

ORDINANCE NO.

**AN ORDINANCE OF THE CITY OF SAN JOSE AMENDING
CHAPTER 4.80 OF TITLE 4 OF THE SAN JOSE
MUNICIPAL CODE TO ADD A NEW PART 84 TO
ESTABLISH THE SAN JOSE OPIOID RESPONSE FUND**

WHEREAS, pursuant to the provisions and requirements of the California Environmental Quality Act of 1970, together with related State CEQA Guidelines and Title 21 of the San José Municipal Code (collectively, "CEQA"), the Director of Planning, Building and Code Enforcement has determined that the provisions of this Ordinance do not constitute a project, under File No. PP17-010 (City Organizational & Administrative Activities resulting in no changes to the physical environment) and File No. PP17-004 (Government funding mechanism or fiscal activity with no commitment to a specific project which may result in a potentially significant physical impact on the environment); and

WHEREAS, the City Council of the City of San José is the decision-making body for this Ordinance; and

WHEREAS, this Council has reviewed and considered the "not a project" determination under CEQA prior to taking any approval actions on this Ordinance;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SAN JOSE:

SECTION 1. A new Part is added to Chapter 4.80 of Title 4 of the San José Municipal Code, to be numbered, entitled and to read as follows:

Part 84

San José Opioid Response Fund

4.80.4890 San José Opioid Response Fund Established

There is hereby created and established the “San José Opioid Response Fund.”

4.80.4900 Source of Monies

The source of monies budgeted and accounted for in the San José Opioid Response Fund shall be from:

- A. Distributions by the State of California in the California Abatement Accounts Fund and the California Subdivision Fund pursuant to National Opioid Settlement agreements with, and judgments and orders against, manufacturers, distributors, and other entities responsible for aiding the opioid epidemic;
- B. The Mallinckrodt Bankruptcy which is distributed by the State of California in the California Abatement Accounts Fund pursuant to the California Mallinckrodt Statewide Abatement Agreement; and
- C. Distributions pursuant to opioid settlement agreements and bankruptcy agreements not otherwise specified in this Section.

4.80.4910 Expenditures

- A. Monies received from the National Opioid Settlement and deposited in the California Abatement Accounts Fund and allocated to San José must be spent on prevention, intervention, harm reduction, treatment, and recovery services in the community. Up to 10% of the funds received from the Abatement Account

may be used for administrative costs. Allowable expenditures are set forth in Exhibit E of the National Opioid Settlement Agreements.

- B. Monies received from the National Opioid Settlement and deposited in the California Subdivision Fund and allocated to San José may be used to fund future opioid remediation projects. They may also be used for past opioid-related expenses, including legal costs, and on expenses that do not qualify as opioid remediation. Money received from the Subdivision Fund may also be used for administrative costs. Allowable expenditures are set forth in Exhibit E of the National Opioid Settlement Agreements.
- C. Monies received from the California Mallinckrodt Statewide Abatement Agreement may be used for future opioid remediation activities focused on prevention, intervention, harm reduction, treatment, and recovery services in California communities, as well as administrative expenses. Allowable expenditures are listed in Exhibit 4 of the Mallinckrodt Bankruptcy Plan (otherwise known as Exhibit E of the National Opioid Settlement Agreements).
- D. Monies received from opioid settlement agreements and bankruptcy agreements not otherwise specified in this Section must be spent in accordance with the requirements of the applicable settlement or bankruptcy agreement, including any requirements related to administrative costs and allowable expenditures.

4.80.4920 Interest

Interest which accrues from monies in the San José Opioid Response Fund shall be credited to this Fund.

SECTION 2. The provisions of this Ordinance shall take effect retroactive to July 1, 2023.

PASSED FOR PUBLICATION of title this _____ day of _____, 2024, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

MATT MAHAN
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk