

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: David Sykes

**SUBJECT: COUNCIL PRIORITIES
UPDATE**

DATE: September 8, 2017

Approved



Date

9/8/17

INFORMATION

This memo provides a progress report on the priorities set by Council at the March 7, 2017 Council Priority Setting Session.

There are 24 items on the Priority List (Attachment), which is presented in priority order as ranked by Council.

The list includes an update on actions taken since the Council Priority Setting Session and next steps.

EARLY CONSIDERATION PROCESS – GREEN-YELLOW-RED

The Early Consideration Process has been used at the Rules and Open Government Committee meetings since the last Council Priority Setting Session.

The following referrals were greenlighted by the Rules and Open Government Committee and added to department workplans or went directly to Committees or Council for action:

- **Neighborhoods Commission** (March 15, 2017) – *Actions related to the structure and scope of the Neighborhoods Commission.*
- **Historic Survey Strategy** (June 7, 2017) - *Develop and implement a strategy to survey structures that are potentially eligible for historic designation in the City.*
- **Towing Services Agreements** (June 21, 2017) – *Updates regarding the City's Tow Services Agreements.*
- **Conforming Rezoning of the Properties at the Northeast Corner of Almaden Expressway and Coleman Road** (August 9, 2017) - *A conforming rezoning of the properties at the northeast corner of Almaden Expressway and Coleman Road from their current zoning of R-1-5 and A(PD) to Open Space to bring the lots into conformance with the General Plan 2040 designation of these lots as Open Space, Parklands, and Habitat.*

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- **Cool Pavements** (August 9, 2017) – *Explore to the possibility of using “Cool Pavements”, as an alternative to the industry standard of black asphalt/slurry seal, on a trial basis, especially in areas of the City most affected by the Urban Heat Island effects, in order to lower outside air temperatures, create energy savings, emission reductions, lessen creation of smog, improve water quality, and slow climate change.*
- **San Jose Water Company** (August 23, 2017) - *Research the City of San José’s payments to San José Water Company for water service for the last 6 years (2012-2016).*

This item will be returning to the Rules and Open Government Committee for further direction:

- **Shield Our City** (May 31, 2017) – *Shield Our City Ordinance which Codifies San Jose's previously-expressed preference to not use City resources to pursue enforcement of federal immigration law as well as other related recommendations.*

The following items were referred to the next Council Priority Setting Session:

- **Safe Parking Program** (August 29, 2017 Council)
- **San Jose Water Company** (August 23, 2017) - *Representing the interests of the San José residents concerning San José Water Company rate increases through the CPUC protest and response, formal complaint process, or any investigations that would allow us to represent the interests of San José residents and ensure their concerns are heard. After a preliminary review of the proposed direction, staff has “yellow lighted” this item and recommends sending this to the priority setting process.*

NEXT COUNCIL PRIORITY SETTING SESSION

The next session will be scheduled to take place on October 3, 2017. **The last chance for Council memos to be heard at the Rules and Open Government Committee for consideration at the City Council Priority Setting Session will be September 20, 2017.**



DAVID SYKES
Assistant City Manager

For questions, please contact David Sykes, Assistant City Manager, at (408) 535-8185.

Attachment – Council Priority List

Council Priorities
(as set by Council on 3/7/17)

	Policy/Ordinance Name Description	Lead Dept./Staff Support Departments	CMO Lead	What We Are Doing	When Will It Come to Committee or Council?
1	<p>Update the City’s Rental Rights and Referrals Program Explore modifications to strengthen the City’s rent control ordinance (rent registry, notices of rent increase, banking); and the creation of ordinances to address retaliatory evictions, income discrimination, major capital improvement pass-through, displacement and relocation (Ellis).</p>	<p>Housing/CAO Housing lead staff: Rachel VanderVeen</p>	Kim Walesh	<p>On May 17, 2016, the City Council adopted the Interim Apartment Rent Ordinance. The 5% annual allowable rent increase took effect on June 17, 2016. On August 23, 2016, Council approved regulations to implement the fair return process as part of the Interim Ordinance. The fair return process was implemented starting September 27, 2016. On April 18, 2017, the City Council approved the Ellis Act Ordinance, which provides protections to tenants in apartments being removed from the rental market. On May 9, 2017, the City Council passed the Tenant Protection Ordinance, which provides just cause eviction protections to tenants living in over 80,000 apartments in San Jose. On August 14, 2017, the Housing Department released a draft of the updated Apartment Rent Ordinance and Regulations. Staff is conducting public meetings with landlords and tenants to discuss the draft ordinance prior to presenting the updated law to the City Council.</p>	<p>The updated Apartment Rent Ordinance and Regulations are tentatively scheduled to come to City Council on October 24, 2017. The Housing Department plans to bring updates to the Tenant Protection Ordinance, Ellis Act Ordinance, and policy recommendations regarding Source of Income Discrimination prior to the end of the calendar year.</p>

