149,085	\$155,931	\$158,181	\$163,360
5 FY 2027 Reduction			(\$1,483)	(\$1,483)	(\$1,483)
6 FY 2028 Reduction				(\$4,500)	(\$4,500)
7 FY 2029 Reduction					(\$3,400)
8 Transfers	\$5,890	\$6,976	\$4,875	\$5,021	\$5,172
9 Net / Use of Fund Balance	(\$20,723)	(\$6,124)	(\$4,875)	\$272	\$1,293
10 Ending Fund Balance	\$54,733	\$48,606	\$43,732	\$44,004	\$45,297
11 % of Expenditures for Economic Uncertainties	22.7%	20.0%	16.2%	16.6%	17.2%

\$9.4M

Table 2: Updated GF Forecast w/ Adjusted Reduction Targets (February 2026)

A	B	C	D	E	F
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
1 Fund Balance by Category	Actuals	Adjusted*	Adjusted	Projected	Projected
2 Beginning Balance	\$74,929	\$69,520	\$53,482	\$48,608	\$48,633
3 Revenue	\$147,724	\$149,303	\$152,927	\$156,001	\$159,525
4 Expenditures	\$144,286	\$149,345	\$155,676	\$158,295	\$163,628
5 Prior Year Carry Over (FY 2025)*		\$9,396			
6 Mulford Library			\$460	\$469	\$479
7 FY 2027 Reduction			(\$3,209)	(\$3,209)	(\$3,209)
8 FY 2028 Reduction				(\$6,100)	(\$6,100)
9 FY 2029 Reduction					(\$2,300)
10 Transfers	\$8,846	\$6,600	\$4,875	\$6,521	\$6,672
11 Net / Use of Fund Balance	(\$5,409)	(\$16,039)	(\$4875)	\$25	\$356
12 Ending Fund Balance	\$69,520	\$53,482	\$48,608	\$48,633	\$48,989
13 % of Expenditures for Economic Uncertainties	38.6%	25.0%	22.0%	23.3%	23.0%

\$11.6M

*Reflects mid-year adjustments and encumbrance carryovers of previously authorized budget appropriations (FY 2025).

Library & Recreation

#	Description	FY 2027	FY 2028	FY 2029	Community Impact
1	Changes to Weekly Library Hours	(\$649,357)			<ul style="list-style-type: none"> • Elimination of vacant staffing • Main and Manor newly closed on Mondays, resulting in 7 less hours per week each. • Mulford increase from 12 to 28 hours/week
2	Reduce Digital & Physical Collection Allocations	(\$81,711)			<ul style="list-style-type: none"> • Inability to acquire requested materials; need to prioritize popular materials • LINK+ utilized more often, which will require more staff intervention and longer public wait times • Longer holds lists due to discontinuation of lease program
3	Eliminate Library Public Arts Funding	(\$50,000)			<ul style="list-style-type: none"> • Eliminate City-sponsored Comedy Festival starting in June 2028 • Eliminate Arts Grants program
4	Reduce Recreation Events and Supplies	(\$35,500)			<ul style="list-style-type: none"> • Reduce funding for field trip transportation, entertainment, YAC events, and other program supplies
5	Reduce Recreation and Park Contract Services	(\$35,000)	(\$40,000)	(\$14,000)	<ul style="list-style-type: none"> • Security service reduced to large events/rentals, and eliminate coverage at pools • Reduce contract landscape services at City Facilities to 1x per week or less starting in FY29
	TOTAL	(\$851,568)	(\$40,000)	(\$14,000)	

Public Works & Infrastructure

#	Description	FY 2027	FY 2028	FY 2029	Community Impact
6	Eliminate Third-Party Encampment Cleanup	(\$219,800)	(\$94,022)	(\$82,728)	<ul style="list-style-type: none"> • <i>Decreased ability to respond to requests for encampment cleanups</i> • <i>Increased blight and requests for service</i> • <i>Outside vendors performed 28 cleanups in 2025</i>
7	Eliminate Public WIFI	(\$108,131)			<ul style="list-style-type: none"> • <i>Elimination of WIFI access in downtown and parks for public access</i>
	Total	(\$327,931)	(\$94,022)	(\$82,728)	

Community Support & Human Services

#	Description	FY 2027	FY 2028	FY 2029	Community Impact
8	Eliminate Funding for Congregate Winter Shelter	(\$50,000)			<ul style="list-style-type: none"> Program was discontinued in FY26 due to a lack of a qualified provider. Staff recommends eliminating funding for this program permanently.
9	Reduce Community Agency Program Grant Funding		(\$20,000)		<ul style="list-style-type: none"> Current funding is \$170,000. Change will result in funding of \$150,000 starting in FY28
10	Reduce Security Services at Senior Community Center	(\$33,792)	(\$20,000)		<ul style="list-style-type: none"> Reduced on-site security presence at the Senior Community Center
11	Eliminate Domestic Violence Case Management Funding		(\$50,000)		<ul style="list-style-type: none"> Ongoing case management services following domestic violence crisis intervention may be reduced or eliminated for San Leandro residents
12	Eliminate Shelter Subsidy to Building Futures			(\$50,000)	<ul style="list-style-type: none"> Potential funding gap for Building Futures to provide winter shelter for unhoused individuals
13	Eliminate City Support for School Crossing Guard Program		(\$90,000)		<ul style="list-style-type: none"> SLUSD will need to identify funding, and may impact program scope
14	Reduce Community Sponsorships for Events and Community Investment Grants	(\$60,000)			<ul style="list-style-type: none"> Reduced sponsorships for events, and grant opportunities for investment in the Community
Total		(\$143,792)	(\$180,000)	(\$50,000)	

Police & Fire

#	Description	FY 2027	FY 2028	FY 2029	Community Impact
15	Eliminate Vacant Crime Analyst	(\$161,629)			<ul style="list-style-type: none"> Limits transparency and slower response to community safety concerns. Delays in data and intelligence collection
16	Reduce Police Consulting Services	(\$57,500)			<ul style="list-style-type: none"> Potential delay in public messaging, delays in hiring of police officers, and recruitment website impact
17	Reduce Alternative Response Unit (ARU) Program			(\$438,286)	<ul style="list-style-type: none"> Reduced ARU staffing from 4 to 3; Reduced respite beds from 4 to 2. Decreased support to follow up on clients Impacts to clinical decision making - prescriptions, 5150 decisions & referrals
TOTAL		(\$219,129)		(\$438,286)	

Community & Economic Development

#	Description	FY 2027	FY 2028	FY 2029	Community Impact
18	Reduce Planning & Building Consulting Services		(\$25,000)	(\$100,000)	<ul style="list-style-type: none"> • Significant reduction in capacity to conduct long-range planning, respond to evolving state mandates, and implement the Housing Element • Increase Building permit review time
19	Reduce Downtown Ambassador Program Funding		(\$51,021)	(\$20,000)	<ul style="list-style-type: none"> • Reduction in service hours for Downtown Safety Ambassadors • Increased calls for PD service, reduced support for Downtown businesses • Possible negative impact on attracting new businesses & development
20	Eliminate Business Incentive Program	(\$157,000)			<ul style="list-style-type: none"> • No ability to recruit and assist unique small businesses • No ability to financially assist shopping centers in making strategic and impactful upgrades
21	Eliminate Economic Development Studies	(\$50,000)	(\$50,000)		<ul style="list-style-type: none"> • Discontinue Arts District Evaluation & Placemaking/Plaza Planning • Eliminate budget for new Economic Development studies

Community & Economic Development

#	Description	FY 2027	FY 2028	FY 2029	Community Impact
22	Reduce Event Sponsorship	(\$32,000)		(\$1,000)	<ul style="list-style-type: none"> • <i>Elimination of Downtown Event Sponsorship; fewer tools to drive foot traffic, promote local businesses & activate public spaces in the Downtown</i> • <i>Reduction of Downtown Farmers Market Support</i>
23	Reduce Chamber of Commerce Support			(\$12,450)	<ul style="list-style-type: none"> • <i>Reduction in joint City-Chamber of Commerce activities</i>
24	Reduce Branding & Marketing Funds	(\$70,000)	(\$85,000)	(\$10,000)	<ul style="list-style-type: none"> • <i>Reduction of City Brand Assessment & Marketing Study & Brand Implementation</i> • <i>Reduced funds to develop new Economic Development marketing</i> • <i>Elimination of San Francisco Business Times advertising / spotlight on San Leandro</i> • <i>Reduced recruitment of new businesses that bring valuable jobs & revenue</i>

