

## **DISTRICT 2 BERNAL TO BAILEY CALPINE METCALF GRANT PB RULEBOOK**

### **ABOUT THIS RULEBOOK**

This rulebook was developed by borrowing examples from past Participatory Budgeting (PB) programs in Vallejo and San Jose's District 3. As well as, lessons learned from PB process Round 1. Our goal is that the San Jose District 2 Bernal to Bailey PB process reflects the special characteristics of our community. These guidelines and rules are based on our understanding of community needs, issues, and interests. This Rulebook is divided into four categories: (1) Background, (2) Timeline, (3) Roles and Responsibilities, and (4) Round 2 Rules.

### **WHAT IS PARTICIPATORY BUDGETING?**

Participatory Budgeting is a democratic process that was first developed in Brazil in 1989 and is now practiced in over 1,500 cities around the world. Though each PB initiative looks different, the process generally involves several months of public meetings, discussions, and voting, so that the public has time to make wise decisions. Cities that do PB usually follow a similar basic process: residents brainstorm spending ideas and propose projects, proposals are vetted and filtered, residents vote on proposals.

### **GOALS: WHAT IS IT FOR?**

We hope to accomplish three main goals through PB within the areas south of Bernal, north of Bailey, east of Santa Teresa Foothills, and west of Highway 101:

1. Create positive improvements within the neighborhood.
2. Build community relationships, as well as, knowledge, skills, and experience in government and budgeting.
3. Increase and diversify community participation in local government.

## ***BACKGROUND***

### **PARTICIPATORY BUDGETING IN SAN JOSE D2 BERNAL TO BAILEY CALPINE METCALF GRANT**

Through Amendment No. 3 to the Cooperation Agreement (Metcalf Energy Center), a \$1,000,000 grant has been secured for the neighborhoods within the areas south of Bernal, north of Bailey, east of Santa Teresa Foothills, and west of Highway 101. The following text from **Provision B** in the Amendment No. 3 to Cooperation Agreement (MEC) clarifies the City's role and jurisdiction over the PB process:

*"The Payment Amount shall be used by City, the City intends to utilize a participatory budget process with the residents directly surrounding MEC, which is bounded by the area south of Bernal, north of Bailey, east of Santa Teresa Foothills, and west of Highway 101, for the following purposes: (1) To make infrastructure improvements in the community directly surrounding the MEC that will enhance the safety, security or physical health of the residents living in such communities; (2) To provide a grant program that will make funds available to the residents in the areas directly surrounding the MEC for the purpose of funding construction of improvements that will enhance the safety or security of the residents; (3) To provide funding for the acquisition or expansion of parks, park equipment, recreation services or parks and open space and development in one or more of the neighborhoods directly surrounding the MEC; and/or (4) For any other use that CITY determines will provide a benefit to the residents in the communities directly surrounding the MEC, provided, however, that CITY agrees that none of the Payment Amount shall be used to oppose Calpine Metcalf or operation of the MEC."*

After the first round was over, former Councilmember, now Assemblymember, Ash Kalra donated \$75,000 to the second round of voting. The first round of voting for Participatory Budgeting occurred between November 12, 2016 and November 19, 2016. The neighborhood's C.A.L.M.S. camera project, worth \$595,000, won this first round of voting. The second and final round of voting allocate \$480,000 to Round 2 of PB. The five neighborhoods are: Avenida Espana, Chantilly, Los Paseos, Metcalf, and Santa Teresa.

Below, the following actions and subcategories have been completed in Round 1 and give background on how projects were collected and submitted during this first round. They will not be revisited in Round 2: (1) Project Eligibility, (2) Idea Collection, (3) Project Submission

### 1. Project Eligibility

- Projects were eligible for funding if they met the following criteria:
  - Benefited the public.
  - Projects were a one-time expense.
  - Projects for profit businesses were not eligible.
  - Projects were not operational projects (projects that funded salaries and services).
  - Projects could not fund existing projects that were currently being funded by tax-payer dollars unless it was an addition or a supplement.
  - Projects had to stay within the boundaries stated in the Amendment No. 3 to Cooperation Agreement. Please view **Provision B** for exact language.

### 2. Idea Collection

- The public learned about the PB process through community meetings, social media, word of mouth and other outreach strategies.
- The public submitted project ideas online or in paper form.
- Any community member was able to submit project ideas if the projects met the established criteria.