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2	Local Hiring/Local Business/Apprentice Utilization Program Create policies encouraging the hiring of local workers and contracting of local and small businesses, using the City of Sunnyvale's recently approved program as a model.	Public Works/ Lead Staff: Nina Grayson Support: CAO/OED	David Sykes	Pursuing San Jose/Santa Clara County construction industry labor market study and engaging construction trades in discussions regarding apprentice supply issues and how City can assist. Federal Constitution and Charter issues will need to be analyzed. An update was provided to CED on October 29, 2016.	CWA/PLA Task Force Report scheduled for October 3, 2017 Council Meeting. An info memo dated August 4, 2017 provided an update on the progress of the Task Force. As directed by Council at the May 23, 2017 Council meeting (Item 10.2), staff is scheduled to return to the September 25, 2017 CED meeting with an update on local hire.
3	Mobile Home Conversions Review and potentially amend the Mobile Home Conversion Ordinance to address the protection of health, safety and welfare of mobile home park residents, including any needed General Plan amendments.	PBCE/Lead staff: Jared Hart Support: CAO/Housing	Kim Welsh	The City Council adopted a New MHP Conversion Policy (February 23, 2016), Zoning Code amendments (February 23, 2016 and May 16, 2017) and General Plan text amendments (May 16, 2017) to further the protection of mobile home parks. In response to Council direction on May 16, 2017, staff has prepared analysis of proposed general plan land use overlay amendments for mobile home parks and review of recommendations from the Law Foundation of Silicon Valley regarding protection of mobile home park residents.	To Council on September 19, 2017.
4	Housing Rehabilitation Program (Homeless Veterans Vouchers) Develop a program using the Low and Moderate Income Housing Asset Fund in the City's Affordable Housing Investment Plan to establish a housing rehabilitation program incentivizing landlords to participate in housing voucher or coupon programs for homeless veterans.	Housing/Lead staff: James Stagi	Kim Welsh	Council approved recommended program structure on June 28, 2016. The Housing Department launched the program to rental properties owners on November 10, 2016. The program currently has a pipeline of six properties that will house up to nine homeless veterans. The Departments goal is to complete the first Rehabilitation project before the end of the calendar year.	Staff will provide an update to CED Committee in October 2017.

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5	Disadvantaged Business Enterprises Explore expanding existing DBE program beyond Airport to other City departments and contracts.	Public Works/ Lead staff: Nina Grayson Support: CAO/DOT/ESD	David Sykes	The consultants were introduced and provided a presentation to CED on June 26, 2017.	Staff to return to CED in Spring 2018 with report.
6	Electronic Billboards Options for public and private property that will allow electronic digital off-site advertising signs or billboard installations.	PBCE/Economic Development Lead PBCE staff: Art Heniques Lead OED staff: Blage Zelalich	Kim Walesh	On May 16, 2017, the City Council directed staff to implement the following items: <ol style="list-style-type: none"> 1. Workplan to investigate removal of existing barriers to off-site commercial advertising on public and privately-owned sites in the City. 2. Workplan for City-owned and City-controlled sites as identified in the April 12, 2017 memorandum to the CED committee. <p>Action:</p> <p>Staff has initiated focus group meetings with key Interest Group on August 28 (Environmental) and on August 31 (Historic Preservation).</p> <p>Ordinance update drafting and CEQA review items to follow. Additional meetings, developing the work plan for non-City owned and controlled sites including ordinance update drafting and CEQA review items) to follow.</p>	Staff to report back to the CED Committee in November 2017, with recommendations for Ordinance updates and CEQA review related to the following items: <ol style="list-style-type: none"> 1. Allowing off-site advertising on non-City owned and controlled sites in the Downtown Sign Zone. 2. Updating the existing Billboard Relocation Program to address electronic digital billboards. 3. Revising regulation of public right-of-way Signage.