Community & Economic Development

#	Description	FY 2027	FY 2028	FY 2029	Community Impact
25	Reduce Housing Division Consulting Budget	(\$40,000)			<ul style="list-style-type: none"> • <i>Reduced budget for third-party Tenant / Landlord Services and Housing Assistance Services</i> • <i>Discontinue Multi-Family Rental Assistance Program Needs Analysis and Seminars / Outreach to Enhance Housing Mobility (Housing Element)</i> • <i>Reduced ability to meet regulatory & programmatic requirements necessary for compliance with federal & state funding sources</i>
26	Reduce First Time Home Buyer / Below Market Rate (BMR) Program	(\$25,000)		(\$25,000)	<ul style="list-style-type: none"> • <i>Reduced capacity to manage & monitor the City's Below Market Rate (BMR) Program</i> • <i>Proposed FY 29 reductions will result in loss of third-party contract - Significant increase in City staff time to manually administer the BMR Program</i> • <i>Reductions & delays in application processing, compliance reviews & annual reporting</i> • <i>Increased compliance risks & diminished quality of service provided to program participants</i>
TOTAL		(\$374,000)	(\$211,021)	(\$168,450)	

Transfer to Capital Funds

#	Description	FY 2027	FY 2028	FY 2029	Community Impact
27	Reduce General Fund Transfer to Capital Funds	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)	<ul style="list-style-type: none"> • <i>Decreased funding for infrastructure needs resulting in continued degradation:</i> <ul style="list-style-type: none"> • <i>Street/Road Improvements</i> • <i>Facility/Building Major Maintenance</i> • <i>Park Major Maintenance</i> • <i>Explore other revenue sources to offset current General Fund subsidy to Capital Funds (i.e. Grants)</i>
	Total	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)	

Additional Options to Consider

Option 1: Reimbursement of Cost from OPEB Trust Fund (up to \$1,000,000)

- Impact: Leverage annual investment earnings; up to \$1,000,000 in trust reimbursement for annual retiree medical cost. Monitor trust performance and expenses on an annual basis for viability.

Option 2: Eliminate Alternative Response Unit (ARU) Program (\$877,530)

- Community Impact: Eliminate support for individuals who receive care through ARU program, such as respite beds, and clinical support on decision making - prescriptions, 5150 decisions & referrals.

Option 3: Fire Station “Brown Out” (\$1,490,955)

- Community Impact: “Brown out” of a fire station for 6 months of the year, resulting in increased response times to calls for service and potential delay in life-saving interventions, such as CPR.

Summary of Proposed Reduction

Functional Area	FY 2027	FY 2028	FY 2029
Library & Recreation	(\$851,568)	(\$40,000)	(\$14,000)
Public Works & Infrastructure	(\$327,931)	(\$94,022)	(\$82,728)
Community Support & Human Services	(\$143,792)	(\$180,000)	(\$50,000)
Police & Fire	(\$219,129)	(\$0)	(\$438,286)
Community & Economic Development	(\$374,000)	(\$211,021)	(\$168,450)
Transfer to Capital Funds	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)
Annual Community Impacted Reduction Subtotal	(\$2,916,420)	(\$1,525,043)	(\$1,753,464)
Cumulative Ongoing Community Impacted Reductions	(\$2,916,420)	(\$4,441,463)	(\$6,194,927)
Cumulative Ongoing Internal Operational Reductions	(\$4,388,588)	(\$5,268,346)	(\$5,873,881)
Overall Cumulative Total Of Reductions	(\$7,305,008)	(\$9,709,809)	(\$12,068,808)

10-Year Financial Forecast w/Reductions

	A	B	C	D	E	F	G	J	H	I	J	K	L	M
		2025	2026	2027	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
		Actuals	Adopted	Adopted	Adjusted*	Adjusted	Est.							
1	Total Revenues	\$147.7M	\$149.9M	\$154.4M	\$149.3M	\$152.9M	\$156.0M	\$159.5M	\$163.2M	\$167.1M	\$167.7M	\$171.7M	\$176.5M	\$181.8M
2														
3	Mulford Library					0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
4	FY 2027 Reduction					-3.2	-3.2M							
5	FY 2028 Reduction						-6.1M							
6	FY 2029 Reduction							-2.3M						
7	Total Operating Expenditures	\$144.3M	\$149.1M	\$155.7M	\$149.3M	\$152.9M	\$149.5M	\$152.5M	\$156.3M	\$160.2M	\$163.1M	\$166.2M	\$169.0M	\$172.3M
8	Total Other Sources/(Uses) - Transfers	\$8.8M	\$7.0M	\$4.9M	\$6.6M	\$4.9M	\$6.5M	\$6.7M	\$6.8M	\$5.5M	\$5.7M	\$8.3M	\$6.0M	\$6.2M
9														
10	Total Expenditures and Transfers	\$153.1M	\$156.1M	\$160.6M	\$155.9M	\$157.8M	\$156.0M	\$159.2M	\$163.1M	\$165.7M	\$168.7M	\$174.5M	\$175.0M	\$178.4M
11	Prior Year Carry Over				\$9.4M									
12	Total Expenditures and Transfers Adjusted				\$165.3M									
13														
14	Net Change in Fund Balance	-\$5.4M	-\$6.1M	-\$6.1M	-\$16.0M	-\$4.9M	\$0.0M	\$0.4M	\$0.1M	\$1.4M	-\$1.0M	-\$2.9M	\$1.5M	\$3.4M
15														
16	Beginning Balance	\$74.9M	\$54.7M	\$48.6M	\$69.5M	\$53.5M	\$48.6M	\$48.6M	\$49.0M	\$49.1M	\$50.5M	\$49.5M	\$46.7M	\$48.2M
17	Ending Balance	\$69.5M	\$48.6M	\$42.5M	\$53.5M	\$48.6M	\$48.6M	\$49.0M	\$49.1M	\$50.5M	\$49.5M	\$46.7M	\$48.2M	\$51.5M
18														
19	Ending Balance as % of Exp. for Economic Uncertainties	38.6%	20.0%	15.2%	25.0%	22.0%	23.3%	23.0%	22.5%	22.9%	21.9%	19.7%	20.3%	21.9%

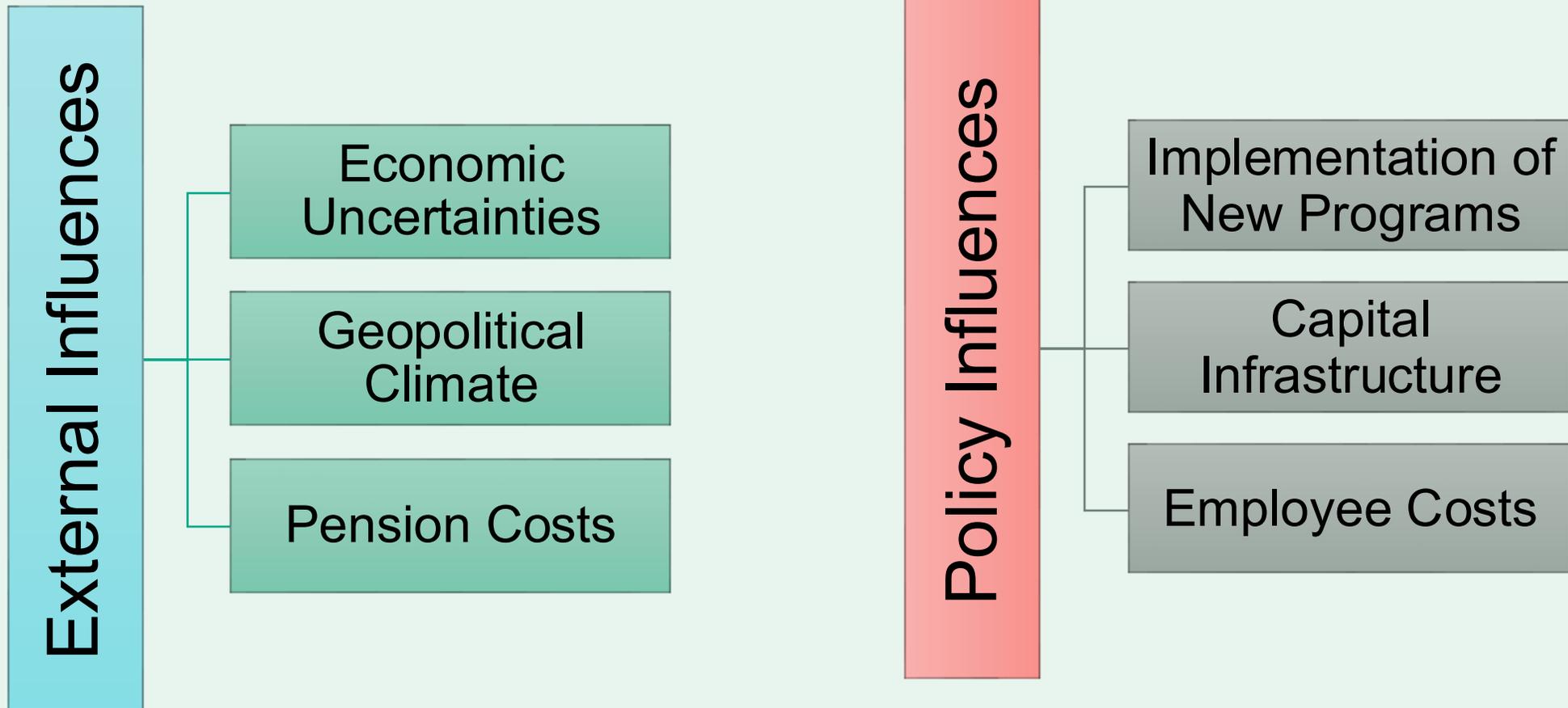
*Reflects mid-year adjustments and encumbrance carryovers of previously authorized budget appropriations (FY 2025).

