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Memorandum
by City Manager's Office

TO: HONORABLE MAYOR &
CITY COUNCIL

FROM: Debra Figone

SUBJECT: City Manager's Weekly Report

DATE: February 20, 2009

INFORMATION

Following are the key activities to be highlighted this week:

The Federal Economic Stimulus Bill —On February 17, President Obama signed into law The Federal American Recovery and Reinvestment Act (HR 1). The \$787 billion economic recovery package includes funding for City priorities, such as transportation infrastructure, the Energy Efficiency and Block Grant Program, community and housing development programs, and funding for local crime prevention activities (e.g. Community Oriented Policing Services-COPS program and funding for the Byrne Justice Assistance Grant Program-JAG). Staff is analyzing information provided by the City's lobbyist firm of Patton Boggs, to determine opportunities for further advancement of the City's priorities with the federal economic stimulus Bill and will provide Council with updates as soon as they are available. Staff has continued to refine candidate project lists for consistency with the Bill's goals, and advocacy efforts will now focus on administering federal, state, and regional agencies. For more information, contact Ed Shikada at 535-8190 or Betsy Shotwell at 535-8270.

State Budget Passes —On February 19, the State Legislature voted to approve a budget package of tax increases, spending cuts and borrowing to close a \$40 billion deficit. Governor Schwarzenegger is expected to sign the budget today which covers a 17-month period ending July 1, 2010. The approval came during a time when California was headed for fiscal catastrophe, already unable to pay all its bills and on the edge of suspending 374 construction projects that were valued at \$5.58 billion and could have affected more than 90,000 jobs statewide. More information related to the State budget is provided as an attachment.

SJC is High on Volaris List for Starting US Air Service —Volaris Airlines, the low-cost Mexican carrier, has notified staff of their selection of Mineta San José International (SJC) Airport as one of three finalists to serve as the Airline's first international destination from Mexico. Although Volaris has not announced where it will launch service this summer, the airline indicated that SJC would likely be added to its network in a second round of expansion in 2010, following the full implementation of the pending Volaris code share partnership with Southwest Airlines. Volaris representatives noted they were very impressed with the advantages and incentives offered by San José in terms of market demographics, relationship with Southwest, new airport facilities, and the community's strong commitment for collaborative marketing. For more information, contact Bill Sherry at 501-7600.

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City Councilmember Appointed to a League California Cities Policy Committee —

Councilmember Kansen Chu has been appointed to the League of California Cities (LOCC) Housing, Community and Economic Development Policy Committee (HCED). The Committee is charged with reviewing and advocating for policies for local control of community planning decisions as they relate to land use and economic development. The issues within the purview of the HCED Committee include general plans and zoning, housing, rent control, subdivision map act, residential care facilities, other land use regulation, development fees, annexation and incorporation policy, development agreements, building standards, economic development policy including redevelopment and enterprise zones, military base closure/reuse, mobile home regulation and sign regulation. Councilmember Chu previously served as the Senior Coordinator for Senator Elaine Alquist and District Director for former Assemblymember Rebecca Cohn.

PRNS Begins Implementation of Citywide Grant Database —On February 10, Parks, Recreation & Neighborhood Services (PRNS) Department began the implementation process for the new Citywide Grants Database, *Webgrants*. The database will provide a central mechanism for managing grant awards to community-based organizations. Features offered through the *Webgrants* program include the ability to:

- Report a comprehensive list of all agencies receiving City grants
- Report each agency's aggregate funding, regardless of the number of City grants
- Provide online interfacing with agencies during the application process and performance reporting.

Webgrants is anticipated to go-live in January 2010. For more information, contact Andrew Freeman at 793-4182.

Residents Get First Look at New Activities Online Registration Program —On February 18, residents received the first look at the City's new online activities registration program. In preparation for the launch of the new system, active participants received notification via e-mail with instructions on how to set up an online account with the new program. The program allows participants to search for activities at any of the City's Parks and Recreation facilities from any computer. Walk-in and mail-in/fax-in registration is still available and will be treated equally; however, all City residents are encouraged to go to www.sanjoseca.gov/prns/register to set up an account. Registration for Spring Classes, Spring Sports Leagues and Spring Camps begins Saturday, March 7 at 10 a.m. Registration for Summer Daycamps and Summer Aquatics Programs begins Saturday, March 14 at 10 a.m. For more information, call 793-5527.

