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Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Ed Shikada

SUBJECT: SEE BELOW

DATE: 5-7-10

Approved

Date

5/9/10

INFORMATION

SUBJECT: MAY 2010 UPDATE ON CITY RECOVERY ACT EFFORTS

City staff remains actively engaged in tracking and pursuing Recovery Act funding opportunities. To date, the City is estimated to receive nearly \$108 million in Recovery Act funds through a combination of formula and competitive allocations. As the Council is aware, these Recovery Act funds will be used to help the City repave streets, invest in energy efficiency and renewable energy, fight crime, expand recycled water infrastructure, provide affordable housing and offer job training for youths and adults. Since our last update in February, staff has made significant progress in implementing projects and programs funded by the Recovery Act, and this information memorandum provides a comprehensive update on our recent Recovery Act efforts.

Attachment A provides a comprehensive list of City of San José projects that have been approved to receive Recovery Act funds.

PROGRAM UPDATES

The following are brief summaries of recent activities in each of the eight City Recovery Act Program Areas:

Aviation (Estimated Recovery Act Funds - \$26.1 million): Construction is progressing well on the Taxiway W Phase I Improvements project, with the project more than 80% complete thus far. On August 10th, the Federal Aviation Administration (FAA) awarded \$5.2 million in Recovery Act funds for this project, with construction anticipated to complete by this spring.

Work to install a new state-of-the-art checked baggage screening system at the Airport's new Terminal B is continuing. Partially funded by the Transportation Security Administration (TSA) award of \$20.9 million in Recovery Act funds, the new equipment is expected to be in place and operating by the June 30th opening of Terminal B.

On March 5th, the TSA announced that San José Mineta International Airport would be one of 11 airports to receive Advanced Imaging Technology (AIT) equipment purchased using Recovery Act funds. The AIT units are expected to be deployed by this summer.

Economic/Workforce (Estimated Recovery Act Funds - \$15.3 million): With funding support from the Recovery Act, work2future is continuing to provide additional services to adult and laid-off job seekers through increased services at One-Stop Centers, including extended hours, additional workshops and expanded training opportunities. Work2future was able to support over 900 at-risk youth in a summer work experience program last year, and has developed a pilot program, the Green Cadre Program, with approximately 50 youth participating in green work experience, training and community advocacy programs.

Work2future also received a grant from the San José Evergreen Community College Workforce Institute Division in the amount of \$40,000 to provide outreach services to support the Green Job Corps program that provides technical training in the emerging green jobs market to at risk-youth, ages 19-24 from Santa Clara, San Benito and Santa Cruz Counties.

In addition, work2future expects to receive a Recovery Act Temporary Assistance for Needy Families (TANF) Emergency Contingency Fund (ECF) award of up to \$2.5 million from the County of Santa Clara Social Services Agency to provide seven weeks of summer work experience combined with work readiness training for approximately 840 eligible 15-17 year olds in the work2future service area starting June 2010. The City of San José has about 80% of TANF eligible youth. The grant requires a 20% non-federal cash or in-kind match from a third party related to the administration and implementation of the program. The match requirement will be partially met by the salaries of worksite supervisors from participating agencies. In addition, work2future is working with the City of San José Parks, Recreation and Neighborhood Services Department to utilize the St. James Senior Center for the Summer Youth program, which may also count towards the 20% match.

Energy (Estimated Recovery Act Funds - \$10.2 million): Preliminary work to implement projects funded by the \$8.8 million Energy Efficiency and Conservation Block Grant (EECBG) is underway. The EECBG formula grant program will fund the replacement of approximately 1,500 Low Pressure Sodium streetlights with programmable LED streetlights equipped with advanced controls and communications to maximize energy efficiency and savings. Staff sought community input earlier this year to evaluate the quality and quantity of light emitted from different types of LED lights before making a final selection on the type of LED streetlight that will be used in the streetlight replacement project. Staff conducted a streetlight demonstration on March 3rd and 4th and held a follow-up community meeting on April 7th to gain additional feedback from the public. EECBG funds will also be used to install cost effective energy efficiency measures such as HVAC, lighting and solar hot water systems at City facilities which have high energy costs. Staff is developing a Request for Proposal (RFP) to seek potential vendors/contractors to perform preliminary energy efficiency and renewable energy assessments of City facilities and equipment, and expect the RFP to be released in May of 2010.