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7	<p>Downtown and/or Citywide Parks Operations and Maintenance Financing District</p> <p>To study and make recommendations to the City Council for a long term financing district for parks operations and maintenance. The study will look at citywide and downtown as options.</p>	<p>PRNS/Lead staff: Matt Cano</p> <p>Support: CAO/ PBCE/PW</p>	Julie Edmonds-Mares	<p>Staff has engaged with a consulting firm, MIG, who will be administering this study. MIG will be collaborating with the Trust for Public Land on the study. The scope of work for the Parks Maintenance District Study will research and analyze a range of special financing district options and potential funding mechanisms that the City may consider to fund the development of parks and recreation facilities, together with operations, maintenance, and programming. For each relevant local funding option, the study will examine the revenue raising capacity, the fiscal impact to government budgets and taxpayers, and how such options would be implemented. The study will provide case studies of where and how these mechanisms have been used by other jurisdictions. The scope also includes a public opinion survey to evaluate whether the electorate would favor supporting parks and recreation through new taxation. Similarly, the study will examine how the public has supported parks and open space in prior elections, as well as voter turnout trends in relation to competing priorities.</p>	<p>As reported to Council during the Greenprint Update on February 7, 2017, the Citywide Parks Maintenance District Study is anticipated to be ready in September 2017, along with preliminary <i>Greenprint</i> policy and project recommendations to drive Council discussion.</p>

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8	<p>Development of a Soft-Story Retrofit Program</p> <p>Explore developing a program to incentivize the seismic retrofit of multifamily soft-story buildings. An incentive program may motivate owners to retrofit inadequate structures that pose a safety risk to over 24,000 San Jose residents who live in the approximately 1,093 "soft-story" buildings.</p>	<p>Housing/Lead Staff: Kristen Clements</p> <p>Support: PBCE</p>	Kim Walesh	<p>Staff submitted a full application for State OES FEMA funding to be used for a soft story planning grant. Staff is starting to update existing research on soft story programs from other localities. Staff is also determining the best way to identify which structures in the City qualify as soft story. The Housing Department needs additional resources to pursue this program development, and is investigating use of an intern or fellow to augment its resources.</p>	<p>Staff plans to bring preliminary findings and a possible framework for a soft story program to Council committee in Spring 2018.</p>

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9	<p>Accessory Dwelling Units & Garage Conversion Ordinance</p> <p><i>Accessory Dwelling Units:</i> -Support the Planning Department's recommendations to revise the Zoning Code to ensure that the City's Second Unit Ordinance is in conformance with the provisions of Senate Bill 1069 (Wieckowski), which requires jurisdictions to relax some requirements for second units, also called accessory dwelling units; -Direct the Administration to: (a) Eliminate any impediments to the conversion of detached garages or other accessory units to residential use; (b) Consider changes that would increase the number of potential lots in R-2 zones; (c) Study an amnesty program that would legalize illegal non-conforming accessory dwellings as long as they are brought up to the standards included in the City's ordinance; (d) Encourage a robust public information effort to help residents understand the potential for second units, and the process for development.</p> <p>[continued on next page]</p>	<p>PBCE/Lead staff: Michael Brilliot</p> <p>Support: Housing/CAO</p>	Kim Walesh	<p>Council adopted the ADU Ordinance in November 2016. Since then, staff has been working with CAO to analyze how an amnesty program would be possible. Feedback is that an amnesty program could not be limited to those who constructed illegally. Garage conversion legalization is similarly problematic. Staff will continue work to remove barriers and provide a status to Council in early 2018 (Note: The new Policy/Ordinance staff member is on extended leave through end of calendar year 2017.)</p> <p>Staff continues outreach on the adopted ADU Ordinance, including realtors, and will conduct additional public outreach meetings in fall 2017. Staff is also developing a "how to" video for homeowners.</p>	To Council early 2018.