Senior Nutrition Program Receives Donation — On February 18, the City's Senior Nutrition Program, in partnership with the Second Harvest Food Bank (SHFB), received a donation of 1,000 lbs. of chicken from Tyson Foods. The chicken was delivered to PRNS' cook-on-site nutrition programs at nine senior centers. The donation will provide about 100 meals per site. The Senior Nutrition program serves approximately 18,000 seniors and serves about 244,851 meals annually. For more information, contact Diane Lindberg at 979-7912.

Trail Program Staff to Speak at Upcoming National and State Conferences —Trail Program staff will speak at two upcoming trail development conferences. Staff will present the following proposed sessions: "*San Jose's Green Approach to Trail Development*" in October at the National Recreation and Parks Association in Salt Lake City and "*Community Enhancement through Trail Development*" in April at the California Trails & Greenways Conference in Yosemite. For more information, contact Yves Zsutty at 793-5561 or yves.zsutty@sanjoseca.gov.

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Trail Program Highlights Bike Show —The Trail Program Web site has been updated to include a link to the *Bike Show* exhibit at City Hall which explores the history and art of cycling in the Silicon Valley. Trail program staff, in collaboration with bike-focused media, funding agencies, and the community, have worked to strengthen San Jose's image as a bicycle friendly city. For more information on the Bike Show exhibit and the Trail Program visit www.sjpark.org/trails.

City Hosts 8th Annual Great American Litter Pickup —On Saturday, April 25, beginning at 8:00 a.m., San Jose will host the *Great American Litter Pickup* in conjunction with the nationwide nonprofit, Keep America Beautiful. Staff is working with each council office to coordinate litter pickups in each district and to ensure the event is a city-wide success. All community members are invited to participate in the anti-litter event at any one of the eleven kick-off locations (listed in Upcoming Events.) For more information, please contact Servando Perez at 277-3208.

City's Water Utility Fluoridates Water — A recent editorial ("Fight tooth decay: Fluoridate our drinking water," Feb 16, 2009) in the Mercury News mistakenly implied that the City does not provide fluoridated water to our residents. In fact, the City's water utility, which serves more than 120,000 residents (12% of the City's population) in Evergreen, North San José, and Alviso has been fluoridating the water it provides to residents through the municipal water utility. Evergreen residents have been drinking fluoridated water since 1965, and residents and businesses in North San José and Alviso started receiving this service in November 2005. The City continues to recognize and support the benefits of fluoridation and its role in preventing tooth decay. For more information, contact Mansour Nasser at 277-4218.

New Multi-Family Dwelling Program Approaches 80% Recycling Rate —Since July 2008, waste from multi-family complexes has been delivered to a new, state-of-the-art, 300-kilowatt solar-powered processing facility operated by *GreenWaste Recovery* in central San José. Recyclables are sorted and the remaining organic waste, including food, is then composted at the Z-Best composting facility in Gilroy. After six months of operation, data shows that multi-family properties are now diverting nearly 80% of their waste from local landfills, making San José the best performing multi-family recycling program in the nation. This addition to the *Recycle Plus* program represents a major step towards achieving Zero Waste, one of the City's ambitious Green Vision goals. For more information, contact Jo Zientek at 535-8557.

NPDES Permit Tentative Order Under Review —On February 11, the Regional Water Quality Control Board issued the revised Municipal Regional Stormwater, National Pollutant Discharge Elimination System (NPDES) Permit Tentative Order. Environmental Services Department staff are reviewing the requirements and provisions contained in the draft permit and are meeting with affected City operations to discuss programmatic and cost implications. Staff will provide a report to Council at its March 24 meeting. Comments on the draft permit are due to the Regional Board by April 3, 2009. For more information, contact Melody Tovar at 277-3892.