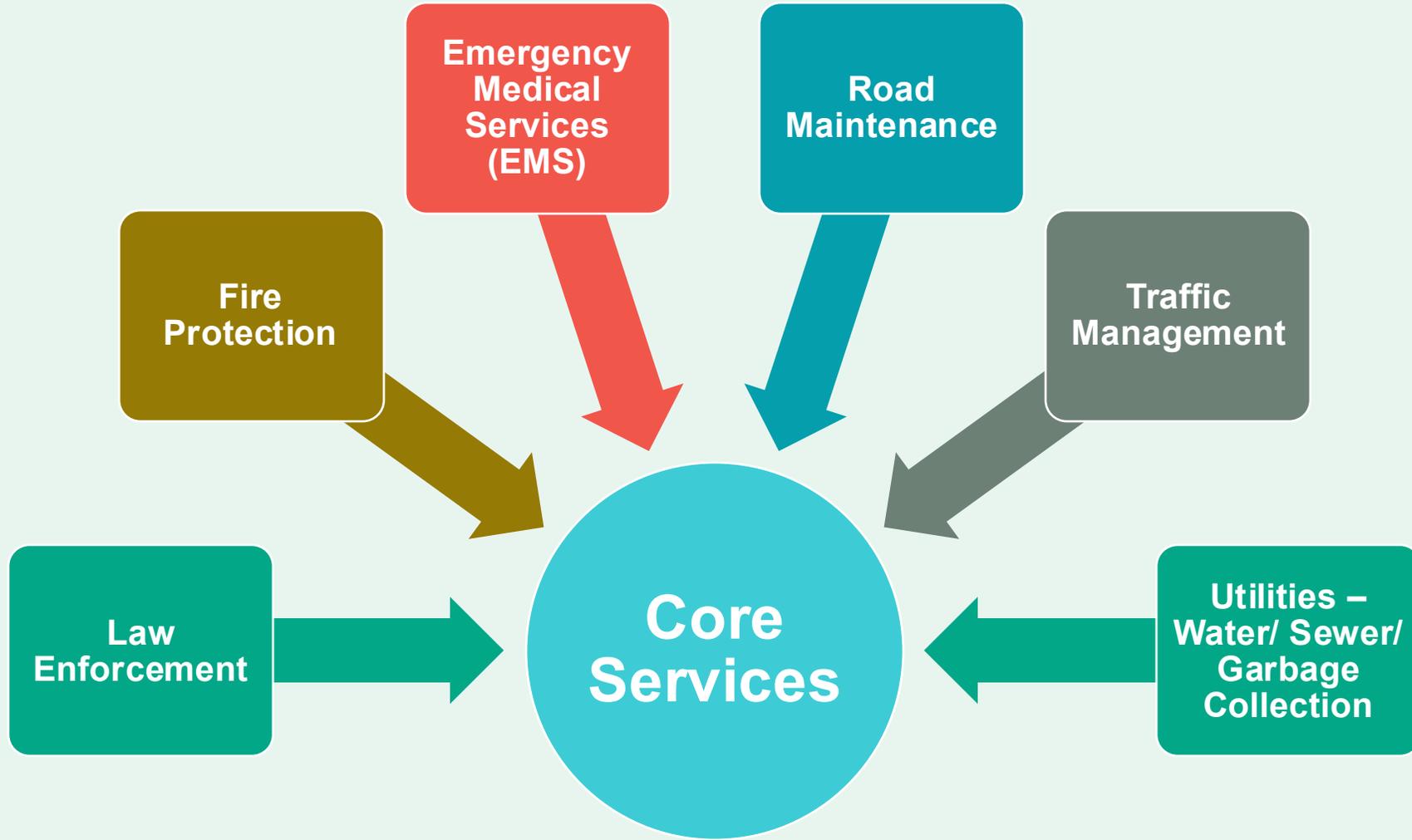
10-Year Financial Forecast w/o Reductions

	A	B	C	D	E	F	G	J	H	I	J	K	L	M
		2025	2026	2027	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
		Actuals	Adopted	Adopted	Adjusted*	Adjusted	Est.							
1	Total Revenues	\$147.7M	\$149.9M	\$154.4M	\$149.3M	\$152.9M	\$156.0M	\$159.5M	\$163.2M	\$167.1M	\$167.7M	\$171.7M	\$176.5M	\$181.8M
2														
3	Total Operating Expenditures	\$144.3M	\$149.1M	\$155.7M	\$149.3M	\$156.1M	\$158.8M	\$164.1M	\$167.9M	\$171.8M	\$174.7M	\$177.8M	\$180.6M	\$183.9M
4	Total Other Sources/(Uses) - Transfers	\$8.8M	\$7.0M	\$4.9M	\$6.6M	\$4.9M	\$6.5M	\$6.7M	\$6.8M	\$5.5M	\$5.7M	\$8.3M	\$6.0M	\$6.2M
5														
6	Total Expenditures and Transfers	\$153.1M	\$156.1M	\$160.6M	\$155.9M	\$161.0M	\$165.3M	\$170.8M	\$174.7M	\$177.3M	\$180.3M	\$186.1M	\$186.6M	\$190.0M
7	Prior Year Carry Over				\$9.4M									
8	Total Expenditures and Transfers Adjusted				\$165.3M									
9														
10	Net Change in Fund Balance	-\$5.4M	-\$6.1M	-\$6.1M	-\$16.0M	-\$8.1M	-\$9.3M	-\$11.3M	-\$11.5M	-\$10.2M	-\$12.6M	-\$14.5M	-\$10.1M	-\$8.2M
11														
12	Beginning Balance	\$74.9M	\$54.7M	\$48.6M	\$69.5M	\$53.5M	\$45.4M	\$36.1M	\$24.9M	\$13.3M	\$3.2M	-\$9.4M	\$23.9M	\$34.0M
13	Ending Balance	\$69.5M	\$48.6M	\$42.5M	\$53.5M	\$45.4M	\$36.1M	\$24.9M	\$13.3M	\$3.2M	-\$9.4M	-\$23.9M	-\$34.0M	-\$42.2M
14														
15	Ending Balance as % of Exp. for Economic Uncertainties	38.6%	20.0%	15.2%	25.0%	19.5%	14.0%	6.7%	-0.3%	-6.2%	-13.3%	-21.2%	-26.5%	-30.5%

*Reflects mid-year adjustments and encumbrance carryovers of previously authorized budget appropriations (FY 2025).