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	<p>Accessory Dwelling Units & Garage Conversion Ordinance [continued]</p> <p>-Additionally, to "Not require for the secondary dwelling a minimum area of 80 s. f. of private open space with a minimum width of 8 feet."</p> <p><i>Garage Conversion Ordinance:</i> -An ordinance to establish procedures whereby owner-occupants of single-family residential real property on which certain illegal garage conversions now exist would have a limited time to seek to legalize converted garages. Landlords could be required to provide some affordable housing in exchange for the legalized unit. Explore the possibility of reducing the parking requirements if the unit's close enough to a major transit stop.</p>				

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10	<p>Personal Care Business Compliance Initiative</p> <p>-A registry requiring all personal care businesses that provide any form of massage services to annually register prior to obtaining a business tax certificate with an additional cost-recovery fee for a city employee position to proactively coordinate administrative processes and inspection for compliance.</p> <p>-A moratorium on the distribution of new massage parlor permits to all personal care businesses that provide any form of massage services during the initiative development up to a period of one year with an option to extend per council's approval.</p> <p>- Conduct outreach and discussion with industry business professionals.</p>	<p>Police/Lead staff: Todd Trayer</p> <p>Support: PBCE</p>	Jennifer Maguire	<p>This requires amending Chapter 6.44 of the Municipal Code to delete the exemptions for medical offices, state-licensed massage schools, full service salons, and athletic clubs and require such uses to obtain a City massage permit. Implementing this change will require public outreach and policy work, as well as additional staffing in the Permits unit to issue permits and Planning, Building and Code Enforcement to issue Zoning Letters.</p>	Update to PSFSS in September 2017.
11	<p>North San José Policy Review</p> <p>Review of North San José development policies, fees, and development capacity allocations.</p>	<p>PBCE/Lead staff: Rosalynn Hughey</p> <p>OED Lead staff: Chris Burton</p> <p>Support: OED/ DOT/PW</p>	Kim Walesh	<p>City staff is working with economic consultants (Strategic Economics) on a retail study to identify a specific retail strategy for North San Jose to inform various policy decisions regarding the North San Jose area. Findings from the retail study and near-term and mid-term staff recommendations were presented at the CED Committee meeting on March 27, 2017. The item was brought to Council on May 9, 2017. PBCE staff is working on the CEQA analysis on the near-term recommendation of making changes to the Zoning Ordinance to allow a broader range of local serving retail uses.</p>	Code changes and minor GP amendments to Council in early 2018.

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12	Spurring High Density Development Along Transit Corridors Development of an incentive plan to spur investment in high-density development within the General Plan land use designation "transit residential" by exploring a targeted decrease in the \$17/square foot Housing Impact Fee and other fees, to include looking at alternative payment schedules to the current up-front payment requirement.	Dept/Lead staff: TBD	Kim Welsh	TBD	TBD
13	Anti-Displacement Preference Ordinance Explore the development of policy that will allow a set-aside in affordable housing developments that prioritizes residents who are being displaced that live in low-income neighborhoods undergoing displacement and/or gentrification.	Housing/Lead staff: Kristen Clements	Kim Welsh	Staff is researching other cities' tenant preference policies, and is conferring with the City Attorneys' Office to identify legal issues associated with different types of possible preferences.	Staff is scheduled to present to CED in October 2017. The presentation will review different types of preferences and will ask for direction on which preferences to research further
14	Update Urban Design Guidelines Update citywide urban design guidelines for our key commercial districts, including Downtown and Berryessa.	PBCE/Lead staff: Tim Rood	Kim Welsh	In August 2014, PBCE was awarded a grant from the Knight Foundation to help fund a new position to update the City's Design Guidelines, including Downtown, Residential and Commercial. The new Planner IV position will be created in October 2017 and PBCE will undertake the recruitment process. It is anticipated that the position will be filled by the end of 2017/January 2018. The new planner will then develop a work plan and schedule to update the guidelines.	TBD

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15	Riparian Corridors and Bird Safe Design Develop a work plan to: -Study the impacts of bird strikes in San José; -Explore the implications of incorporating current voluntary bird-safe design measures as a City-wide requirement along riparian habitats, creek corridors and open spaces; and, -Evaluate if additional environmental review may be needed to implement a City-wide program.	PBCE/Lead staff: TBD	Kim Welsh	No current activity. Staff is working on higher priority items. Staff will work on this item when the Policy/Ordinance staff member returns from extended leave in January 2018.	To Council in Spring 2018.
16	Commercial Impact Fee for Affordable Housing Research the potential of a non-residential development fee as an additional source of revenue for affordable housing development.	Housing/Lead staff: Kristen Clements Support: CAO/PBCE/OED	Kim Welsh	City Council postponed taking any action on the Commercial Impact Fee on December 15, 2015. Staff plans to update the City Council and the public through an information memo on the status of commercial impact fees in nearby communities in fall 2017.	TBD
17	Downtown Active Storefronts Initiative Penalty fees for storefronts that been inactive over one year; allocation of all collected penalty fees toward an incentive program that assists property owners in activating their storefronts; exploration of new tools and recommendations that will require new development in the PBID to activate ground floor space or storefronts. To include Citywide business districts or commercial areas.	Economic Development/ Lead staff: Blage Zelalich Support: PBCE, CAO	Kim Welsh	Staff is are currently researching vacant storefront/vacant building programs in other cities, locally and state-wide, to see what programs they have implemented.	To CED in October 2017.

