

CITY COUNCIL AGENDA

AUGUST 25, 2015

SYNOPSIS

CHAPPIE JONES
ASH KALRA
RAUL PERALEZ
MANH NGUYEN
MAGDALENA CARRASCO

DISTRICT 1
DISTRICT 2
DISTRICT 3
DISTRICT 4
DISTRICT 5

SAM LICCARDO MAYOR

PIERLUIGI OLIVERIO
TAM NGUYEN
ROSE HERRERA VICE MAYOR
DONALD ROCHA
JOHNNY KHAMIS

DISTRICT 6
DISTRICT 7
DISTRICT 8
DISTRICT 9
DISTRICT 10

The City of San José is committed to open and honest government and strives to consistently meet the community's expectations by providing excellent service, in a positive and timely manner, and in the full view of the public.

Welcome to the San José City Council meeting!

This Agenda contains both a Consent Calendar section for routine business items that require Council approval, and general business items arranged to correspond with San José's City Service Areas (CSAs). City Service Areas represent the policy-making level for strategic planning, policy setting, and investment decisions in the critical functions the City provides to the community. They are:

- **Strategic Support Services** — The internal functions that enable the CSAs to provide direct services to the community in an effective and efficient manner.
- **Community & Economic Development** — Manage the growth and change of the community in order to create and preserve healthy neighborhoods and ensure a diverse range of employment and housing opportunities.
- **Neighborhood Services** — Serve, foster, and strengthen community by providing access to lifelong learning and opportunities to enjoy life.
- **Transportation & Aviation Services** — A safe and efficient transportation system that contributes to the livability and economic health of the City; and provide for the air transportation needs of the community and the region at levels that is acceptable to the community.
- **Environment and Utility Services** — Manage environmental services and utility systems to ensure a sustainable environment for the community.
- **Public Safety Services** — Commitment to excellence in public safety by investing in neighborhood partnerships as well as prevention, enforcement, and emergency preparedness services.

You may speak to the City Council about any discussion item that is on the agenda, and you may also speak during Open Forum on items that are not on the agenda and are within the subject matter jurisdiction of the City Council or Successor Agency to the Redevelopment Agency Board. If you wish to speak to the City Council, please refer to the following guidelines:

- **Fill out a Yellow Speaker's Card and submit it to the City Clerk seated at the front table. Do this before the meeting or before the item is heard.** This will ensure that your name is called for the item(s) that you wish to address, and it will help ensure the meeting runs smoothly for all participants.
- When the Council reaches your item on the agenda, the Mayor will open the public hearing and call your name. Please address the Council from the podium, which is located to the left of the City Clerk's table.
- Each speaker generally has two minutes to speak per item. The amount of time allotted to speakers may vary at the Mayor's discretion, depending on the number of speakers or the length of the agenda.
- To assist you in tracking your speaking time, there is a display on the podium. The green light turns on when you begin speaking; the yellow light turns on when you have 30 seconds left; and the red light turns on when your speaking time is up.

Please be advised that, by law, the City Council is unable to discuss or take action on issues presented during Open Forum. According to State Law (the Brown Act) items must first be noticed on the agenda before any discussion or action.

The San José City Council meets every Tuesday at 1:30 p.m. and Tuesday at 7 p.m. as needed, unless otherwise noted. If you have any questions, please direct them to the City Clerk's staff seated at the tables just below the dais. Thank you for taking the time to attend today's meeting. We look forward to seeing you at future meetings.

Agendas, Staff Reports and some associated documents for City Council items may be viewed on the Internet at <http://www.sanjoseca.gov/index.aspx?NID=3549>. Council Meetings are televised live and rebroadcast on Channel 26.

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at the Office of the City Clerk at San José City Hall, 200 E. Santa Clara Street, Council Wing, 2nd Floor, San José, CA 95113 at the same time that the public records are distributed or made available to the legislative body. Any draft contracts, ordinances and resolutions posted on the Internet site or distributed in advance of the Council meeting may not be the final documents approved by the City Council. Contact the Office of the City Clerk at (408) 535-1260 or CityClerk@sanjoseca.gov for the final document.

To request an accommodation or alternative format under the Americans with Disabilities Act for City-sponsored meetings, events or printed materials, please call (408) 535-1260 or (408) 294-9337 as soon as possible, but at least three business days before the meeting.