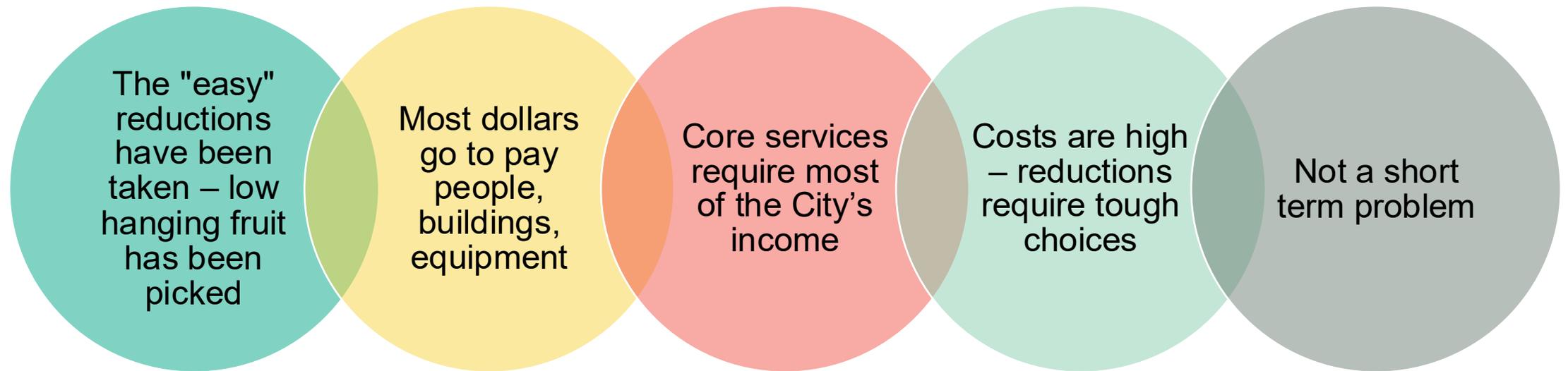
Key Factors Driving Cost Increases



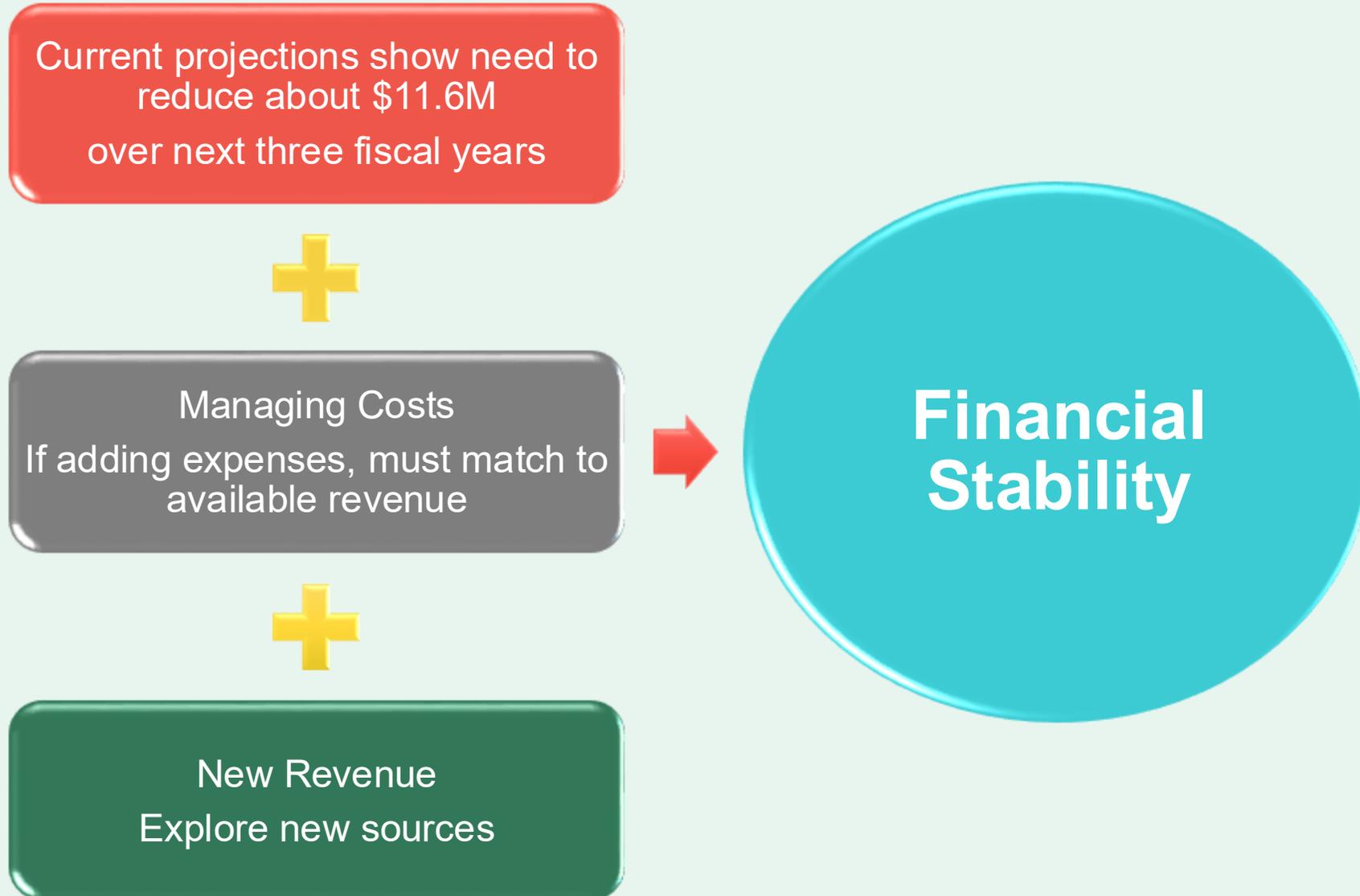


First Things First

This Is Not An Easy Fix



Three Parts to Achieving Financial Stability



Council Agreement on the Path



Fund the City's Core Services

First things first: Focus on sustaining existing core services



Avoid New Programs / Projects

Add only when **offset by the removal or reduction** of current programs/projects

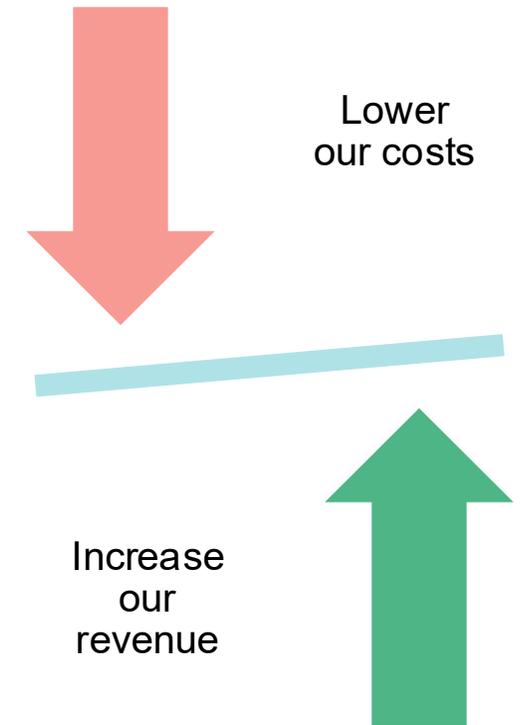
Proposed Principles for Balancing the Budget

1. Prioritize core services; but no department is immune to reductions
2. Retain City reserves at 20% for economic uncertainty + \$5M for major emergencies – no increase or decrease
3. Refrain from adding new projects or programs
4. Attempt to minimize service reductions that impact the community and avoid layoffs
5. Preserve the health and safety of City employees
6. Retain the ability to train employees and maintain a positive work environment
7. Focus management and administrative staff time on core service delivery and approved major projects – **“first things first”**

What We Are Asking of Council Regarding the Budget

Council Consensus to:

1. Adopt **principles** for balancing the budget
2. **Remove non-required costs** to the budget
 - Fund **core services** first
3. Identify majority views on “**no go**” cuts
4. **Pause on adding** any new non-required costs to the budget
 - **Determine Trade-offs/offsets** if something new is added by the Council (what will be eliminated or deferred that is of equivalent cost and staff effort)
 - **Always ask:** Is the new program worth cutting services elsewhere?



Council Consensus on Approach to Balancing the Budget and Ensuring Long Term Fiscal Sustainability



What we agree on



Staff's next steps

Break



Break for Working Lunch



Cherry Festival

City's Budget is Developed Based on Council Priorities and Core Services



COUNCIL PRIORITIES TIMELINE



1. PUBLIC SAFETY



Accomplishments

- Increased sworn staffing to 77% of authorized strength
- Distributed 648 Ring cameras to the community
- Participated in 14 community events
- Captured 2 homicide suspects related to two separate incidents
- 96 dogs reunited with their owners
- Reduced our overall animal intake



Public Safety On Track/Upcoming

On Track/Upcoming Projects		Status
1.1	Staffing	On Track
1.2	Recruitment	On Track
1.3	Reduce Number of Strays Taken to the Shelter (Lower Animal Control Costs)	On Track
1.4	Shelter Diversion Strategy (Lower Animal Control Costs)	On Track
1.5	Fill Vacant Animal Control Officer Position (Lower Animal Control Costs)	On Track
1.6	Increase Enforcement of Loose Dog Violations (Lower Animal Control Costs)	On Track
1.7	Ensure Strong Community Engagement	On Track
1.8	Encampment Removal	On Track
1.9	Emergency Management	On Track



2. INFRASTRUCTURE

Accomplishments

- Launched Revenue Measure
- Reopened Memorial Park
- Completed Steven Taylor Sanctity of Life Pavilion project
- Initiated Trash Free San Leandro Business Certifications



Infrastructure

On Track/Upcoming & Recommended Modifications

On Track/Upcoming Projects		Status
2.1	New Revenue Measure on November 2026 Ballot	On Track
2.2	Stormwater Fee Update	Upcoming
2.3	PG&E Electric Vehicle Fleet Program	On Track
2.4	Implementation of Environmental Programs	On Track
2.5	Major Construction Project Delivery	On Track

Projects with Recommended Modifications		Recommended Action
2.6	Asset Management	Discontinue - Software budget eliminated



3. QUALITY OF LIFE

Accomplishments

- Developed and Implemented Arts Grants Program
- Developed Programs Celebrating Community and the Diverse Cultures in San Leandro
- Expanded utilization of early childhood education programming
- Expanded Technology Based Adult Education Programs
- Partnered with Local Organizations for Expanded Senior Services
- Partnered with Local Organizations to create accessible and affordable healthy eating options, particularly for low-income families.



