

MINUTES OF THE CITY COUNCIL

SAN JOSE, CALIFORNIA

TUESDAY, APRIL 16, 1996

The Council of the City of San Jose convened in regular session at 9:30 a.m.

Present: Council Members: Dando, Diaz, Diquisto, Fernandes, Fiscalini, Johnson, Pandori, Powers, Shirakawa, Jr.; Hammer.

Absent: Council Members: Woody (excused).

Upon motion unanimously adopted, Council recessed to a Closed Session at 9:35 a.m. in Room 600 to (A) confer with Legal Counsel on one matter regarding anticipated litigation pertaining to significant exposure to litigation pursuant to subdivision (b) of Section 54945.9 of the Government Code, and to discuss two matters pertaining to the initiation of litigation pursuant to subdivision (c) of Section 54956.9 of the Government Code; and (B) to confer with Labor Negotiator pursuant to Government Code Section 54957.6: City Negotiator City Manager designee Mark Linder, Operating Engineers, Local 3, Employee Organization.

By unanimous consent, Council reconvened from the Closed Session and recessed at 11:30 a.m. and reconvened at 1:38 p.m. in Council Chambers, City Hall.

Present: Council Members: Dando, Diaz, Diquisto, Fernandes, Fiscalini, Johnson, Pandori, Powers, Shirakawa, Jr.; Hammer.

Absent: Council Members: Woody (excused).

INVOCATION

Mayor Hammer led in a moment of silence in memory of those shown on this meeting's adjournment who recently passed away.

PLEDGE OF ALLEGIANCE

Mayor Hammer led in the Pledge of Allegiance.

ORDERS OF THE DAY

Upon motion by Council Member Fiscalini, seconded by Council Member Powers and unanimously carried, the Orders of the Day and the Amended Agenda were approved.

Vote: 10-0-1-0. Absent: Woody.

CEREMONIAL ITEMS

- 5a Presentation of a commendation to the VEP Homeowners Association for their participation in organizing and coordinating a landscaping project involving over 65 volunteers on Chynoweth Avenue in Council District 10. (Dando)**

Documents Filed: None.

Discussion/Action: Joining Mayor Hammer at the Podium, Council Member Dando introduced VEP Homeowners Association President Jayne Elkin, and members Jake Elkin, Tony, and Ann, and Mayor Hammer presented the commendation in recognition of the volunteers who planted 160 palm trees.

- 5b Presentation of a commendation to the San José State University Men's Basketball team. (Mayor)**

Documents Filed: None.

Discussion/Action: Mayor Hammer invited San José State University Head Coach Stan Morrison and the University Men's Basketball team members Ken Kavanagh, Rich Taylor, Craig Clark, Jahi Bacon, Marmet Williams, Kweli Baker, Assistant Coach Keith Moss, and Associate Head Coach Stan Stewart, and visiting from Yokohama Japan, Coach Hiro Kato, and presented the commendation in recognition of the team's accomplishments. Several teammates were unable to attend the ceremony because of scholastic obligations.

The City Council joined Council Member Shirakawa, Jr., in welcoming the Third Grade Class, teacher, and parents from Santee Elementary School, Franklin-McKinley School District, who were visiting City Hall as a requirement for the "City Government" component of their curriculum. The visitors were asked to stand and be recognized.

- 5c Presentation of plaques to Al Fischler for one year and ten months service on the Library Commission; to Steve Park and Kimberly Walt for two years and four months service on MBE/WBE/DBE Committee; to William Carlson for two years and nine months service on the Senior Citizens Commission. (Mayor)**

Documents Filed: None.

Discussion/Action: Mayor Hammer presented plaques to Steve Park and Kimberly Walt and thanked them for their service to the citizens of San José. Plaques for Al

Fischler and William Carlson will be mailed, as the honorees were unable to attend the meeting.

5d Presentation of proclamation declaring April 1996 as Earthquake Preparedness Month. (Office of Emergency Services)

Documents Filed: None.

Discussion/Action: Joining Mayor Hammer at the Podium, Council Member Fiscalini, on behalf of Council Member Woody, presented the proclamation to Angela Bowen, San José Prepared Coordinator, and thanked Kelly Soberanes, Earl Stevens, and Noel Duckett, representing Radio Amateurs Civil Emergency Services (R.A.C.E.S.), for the excellent job of providing emergency and back-up communications to the City of San José, as well as training citizens and employees in disaster preparedness techniques.

5e Presentation of an award to Lynn Washington and Stanley Ibia of Andrew Hill High School for their outstanding athletic ability in leading the Andrew Hill High School Basketball Varsity Team to the 1996 Championship for the Blossom Valley Mt. Hamilton Division; and presentation of an award to Coach Dennis J. Fernandez for his outstanding guidance and coaching of the team. (Shirakawa)

Documents Filed: Memorandum from Council Member Shirakawa, Jr., dated April 16, 1996, requesting a one-week deferral of this item.

Discussion/Action: This item was deferred to April 23, 1996.

5g Presentation of commendation to Irish Week Committee. (Powers)

Documents Filed: None.

Discussion/Action: Joining Mayor Hammer at the Podium, Council Member Powers acknowledged Committee Chairman John Hannegan, who was unable to attend the meeting, and introduced Maurice Webb, Cay Rafferty, Tom Williams, Tom Browne, Leslie Murdock, Andy Arias, Kerry Forster, Nona Tobin, Nancy Kahn, Sarah Janigian, and Ray O'Flaherty, who accepted the commendation commemorating the 10th Anniversary celebration of Irish Week, and in recognition of the relationship between the City of San José and its Sister City Dublin, Ireland, and for the dedication and creativity in enhancing cultural awareness and community relations.

9k Approval of an amendment to the Master Plan for Vista Park. CEQA: ND. (Public Works/Parks, Recreation and Neighborhood Services)

Documents Filed: (1) Memorandum from Director of Public Works Ralph A. Qualls, Jr., and Director of Parks, Recreation and Neighborhood Services Ellis E. Mitchell, dated March 22, 1996, transmitting the Vista Park Master Plan Amendment, dated March 1996 and recommending Council approve said amendment. (2) Memorandum from Council Member Dando, dated April 16, 1996, requesting Council consider this item immediately following Ceremonial Matters.

Discussion/Action: Council Member Dando stated the Vista Park Master Plan Amendment is the result of efforts of the community, the V.E.P. Homeowners Association, the Office of Council District 10, and City Staff, and that she appreciated the hard work of all participants. William J. Garbett spoke against the proposed action. Upon motion by Council Member Dando, seconded by Vice Mayor Johnson and unanimously carried, the amendment to the Master Plan for Vista Park was approved and execution of the amendment authorized. Vote: 10-0-1-0. Absent: Woody.

CONSENT CALENDAR

Upon motion by Council Member Fernandes, seconded by Council Member Powers and unanimously carried, the Consent Calendar was approved and the below listed actions were taken as indicated. Vote: 10-0-1-0. Absent: Woody.

Minutes for Approval

6a(1) Regular Meeting of March 5, 1996

Documents Filed: Minutes of the regular meeting of March 5, 1996.

Discussion/Action: The Minutes were approved. Vote: 10-0-1-0. Absent: Woody.

Ordinances for Final Adoption

6b(1) ORD. NO. 25061 - Amends Section 3.36.610 of Chapter 3.36 of Title 3 of the San José Municipal Code to provide a window period for members of the Police and Fire Department Retirement Plan to purchase service credit for time in the Federated City Employees Retirement Plan.

Documents Filed: Proof of publication of the title of Ordinance No. 25061 submitted by the City Clerk.

Discussion/Action: Ordinance No. 25061 was adopted. Vote: 10-0-1-0. Absent: Woody.