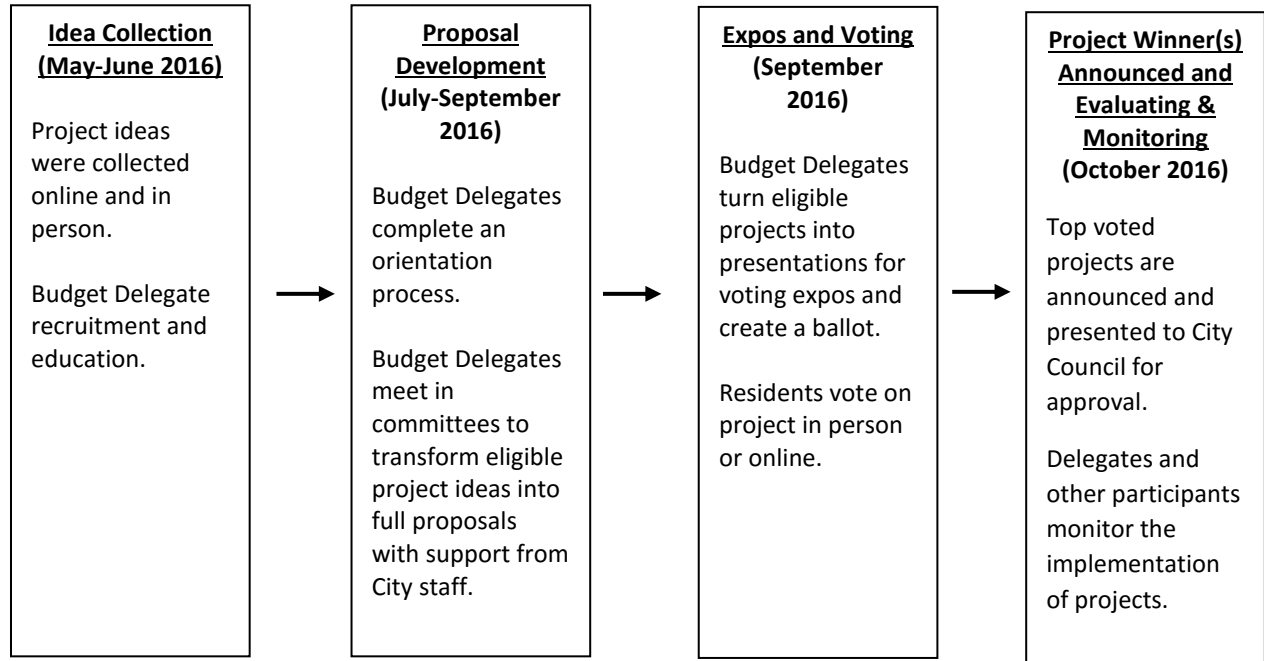
### 3. Project Submission

- Budget delegates (volunteers) took eligible projects and developed them into project proposals. The Budget delegates had to reside within the boundaries of the neighborhood.
- The projects were presented at neighborhood voting expos.
- Residents also had the option to vote in person at expos or online.