Crews Fix Broken Muni Water Line —On February 15, a 12-inch water line on River Oaks Parkway broke. Two emergency pump stations in North San José were turned on and no customers were without water. Due to water spillage, one block of River Oaks was isolated and Valley Transportation Agency (VTA) was notified to reroute the buses. Some residents along nearby Trimble Road also filed dirty water complaints and were advised of the situation. Crews repaired the water main and it was working again by Monday, February 16. Municipal Water staff suspect that a storm pipe lying on top of the water main had significant volume as a result of the recent storms, and it strained and ruptured the water line.

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Announcement of Neighborhood Stabilization Program Funds —On February 2, the United States Department of Housing and Urban Development announced the approval of the Housing Department's application for \$5.6 million in Neighborhood Stabilization Program (NSP) funds, which will be used to purchase foreclosed and abandoned homes. The properties purchased will be rehabilitated or redeveloped to provide for-sale properties for eligible households with incomes less than 120% of the area median income, or rental housing for lower-income San Jose residents. The funds are part of the Housing and Economic Recovery Act of 2008. City staff anticipates that additional NSP funds will be available through a competitive process at the State level (also 2008 funds) and a competitive process at the national level (2009 Recovery and Reinvestment Act funding). For more information, contact Leslye Krutko at 535-3851.

Upcoming Meetings & Events

Pricing & Revenue Plan Community Meeting:

- Monday, February 23, 7 p.m. to 9 p.m., Camden Community Center, Multi-Purpose Room, 3369 Union Avenue. For more information, call 559-8553. (District 9 & Aquatics)
- Monday, February 23, 1:30 p.m. - 2:30 p.m., Hank Lopez Community Center. 1694 Adrian Way. For more information, call 926-3895. (Senior Centers Regions 1 & 2)
- Tuesday, February 24, 7 p.m. to 9 p.m., The Almaden Winery, 5730 Chambertin Drive. For more information, call 268-1133. (District 10)
- Wednesday, February 25, 7 p.m. to 9 p.m., George Shirakawa Community Center. 2072 Lucretia Avenue. For more information, call 277-3317. (Districts 2 & 7)
- Thursday, February 26, 7 p.m. to 9 p.m., Northside Community Center, Auditorium A. 488 N. 6th Street. For more information, call 794-7500. (District 3)
- Thursday, February 26, 1 p.m. to 2 p.m., Willows Senior Center, 2175 Lincoln Avenue. For more information, call 448-6400. (Senior Centers Regions 3 & 4)

City of San Jose, Boards and Commissions Focus Groups – Wednesday, February 25, 6:00 – 8:00 p.m. San Jose City Hall- Wing Room 120. 200 E. Santa Clara Street. Attendance is limited to two representatives from each Board or Commission. For more information, contact Dottie Barney at 535-1259 or dottie.barney@sanjoseca.gov.

2nd Annual Youth Commission 'Beat the Statistics' Youth Conference – Friday, February 27, 8:30 a.m. – 3:30 p.m. City Hall Rotunda, 200 E. Santa Clara Street. For more information, contact Betty Montoya at 793-5559 or bettymontoya@sanjoseca.gov

"Neighbors in the Chambers" Training —Training will consist of three sessions on the following subjects:

- Saturday, February 21: "From Idea to Action," led by the Office of the City Clerk, focusing on how an item arrives at Council;
- Saturday, March 21: "City Council Meeting 101," is a walkthrough of a council meeting led by the Neighborhood Development Center and Strong Neighborhoods Initiative; and
- Saturday, April 18: "The Effective Advocate," led by neighborhood leaders focuses on how to be an effective advocate and engage the community.

All sessions will be held from 10 a.m. to noon in the Council Chambers. Space is limited; to RSVP call or email: 723-4114 or ndc@sanjoseca.gov.

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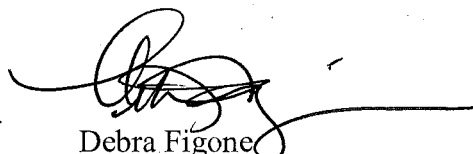
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Spring Classes, Spring Sports Leagues and Spring Camps Registration; Saturday, March 7, 10 a.m. At any City of San Jose Parks, Recreation & Neighborhood Services Community Center or online at <http://www.sanjoseca.gov/prns/register>. For more information 793-5565 or SJregistration@sanjoseca.gov.