- 6b(2) **ORD. NO. 25063** - Repeals section 2.04.690 of Chapter 2.04 of Title 2; and amends sections 4.04.010, 4.04.020, 4.04.060 and 4.04.070 and adds Sections 4.04.025 and 4.04.075 to Chapter 4.04 to clarify the contract authority of the City Manager; and amends Sections 4.12.120 and 4.12.146 of Chapter 4.12 of Title 4 of San José Municipal Code to make technical corrections.

Documents Filed: Proof of publication of the title of Ordinance No. 25063 submitted by the City Clerk.

Discussion/Action: Ordinance No. 25063 was adopted. Vote: 10-0-1-0. Absent: Woody.

- 6b(3) **ORD. NO. 25066** - Rezones certain real property situated at the north side of Pine Avenue, 80 feet westerly of Lupton Avenue.
PDC 95-11-053

Documents Filed: Proof of publication of the title of Ordinance No. 25066 submitted by the City Clerk.

Discussion/Action: Ordinance No. 25066 was adopted. Vote: 9-1-1-0. Noes: Pandori. Absent: Woody.

Public Hearings Set by Council

- 6c(1) **Adoption of a resolution to consider the establishment of an Underground Utility District at Monterey Road from Blossom Hill Road to Ford Road and setting a public hearing on April 30, 1996 at 1:30 p.m. CEQA: Exempt. (Public Works)**

Documents Filed: Memorandum from Director of Public Works, Ralph A. Qualls, Jr., dated March 29, 1996, recommending Council adopt said resolution.

Discussion/Action: Resolution No. 66520, entitled: "A Resolution of the Council of the City of San José Setting the Time and Place for a Public Hearing to Consider the Establishment of An Underground Utility District at Monterey Road From Blossom Hill Road to Ford Road on April 30, 1996 at 1:30 p.m.", was adopted. Vote: 10-0-1-0. Absent: Woody.

Plans and Specifications

- 6d(1) **TRACT NO. 8781** - South side of Quimby Road, opposite Marston Way - Evergreen 82 Partners, L.P., a California Limited Partnership (Developer) - 25 single-family detached residential lots. Adoption of resolutions approving the plans, final map, contract, water main extension agreement and parkland agreement for Tract No. 8781. CEQA: Resolution No. 63179. District 8. (Public Works)
(Rules Committee referral 4/10/96)

Documents Filed: Memorandum from Director of Public Works, Ralph A. Qualls, Jr., dated April 5, 1996, recommending Council adopt said resolutions.

Discussion/Action: Resolution No. 66521, entitled: "A Resolution of the Council of the City of San José Fixing Official Curb Grades and Position of Curbs, and Adopting Plans For Tract No. 8781"; Resolution No. 66522, entitled: "A Resolution of the Council of the City of San José Approving and Accepting Final Map of Tract No. 8781", Resolution No. 66523, entitled: "A Resolution of the Council of the City of San José, Approving and Authorizing the Execution of Contract and Approving Bonds for the Improvement of Tract No. 8781"; and Resolution No. 66524, entitled: "A Resolution of the Council of the City of San José Approving and Authorizing the Execution of Agree-ment for the Water Main Extension, Tract No. 8781", were adopted. Vote: 10-0-1-0. Absent: Woody

- 6d(2) **TRACT NO. 8807** - West side of Capitol Avenue northerly of Fallingtree Drive and opposite Via Cinco de Mayo - Capitol Avenue Associates, L.P., a California Limited Partnership (Developer) - 43 single-family detached units. Adoption of resolutions approving the plans the final map and contract for Tract No. 8807. CEQA: ND. District 4. (Public Works)
(Rules Committee referral 4/10/96)

Documents Filed: None.

Discussion/Action: This item was deferred to April 23, 1996.

Contracts/Agreements

- 6e(1) **Adoption of a resolution granting conditional consent to a sublease between Caterair International, Inc. II and Caterair International Corporation, and authorization for the Director of Aviation to deliver an estoppel certificate to Onex Food Services, Inc. CEQA: Exempt. (Airport)**

Documents Filed: Memorandum from Director of Aviation, Ralph G. Tonseth, dated March 22, 1996, recommending Council adopt said resolution.

Discussion/Action: Resolution No. 66525, entitled: “A Resolution of the Council of the City of San José Granting Conditional Consent to the Sublease Between Caterair International Corporation and Caterair International, Inc. II for Use of the In-Flight Catering Kitchen Facility”, was adopted. Vote: 10-0-1-0. Absent: Woody.

- 6e(2) Approval of a continuation agreement with Harris Miller Miller & Hanson, Inc. (HMMH) for consultant services extending the term of the agreement by five (5) months from December 31, 1995 to May 31, 1996 and increasing compensation by \$24,918.02, from \$299,569 to \$324,847.02. (Airport)**

Documents Filed: Memorandum from Director of Aviation, Ralph G. Tonseth, dated March 29, 1996, recommending Council approve said agreement.

Discussion/Action: The continuation agreement with Harris Miller Miller & Hanson, Inc. (HMMH) was approved and its execution authorized. Vote: 10-0-1-0. Absent: Woody.

- 6e(3) Adoption of a resolution authorizing the City Manager to negotiate and execute grant agreements for school playground equipment with:**
- (a) Oak Grove School District in the amount of \$3,500.**
 - (b) San José Unified School District in the amount of \$3,500.**
 - (c) Union School District in the amount of \$3,000.**
- CEQA: Exempt. (City Manager’s Office)**

Documents Filed: Memorandum from Assistant to the City Manager, Nina S. Grayson, dated March 29, 1996, recommending Council adopt said resolution.

Discussion/Action: Resolution No. 66526, entitled: “A Resolution of the Council of the City of San José Delegating to the City Manager the Authority to Negotiate and Execute Grant Agreements With San José Unified School District, Union School District, and Oak Grove School District for School Playground Equipment and Recreational Facilities”, was adopted. Vote: 10-0-1-0. Absent: Woody.

- 6e(4) Approval of a second amendment to the agreement with Karin Grobe for educational and outreach services, extending the term of the agreement by nine (9) months from June 30, 1996 to March 31, 1997 and increasing the compensation by \$10,500, from \$42,490 to \$52,990. (Environmental Services)**

Documents Filed: Memorandum from Director of Environmental Services, Louis N. Garcia, dated March 22, 1996, recommending Council approve said amendment to the agreement extending the term and expanding the scope of work for said services.

Discussion/Action: The second amendment to the agreement with Karin Grobe was approved and its execution authorized. Vote: 10-0-1-0. Absent: Woody.

- 6e(5) Adoption of a resolution authorizing the City Manager to negotiate a two (2) year cooperation agreement with seasonal food processors in the City to reduce water use, wastewater discharge and pollutants discharged into the sewer system and with a capital cost recovery charge calculated on an annual average basis for those who choose to enter into the cooperation agreement. (Environmental Services)**

Documents Filed: Memorandum from Director of Environmental Services, Louis N. Garcia, dated March 29, 1996, recommending Council adopt said resolution.

Discussion/Action: Resolution No. 66527, entitled: "A Resolution of the Council of the City of San José Delegating to the City Manager the Authority to Negotiate and Execute a Cooperation Agreement With Seasonal Food Processors to Reduce Water Use, Wastewater Discharge, and Pollutants Discharge Into the Sewer System With a Capital Cost Recovery Charge Calculated on an Annual Average Basis", was adopted. Vote: 10-0-1-0. Absent: Woody.

- 6e(6) Approval of award of open purchase orders for supplies, materials, equipment and services for FY 1995-96 #22, and authorization for the Director of General Services to execute the purchase orders. (General Services)**

Documents Filed: Memorandum from Director of General Services, Ellis M. Jones Jr., dated March 22, 1996, recommending Council award said open purchase orders list, and authorize the Director of General Services to execute the purchase orders.