Earlier this year, the Department of Energy (DOE) announced the allocation of \$1.1 million in Recovery Act funds, through the Solar America Cities program, to the City of San José to fund a variety of projects that support the expanded use of solar technology in the community. The projects focus on increasing awareness of energy financing strategies to property owners through coordinated outreach activities, increasing awareness of the multiple, viable solar technologies by ensuring the community has hands-on educational opportunities and increasing the available resources for green collar workforce training. San José was selected as one of 16 Solar America Cities in the United States to receive Recovery Act funds through a competitive application process. City staff is working with the DOE to finalize the scope and budget of the individual projects, which will lead to a final grant agreement.

On February 19th, the DOE announced that the City of San José had been selected for negotiation leading to a grant award for energy assurance planning. The City had submitted a \$300,000 grant application to the DOE last October for funding under the Local Energy Assurance Planning (LEAP) Initiative to support development of an energy assurance plan. Staff is working with the DOE to finalize grant agreement.

The City of San José partnered with Los Angeles County and other jurisdictions late last year to submit a joint application for funding as part of the EECBG-Competitive grant program—Retrofit Ramp Up. The San José proposal included the use of awarded funds to support the *Green Vision-Whole Neighborhood Approach* and provide funding for energy audits for specific facilities, in support of the San José Green Vision goal of achieving 50 percent reduction in energy consumption. While the Partnership has been awarded \$30 million through this program, the original grant application totaled \$75 million. As a result, negotiations are now underway to determine which activities will support both DOE and jurisdictional priorities and, as such, will move forward for implementation using the awarded funds.

The City is also part of two state-wide energy program funded activities for energy efficiency retrofits and for the Property Assessed Clean Energy Financing. While the City will not be receiving the funds directly, the grant funds will benefit our residents directly. Administered by ABAG and Sacramento County respectively, these programs would assist the City's ongoing efforts of energy efficiency retrofits and financing for energy efficiency and renewable energy installations. The Administrators for these programs are working with the California Energy Commission on the related contracts and work plans for these programs. Project implementation is anticipated to begin in late summer/early fall.

Housing (Estimated Recovery Act Funds - \$31.8 million): The City is moving aggressively to implement the Homeless Prevention and Rapid-Re-Housing Program (HPRP). Last September, the City selected three nonprofit agencies to administer the program and utilize the \$4.1 million made available through the Recovery Act to provide homeless prevention and rapid re-housing assistance to the community. Since then, the agencies have taken the lead in providing HPRP services such as homeless prevention and homeless services, short term and medium term financial assistance, as well as case management. Thus far, 90% of HPRP clients have received homeless prevention assistance, while 10% have received rapid re-housing services.

The City received a \$2.7 million Recovery Act allocation for the Community Development Block Grant Recovery (CDBG-R) program last year, to fund a variety of neighborhood improvement projects. Preliminary engineering and design work on two storm drain infrastructure improvement projects funded by the CDBG-R allocation have been completed, with construction contractors selected for both projects earlier this year. Construction activities are getting underway and are expected to be completed by later this year. Work on the other CDBG-R funded projects will begin during the Spring.

Earlier this year, the U.S. Department of Housing and Urban Development (HUD) awarded \$25 million in competitively awarded Recovery Act funds to the Neighborhood Stabilization Program 2 (NSP2) Consortium which is comprised of the Housing Trust of Santa Clara County, Neighborhood Housing Services Silicon Valley and the City of San José Housing Department. The Consortium will use the awarded funds to reduce the number of foreclosed and abandoned homes, residential properties, stabilize surrounding neighborhoods, provide secondary financing for income eligible purchasers of foreclosed homes and provide homebuyer counseling to prospective homebuyers. In April, the City Council approved a funding agreement between the City of San José and the Housing Trust of Santa Clara.

Public Safety (Estimated Recovery Act Funds - \$2.6 million): Staff is moving forward with implementing crime prevention programs funded by the Recovery Act. The San José Police Department is the lead agency for the San José/Silicon Valley Internet Crimes Against Children (SVICAC) Task Force, which received a Recovery Act grant award from the Department of Justice last year. The City has filled two positions that will be instrumental in managing the program and increasing the forensic investigation capacity of the task force over the next several years.

Earlier this year, the City received approval for a \$375,000 Recovery Act grant from the California Emergency Management Agency Anti-Human Trafficking Task Force to support the Anti-Human Trafficking Task Force in San José. The focus of this program is the expansion of the existing multi-disciplinary task forces to improve both the law enforcement response to all elements of human trafficking and coordination between disciplines to ensure a comprehensive continuum of care is provided to the victims of human trafficking. Staff finalized the grant agreement with the California Emergency Management Agency in April, making the City of San José one of only six law enforcement agencies in California to receive such funds.