Accomplishments

- Expanded volunteer opportunities for cleaning streets and public spaces a citywide
- Designed and implement a planting initiative to introduce native and drought-tolerant plants across city parks, medians, and public spaces
- Expanded Citywide Tree Canopy Coverage
- Developed Recreational Programs for Inclusivity and Diverse Age Groups
- Hosted Health & Active Living Events



Quality of Life

On Track/Upcoming Projects & Recommended Modifications

On Track/Upcoming Projects		Status
3.1	Expand Utilization of Art Gallery Spaces in City Facilities, establishing partnerships for installations	On Track
3.2	Strategic placement of litter receptacles to maximize usage and enhance cleanliness.	On Track
3.3	Collaborate with Schools for Public Use of Recreational Facilities	On Track

Projects with Recommended Modifications		Recommended Action
3.4	Establish a Private Tree Protection Ordinance	Discontinue project (unfunded)

4. ECONOMIC DEVELOPMENT



Accomplishments

- Prepared Innovation Action Plan
- Prepared Retail Action Plan
- Held annual development event to promote opportunity sites
- Updated the Commercial Incentive Programs
- Completed Development Process Evaluation
- Developed Workforce Partnership Strategy
- Updated Small Business Technical Assistance Workplan



Economic Development On Track/Upcoming

On Track/Upcoming Projects		Status
4.1	Support Major Developments and Update Zoning	On Track
4.2	Preserve Industrial Districts and Address Infrastructure Needs	Upcoming
4.3	Ensure Resident Workforce Training and Education for Access to High-quality Job Opportunities	On Track
4.4	Support Small Business And Entrepreneurship	On Track
4.5	Accelerate Innovation and Growth of Target Industries	On Track
4.6	Create Vibrant Gathering Places with Quality Retail, Dining, Hospitality, and Entertainment Businesses	On Track



5. HOUSING & HOMELESSNESS

Accomplishments

- Adopted Rent Stabilization Ordinance
- Advanced Rent Registry Ordinance implementation
- Right-Sized Park Development Impact Fees to support housing production, including fee waiver for affordable projects & ADUs
- Evaluated market feasibility of key entitled residential development projects and presented findings to Council
- Advanced Homelessness Prevention Rental Assistance program



REVIEW OF SAMPLE PROJECTS PROPOSED IN CITY

- KR asked to review fundamentals for select projects that are entitled, but have yet to be developed:
 1. Maximus Project – 915 Antonio Street / 899 Alvarado St
 2. Town Hall Square – 1199 E. 14th Street
 3. 1388 Bancroft Ave
- Projects represent slightly different development approaches
- Projects have slightly different opportunities and constraints



KR
KOSMONT REALTY

City of
San Leandro
www.sanleandro.org/rentprogram

Rental Registry Ordinance (effective July 2026)

On **October 20, 2025**, City Council adopted **Ordinance No. 2025-013**, amending the Rental Registry Ordinance to revise the rental registration filing deadline from January 31 to July 31.

On **April 21, 2025**, City Council adopted **Ordinance No. 2025-002**, establishing Chapter 4-45, "Rental Registry," in the San Leandro Municipal Code. This ordinance requires residential rental property owners to register units annually and support compliance through associated fees.

Rent Stabilization Ordinance (effective January 2027)

On February 2, 2026, City Council adopted **Ordinance No 2026-001**, adding Chapter 4-46 to the San Leandro Municipal Code to establish Residential Rent Stabilization. Starting January 1, 2027, rent increases for covered units will be capped at the lower of 3% or 65% of CPI, based on the rent in effect on July 1, 2025; any rent increases before that date are governed only by existing leases and state law.

Housing & Homelessness

On Track/Upcoming & Recommended Modifications

On Track/Upcoming Projects		Status
5.1	PLHA Rental Assistance Program	On Track
5.2	Rent Registry Implementation	On Track
5.3	Rent Stabilization Ordinance	On Track
5.4	Local Preference / Disparate Impact Study	On Track
5.6	Support Housing Production	On Track

Projects with Recommended Modifications		Recommended Action
5.7	Mobile Home Space Rent Stabilization Ordinance (MHRSO) Amendment	Delay - Ordinance to Council from June 2027 to June 2028
5.8	Operate Lewelling Interim Housing & Drop-in Center	Discontinue: Identify successor sites
5.9	Explore Safe Parking	Discontinue project (unfunded)
5.1	Explore Safety Ambassador Expansion	Discontinue project (unfunded)

All Impacted Projects

Projects with Recommended Modifications			Recommended Action
1	Infrastructure	Asset Management	Discontinue - Software budget eliminated
2	Quality of Life	Establish a Private Tree Protection Ordinance	Discontinue-Unfunded
3	Housing & Homelessness	Mobile Home Space Rent Stabilization Ordinance (MHRSO) Amendment	Delay - Ordinance to Council from June 2027 to June 2028
4	Housing & Homelessness	Operate Lewelling Interim Housing & Drop-in Center	Discontinue: Identify successor sites
5	Housing & Homelessness	Explore Safe Parking	Discontinue: Unfunded
6	Housing & Homelessness	Explore Safety Ambassador Expansion	Discontinue: Unfunded

Discussion of Council Priorities and Work Plan

Consensus Sought:

1. **Retain** existing Council priorities
2. Agreement on **changes** to the work plan

“First Things First”



Councilmember Interests Pertaining to Priorities: *General Comments*

- All said to keep the 5 priority areas
- Balance the budget; exercise fiscal responsibility
- Raise revenue
- Fund the basic services people rely on
- Make decisions based on our long-range financial forecast
- Strengthen trust with the community
- Balance longer term efforts with smaller projects that community members want
- Improve priority setting process

Existing Priorities: *Is there Council Consensus to Stay the Course*



City Manager's Recommendations for Revised Work Plan: Updated to Match Resources



Accomplished

Working On

Remove

Delay

See handout

Criteria Applied by Staff for Modifications to the Work Plan

Working On:

- Feasible (sufficient staffing, other relevant factors for each project make it feasible to proceed)
- Funded

Remove:

- No known or reliable funding
- Infeasible (insufficient staffing, changes in state or federal laws, lack of majority support to advance)