Discussion/Action: The award of open purchase orders List No. 22 for FY 1995-96 was approved and execution of the purchase orders authorized. Vote: 10-0-1-0. Absent: Woody.

- 6e(7) Approval of award of open purchase orders for supplies, materials, equipment and services for FY 1995-96 #23, and authorization for the Director of General Services to execute the purchase orders. (General Services)**

Documents Filed: (1) Memorandum from Director of General Services, Ellis M. Jones Jr., dated March 29, 1996, recommending Council award said open purchase orders list, and authorize the Director of General Services to execute the purchase orders. (2) Letter from the Treatment Plant Advisory Committee, dated April 12, 1996, recommending approval of award of open purchase orders, and authorize the Director of General Service to execute the purchase orders, Report #23.

Discussion/Action: The award of open purchase orders List No. 23 for FY 1995-96 was approved and execution of the purchase orders authorized. Vote: 10-0-1-0. Absent: Woody.

- 6e(8)**
- (a) Approval of an agreement with Rajappan & Meyer Consulting Engineers, Inc. for consultant services for the Alum Rock Avenue Streetscape Project for the period April 9, 1996 to March 31, 1997 in the amount of \$180,000. (Public Works)**
 - (b) Adoption of appropriation ordinance and revenue resolution amendments in the City-Side Redevelopment Capital Fund to provide \$771,000 for various NBD Streetscape Projects. (City Manager's Office)**

Documents Filed: (1) Memorandum from Director of Public Works, Ralph A. Qualls, Jr., dated March 22, 1996, recommending Council approve said agreement. (2) Memorandum from Budget Director, Larry D. Lisenbee, dated March 29, 1996, recommending Council approve said appropriation ordinance and revenue resolution amendments in the City-Side Redevelopment Capital Fund.

Discussion/Action: The agreement with Rajappan & Meyer Consulting Engineers, Inc. was approved and its execution authorized; Ordinance No. 25067, entitled: "A Ordinance of the Council of the City of San José Amending Ordinance No. 24945 Which Appropriates Moneys in the Services for Redevelopment Capital Projects Fund in the Amount of \$771,000, for Various NBD Streetscape Projects; and Providing That This Ordinance Shall Become Effective Immediately Upon Adoption"; and Resolution No. 66528, entitled: "A Resolution of the Council of the City of San José Amending Revenue Resolution No. 66026 for the Fiscal Year 1995-96 to Adjust Revenues in the Services for Redevelopment Capital Projects Fund", were adopted. Vote: 10-0-1-0. Absent: Woody.

- 6e(9) Approval of Contract Change Order No. 9 with Stacy and Witbeck, Inc., for the San Antonio Sanitary Sewer Rehabilitation Phase II Project in the credit amount of \$475,462.50. CEQA: Exempt. (Public Works)**

Documents Filed: Memorandum from Director of Public Works, Ralph A. Qualls, Jr., dated March 29, 1996, recommending Council approve said contract change order

Discussion/Action: Contract Change Order No. 9 with Stacy and Witbeck, Inc. was approved and its execution authorized. Vote: 10-0-1-0. Absent: Woody.

- 6e(10) Approval of grant agreements with the County of Santa Clara to provide the City of San José with:**
- (a) \$300,000 for the Camden Pool Renovation Project. CEQA: Exempt.**
 - (b) \$335,000 for the Los Gatos Creek Trail Project. CEQA: (Public Works)**

Documents Filed: Memoranda from Director of Public Works, Ralph A. Qualls, Jr., both dated March 22, 1996, recommending Council approve said agreements for the Camden Pool Renovation and the Los Gatos Creek Trail projects.

Discussion/Action: The grant agreements with the County of Santa Clara were approved and their execution authorized. Vote: 10-0-1-0. Absent: Woody.

- 6e(11) Report on bids and award of contract for the Liberty Street Storm Drain Improvement Project to the lowest responsive bidder, L.J. Krzich Pipeline Inc., in the amount of \$207,482, and approval of a contingency in the amount of \$21,000. CEQA: Exempt. (Public Works)**

Documents Filed: (1) Memorandum from Director of Public Works, Ralph A. Qualls, Jr., dated March 29, 1996, recommending Council award said contract to the lowest responsive bidder. (2) Letter of Protest from Jim Falk, Project Manager, D.W. Young Construction Co., Inc., dated March 25, 1996.

Discussion/Action: Council Member Fernandes advised Council that the proposed project will extend the Gold Street pump station drainage system to include Liberty Street from Taylor Street to a portion of Moffat Street bringing the areas to current design standards and making them comparable to the existing storm drainage in Alviso. She stated the newly constructed village green on Liberty Street in Alviso has experienced drainage problems, and asked that Staff inspect the area prior to implementing the proposed construction project and ascertain whether the work, if any, could be combined with that of the Drain Improvement Project. John Krzich, representing L.J. Krzich Pipeline, spoke in support of the contract. The award of contract to L.J. Krzich Pipeline Inc., was approved and execution of the contract authorized. Vote: 10-0-1-0. Absent: Woody.

- 6e(12) Approval of a three (3) year lease with two (2) five (5) year options for extensions of City-owned property located in the Water Pollution Control Plant Buffer Zone to Pampered Farms for farming operations with the City to receive revenue in the amount of \$55,086 per year. (Public Works)**

Documents Filed: (1) Memorandum from Director of Public Works, Ralph A. Qualls, Jr., dated March 29, 1996, recommending Council approve said lease with options. (2) Letter from the Treatment Plant Advisory Committee, dated April 12, 1996, recommending approval of said lease.

Discussion/Action: The three-year lease with two five-year options was approved and execution of the lease authorized. Vote: 10-0-1-0. Absent: Woody.

- 6e(13) Adoption of a resolution authorizing the City Manager to negotiate and execute an agreement with Economics Research Associates (ERA) for conceptual design work**

**and feasibility studies associated with a potential softball complex development on Singleton Landfill, in an amount not to exceed \$87,200 for the period March 25, 1996 to July 15, 1996. (City Manager's Office)
(Rules Committee referral 4/10/96)**

Documents Filed: Memorandum from Deputy City Manager, Darrell Dearborn, dated April 8, 1996, recommending Council adopt said resolution.

Discussion/Action: Resolution No. 66529, entitled: "A Resolution of the Council of the City of San José Authorizing the City Manager to Negotiate and Execute An Agreement With Economics Research Associates for Preparation of a Market and Financial Feasibility Study and Conceptual Layout for Potential Development of a Softball Complex at the Singleton Landfill Site in An Amount Not to Exceed \$87,200", was adopted. Vote: 10-0-1-0. Absent: Woody.

Routine Legislation

- 6f(1) Adoption of appropriation ordinance and revenue resolution amendments to increase the Library Grants appropriation in the General Fund to accept \$67,872 in grant funds for the Library's Major Urban Resource Library Grant. (City Manager's Office)**

Documents Filed: Memorandum from Budget Director, Larry D. Lisenbee, dated March 29, 1996, recommending Council approve said appropriation ordinance and revenue resolution amendments in the General Fund.

Discussion/Action: Ordinance No. 25068, entitled: "An Ordinance of the Council of the City of San José Amending Ordinance No. 24945 Which Appropriates Moneys in the General Fund to Increase the Library Grants Appropriation in the Amount of \$67,872, for the Major Urban Resource Library Grant for 1995-96; and Providing That This Ordinance Shall Become Effective Immediately Upon Adoption", and Resolution No. 66530, entitled: "A Resolution of the Council of the City of San José Amending Revenue Resolution No. 66026 for the Fiscal Year 1995-96 to Adjust Revenues in the General Fund", were adopted. Vote: 10-0-1-0. Absent: Woody.