On occasion the City Council may consider agenda items out of order.

- **Call to Order and Roll Call**
9:06 a.m. - Closed Session, Call to Order in Council Chambers
Absent Council Members: All Present.

1:33 p.m. - Regular Session, Council Chambers, City Hall
Absent Council Members: All Present.
- **Invocation (District 7)**
Aba Beza Gedifew, the Mekane Rama St. Gabriel Cathedral of the Ethiopian Orthodox Church offered the Invocation.
- **Pledge of Allegiance**
Mayor Sam Liccardo led the Pledge of Allegiance.
- **Orders of the Day**
Heard after Ceremonial Items.
The Orders of the Day and the Amended Agenda were approved, with Item 9.1 deferred to September 22, 2015.

- **Closed Session Report**
Heard after Ceremonial Items.
No Report.

1. CEREMONIAL ITEMS

- 1.1** Presentation of a proclamation declaring August 26, 2015 as, “Women’s Equality Day,” in the City of San José. (Herrera)
Mayor Sam Liccardo, Vice Mayor Rose Herrera and Council Member Magdalena Carrasco recognized August 26, 2015 as “Women’s Equality Day” in San José.
- 1.2** Presentation of a commendation to Tim Quigley, outgoing president of the San José-Dublin Sister Cities Program for his many accomplishments during his three year term as president. (Mayor)
(Rules Committee referral 8/19/15)
Mayor Sam Liccardo, Vice Mayor Rose Herrera and Council Members Kalra, Khamis and Peralez recognized and commended Tim Quigley.
- 1.3** Presentation of a commendation to John Boncher, CEO of Cupertino Electric Inc. for their philanthropy and community impact to San José residents. (Carrasco/Peralez)
(Rules Committee referral 8/19/15)
Mayor Sam Liccardo, Council Member Magdalena Carrasco and Council Member Raul Peralez recognized and commended John Boncher, CEO of Cupertino Electric Inc.

2. CONSENT CALENDAR

2.1 Approval of Minutes.

Recommendation: Approval of minutes.

- (a) Regular Minutes of April 07, 2015.
- (b) Regular Minutes of April 14, 2015.
- (c) Study Session Minutes on the Medical Marijuana Program of April 20, 2015.
- (d) Regular Minutes of April 21, 2015.
- (e) Joint San José/Santa Clara Valley Water District Minutes of April 27, 2015.
- (f) Regular Minutes of April 28, 2015.

CEQA: Not a Project, File No. PP10-069(c), City Administrative Activities.

Approved.

2. CONSENT CALENDAR

2.2 Final Adoption of Ordinances.

Recommendation: Final adoption of ordinances.

- (a) ORD. NO. 29601 – Amending Title 17 of the San José Municipal Code by adding Chapter 17.86 to specify requirements for solar energy systems and to provide an expedited, streamlined permitting process for small residential rooftop solar systems. CEQA: Exempt, Guidelines Section 15268. Ministerial Projects. File No. PP15-073.

Ordinance No. 29601 adopted.

2.3 Approval of Council Committee Reports.

Recommendation: Approval of Council Committee Reports.

- (a) Rules and Open Government Committee Report of August 5, 2015. (Mayor) CEQA: Not a Project, File No. PP10-069(c), City Administrative Activities.

Approved.

2.4 Mayor and Council Excused Absence Requests.

There were none.

2.5 City Council Travel Reports.

There were none.

2.6 Report from the Council Liaison to the Retirement Boards.

There were none.

2.7 Agreements with MuniServices LLC, for Revenue Enhancement Services.

Recommendation: Adopt resolutions:

- (a) Authorizing the Director of Finance to negotiate and execute the following agreements with MuniServices LLC, a Delaware Limited Liability Company (“MuniServices”) to provide:
- (1) Sales and Use Tax revenue enhancement services and data analysis for the term of July 1, 2015 through June 30, 2018 at a maximum annual compensation not to exceed \$412,000, with two one-year options to extend through June 30, 2020, at the same rate of compensation for each additional optional year subject to the City Council’s annual appropriation of funds.
 - (2) Telephone Line Tax, Utility Users Tax and Franchise Fee compliance services for the term of July 1, 2015 through June 30, 2018 at a maximum annual compensation not to exceed \$70,000, with two one-year options to extend through June 30, 2020, at the same rate of compensation for each additional optional year subject to the City Council’s annual appropriation of funds.