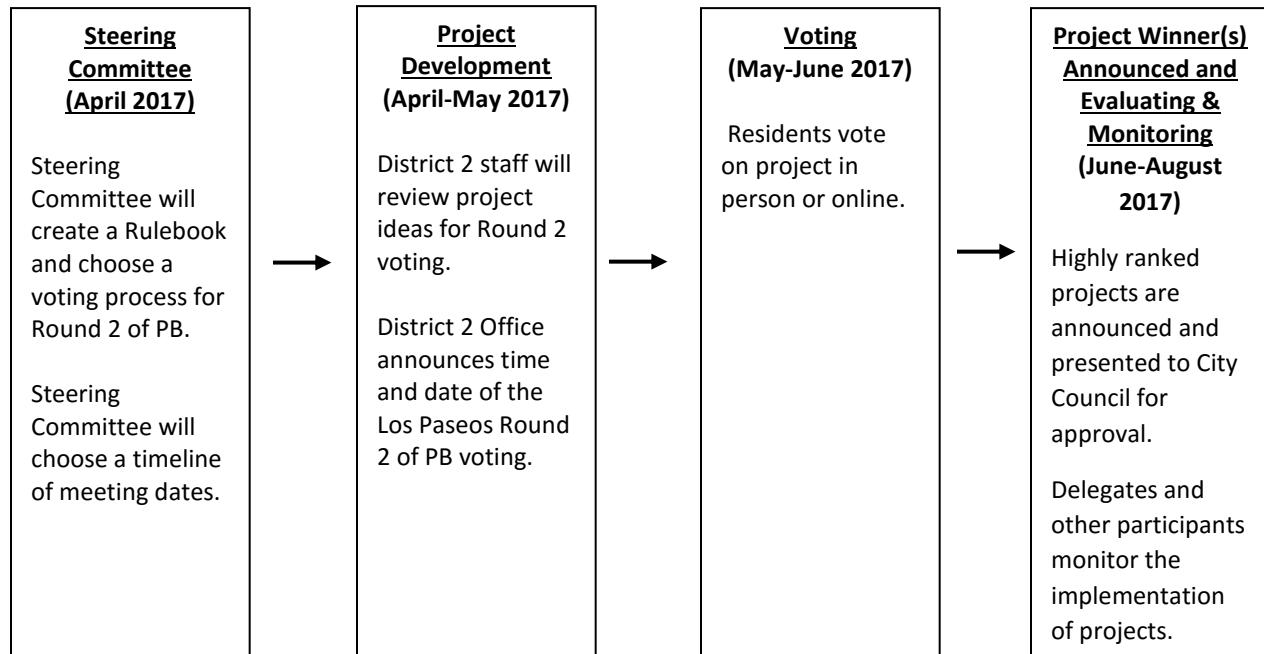
# TIMELINE

The following timeline represents the completion of Round 1 and the beginning of the Round 2 PB process.

## ROUND 1



## ROUND 2



## ***ROLES AND RESPONSIBILITIES***

There is a role for everyone in PB, but different people have different responsibilities, based on their stake in the community and their time commitment to the process. The following roles and responsibilities are specifically for the Round 2 PB process.

### **COMMUNITY MEMBERS**

- Vote on project proposals, if they meet eligibility requirements:
  - Residents are at least 16 years old.
  - Residents live within the boundaries of the project.

### **STEERING COMMITTEE**

To lay the groundwork for PB in District 2, Councilmember Jimenez selected residents to sit on the Steering Committee. Our Steering Committee represents five neighborhoods bounded by the area south of Bernal, north of Bailey, east of Santa Teresa Foothills, and west of Highway 101. Our Steering Committee members live within the boundaries of the neighborhoods they represent. These individuals have helped design this Rulebook, chosen a voting structure for the final round of PB, and are overseeing the PB process in the district. The Steering Committee has a 4-6 week commitment to meet regularly in preparation for Round 2 of the District 2 Bernal to Bailey Participatory Budgeting. The Steering Committee is responsible for the following:

- Meet regularly to plan and prepare for the 2<sup>nd</sup> round of voting.
- Create and implement rules for all aspects of Round 2 voting. This includes creating the Rulebook and determining meeting protocols, voting rules, outreach strategy and project promotion.
- Outreach to community members, organizations, individuals and special constituencies.

#### **A. STEERING COMMITTEE RULES**

- District 2 staff will continue to facilitate meetings.
- Items will be voted on by present members.
- Quorum for Steering Committee members is 3:
  - If quorum is met votes will be ratified only with a majority of 3 Steering Committee member votes in favor.
  - If 3 votes cannot be achieved the item will be postponed until all members can be reached for a vote, votes may be accounted for remotely, via email, telephone, or other means of communication.

### **BUDGET DELEGATES**

- Round 2 of voting will only require the cooperation of respective budget delegates if their specific project(s) should be restructured or rearranged.

### **CITY DEPARTMENT, STAFF, AND CONSULTANTS**

- Provide information on budget and past spending.
- Offer feedback and technical assistance on project proposals, presentations, and ballot text.

- Implement/coordinate final projects.

## **DISTRICT 2 OFFICE**

- Provide information on the budget and past spending.
- Offer feedback and technical assistance on project proposals, presentations, and ballot text.
- Secure spaces for meetings and voting events.
- Serve as a liaison between budget delegates and city agencies.
- Determine eligibility of projects in collaboration with the city and budget delegates.
- Facilitate and oversee online participation.
- Facilitate Steering Committee meetings.

## ***ROUND 2 RULES***

The following rules apply specifically to the D2 Bernal to Bailey Participatory Budgeting Round 2 process.

### **PROJECT MODIFICATION**

- Current projects submitted for voting in Round 1 will not be modified unless the following condition is met:
  - Current budget for the project budget exceeds fifty percent (50%) of the remaining \$480,000 (<\$240,000).
- Modifications to projects are restricted to the following:
  - Projects may be split into a maximum of three separate projects;
    - Project will be titled A, B, C respectively
  - Aspects of the project may be eliminated to meet budget requirements
  - NO additions to projects will be allowed

### **PROJECT PROMOTION**

The goal of Round two is to create a standardized process for project promotion to limit confusion and guarantee that the information shared is accurate, and approved by the City of San Jose. In order to accomplish this goal, the following rules apply to all projects:

- Project proponents are encouraged to promote their projects fairly and equitably.
- We strongly discourage the following:
  - Monetary investments in advertising an individual project.
  - Using outside companies and corporations to promote individual projects.
  - Creation of private websites that promote individual projects.
  - Purchasing banners, videos, large signs and other materials not approved by the City.
  - The District 2 office will format a neutral flyer that promotes PB and all projects equally. Copies of this flyer will be provided to project proponents if they so choose. The flyer will be the only official flyer for PB Round 2.