- 6f(2) Adoption of appropriation ordinance and revenue resolution amendments in the City-Side Redevelopment Capital Fund in the amount of \$267,863 to provide funding for the Guadalupe-Auzerais Relocations, Mexican Cultural Heritage Gardens and Tech Museum Projects. (City Manager's Office)**

Documents Filed: Memorandum from Budget Director, Larry D. Lisenbee, dated April 1, 1996, recommending Council approve said appropriation ordinance and revenue resolution amendments in the City-Side Redevelopment Fund.

Discussion/Action: Ordinance No. 25069, entitled: "An Ordinance of the Council of the City of San José Amending Ordinance No. 24945 Which Appropriates Moneys in

the Services for Redevelopment Capital Projects Fund in the Amount of \$267,863, to Provide Funding for the Guadalupe-Auzerais Relocations, Mexican Cultural Heritage Gardens and Tech Museum Projects; and Providing That This Ordinance Shall Become Effective Immediately Upon Adoption”; and Resolution No. 66531, entitled: “A Resolution of the Council of the City of San José Amending Revenue Resolution No. 66026 for the Fiscal Year 1995-96 to Adjust Revenues in the Services for Redevelopment Capital Projects Fund”, were adopted. Vote: 10-0-1-0. Absent: Woody.

- 6f(3)**
- (a) Adoption of a resolution accepting a donation of \$16,500 from the South Bay Zoological Society to Happy Hollow Park and Zoo for reimbursement of services provided by the Zoo Educator. (Convention, Arts and Entertainment)**
 - (b) Adoption of appropriation ordinance and revenue resolution amendments in the Gift Trust Fund in the amount of \$16,500 to reflect actual cash balances. (City Manager’s Office)**

Documents Filed: (1) Memorandum from Director of Conventions, Arts and Entertainment, Ellen Oppenheim, dated March 29, 1996, recommending Council adopt said resolution. (2) Memorandum from Budget Director, Larry D. Lisenbee, dated March 29, 1996, recommending Council approve said appropriation ordinance and revenue resolution amendments in the Gift Trust Fund accounts.

Discussion/Action: Resolution No. 66532, entitled: “A Resolution of the Council of the City of San José Accepting a Donation of \$16,500 From the South Bay Zoological Society to be Used for Reimbursement of Services Provided by the Zoo Educator During Fiscal Year 1995-96”; Ordinance No. 25070, entitled: “An Ordinance of the Council of the City of San José Amending Ordinance No. 24945 Which Appropriates Moneys in the Gift Trust Fund in the Amount of \$16,500, to Reflect Actual Cash Balances in the Fund After a Gift From the South Bay Zoological Society for a Zoo Educator; and Providing That This Ordinance Shall Become Effective Immediately Upon Adoption”; and Resolution No. 66533, entitled: “A Resolution of the Council of the City of San Jose Amending Revenue Resolution No. 66026 For the Fiscal Year 1995-96 to Adjust Revenues in the Gift Trust Fund”, were adopted. Vote: 10-0-1-0. Absent: Woody.

- 6f(4)**
- (a) Adoption of appropriation ordinance amendments in the General Fund to provide \$100,000 to the Parks, Recreation and Neighborhood Services Department for the Youth Employment Program;**
 - (b) Adoption of a resolution authorizing the City Manager to negotiate and execute an agreement with the City of Sunnyvale for the Nova Youth Foundation for \$100,000. (City Manager’s Office)**

Documents Filed: Memorandum from Budget Director, Larry D. Lisenbee, dated April 8, 1996, recommending Council approve said appropriation ordinance amendments in the General Fund.

Discussion/Action: Ordinance No. 25071, entitled: “An Ordinance of the Council of the City of San José Amending Ordinance No. 24945 Which Appropriates Moneys in the General Fund in the Amount of \$100,000, for the Youth Employment Program; and Providing That This Ordinance Shall Become Effective Immediately Upon Adoption”; and Resolution No. 66534, entitled: “A Resolution of the Council of the City of San José Delegating to the City Manager the Authority to Negotiate and Execute An Agreement With the City of Sunnyvale for the Nova Youth Foundation for a County-Wide Summer Youth Employment Program in an Amount Not to Exceed \$100,000.00”, were adopted. Vote: 10-0-1-0. Absent: Woody.

6f(5) Appointments to fill two unexpired terms ending December 31, 1997, on the Committee on Minority, Women and Disadvantaged Business Development. (Mayor)

Documents Filed: None.

Discussion/Action: This item was deferred to April 23, 1996.

6f(6) Approval of a Deferred Annexation Agreement (Lands of Carrillo et. ux.) for approximately .37 gross acre (APN 601-31-052) located on the westerly side of Watter’s Drive (private street) approximately 250 feet northerly of Story Road, and authorization for the City Clerk to forward the agreement to County staff for recordation. CEQA: Exempt. (Planning, Building and Code Enforcement)

Documents Filed: Memorandum from Director of Planning, Building and Code Enforcement, Gary J. Schoennauer, dated March 29, 1996, recommending Council authorize the City Clerk to execute said agreement and forward said to the County of Santa Clara for recordation.

Discussion/Action: The Deferred Annexation Agreement for the Lands of Carrillo, et. ux., was approved and its execution and recordation authorized. Vote: 10-0-1-0. Absent: Woody.

6f(7) Adoption of a resolution pursuant to the Cortese-Knox Local Government Act of 1985 to make application to the Local Agency Formation Commission (LAFCO) to include 3.2 acres within the Urban Service Area (USA) and to exclude a different 3.0 acres from the USA located east of Guadalupe Mines Road 150 feet southerly of Puerto Vallarta Drive. CEQA: Resolution No. 66483. (Planning, Building and Code Enforcement)

Documents Filed: Memorandum from Director of Planning, Building and Code Enforcement, Gary J. Schoennauer, dated March 29, 1996, recommending Council adopt said resolution

Discussion/Action: William J. Garbett spoke against the proposed action. Resolution No. 66535, entitled: "Resolution of the Council of the City of San José Making Application Pursuant to the Cortese-Knox Local Government Reorganization Act of 1985 to Amend the City of San Jose's Urban Service Area Boundary", was adopted. Vote: 10-0-1-0. Absent: Woody.

- 6f(8) Adoption of a resolution approving a Conditional Use Permit for a project located on the northwest corner of Little Orchard Street and Cimino Street on a 24-gross-acre site in the M-4 Manufacturing Zoning District for the use of an existing industrial building as a homeless shelter for 125 people including an increase of up to 125 additional people during cold weather months. (Joseph Rubino, Owner; Emergency Housing Consortium, Developer). CEQA: ND. (Planning, Building and Code Enforcement)
(Referral from 4/2/96 - Item 15e)**

Documents Filed: Memorandum from City Attorney, Joan R. Gallo, dated April 16, 1996, highlighting the revised findings and condition relating to the size of the shelter and the number of beds during cold weather months.

Discussion/Action: In response to Council Member Pandori's concern regarding the size of the shelter and the annual reduction in the number of beds, Mayor Hammer stated the condition has been added to the Conditional Use Permit to address the 125-bed cold weather augmentation, and that City Staff will continue to work with Emergency Housing Consortium to address the reduction in the number of beds as additional homeless shelters are established elsewhere in the City. Council Member Pandori stated his opposition remains the same as previously stated during the public hearing on

April 2, 1996. William J. Garbett spoke against the proposed action. Resolution No. 66536, entitled: "Resolution of the City Council of the City of San José Granting a Conditional Use Permit, Subject to Conditions, to Use Certain Real Property Described Herein for the Purpose of Allowing a Homeless Shelter Use in an Existing Industrial Building for Up to 125 People, Including an Additional 125 People During the Cold Weather Months", was adopted. Vote: 7-3-1-0. Noes: Dando, Diquisto, Pandori. Absent: Woody.