2. CONSENT CALENDAR

2.7 Agreements with MuniServices LLC, for Revenue Enhancement Services. (Cont'd.)

Recommendation:

(b) Authorizing MuniServices to examine all Sales and Use Tax records of the California State Board of Equalization for tax collection purposes and other governmental functions of the City of San José.

CEQA: Not a Project, File No. PP10-066(a), Agreements and Contracts. (Finance)
(Deferred from 6/16/15 – Item 2.13 and 8/4/15 – Item 2.7)

Deferred to September 01, 2015 per Administration.

2.8 Amendment to the Concession Agreement with ALD Development Corp.

Recommendation: Approve a Second Amendment to the ALD Development Corp. dba Airport Lounge Development, Inc. (“ALD”) Concession Agreement to extend the term to January 31, 2019 with total annual revenue to the City of approximately \$76,000. CEQA: Not a Project, File No. PP10-066(f), Lease of existing space for the same use. (Airport)
Approved.

2.9 City Council Committee and Board and Commission Appointments.

Recommendation: As recommended by the Rules and Open Government Committee on August 12, 2015, appoint Council Member Magdalena Carrasco to the San José Police Activities League Board. CEQA: Not a Project, File No. PP10-069(c), City Administrative Activities. (Mayor)
[Rules Committee referral 8/12/15 – Item F(1)]
Approved.

2.10 Dinner with Consul General of Japan Event.

Recommendation: As recommended by the Rules and Open Government Committee on August 12, 2015, approve the receipt of gift received in official capacity in accordance with San José Municipal Code Section 12.08.040. CEQA: Exempt, Guidelines Section 15268. Ministerial Projects. File No. PP15-073. (Jones)
[Rules Committee referral 8/12/15 – Item G(2)]
Approved.

2.11 District 10 SAP Grant to Martin-Fontana Parks Association.

Recommendation: As recommended by the Rules and Open Government Committee on August 12, 2015, approve a grant of \$1,000 to the Martin-Fontana Parks Association to be paid from the budgeted District 10 SAP Center at San José allocation, which is funded by the Arena Community Fund City-Wide appropriation. CEQA: Not a Project, File No. PP10-069(c), City Administrative Activities. (Khamis)
[Rules Committee referral 8/12/15 – Item G(3)]
Approved.

2. CONSENT CALENDAR

2.12 District 9 SAP Grant for District 9 School.

Recommendation: As recommended by the Rules and Open Government Committee on August 12, 2015, approve a grant of \$1,000 to Branham High School for their Sports Booster Club to support student programs and activities, which is funded by the Arena Community Fund City-Wide appropriation. CEQA: Not a Project, File No. PP10-069(c), City Administrative Activities. (Rocha)

[Rules Committee referral 8/12/15 – Item G(4)]

Approved.

2.13 Resolution in Support of the Fix Our Roads Coalition’s Goals for State Transportation Special Session.

Recommendation: As recommended by the Rules and Open Government Committee on August 19, 2015, adopt a resolution in support of the Fix Our Roads Coalition’s goals for the California State Transportation Special Session. CEQA: Not a Project, File No. PP10-069(c), City Administrative Activities. (Mayor)

[Rules Committee referral 8/19/15 – Item G(6)]

Resolution No. 77502 adopted.

3. STRATEGIC SUPPORT SERVICES

3.1 Report of the City Manager, Norberto Dueñas (Verbal Report). No Report.

3.2 Labor Negotiations Update.

Recommendation: Accept Labor Negotiations Update.

Heard at 9:05 a.m.

No Report.

3.3 Amendment to the Flag Display Policy.

Recommendation: Discuss the policy alternatives for amending Council Policy 2-1 to establish guidelines for the permanent display of the POW/MIA (Prisoner-of-War/ Missing-in-Action) flag at City Hall’s West Plaza and direct City staff to amend the policy based on the selected alternative. CEQA: Not a Project, File No. PP10-068(c), Municipal Code or Policy change that involves not changes to the physical environment. (Public Works)

(Referred from 6/23/15 – Item 3.24 and Deferred from 8/11/15 – Item 3.3)

The memorandum from Mayor Sam Liccardo, Vice Mayor Rose Herrera, Council Members Peralez and Jones, dated August 21, 2015, was approved, approving the Staff recommendation to permanently display the POW/MIA flag below the USA Flag at City Hall year round at 365 days.