Technology: As reported in February, City staff reviewed the second Notice of Funding Availability (NOFA) for Recovery Act funding opportunities related to broadband projects released by the Department of Agriculture and the Department of Commerce on January 15th. Although staff has determined that the City would not be able to seek Recovery Act funds for local broadband through this program due to a 20% matching funds requirement and a strong preference for projects that would provide broadband service to “unserved” and “underserved” populations, we are continuing to monitor developments in this program and will report any changes as they occur.

Transportation (Estimated Recovery Act Funds - \$15.4 million): Construction activities are continuing on the Tier I Street Resurfacing project. Although construction progress was impacted by wet weather earlier this year, construction activities are now moving smoothly with project completion expected by this summer. When complete, this project will have resurfaced approximately 15 miles of arterial streets.

On April 13th, the City Council approved the contract award to Top Grade Construction for the construction of the Tier II Street Resurfacing project. This project will repave ten street segments across the City, totaling approximately 10.5 miles of arterial streets. Construction is expected to get underway during the spring, with completion expected by early 2011.

The City had been working closely with the MTC to advocate in support of funding under the Transportation Investment Generating Economic Recovery (TIGER) program for the proposed BART extension to the Silicon Valley. The final MTC application submitted to DOT in September included a proposed \$50 million for the expansion of the BART service yard in Hayward, which would support the future extension of the BART line to Silicon Valley. Unfortunately, the grant announcement released in February did not include funding for the BART extension to Silicon Valley project.

Water (Estimated Recovery Act Funds - \$6.4 million): On April 20th, the City Council approved the final cooperative agreement with the U.S. Bureau of Reclamation for a \$6.46 million grant award in support of the South Bay Water Recycling (SBWR) Phase 1C Improvements. The agreement allows for the City to receive reimbursable proceeds of up to \$6.31 million through the Recovery Act to construct \$14.78 million worth of recycled water projects in the Cities of San José and Santa Clara. Constructing the eight projects included in the Phase 1C Improvements will add approximately nine miles to the SBWR distribution system, initially increasing deliveries of recycled water by over 1,400 acre-feet per year (AFY), and raising revenues by up to \$300,000 per year.

REPORTING

We are pleased to inform the Council that the City successfully met the third reporting deadline mandated by the Recovery Act. As the Council is aware, the Recovery Act has set forth unprecedented transparency and reporting requirements. Recipients of Recovery Act funds are required to report quarterly on the use of Recovery Act funds, and provide detailed information, such as: total amount of funds received, the amount spent on projects and activities, completion status, estimates of jobs created and details on sub-awards and other payments. The most recent reporting deadline was April 16th and the City submitted reports through the Federal web-based reporting system, FederalReporting.gov, for programs in which San José received Recovery Act funds directly from the federal government. For programs where San José is a "Sub-Recipient" of Recovery Act funds, mandated reporting information was submitted to appropriate State and County agencies for reporting to the federal government.

Exhibit 1 on the following page reflects activity reported through FederalReporting.gov for active Recovery Act projects in which the City receives funds directly from federal funding agencies.

Exhibit 1: Recovery Act Program Activity Reported to FederalReporting.gov as of March 31, 2010

Program	Award	Reported Expenditures	Reimbursements /Advances	Number of Jobs Created/ Retained ¹
Airport Terminal B Checked Baggage Screening Project	\$20,916,360	\$11,237,589	\$6,005,588 ²	21.00
Airport Taxiway "W" Extension	\$5,178,291	\$4,225,695	\$4,134,933	4.00
Community Development Block Grant	\$2,700,463	\$108,323	\$84,318 ³	.40
Energy Efficiency and Conservation Block Grants (EECBG)	\$8,840,600	\$63,677	\$35,724	.98
Homeless Prevention and Rapid Re-Housing Program (HPRP)	\$4,128,763	\$296,144	\$240,853	8.62
Internet Crimes Against Children (ICAC)	\$863,930	\$72,305	\$46,679	.93
Neighborhood Stabilization Program 2 (NSP2) ⁴	\$25,000,000	\$0	\$0	0
Solar America Cities Program – Recovery Act	\$1,101,636	\$15,697	\$0	0
Total	\$68,730,043	\$16,019,430	\$10,548,095	35.93

Exhibit 2 below reflects activity reported for active Recovery Act projects in which funds are passed through the State of California or Santa Clara County. For these programs, the City does not report expenditures or project data directly to FederalReporting.gov. Instead, these programs comply with State or County reporting requirements.