- 6f(9) Adoption of a resolution accepting the donation of play equipment, site design, labor and installation for Paul Moore Park from the Lucas Dealership Group, Saturn of Sunnyvale and Saturn of Stevens Creek with a total value of approximately \$85,000. (Diquisto)
(Rules Committee referral 4/10/96)**

Documents Filed: Memorandum from Council Member Diquisto, dated April 10, 1996, recommending approval of a gift from Lucas Dealership Group, Saturn of Sunnyvale and Stevens Creek to the City of San José for Paul Moore Park in District 9, located at Hillsdale and Cherry Avenues.

Discussion/Action: Resolution No. 66537, entitled: "A Resolution of the Council of the City of San José Accepting a Gift of Play Equipment, Site Design, Labor and Installation for Paul Moore Park From the Lucas Dealership Group, Saturn of Sunnyvale and Stevens Creek Valued at Approximately \$85,000", was adopted. Vote: 10-0-1-0. Absent: Woody.

END OF CONSENT CALENDAR

COMMISSION, COMMITTEE, AND STANDING REPORTS

7b(1) Report of the Rules Committee - March 27, 1996

Documents Filed: Rules Committee Report of March 27, 1996.

(a) Review April 9 Council Agenda

The Committee recommended cancellation of the April 9, 1996 Council meeting.

(b) Add New Items to April 2 Amended Council Agenda

The Committee recommended six additions to the April 2, 1996 Amended Council Agenda.

(c) The Public Record. Attachment: Memorandum from City Clerk, Patricia L. O'Hearn, dated March 21, 1996, listing the items filed for the Public Record.

The Committee noted and filed the Public Record for the period March 13-19, 1996.

(d) Council Referrals for Assignment to Appropriate Committee, Administration, or Council Appointee

None presented.

(e) City Council and Rules Committee Meeting Schedules

None presented.

(f) Oral Communications

None presented.

(g) Adjournment

The meeting was adjourned at 2:40 p.m.

Discussion/Action: Upon motion by Vice Mayor Johnson, seconded by Council Member Powers and unanimously carried, the Rules Committee Report and actions of March 27, 1996 were accepted. Vote: 10-0-1-0. Absent: Woody.

7b(2) Report of the Rules Committee - April 3, 1996

Documents Filed: Rules Committee Report of April 3, 1996.

(a) Review April 16 Council Agenda

The Committee recommended approval of the April 16, 1996 Council Agenda with three changes.

(b) Add New Items to April 9 Amended Council Agenda

Dropped - Meeting cancelled.

(c) The Public Record. Attachment: Memorandum from City Clerk, Patricia L. O'Hearn, dated March 28, 1996, listing the items filed for the Public Record.

The Committee noted and filed the Public Record for the period March 20-26, 1996.

(d) Approve Legislative Report 96-03. Attachment: Memorandum from Director of Telecommunications, Pamela K. Stone, dated March 28, 1996, recommending approval of the Legislative Report and the recommended City positions.

AB 3154 (Martinez)
Public Rights-of-Way Compensation
Recommended City Position: SUPPORT (Concepts and Intent)

SB 1896 (Costa)
Fees: Public Utilities
Recommended City Position: OPPOSE

The Committee recommended approval of the Legislative Report 96-03 and the recommended City positions on AB 3154 and SB 1896.

(e) Request for City to take a position on SB 1690 (Kopp):
Care Facilities: Overconcentration

The Committee noted that the City Attorney is preparing an analysis of SB 1690, and directed the City Clerk to place on next week's Rules Committee Agenda an item to discuss the City's Agenda process.

- (f) Council Referrals for Assignment to Appropriate Committee, Administration, or Council Appointee

[1] Refer pay telephone issues to the City Attorney for a report back to Rules Committee within three months. Attachment: Memo-randum from Council Member Fiscalini, dated March 21, 1996, recommending that the City Attorney be directed to draft a new ordinance or modify the existing ordinance clarifying requirements for the location of pay telephones.

The Committee referred this item to the City Attorney for report back to the Rules Committee.

- (g) City Council and Rules Committee Meeting Schedules

None presented.

- (h) Oral Communications

None presented.

- (i) Adjournment

The meeting was adjourned at 3:25 p.m.

Discussion/Action: Upon motion by Vice Mayor Johnson, seconded by Council Member Powers and unanimously carried, the Rules Committee Report and actions of April 3, 1996 were accepted. Vote: 10-0-1-0. Absent: Woody.

7b(3) Report of the Rules Committee - April 10, 1996

Documents Filed: Rules Committee Report (partial) of April 10, 1996.

- (d) Approve Legislative Report 96-04. Attachment: Memorandum from Director, Intergovernmental Relations, Georgiana Flaherty, dated April 5, 1996, submit-ting Legislative Report 96-04 for Council consideration

The Committee recommended approval of the Legislative Report and the recommended City position on the following bills:

AB 2599 (Thompson)

California Debt Limit Allocation Committee: Housing Allocation

Recommended City Position: SUPPORT

AB 2823 (Harvey)
Business Licenses
Recommended City Position: OPPOSE

AB 2887 (Tucker)
Airports: Noise Standards
Recommended City Position: OPPOSE

AB 3452 (Brown, V.)
Housing Regional Needs
Recommended City Position: AMEND

SB 1531 (Marks)
Public Library Learning and Literacy Expansion Act of 1996
Recommended City Position: SUPPORT

SB 1712 (Calderon)
Qualifying Solid Waste Enterprises: Exclusive Services
Recommended City Position: OPPOSE

SB 1947 (Costa)
Neighborhood Development Corporations
Recommended City Position: SUPPORT

SB 2133 (Johannessen)
Building Regulations: Conversion Transient Occupancy
Recommended City Position: DROP

Discussion/Action: Upon motion by Vice Mayor Johnson, seconded by Council Member Powers and unanimously carried, the Rules Committee Report and actions of April 10, 1996 were accepted. Vote: 10-0-1-0. Absent: Woody.

7c Report of the Housing and Community Services Committee - April 1, 1996

Documents Filed: Housing & Community Services Committee Report of April 1, 1996.

- (1) Comprehensive Review of Graffiti Program
 - (a) Current Anti-Graffiti Program
 - (b) Review of Graffiti Restitution and additional graffiti deterrents

The Committee deferred this item to June 3, 1996.

- (2) Review of Parks day-to-day operations and staffing deployment

The Committee deferred this item to May 6, 1996.

- (3) Accept the Child Care Commission study of child care needs and supply for the City of San José. Attachments: (1) Memorandum from the Director of Parks, Recreation and Neighborhood Services, Ellis E. Mitchell, dated March 26, 1996, recommending acceptance of the Child Care Commission Report. (2) Document entitled *Child Care Is Good Business: Building for San Jose's Future*, a report on child care need and supply in San José from the San José Child Care Commission, prepared by International Child Resource Institute, dated March 1996. (3) Letter from Phil Frausto, Chairperson, Parks & Recreation Commission, dated April 11, 1996, endorsing the Child Care Commission's study.

The Committee accepted the Child Care Commission Report and requested that Staff report back to the Committee with budget implications and a workplan.

- (4) Approval of Rehabilitation Programs. Attachment: Memorandum from Director of Housing, Alex Sanchez, dated March 20, 1996, recommending Council adopt a resolution approving Housing Rehabilitation formula.
- (a) Leveraging Rehabilitation Funds
 - (b) Impact of Retention of the 1/3-2/3 Policy
 - (c) Revisions to the City Council's Acquisition/Rehabilitation Policy.