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18	San José is Open for Business/Legal Non-Conforming Uses Clarify Title 20 to reduce the evidentiary burdens for businesses and property owners seeking to establish a longstanding, legal nonconforming use.	PBCE/ Lead staff: TBD Support: CAO	Kim Welsh	No current activity. Staff is working on higher priority items.	TBD
19	Food and Clothing Distribution at City Parks Review and update the Municipal Code policy regarding the distribution of food and clothing at City Parks.	PRNS/Lead staff: Mike Will, PRNS [Angel Rios and Matt Cano] Support: CAO/ OED/Police/ Housing	Julie Edmonds-Mares	Staff from PRNS, Housing Department, Police Department, Mayor’s Office, Council District Three and other stakeholders have developed an engagement strategy and action steps for the next 30,60, and 90 days to address challenges associated with food and clothing distribution in parks. The first two phases of the engagement strategy are focused on (1) educating the public about alternative volunteer opportunities to support homeless populations and (2) redirecting the public and homeless populations to appropriate locations for food and other housing support services. As the first two phases proceed, on-going consideration will be given to the need for and timing of enforcement. The initial efforts of this plan will be directed towards St James Park. Staff anticipates that an October study session will provide an opportunity for Council to engage this topic and a full update to City Council in Spring of 2018.	Update on Community Plan to End Homelessness Study Session scheduled October 20, 2017.

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20	Medical Marijuana Explore whether to allow medical marijuana distributors, manufacturers, and testing labs to operate in San José, and if so, how many and where. (Note: marijuana land use and regulatory issues could be impacted by the outcome of Proposition 64 on the November 8, 2016 California ballot.)	Police/Lead staff: Wendy Sollazzi Support: PBCE	Michelle McGurk	The State withdrew the proposed medical cannabis regulations previously noticed for public comment. The three cannabis licensing authorities are each developing new proposed regulations based on the new law for the commercial medicinal and adult-use cannabis industries. The licensing authorities will use the emergency rule-making process for the new proposed regulations. The emergency regulations are expected to be published in fall 2017. The implementation date for the issuance of commercial cannabis licenses remains the same: January 2, 2018.	To Council Fall/Winter 2017/18.
21	Real Estate Transactions Streamlining (Phase 3) Review of the leasing program for both properties where the City is Landlord and where the City is Tenant.	Economic Development/Lead staff: Terry Medina Support: CAO	Kim Welsh	Current step is to get all OED Real Estate leases current for “City as Landlord” and “City as Tenant” situations, aligned with Auditor recommendations. Next step will be to resolve whether to invest time developing a Citywide Policy.	TBD
22	Development Agreement Policy Provide more specific guidance for the use of Development Agreements, specifically for developments receiving City incentives and as a financing tool for urban villages	PBCE/Lead staff: Jenny Nusbaum Support: CAO/OED	Kim Welsh	No current activity. Staff is working on higher priority items.	TBD
23	Off-Sale of Alcohol at Grocery Stores Streamlining Modify Code provisions to streamline the permit process for sale of alcohol at grocery stores.	PBCE/Lead staff: Jenny Nusbaum Support: CAO	Kim Welsh	No current activity. Staff is working on higher priority items.	TBD

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24	Zoning Ordinance Quarterly Modifications Minor revisions to Zoning Ordinance that do not require major analysis, raise community concerns or cannot be found exempt from CEQA. This is a recurring placeholder that facilitates economic development, permit streamlining, and General Plan implementation.	PBCE/Lead staff: Jenny Nusbaum Support: CAO	Kim Walesh	Zoning Code amendments for homeless shelter and affordable housing.	Next quarterly update targeted for Spring 2017.