Exhibit 2: Recovery Act Activity as of March 31, 2010 for Programs with Funding passed through State or County Agencies

Program	Award	Expenditures ⁵	Reimbursements /Advances	Number of Jobs Created/ Retained
Department of Transportation – Street Resurfacing	\$15,419,000	\$1,446,546	\$1,364,688	13.00
Work Investment Act (WIA) – Adult, Youth, and Dislocated Worker Programs	\$12,799,635	\$5,473,655	\$5,293,285	117.00
Justice Assistance Grant (JAG)	\$1,353,687	\$0	\$1,353,687	0
Total	\$29,572,322	\$6,920,201	\$8,011,660	130.00

¹ Per OMB Guidance, the Number of Jobs Created/Retained reflects jobs created/retained during the reporting quarter. Cumulative number of jobs created for all programs: 481.

² The City received reimbursement in the amount of \$2,343,681 for the Airport Baggage Screening Project in early April 2010. This reimbursement will be reported in the next reporting period.

³ The City received reimbursement in the amount of \$10,116 for the Community Development Block Grant Recovery program on March 31, 2010. This reimbursement will be reported in the next reporting period.

⁴ The City reports on behalf of the San José NSP2 Consortium, which is comprised of the City of San José, Housing Trust of Santa Clara County and Neighborhood Housing Services Silicon Valley.

⁵ Expenditures reported by the State may not align with the FMS because of timing issues related to reimbursements or reporting schedules.

HONORABLE MAYOR AND CITY COUNCIL

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Additional information on the City's efforts related to the Recovery Act can be found by visiting the City's Recovery Act webpage at <http://www.sanjoseca.gov/recoveryact>.

Please contact Ashwini Kankat at (408) 535-8147 if you have any questions.



Edward K. Shikada
Chief Deputy City Manager

Attachment

**ATTACHMENT A
AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009
CITY OF SAN JOSE
SUMMARY OF FUNDED PROJECTS
MAY 2010**

Project Name	Project Description	Recovery Act Funding (est.)	Anticipated Start of Activity
Aviation Program	Taxiway W Extension Phase I Airport taxiway improvements.	\$5,178,291	Summer 2009
	Terminal B Baggage Screening Equipment Installation of state-of-the-art baggage explosive detection systems for the Airport's new Terminal B.	\$20,916,360	Fall 2009
	Program Total	\$26,094,651	
Economic and Workforce Development			
	WIA-Adult Program Job placement, counseling and training services for 1,500 to 2,000 adult and dislocated worker clients through 6/30/11.	\$2,026,103	Summer 2009
	WIA-Dislocated Worker Program See Above.	\$4,448,400	Summer 2009
	WIA-Youth Program Funding for a Summer Jobs for Youth Program that served an estimated 1,000-1,200 youth (between the ages of 15-24) this past summer.	\$4,744,413	Summer 2009
	WIA-Rapid Response Program Assist workers to quickly return to productive positions in the labor force by providing counseling workshops on financial assistance and career counseling services. Assist employers to explore alternatives for layoffs.	\$638,390	Summer 2009
	WIA Rapid Response 25% Funds Funds can be used for either Rapid Response lay-off aversion activities or Dislocated Worker Additional Assistance for case management, training and supportive services.	\$902,329	Spring 2010
	WIA Rapid Response 25% Funds Assist Workforce Institute in providing outreach to eligible youth clients for the Greater South Bay Green Jobs Corps Program, which provides technical training in the emerging green jobs market to at-risk youth from Santa Clara, San Benito and Santa Cruz Counties.	\$40,000	Spring 2010
	Temporary Assistance for Needy Families/ Emergency Contingency Fund Funding from the County of Santa Clara Social Services Agency for seven weeks of summer work experience combined with work readiness training for approximately 840 eligible 15-17 year olds beginning in June 2010.	\$2,458,225	Summer 2010
	Program Total	\$15,257,860	
Energy Program			
	Programmable LED Streetlights Replacement of approximately 1,500 Low Pressure Sodium streetlights with programmable LED lights equipped with advanced controls and communications to maximize energy efficiency and savings.	\$2,000,625	Fall 2009
	Energy Efficiency Improvements on City Facilities Installation of cost-effective energy efficiency measures (HVAC, lighting, variable frequency drives and retro-commissioning) at city facilities which have high energy costs and have been identified as good candidates for priority retrofits.	\$4,521,945	Fall 2009
	Municipal Solar Programs Installation of solar hot water systems at fire stations, conduct solar and energy efficiency audits and fund technical assistance related to the City's Solar Program in project identification, design/build processes, project engineering financing options, proposal and contract development services for the installation of solar electric, solar hot water and energy efficiency projects.	\$2,318,031	Fall 2009
	Development of a Local Energy Assurance Plan Development of a Local Energy Assurance Plan for all City facilities and revision of the City's Emergency Operations Plan to more comprehensively address energy planning and preparedness. The plan will also focus on updating procedures and activities during energy outages.	\$300,000	Spring 2010
	Solar Market Transformation Funds will be used to support solar projects that will make it easier and more cost effective for residents to install solar on their homes, train disadvantaged youth for jobs in the growing solar industry and help residents learn about solar options.	\$1,101,636	Spring 2010
	Program Total	\$10,242,237	
Housing Program			
	Clean Tech Careers Fund/Green Business Equipment Program Provide a funding mechanism for capital equipment costs to 3 green technology companies expanding or relocating to San Jose. Funding will open opportunities to individuals most impacted by the recession due to job loss, provide investment capital necessary to increase economic and energy efficiency by creating or implementing new and emerging technology.	\$1,200,000	Fall 2009
	Moffat-Liberty Storm Drain Improvement Installation of new storm drain laterals, inlets, ADA curb cuts, driveways and ~1,300 linear feet of sidewalk, curb and gutter within a low-moderate income area of Alviso in far northern San Jose and address much-needed infrastructure needs in the area.	\$350,000	Fall 2009
	North First Street-Grand Boulevard Storm Drain Improvement Installation of new storm drain laterals, inlets, ADA curb cuts, driveways and ~2,750 linear feet of sidewalk, curb and gutter within a low-moderate income area of Alviso in far northern San Jose and address much-needed infrastructure needs in the area.	\$485,000	Fall 2009
	Project HOPE Funding for a 2-year public service project that will provide job training and employment services to 70 individuals, including 28 non-violent ex-offenders, 30 homeless persons and 12 youth recently emancipated from the foster care system.	\$400,000	Fall 2009