The Committee recommended (1) approval of a policy that the implementation of the 1/3-2/3 allocation between housing rehabilitation activities and new housing construction projects will include the acquisition/rehabilitation of large rental housing projects as a rehabilitation activity; (2) modification of the Housing Property Acquisition Policy to provide that acquisition/rehabilitation as an appropriate use of affordable housing funds for large projects if it (a) preserves affordable units in at-risk projects; (b) makes a significant contribution to neighborhood revitalization; or (c) is competitive with new construction projects in awarding City funding under the Funding Round process; and (3) authorization for the Director of Housing to include acquisition/rehabilitation as an eligible activity in periodic Funding Round Notices of Funding Availability (NOFAs).

Discussion/Action: See Item 9a for Council action taken.

- (5) Approval of First-Time Homebuyer Infill Construction Program. Attachment: Memorandum from Director of Housing, Alex Sanchez, dated March 25, 1996, recommending Council adopt a resolution approving the Downtown Frame Area Infill Construction Program.

The Committee recommended approving the Downtown Frame Area Infill Construction Program; and authorizing the Director of Housing to circulate a Request For Proposals to qualified nonprofit housing developers for an initial

\$1.25 million phase of the Downtown Frame Area Infill Construction Program.

Discussion/Action: See Item 9b for Council action taken.

(6) Status report on Neighborhood Revitalization Strategy

The Committee deferred this item to May 6, 1996.

(7) Adjournment

The meeting was adjourned at 2:45 p.m.

Discussion/Action: Coordinator of Children's and Youth Services, Deborah Simon, presented background information on and reviewed the general findings relative to child care conditions in San José and the progress made since the 1987 Report on the Child Care Needs Study. She stated the current study is conducted pursuant to the Youth Services Action Plan approved by the City Council in February, 1996 and is designed to determine the current child care supply and needs of San José citizens and to formulate a workplan which outlines how the City can best meet those needs. She stated the goal of the Plan is to provide a structured guideline to expand and improve childcare opportunities in the City of San José, and as a result of the desire to more closely link business and the development of San José, the objectives and strategies were established which would (a) secure new funding for increased child care subsidies and sites, (b) stress the need to collaborate with other agencies to link childcare with the economic development of San José, (c) conduct a child care advocacy campaign for greater level of involvement of high-level business officials and education leaders, (d) increase the involvement of the San José business community in the development of child care alternatives, (e) establish the City as a model for providing child care benefits to its own employees, (f) expand training opportunities to the child care community, and (g) would integrate special needs children into child care programs. She introduced Chair Karl Kato and Commissioners Albaelena Diaz Diaz, Johnnie McGuire, Barbara Rodrigues, Jason Garner, and Kenneth Jaffe, Executive Director and Senior Consultant with the Child Resource Institute of Berkeley, CA. Upon motion by Council Member Powers, seconded by Council Member Shirakawa, Jr., and unanimously carried, the Housing and Community Services Committee Report and actions of April 1, 1996 were accepted with Item 7c(4) acted upon at Item 9a, and Item 7e(4) acted upon at Item 9b. Vote: 10-0-1-0. Absent: Woody.

7d Report of the Finance Committee - April 3, 1996

Documents Filed: Finance Committee Report of April 3, 1996.

(1) Oral Petitions

Bill Chew addressed the Committee regarding incorporating an exercise system program into the City process to make the City more financially viable at the human level.

- (2) Review Council Appointees Budgets. Attachments: (1) Memorandum from Mayor Hammer, dated March 28, 1996, recommending that the Finance Committee adopt the proposals for referral to the City Council in developing the FY 1996-97 Proposed Operating Budget, and that only 2% reductions be included into the Base Budget for the Council Appointees and the Mayor and City Council Budgets; and advising that the budget proposals for the Mayor and City Council will be distributed under separate cover. (2) Augmentation & Reduction Proposals for FY 1996-97, submitted by the Office of the City Attorney. (3) Memorandum from City Attorney, Joan R. Gallo, dated March 27, 1996, transmitting the Annual Revenue, Fast Track and Status Report. (4) City Auditor's Office Budget Proposal and Justification and Analysis, submitted to the Finance Committee. (5) Office of the City Clerk 1996-97 Budget Reduction Proposal, outlining the base budget and the required 10% budget reduction proposal for both the Office of the City Clerk and the Civil Service Commission. (6) Memorandum from City Manager, Regina V.K. Williams, dated March 27, 1996, submitting the Office of the City Manager's Proposed Fiscal Year 1996-97 Operating Budget.

- (a) City Attorney
 - (1) Annual Revenue, Fast Track and Status Report
- (b) City Auditor
- (c) City Clerk
- (d) City Manager

The Committee accepted the recommendations for Council Appointee budgets with the following changes: The Auditor and Mayor's Budget Office to work together on a timely review of monitoring consultant contracts; not reduce the Staff Support in Records and Contracts in the Clerk's Office; the City Manager and the Mayor's Budget Office to review staffing needs for the City Manager's Office as they come forward; and that these recommendations will now be forwarded to the Budget process.

- (3) Review Mayor and City Council Budgets

The Committee accepted the recommendations for the Mayor and City Council budgets.

- (4) Committee Schedule

The Committee scheduled the meeting of April 10, 1996 to begin at 9:00 a.m. instead of 9:30 a.m.

Discussion/Action: Upon motion by Council Member Fiscalini, seconded by Council Member Powers and unanimously carried, the Finance Committee Report and actions of April 3, 1996 were accepted as amended to include approval of the City Attorney Annual Revenue, Fast Tract and Status Report. Vote: 10-0-1-0. Absent: Woody.

7e Report of the Transportation, Development, and Environment Committee - March 28, 1996

Documents Filed: Transportation, Development and Environment Committee Report of March 28, 1996.

- (1) Consent Calendar. Attachment: Memorandum from Director of Environmental Services, Louis N. Garcia, dated March 8, 1996, recommending adoption and approval of the Quarterly Status Report on the South Bay Water Recycling Program with direction to the Environmental Services Department to provide these reports on a quarterly basis.

- (a) Quarterly Status Report on the South Bay Water Recycle Program

The Committee directed that Staff present the report to Council on April 16, 1996.

Discussion/Action: See Item 9c for Council action taken.

- (2) Report and Recommendation Regarding Minor Street Reconstruction. Attachments: (1) Memorandum from Director of Public Works Ralph A. Qualls, Jr., and Director of Streets and Traffic Wayne K. Tanda, dated March 21, 1996, recommending Council refer to the budget process funding for the first year of the 10-year recovery strategy for street maintenance and consideration of the issue of one-time funding and priority for minor street reconstruction. (2) Supplemental memorandum from Director of Public Works, Ralph A. Qualls, Jr., dated February 16, 1996, responding to direction to staff to evaluate the needs and recommend the most cost effective funding options for the maintenance of minor streets and to report back to Committee. (3) Memorandum from Director of Streets and Traffic Wayne K. Tanda, and Director of Public Works, Ralph A. Qualls, Jr., dated February 7, 1996, setting forth recommendations on maintenance of street infrastructure.

The Committee recommended approval of Staff recommendation.

Discussion/Action: See Item 9d for Council action taken.

- (3) Report Regarding Street Sweeping Efficiency in Residential Areas. Attachment: Memorandum from Director of Streets and Traffic, Wayne K. Tanda, dated March 12, 1996, recommending Council (a) support the use of special street sweeping programs to enhance sweeping efficiency; (b) support

the use of permanent signage to restrict parking in warranted areas for the purpose of street sweeping; and (c) refer to the budget process the provision of annual funding for sign installation and ongoing funding for sign maintenance and parking enforcement.

The Committee recommended approval of Staff recommendation with referral of this item to the Budget process.

- (4) Report and Recommendation on Study Alternatives for the Capitol Corridor Project. Attachment: Memorandum from Director of Public Works, Ralph A. Qualls, Jr., dated March 21, 1996, recommending Council endorse the recommendation of the Santa Clara County Transportation Authority staff to proceed with Conceptual Engineering for Capitol Avenue and to proceed with the Federal Major Investment Study Process for the remainder of the Capitol corridor.