3. STRATEGIC SUPPORT SERVICES

3.4 Civil Service Commission Interviews.

Recommendation: Interview applicants and consider an appointment to fill one (1) Attorney-at-Law representative with an unexpired term ending November 30, 2018 on the Civil Service Commission. CEQA: Not a Project, File No. PP10-069(c), City Administrative Activities. (City Clerk)

Sharon Hightower was interviewed and appointed to an unexpired term ending November 30, 2018.

3.5 Actions Related to the Settlement Agreement with the San José Police Officers' Association and the San José Fire Fighters, International Association of Fire Fighters, Local 230.

Recommendation:

(a) Adopt a resolution to:

- (1) Approve the terms of the Alternative Pension Reform Settlement Framework Agreement between the City and the San José Police Officers' Association (SJPOA) and San José Fire Fighters, International Association of Fire Fighters, Local 230 (IAFF, Local 230).
- (2) Authorize the City Manager to negotiate and execute a Tripartite Retirement Memorandum Agreement between the City, the SJPOA, and IAFF, Local 230.

Resolution No. 77503 adopted.

Noes: Oliverio.

(b) Adopt the following 2015-2016 Appropriation Ordinance amendments in the General Fund:

- (1) Establish a City-Wide Measure B Settlement appropriation to the City Manager's Office in the amount of \$1,500,000.
- (2) Decrease the Fiscal Reform Plan Implementation Reserve in the amount of \$1,500,000.

CEQA: Not a Project, File No. PP10-069(b), Personnel Related Decisions. (City Manager) (Deferred from 8/11/15 – Item 3.4 and 8/18/15 – Item 3.4)

Ordinance No. 29609 adopted.

Noes: Oliverio.

3. STRATEGIC SUPPORT SERVICES

3.6 Terms of an Agreement with the San José Police Officers' Association (POA).

Recommendation:

- (a) Adopt a resolution approving the terms of a collective bargaining agreement between the City and the San José Police Officers' Association and authorizing the City Manager to execute an agreement with a term effective upon execution of the agreement through December 31, 2016.

Resolution No. 77504 adopted.

- (b) Adopt the following 2015-2016 Appropriation Ordinance amendments in the General Fund:
- (1) Increase the Personal Services appropriation to the Police Department in the amount of \$9,545,000.
 - (2) Increase the Personal Services appropriation to the City Attorney's Office in the amount of \$20,000.
 - (3) Decrease the Police Department Staffing/Operations Reserve in the amount of \$9,100,000.
 - (4) Decrease the Salaries and Benefits Reserve in the amount of \$465,000.

CEQA: Not a Project, File No PP10-069(b), Personnel Related Decisions. (City Manager)
Ordinance No. 29610 adopted.

4. COMMUNITY & ECONOMIC DEVELOPMENT

4.1 Acquisition of the Plaza Hotel from Successor Agency to the Redevelopment Agency for Housing the Homeless.

Recommendation: Adopt a resolution directing the Interim Director of Housing to pursue steps necessary to acquire the Plaza Hotel located in San José at 96 South Almaden Boulevard ("Plaza Hotel") from the Successor Agency to the Redevelopment Agency of the City of San José (SARA), for housing the homeless, and return to City Council to obtain authorization to acquire. CEQA: Exempt, Guidelines Section 15301, Existing Facilities. (Housing)

(Deferred from 6/16/15 – Item 4.2, et al, and 8/11/15 – Item 4.1)

Deferred to September 22, 2015 per Administration.