ATTACHMENT A
 AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009
 CITY OF SAN JOSE
 SUMMARY OF FUNDED PROJECTS
 MAY 2010

Project Name	Project Description	Recovery Act Funding (est.)	Anticipated Start of Activity
Housing Program (continued)			
Streetlight Conversion	Conversion of approximately 300 low-pressure sodium streetlights to adaptive LED streetlights.	\$215,463	Fall 2009
CDBG-R Program Administration	Funding to cover program administration costs.	\$50,000	Fall 2009
Homeless Prevention Financial Assistance & Housing Relocation Svcs.	Funding for agencies that currently have programs which provide financial assistance and case management services to San Jose homeless and at-risk residents, especially those affected by the economic crisis.	\$2,064,381	Fall 2009
Rapid Re-Housing Financial Assistance & Housing Relocation Svcs.	See Above.	\$2,064,382	Fall 2009
Neighborhood Stabilization Program 2	Funding to help reduce the number of foreclosed and abandoned homes, residential properties and to stabilize surrounding neighborhoods.	\$25,000,000	Spring 2010
Program Total		\$31,829,226	
Public Safety Program			
SJPD Automated Field Reporting/Records Management System - Phase I (Justice Assistance Grant)	Partial funding for the Police Department's Automated Field Reporting/Records Management System.	\$1,353,687	Summer 2010
California Emergency Management Agency Anti-Human Trafficking Task Force	Funding to enhance and expand the San Jose/Silicon Valley Internet ICAC Task Force to address technology-facilitated child exploitation and prevent, interdict and investigate ICAC offenses.	\$863,930	Fall 2009
	Funding to further enhance the Anti-Human Trafficking Task Force in San Jose.	\$375,000	Spring 2010
Program Total		\$2,592,617	
Transportation Program			
Tier I Street Resurfacing and Rehabilitation	Resurfacing of approximately 15 miles of City arterials streets to extend their useful life, improve their structure and ride quality and defer more costly reconstruction.	\$9,302,466	Fall 2009
Tier II Street Resurfacing and Rehabilitation	Resurfacing of approximately 10.5 miles of City arterials streets to extend their useful life, improve their structure and ride quality and defer more costly reconstruction.	\$6,116,534	Spring 2010
Program Total		\$15,419,000	
Water Program			
SBWR Phase 1C Facility Improvements	Partial funding for the construction of up to 15 miles of recycled water pipeline and related facility improvements as part of the South Bay Water Recycling Program. This project would increase by 2,400 acre-feet per year (AFY) the amount of recycled water distributed by the SBWRP and further reduce the reliance on scarce potable water.	\$6,460,000	Fall 2009
Program Total		\$6,460,000	
GRAND TOTAL		\$107,895,591	