The Committee selected Option 2A–Conceptual Engineering for LRT on Capitol Avenue/MIS Initial Study for Expanded Corridor and Downtown Connection.

- (5) Report Regarding San José Transit Shuttle Study. Attachment: Supplemental memorandum from Director of Public Works, Ralph A. Qualls, Jr., dated March 14, 1996, requesting a deferral of this item to April 11, 1996 to allow additional time for Staff to complete its report on the new Downtown and Arena Shuttle programs.

The Committee deferred this item to April 11, 1996.

- (6) Oral Petitions

None presented.

Discussion/Action: Upon motion by Council Member Fernandes, seconded by Council Member Diaz and unanimously carried, the Transportation, Development, and Environment Committee Report and actions of March 28, 1996 were accepted with Item 7e(1)(a) acted upon at Item 9c and Council action on Item 7e(2) taken at Item 9d. Vote: 10-0-1-0. Absent: Woody.

LAND USE AND DEVELOPMENT

- 8a **PUBLIC HEARING and adoption of a resolution vacating a portion of West Saint James Street immediately west of North Almaden Boulevard, reserving a public service easement over the entire area. CEQA: Exempt. (Public Works)**

Documents Filed: (1) Memorandum from Director of Public Works, Ralph A. Qualls, Jr., dated March 29, 1996, recommending Council adopt said resolution. (2) Affidavit of Posting of the Notice of Vacation, dated March 28, 1996, submitted by the

Department of Public Works. (3) Affidavit of Posting of the Notice of Public Hearing on Resolution No. 66486, and Proof of Publication of Resolution No. 66486 submitted by the City Clerk.

Discussion/Action: Mayor Hammer opened the public hearing on the subject vacation. There was no discussion from the Floor. Upon motion by Council Member Fiscalini, seconded by Council Member Fernandes and unanimously carried, the public hearing was closed and Resolution No. 66538, entitled: "Resolution of the Council of the City of San José Vacating a Portion of West Saint James Street Immediately West of North Almaden Boulevard and Reserving a Public Service Easement", was adopted.
Vote: 10-0-1-0. Absent: Woody.

GENERAL GOVERNMENT

9a Adoption of a resolution:

- (1) **Approving a policy that the implementation of the 1/3-2/3 allocation between housing rehabilitation activities and new housing construction projects will include the acquisition/rehabilitation of large rental housing projects as a rehabilitation activity.**
- (2) **Modifying the Housing Property Acquisition Policy to provide that acquisition/rehabilitation is an appropriate use of affordable housing funds for large projects if it: (a) preserves affordable units in at-risk projects; (b) makes a significant contribution to neighborhood revitalization; or (c) is competitive with new construction projects in awarding City funding under the Funding Round process.**
- (3) **Authorizing the Director of Housing to include acquisition/rehabilitation as an eligible activity in periodic Funding Round Notices of Funding Availability (NOFAs).**

[Housing and Community Services Committee referral 4/1/96-Item 7c(4)]

Documents Filed: See Housing & Community Services Committee Report of April 1, 1996, Item 7c(4).

Discussion/Action: Director of Housing, Alex Sanchez, stated the proposed action is a recommendation embodied in the Five-Year Housing Investment Plan and that the policy impacts only the difference between the 25% rehabilitation setaside and the 33% for new housing construction projects and how the 8% difference should be utilized. Council Member Fernandes requested that all the housing items, as appropriate, should be referred to the Downtown Housing Implementation Group for discussion. Upon motion by Council Member Powers, seconded by Vice Mayor Johnson and unanimously carried, Resolution No. 66539, entitled: "A Resolution of the Council of the City of San José Approving 1) the Implementation of the 1/3-2/3 Allocation Between Housing Rehabilitation and New Construction Project Will Include Large Rental Housing Projects as Part of Rehabilitation; 2) Modifying the Housing Property Acquisition Policy; and 3) Authorizing the Director of Housing to Include Acquisition/Rehabilitation as an Eligible Activity in Notices Of Funding Availability (NOFA)",

was adopted and the housing items as appropriate referred to the Downtown Housing Implementation Group for information and discussion. Vote: 10-0-1-0. Absent: Woody.

9b Adoption of a resolution:

- (1) Approving the Downtown Frame Area Infill Construction Program.**
- (2) Authorizing the Director of Housing to circulate a Request for Proposals to qualified nonprofit housing developers for an initial \$1,250,000 phase of the Downtown Frame Area Infill Construction Program.**

[Housing and Community Services Committee referral 4/1/96 - Item 7c(5)]

Documents Filed: See Housing and Community Services Committee Report of April 1, 1996, Item 7c(5).

Discussion/Action: Director of Housing, Alex Sanchez, stated the approval of this item will initiate a pilot program for infill construction in the Downtown Frame Area that also is part of the Five-Year Housing Investment Plan and which redesigns how the income housing programs are implemented. He stated the proposed *Rent-to-Own* program will make available FannieMae financing to nonprofit developers and within five years renters may assume ownership of their units. Council Member Fernandes requested that Council refer to the Downtown Housing Group for consideration the housing items, as appropriate. Upon motion by Council Member Powers, seconded by Council Member Diaz and unanimously carried, Resolution No. 66540, entitled: "A Resolution of the Council of the City of San José Approving the Downtown Frame Area Infill Construction Program and Authorizing the Director of Housing to Circulate a Request For Proposal for a \$1.25 Million Phase of the Program", was adopted and the housing items, as appropriate, referred to the Downtown Housing Implementation Group for information and discussion. Vote: 10-0-1-0. Absent: Woody.

9c Acceptance of the Quarterly Status Report on the South Bay Water Recycle Program.

[Transportation, Development and Environment Committee referral 3/28/96 - Item 7e(1)(a)]

Documents Filed: See Transportation, Development and Environment Committee Report of March 28, 1996, Item 7e(1)(a).

Discussion/Action: With the use of transparencies, Eric Rosenblum, Environmental Services, pointed out that water recycling is the major component of the Action Plan which was developed to respond to the Regional Water Quality Control Board concerns about the discharge of treated effluent fresh water to the Bay and the conversion of salt marsh to fresh marsh. He presented a comprehensive status report of the first quarter progress of 1996 for the Program, including illustration of total design engineering which is 30% to 60% complete, construction cost and financing which will include federal and state moneys to supplement bond sales, customer retrofit program consumption estimates, and information on the public outreach component coordinated with San José, Santa Clara, Milpitas Chamber of Commerce, and other business

organizations to increase visibility of program to customers. Regarding the groundwater monitoring aspect of the Program, he stated the Request For Proposal (RFP) for environmental consultant services to develop and implement a regional groundwater monitoring program is complete for immediate advertising, and that no additional fiscal implications are associated with the report. Upon motion by Council Member Fernandes, seconded by Council Member Powers and unanimously carried, the Staff presentation of the Quarterly Status Report on the South Bay Water Recycle Program was unanimously accepted. Vote: 10-0-1-0. Absent: Woody.

9d Approval to refer to the budget process funding for the first year of the 10-year recovery strategy for street maintenance and consideration of the issue of one-time funding and priority for minor street reconstruction.
[Transportation, Development and Environment Committee referral 3/28/96 - Item 7e(2)]

Documents Filed: (1) See Transportation, Development and Environment Committee Report of March 28, 1996, Item 7e(2). (2) Letter from Charles R. Esparza, Major, USAF, Ret., dated April 15, 1996, requesting Council consider the reconstruction of Franela Drive as a matter of priority.