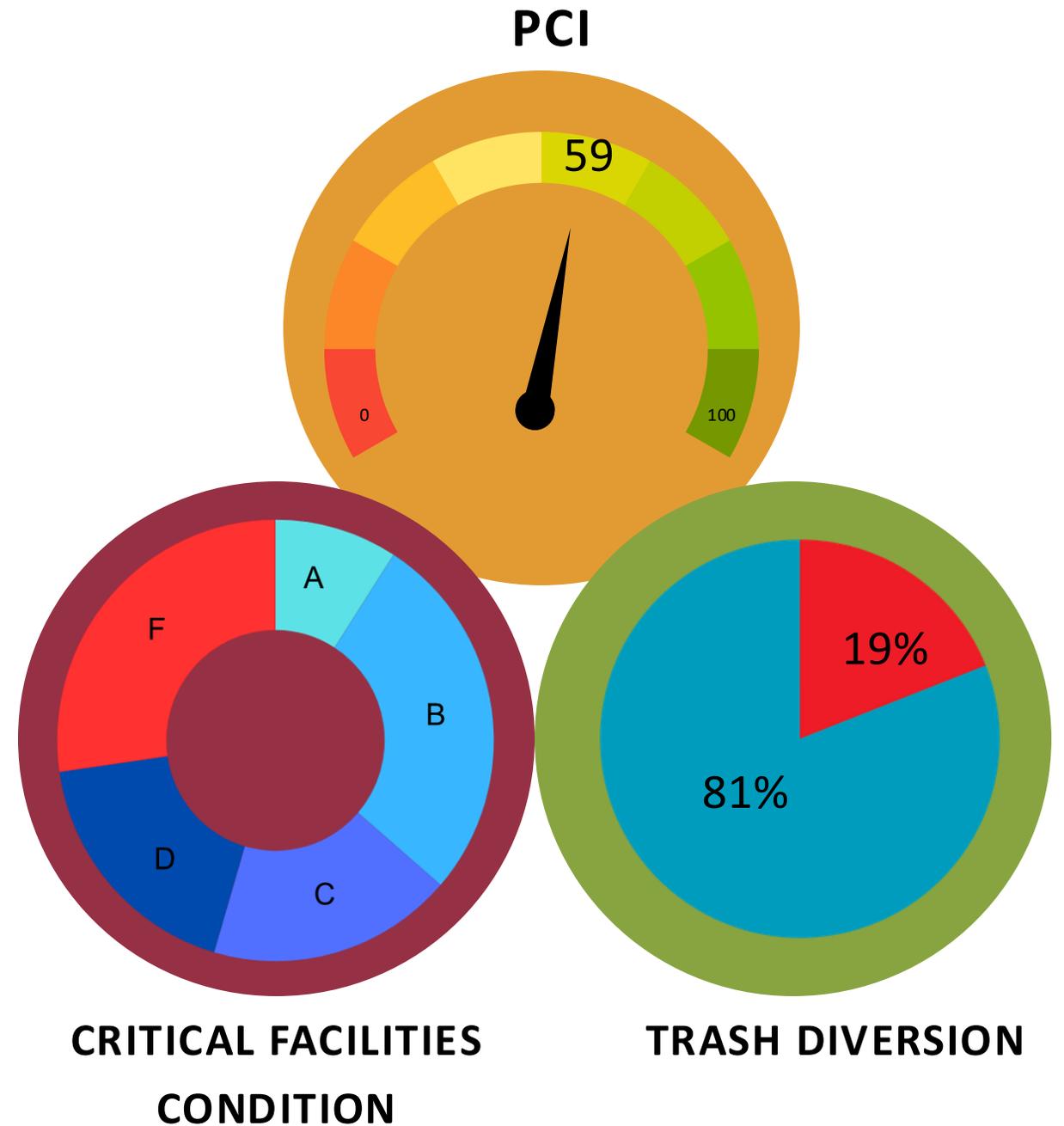
Delay:

- New source of funding is likely in the future
- Outside agency is pausing but has not dropped
- Staff capacity may be likely within the next three years but not now

Discussion of Proposed Work Plan Revisions: Seeking Council Consensus



PUBLIC WORKS DIRECTOR'S DASHBOARD

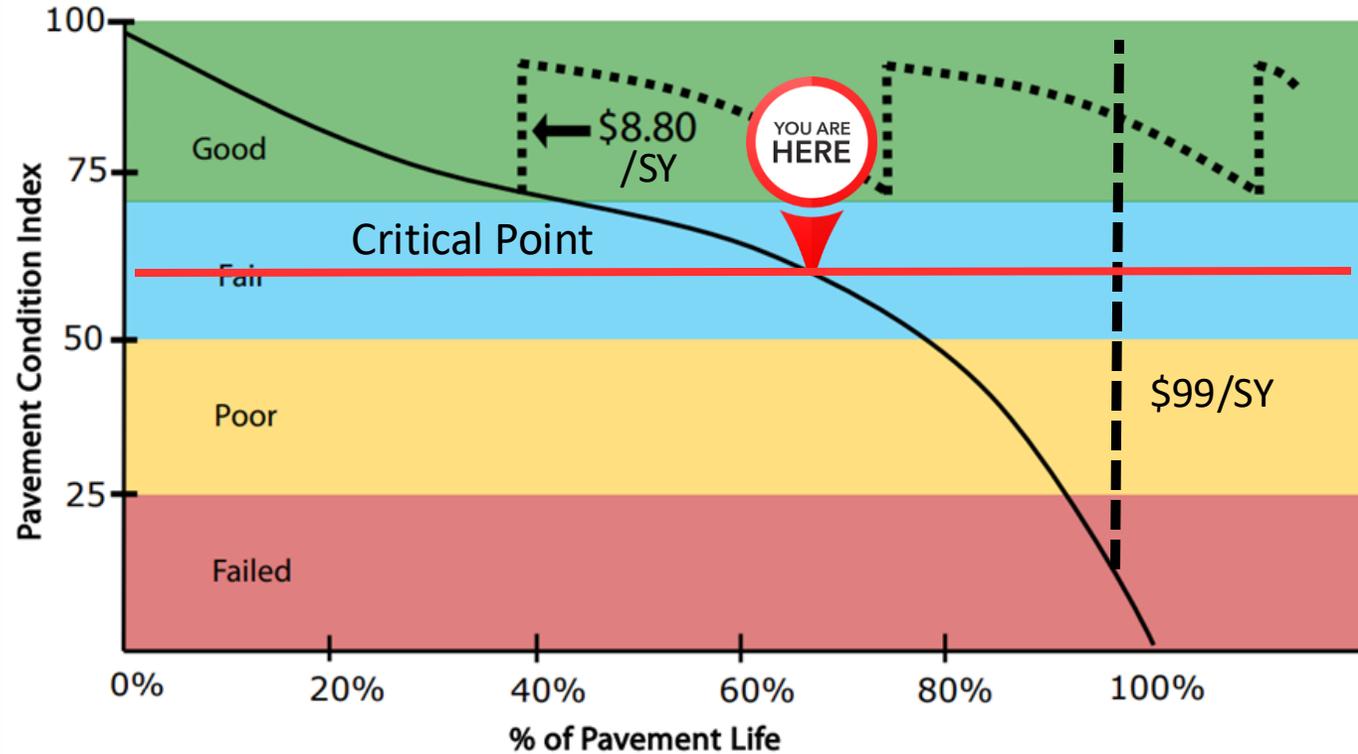


PAVEMENT CONDITION INDEX (PCI)



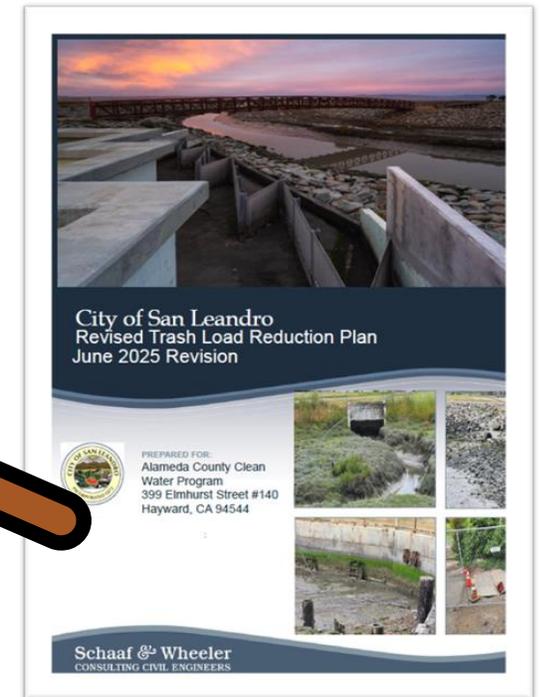
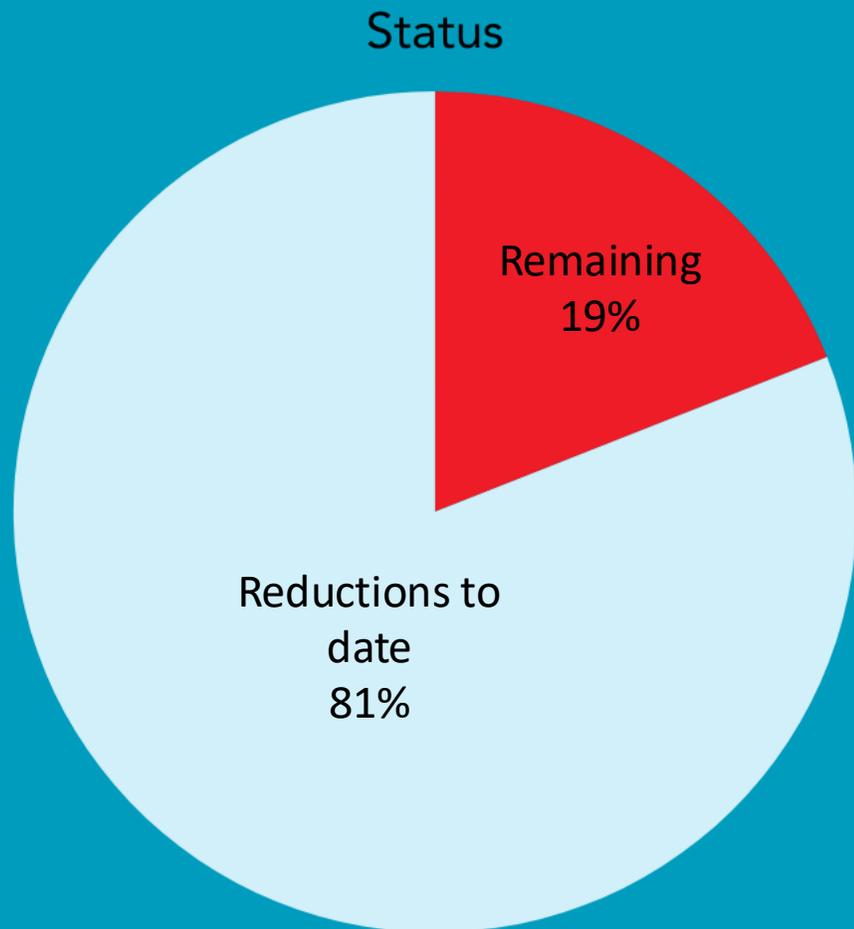
Average PCI from 2023 MTC Pavement Management Report