Summer Daycamps and Summer Aquatics Programs Registration -Saturday, March 14, 10 a.m. At any City of San Jose Parks, Recreation & Neighborhood Services Community Center or online at <http://www.sanjoseca.gov/prns/register>. For more information, call 793-5565 or e-mail SJregistration@sanjoseca.gov.

Great American Litter Pickup –Saturday, April 25, 8 a.m. to 2 p.m. For more information, contact Servando Perez at 277-3208 or Servando.perez@sanjoseca.gov. Locations listed below.

- Starbird Youth Center, 1050 Boynton Avenue, San Jose, CA 95117
- Oak Grove High School, 285 Blossom Hill Road, San Jose, CA 95123
- Roosevelt Community Center, 901 E. Santa Clara Street, San Jose, CA 95116
- Berryessa Community Center, 3050 Berryessa Road, San Jose, CA 95132
- Alviso Youth Center, 5040 N. First Street, San Jose, CA, 95134
- Mayfair Community Center, 2039 Kammerer, San Jose, CA 95116
- Sherman Oaks Community Center, 1800A Fruitdale Avenue, San Jose, CA 95128
- Seven Trees Elementary School, 3975 Mira Loma, San Jose, CA 95111
- Dove Hill Elementary, 1460 Colt Way, San Jose, CA 95121
- Camden Community Center, 3369 Union Avenue, San Jose, CA 95124
- Pioneer High School, 1290 Blossom Hill Road, San Jose, CA 95118



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California State Budget Information

State Budget Passes -The State Legislature voted Thursday to approve a budget package of tax increases, spending cuts and borrowing to close a \$40 billion deficit.

In addition to approving the budget, in a concession to gaining the last needed republican Senate vote in support, lawmakers approved measures asking voters to approve constitutional amendments to establish an open primary system and ban legislative pay increases during deficit years. Legislative leaders also agreed to eliminate the proposed 12-cent additional gas tax, which was estimated to bring in \$2.1 billion through June 2010, and up to a 5% surcharge on income tax liability. The money will be replaced with a 0.25% increase in the state income tax rate, federal stimulus dollars and more than \$600 million in line-item vetoes.

With the changes made yesterday, the budget includes \$15 billion in state spending reductions, \$12.8 billion in temporary tax increases, \$11.4 billion in borrowing and a \$1 billion reserve.

The State budget bill and trailer bills do not suspend or reduce funding for the following San Jose and SJRDA priorities:

- No suspension or borrowing of local funds under Proposition 1A, protection of local property tax revenues.
- No suspension or borrowing of local funds under Proposition 42, sales tax on gas revenues.
- Redevelopment Funding - No "taking" or continuation of 08-09 ERAF shift of redevelopment funds to schools to reduce state's funding obligation.
- In addition, the state budget bill preserves local public safety funds by providing the same level of funding as in 2008-09 for State COPS and Local Law Enforcement Programs funding and Booking Fee reimbursement

New or increased tax revenues in the budget include:

- Increasing annual Vehicle License Fees from the current rate of 0.65% of the vehicle's value to 1.15% raises \$1.5 billion annually. (Extension past 2011 would require voter approval)
- Increasing sales tax by 1 cent raises \$5.8 billion annually through June 2010.
- Adding new surcharge of 0.25% on personal income taxes estimated to raise \$3.7 billion next year. (Extension past 2010 tax year would require voter approval).
- Reducing the Dependent Income tax credit from \$309 to \$103 to gain \$1.4 billion a year. (Extension of this provision past 2011 would require voter approval).

The new or increased taxes or revenues will remain in effect for at least two years. The sales tax increase will be in effect for three years, the income tax for four years and the VLF for five years on condition that the spending reforms agreed to as part of the budget plan are approved by the voters on May 19. If not approved, the tax increases will only stay in affect for two years. Other measures to be on a statewide ballot include: a spending cap to limit future State spending; a requirement for the State to place money in a rainy-day fund; approval of plan to borrow \$5 billion against future lottery revenues; authorize the State shift of existing special funds under Proposition 63 for mental health services, and under Proposition 10 for early childhood development to help balance the budget.

Additional information will be provided as further specifics and State budget language becomes available. For more information, contact Roxanne Miller at 916-443-3946 and Betsy Shotwell at 408-535-8270.