### **VOTING PROCESS**

- The District 2 Bernal to Bailey Participatory Budgeting will use the Rank and Rearrange (RR) voting process for Round 2.
- Rank and Rearrange (RR) allows residents to vote on projects with priority. Residents will be able to vote for a total of 5 projects, and rank these projects from 1 to 5. Ranking 1 for their

favorite project and 5 for their least favorite, according to their respective priorities. The project(s) that are ranked the highest in community priority will be fully funded, until funds are fully exhausted.

- Through Rank and Rearrange (RR), the District 2 office will give 5 points for each project that is ranked with a number 1, 4 points for each project ranked with a number 2, 3 points for each project ranked with a number 3, 2 points for a project ranked with a number 4, and 1 point for each project that is ranked with a number 5. The project(s) with the most points will be ranked from highest to lowest, and highly ranked project(s) will be fully funded until the total amount of funds are depleted, in accordance with community priority.
  - As highly ranked projects are chosen by community members and are fully funded, the total amount of funds will start to deplete. The lower ranked project(s) will need to meet a 75% quota of the total amount of funds remaining after the higher ranked projects have been fully funded. This means that in order to be funded, the price of the remaining project(s) must be at least 75% of the total funds available.
  - The Budget Delegate of a lower ranked project will have the opportunity to choose whether they want to move forward with only 75% of the final PB funds available for the implementation of their project or not. The Budget Delegate will have a maximum of 5 business days to make this decision. If the Budget Delegate decides to move forward with the remaining 75% of funds available for the completion of their project, this project will be funded with the remaining funds and the PB process will be completed. If the budget delegate decides NOT to move forward with the remaining available funds for their project, the District 2 office will move on to the next highest ranked project that meets 75% threshold and the respective Budget Delegate is willing to move forward with the remaining available project funds.
  - **Clause I:** In the case that the total amount of funds remaining after the ranking process is insufficient to fund the lower ranked projects because it does not meet the 75% threshold, the money will be donated equally to the Los Paseos Home and School Club and the Martin Murphy Home and School Club; two charitable organizations within the PB boundaries.
  - **Clause II:** In the case of a tie between projects where the funds remaining are insufficient to fund both projects, Councilmember Jimenez will decide which of the two project moves forward.
  - **Clause III:** If any unforeseen circumstances arise that were not addressed in the Rule Book, Councilmember Jimenez will make the determination on how to proceed.

## EXAMPLES

- **Scenario 1:**
  - There are 17 projects and a total of \$480,000 for PB Round 2.
  - Project A, worth \$100,000, was the highest ranked project by the community. This project will be fully funded and \$380,000 are left in the total funds.
  - Project B, worth \$80,000 was the second highest ranked project by the community. This project will be fully funded and now \$300,000 is left in the total funds.
  - Project C, worth \$200,000, was the third highest ranked project by the community. This project will be fully funded and now \$100,000 is left in total funds.
  - Project D, worth \$100,000, was the fourth highest ranked project by the community. This project will be fully funded, the total amount of funds is depleted, and the PB process is now complete.
- **Scenario 2:**

- There are 17 projects and a total of \$480,000 for PB Round 2.
- Project A, worth \$100,000, was the highest ranked project by the community. This project will be fully funded and \$380,000 are left in the total funds.
- Project B, worth \$280,000 was the second highest ranked project by the community. This project will be fully funded and now \$100,000 is left in the total funds.
- Project C, worth \$125,000, was the third highest ranked project by the community. This project goes \$25,000 over the total amount of funds available for PB, but meets the 75% threshold discussed in the voting process. The Budget Delegate of Project D can decide whether they want to move forward with only 75% of funding available for their project. In this scenario, the Budget Delegate decides to move forward with 75% of funds available for their project. The available funds are then awarded to this project, and the Participatory Budgeting process is finalized.
  - If the Budget Delegate decided not to move forward with 75% of the funds available for their project, the District 2 office will move onto Project D, which was the fourth highest ranked project, until all funds are depleted.
- **Scenario 3:**
  - There are 17 projects and a total of \$480,000 for PB Round 2.
  - Project A, worth \$180,000, was the highest ranked project by the community. This project will be fully funded and \$300,000 are left in the total funds.
  - Project B, worth \$200,000 was the second highest ranked project by the community. This project will be fully funded and now \$100,000 is left in the total funds.
  - Project C, worth \$99,500, was the third highest ranked project by the community. This project will be fully funded, and now \$500 are left in the total fund.
  - There are no other projects that can be fully funded or that meet the 75% threshold. Therefore, \$500 will be evenly divided between the two local charities, listed in Clause 1.