PAVEMENT DETERIORATION CURVE



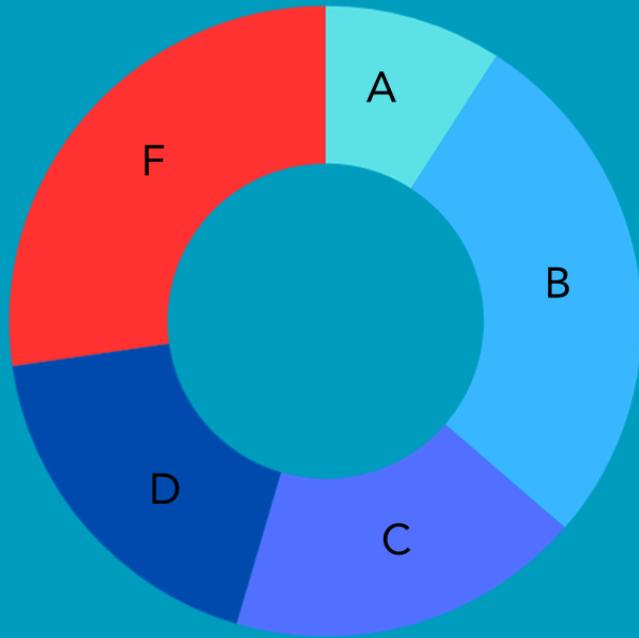
- Current funding level = \$4.5M/year
- Minimum PCI 60 to be eligible for County direct distribution funding
- Below the critical point, delaying maintenance during this phase results in exponential cost increases for repairs.

TRASH LOAD DIVERSION



- Regulatory requirement of 100% trash reduction citywide by June 2025 was not met.
- The Water Board issued a Cease and Desist Order on December 10, 2025.
- Budget proposal includes cost for the City's Trash Revised Load Reduction Plan by 2028.
- If Plan is not met, the Water Board or Attorney General is authorized to take enforcement action.

CRITICAL FACILITIES GRADE BOOK



Facilities that are required to function during and immediately after an emergency to ensure continuity of operations, public safety, and community response.

Internal grading system based on:

1. Physical condition (age, lifecycle status, maintenance demands)
2. Functional adequacy (ability to meet operational and user requirements)



Senior Community Center
(Emergency Operations Center)



Fire Station 10
Fire Station 11
City Hall



Main Library
Corporation Yard Admin Building



Police Department Building
Marina Community Center



Fire Station 9
Fire Station 12
Fire Station 13

PROACTIVE INVESTMENT TO AVOID CRITICAL FAILURE

**CITY FACILITY PRESERVATION
\$1.63M**

**COMPUTER AIDED DISPATCHING
RECORD & MANAGEMENT
SYSTEM (CAD-RMS)
\$3M**

CITY FACILITY PRESERVATION

Painting facilities provides protection from sun exposure/UV damage, temperature changes, moisture, and general deterioration.

- City Hall painting = **\$0.5M**
- Marina Community Center painting = **\$0.5M**

If not funded, deterioration accelerates leading to internal damage, reduced workplace quality for occupants, and increased repair costs.

The roof at Fire Station 10 is 23 years old and in need of replacement due to reported leaks.

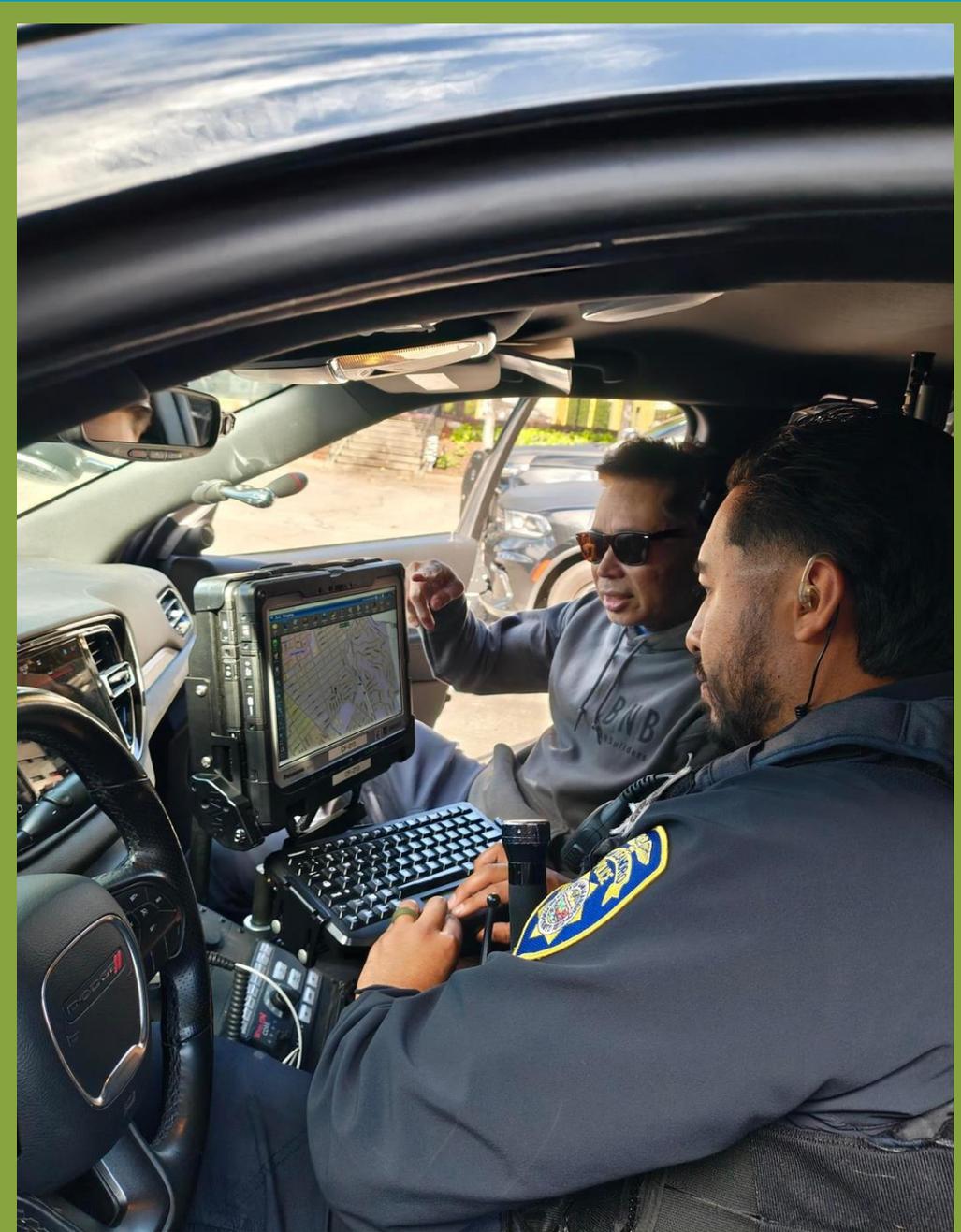
- Fire Station 10 roof replacement = **\$625k**

If not funded, roof leaks may damage interior building components and equipment, reduced workplace quality and increased repair costs.