4. COMMUNITY & ECONOMIC DEVELOPMENT

4.2 Actions Related to the Second Street Studio Apartments Project.

Recommendation:

- (a) Adopt a resolution:
 - (1) Approving an early disbursement of the existing \$8,000,000 construction-permanent loan commitment, in the form of a land acquisition loan, of up to \$5,000,000 that will refinance an existing land acquisition loan in order to support development of the Second Street Studio Apartments, an affordable multifamily rental development offering permanent supportive housing for the homeless to be located at 1140 South Second Street at Keyes Street (“Development”) and developed by a legal affiliate of First Community Housing Corporation (“FCH” or “Developer”).
 - (2) Approving an increase of up to a \$6,452,000 to the existing City Council-approved construction-permanent loan commitment of \$8,000,000, for a total of up to \$14,452,000 of Low and Moderate Income Housing Asset Funds to Developer.
 - (3) Approving an increase of up to \$500,000 to the existing predevelopment loan.
- (b) Adopt the following Appropriation Ordinance amendments in the Low and Moderate Housing Asset Fund (346):
 - (1) Increase the appropriation to the Housing Department for Housing Loans and Grants in the amount of \$5,000,000.
 - (2) Decrease the Housing Project Reserve appropriation in the amount of \$5,000,000.

CEQA: Mitigated Negative Declaration, File No. PDC07-086, adopted 8/26/2008.
(Housing/City Manager)

Deferred to September 15, 2015 per Administration.

4.3 Initiate Proceedings for Annexation of Story No. 65.

Recommendation: Adopt a resolution initiating proceedings and setting September 15, 2015 at 1:30 p.m., for City Council consideration of the reorganization of territory designated as Story No. 65, which involves the annexation to the City of San José of an approximately 0.52 gross acre of land located on the west side of East Hills Drive, approximately 250 feet easterly of Dale Drive, and the detachment of the same from the appropriate special districts, including Central Fire Protection, CO Lighting County Service, County Sanitation District 2-3, and Area No. 01 (Library Services) County Service. CEQA: Envision 2040 General Plan Final Program EIR (Resolution No. 76041). Council District 5. (Planning, Building and Code Enforcement)
Resolution No. 77505 adopted.

4. COMMUNITY & ECONOMIC DEVELOPMENT

4.4 Mobilehome Park Conversion Moratorium.

Recommendation:

- (a) Adopt an interim ordinance of the City of San Jose, as an urgency measure, establishing a temporary moratorium on the conversion or closure of mobilehome parks pending the review and possible amendment of the land use regulations applicable to such conversions and closures and setting forth the findings to support (1) the need for the temporary moratorium; and (2) the need for the urgency measure.

Ordinance No. 29611 adopted.

- (b) Direct staff to refer to the Planning Commission for its review and recommendation, at its earliest possible regular meeting, a substantially similar ordinance establishing a temporary moratorium on the conversion or closure of mobilehome parks pending the review and possible amendment of the land use regulations applicable to such conversions and closures.

CEQA: Exempt, Guidelines Sections 15061(b)(3) No Significant Impact on the Environment and 15308 Actions by Regulatory Agencies for Protection of the Environment. (Housing/Planning, Building, and Code Enforcement)
(Rules Committee referral 8/19/15)

Heard No Earlier Than 3:00 p.m.

Staff was directed to meet with the Mobile Home Park Owners and residents as necessary to prepare an “Opt-In; Stay in Business” alternative to be included within a proposed work plan for Council consideration.

5. NEIGHBORHOOD SERVICES

6. TRANSPORTATION & AVIATION SERVICES

7. ENVIRONMENTAL & UTILITY SERVICES

8. PUBLIC SAFETY SERVICES

9. REDEVELOPMENT – SUCCESSOR AGENCY

9.1 Actions Related to the Acquisition of 226 Balbach for Future Affordable Housing Development.

Recommendation:

- (a) Approve the acquisition of 226 Balbach by the City from the Successor Agency to the Redevelopment Agency of the City of San José for \$2,400,000 from the Low and Moderate Income Housing Asset Fund to that the Housing Department can acquire the site and determine an appropriate future affordable housing development.
- (b) Adopt the following Appropriation Ordinance amendments in the Low and Moderate Income Housing Asset Fund:
 - (1) Increase the appropriation to the Housing Department for Housing Loans and Grants by \$2,410,000.
 - (2) Decrease the Housing Project Reserve appropriation by \$2,410,000.

CEQA: Determination of Consistency with Downtown Strategy 2000 EIR (Resolution No. 72767). Council District 3. (Housing/City Manager)

Deferred to September 22, 2015 per Orders of the Day.

- **Open Forum**

There was no Public testimony from the floor.

- **Adjournment**

The Council of the City of San José was adjourned at 5:07 p.m.