COMPUTER AIDED DISPATCHING RECORD & MANAGEMENT SYSTEM (CAD-RMS)

- The City's CAD-RMS no longer meets operational, analytical or long-term needs.
- The CAD/Mobile and RMS platforms lack integration and creates inefficient use of resources.
- The system is at the end of life and is in danger of losing technical support from vendor.
- Estimated replacement cost = **\$3M**
- If not funded, there will be a severe impact upon police operations and meeting community needs. Additionally, it will impact compliance with California law/ DOJ standards and decrease efficient processing of records and 911 dispatch services.



SYMPTOMS



MAINTENANCE ADDRESSES THE SYMPTOMS TEMPORARILY
STRATEGIC INVESTMENTS ADDRESSES THE ROOT CAUSES PERMANENTLY



ROOT CAUSES

Council Referrals

Discussion:

1. For the 19 referrals received since the last Council retreat:
 - Should staff proceed in light of budget reductions?
 - What drops off to make room for referrals that should begin?
 - What can be eliminated or paused?
2. Moratorium on any new referrals after this meeting

Key Question:

In light of budget principles and expected reductions, how do these referrals stack up?

Council Referrals Received after 2025 Council Retreat (1 of 4)

1. Complete and post results of a geotechnical report and cost estimate for full repair of Lake Chabot Road. - *Viveros-Walton*
2. Partial Sales Tax Waiver for Priority Innovation Industries. – *Viveros-Walton*
3. Establish a Vacant Lot Activation Program. – *Viveros Walton*
4. Expand Artwalk project to include significant historical points of interest. – *Bowen*
5. Include in community polling potential vacancy tax and any applicable sin tax to be surveyed. – *Bowen*
6. Prohibit the accuser from voting on the accused in the ethics and discipline policies. – *Simon*

Council Referrals Received after 2025 Council Retreat (2 of 4)

7. Enhancements to the Steven Taylor Sanctity of Life Pavilion. – *Simon*
8. Reverse Simon and Aguilar 2024 Censure Resolution and issue a formal apology. – *Simon*
9. New pedestrian bridge across San Lorenzo Creek near Kramer and Budge Streets and rehabilitate existing pedestrian bridge across San Lorenzo Creek near Vining Dr. and Hebron Ct. – *Simon*
10. Reform of the City's discipline and investigation policies. – *Simon*
11. Resolution acknowledging and apologizing for the City's role in historical redlining practices and their lasting impacts on the community. – *Simon*

Council Referrals Received after 2025 Council Retreat (3 of 4)

12. Council meetings are only 1st and 3rd Mondays of the month, starting at 5 pm with closed session only at the end if needed. Only if an additional closed session meeting is needed, it may be held the 2nd Monday of the month. – *Simon*
13. Change percentage of affordable housing units required within a multi-family building built in high priority construction zones. – *Gonzalez*
14. Limit the time that boats or other floating objects can be docked to 30 minutes. Impose a similar time limit for use of a boat launch. Limit the time that boats can reside to 48 hours, excluding those located at an operational and licensed marina. – *Gonzalez*
15. Pilot program to test the use of drones as first responders. – *Gonzalez*

Council Referrals Received after 2025 Council Retreat (4 of 4)

16. Double the number of trained traffic enforcement patrol officers in FY27. – *Gonzalez*
17. Minimum Budgeted Amount (MBA) policy related to road repair, maintenance, and replacement. – *Gonzalez*
18. Limit the number of Residential Structures within the City owned by a single corporation or its affiliates. – *Gonzalez*
19. Multi-family unit smoking ban. – *Gonzalez*

Recap Council Consensus

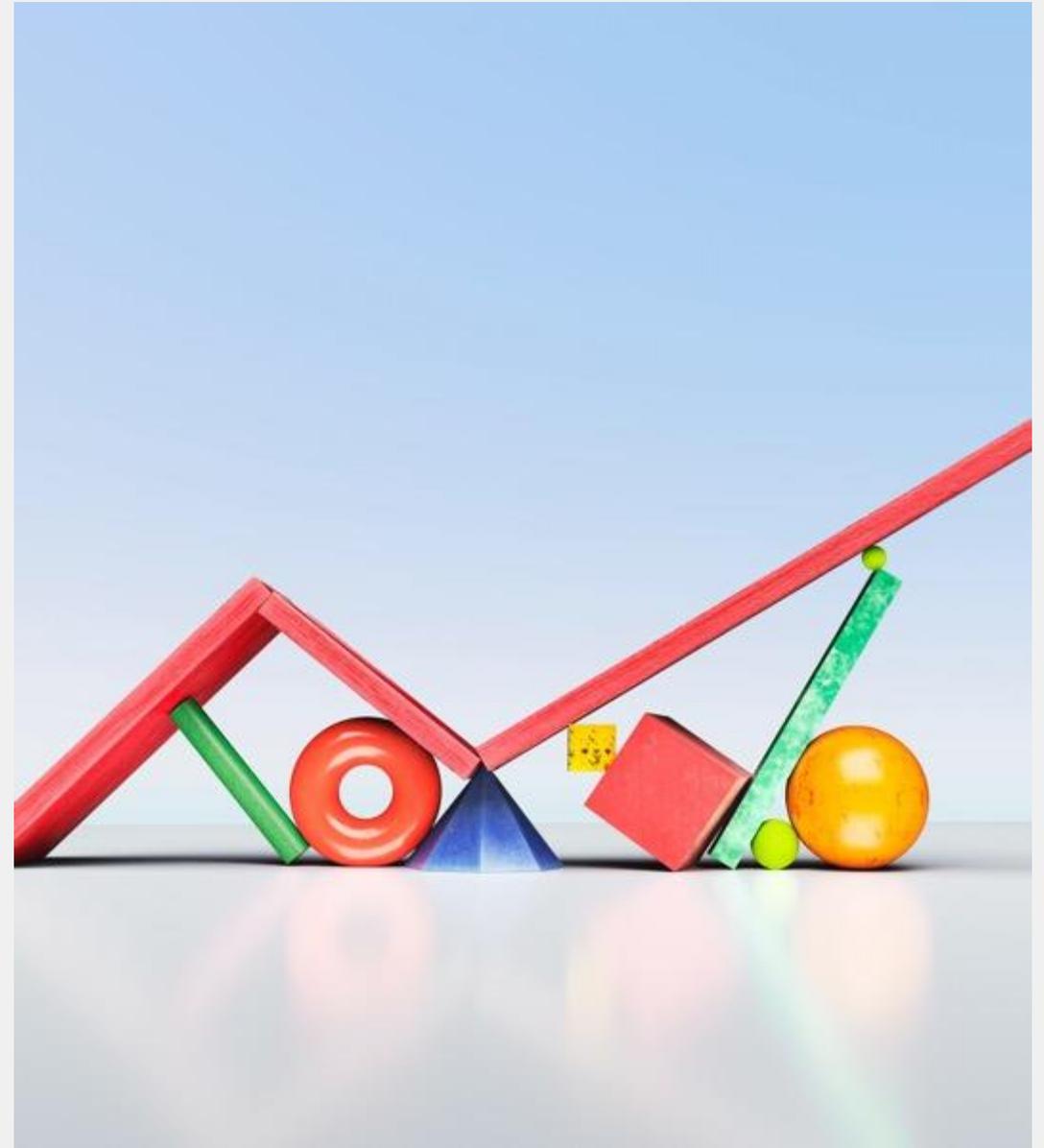
The Five
Existing Council
Priorities

Changes to the
Work Plan

Direction on
Referrals

Collaboration for Achieving Financial Sustainability

1. Staying **focused** on the priority of fiscal responsibility and the budget imperative
2. **First things first** – “big rocks” approach to getting big things done
3. **Pause** adding new items to staff’s workload and the budget



The “Big Rocks” Approach to Getting Big Things Done



Put the big rocks in first

Don't fill up the jar with so many small rocks that there isn't room for the big ones

Then keep space for emergencies or new requirements

Staying *On Track* With Priorities



Discipline and Focus

- Do not take staff time away from established priorities and work plans that support those priorities

Full Council Support

- Once decisions are made, support them and the implementation involved

Choices

- What drops off or is delayed if something is added?

Best Practice

Criteria for Adding Projects

Mid-Year

Emergency (natural disaster, pandemic, civil unrest)

New outside funding opportunity that is time sensitive

New multi-agency opportunity that cannot be delayed

Community safety issue that must be addressed in near term

Changes in **laws or mandates**

Pause any new items that fall outside these

Next Steps

- Raftelis will prepare a workshop report to document the outcomes of our time together
- Staff will incorporate Council direction into the budget process



Steven Taylor
Sanctity of Life Pavilion

**Share one
takeaway, or
one word that
you would use to
describe what
was useful to
you today**





Thank you!

Contact:

Nancy Hetrick, Vice President
nhetrick@raftelis.com

Jan Perkins, Vice President
jperkins@raftelis.com