Discussion/Action: Director of Public Works, Ralph A. Qualls, Jr., advised Council that the information presented to the Transportation, Development and Environment Committee remains unchanged and that Staff recommends that Council refer the issue of one-time funding and the priority for that funding with the information presented for minor street reconstruction to the budget process for the 1996-1997 Capital Improvement Program, and to refer to the budget process funding for the first year of the 10-year recovery strategy for street maintenance and consideration of the issue of one-time funding and priority for minor street reconstruction. Council Member Fernandes stated the portion of Alum Rock Road which extends from the park entrance to Penitencia Creek Road has been closed for years due to land movement and land slides in the east foothills and should be deleted from the list, thereby redirecting \$400,000.00. Council Member Pandori stated the maintenance of alleyways in conjunction with minor street reconstruction should be reviewed during the budget process. L.A. and Tena Andreassen spoke in support of the City reconstructing Franela Drive. Upon motion by Council Member Fiscalini, seconded by Council Member Dando and unanimously carried, the staff recommendation was approved.
Vote: 10-0-1-0. Absent: Woody.

9e Adoption of a resolution by the City Council amending the Rules for the Conduct of its Meetings, and superseding Resolution No. 65687. (City Attorney)

Documents Filed: Memorandum from City Attorney, Joan R. Gallo, dated February 5, 1996, filed in Rules Committee Report of February 28, 1996, Item 7b(4), updating the Rules Resolution for the conduct of City Council business.

Discussion/Action: William J. Garbett spoke against the proposed action; and John Messina asked that a copy of the item be made available to the public. Upon motion by Council Member Fernandes, seconded by Council Member Powers and unanimously carried, Resolution No. 66541, entitled: “A Resolution of the Council of the City of San José Amending the Rules for the Conduct of Its Meetings, and Superseding Resolution No. 65687”, was adopted. Vote: 10-0-1-0. Absent: Woody.

Council Members Dando and Diquisto left Council Chambers at this point in the meeting.

9f(1) Adoption of resolutions:

- (a) **Approving a conditional fund reservation of up to \$2,300,000 to JSM Enterprises Inc., for a 92-unit senior rental housing project, affordable to low and very-low income households, on 1.3 acres located on the south side of McKee Road, 500 feet easterly of Capitol Avenue.**
- (b) **Authorizing the Director of Housing to negotiate and execute all necessary documents on behalf of the City.**
- (c) **Finding that the use of 20% Housing Funds for the proposed project is a benefit to the City’s Redevelopment Project Areas in the City of San José.**

Documents Filed: Memorandum from Director of Housing, Alex Sanchez, dated March 29, 1996, recommending Council adopt said resolution approving actions for the proposed McKee Senior Apartment Housing Development.

Discussion/Action: Council Member Fernandes requested that the housing issues, as appropriate, contained in Item 9f(1)-(5), should be referred to the Downtown Housing Implementation Group for their consideration. Upon motion by Council Member Diaz, seconded by Council Member Powers and unanimously carried, Resolution No. 66542, entitled: “A Resolution of the Council of the City of San José (i) Approving a Conditional Fund Reservation of Up to \$2.3 Million to JSM Enterprises, Inc., or Its Designated Partnership, for a 92-Unit Senior Rental Housing Project, Affordable to Low and Very-Low Income Households, on 1.3 Acres Located on the South Side of McKee Road, 500 Feet Easterly of Capitol Avenue, (ii) Authorizing the Director of Housing to Negotiate and Execute All Necessary Documents on Behalf of the City, and (iii) Finding That the Use of 20% Housing Funds for the Proposed Project is a Benefit to the City’s Redevelopment Project Areas”, was adopted. Vote: 8-0-3-0. Absent: Dando, Diquisto, Woody.

- 9f(2) (a) Approving a conditional fund reservation of up to \$2,650,000 to JSM Enterprises, Inc., or its assignees, for the development of an affordable 92-unit family rental housing project on a 3.72 acre site located on the east side of North Capitol Avenue, 200 feet south of Cropley Avenue.**
- (b) Authorizing the Director of Housing to negotiate and execute loan documents evidencing such loans on behalf of the City.**

- (c) **Finding that the use of 20% Housing Funds for the proposed project is a benefit to the City's Redevelopment Project Areas in the City of San José.**

Documents Filed: Memorandum from Director of Housing, Alex Sanchez, dated March 29, 1996, recommending Council adopt said resolution approving actions for the proposed Capitol Avenue Family Apartments Affordable Housing Project.

Discussion/Action: Upon motion by Council Member Fernandes, seconded by Council Member Powers and unanimously carried, Resolution No. 66543, entitled: "A Resolution of the Council of the City of San José (i) Approving a Conditional Fund Reservation of Up to \$2.65 Million to JSM Enterprises, Inc., or Its Assigns, for the Development of An Affordable 92-Unit Family Rental Housing Project, Affordable to Low and Very-Low Income Households, on 3.72 Acres on the East Side of North Capitol Avenue, 200 Feet South of Cropley Avenue, (ii) Authorizing the Director of Housing to Negotiate and Execute All Necessary Documents on Behalf of the City, and (iii) Finding That the Use of 20% Housing Funds for the Proposed Project is a Benefit to the City's Redevelopment Project Areas", was adopted with the housing issues, as appropriate, referred to the Downtown Housing Implementation Group for their consideration. Vote: 8-0-3-0. Absent: Dando, Diquisto, Woody.

- 9f(3) (a) **Approving a conditional fund reservation of up to \$5,450,000 to Eden Housing Inc., or its designated Partnership, for a 200-unit family rental housing project, affordable to low and very-low income households, on 7.3 acres of the Ohlone-Chynoweth Light Rail Station side located on the south side of the intersection of Chynoweth Avenue and Pearl Avenue.**
- (b) **Authorizing the Director of Housing to negotiate and execute all necessary documents on behalf of the City.**
- (c) **Finding that the use of 20% Housing Funds for the proposed project is a benefit to the City's Redevelopment Project Areas in the City of San José.**

Documents Filed: None.

Discussion/Action: This item was deferred to April 30, 1996.

Council Members Dando and Diquisto returned to the meeting.

- 9f(4) (a) **Approving a conditional fund reservation of up to \$2,450,000 to JSM Enterprises Inc., or its assignees, for a 169-unit Single Room Occupancy (SRO) housing project containing 136-units affordable to low and very-low income persons and households, and 33 market rate units, on a 41,561 square foot site located on the north side of Blossom Hill Road, approximately 155 feet east of Entrada Cedros.**
- (b) **Authorizing the Director of Housing to negotiate and execute all necessary documents on behalf of the City.**

- (c) **Finding that the use of 20% Housing Funds for the proposed project is a benefit to the City's Redevelopment Project Areas in the City of San José.**

Documents Filed: Memorandum from Director of Housing, Alex Sanchez, dated March 29, 1996, recommending Council adopt said resolution approving actions for Entrada Cedros SRO Housing Project.

Discussion/Action: Upon motion by Council Member Dando, seconded by Council Member Powers and unanimously carried, Resolution No. 66544, entitled: "A Resolution of the Council of the City of San José (i) Approving a Fund Reservation of Up to \$2,450,000.00 for a Land Acquisition and Rehabilitation Loan to JSM Enterprises, Inc., or Its Assignee, for the Development of An Affordable 169-Unit Rental Housing Project With 136 Units Affordable to Very-Low Low Income Persons and Families, (ii) Authorizing the Director of Housing to Negotiate and Execute All Necessary Documents on Behalf of the City, and (iii) Finding That the Use of 20% Housing Funds for the Subject Project is a Benefit to the City's Redevelopment Project Areas", was adopted with housing issues, as appropriate, referred to the Downtown Housing Implementation Group for discussion. Vote: 10-0-1-0. Absent: Woody.

- 9f(5) (a) **Approving a conditional fund reservation of up to \$294,000 to Catholic Charities Inc., or its designated partnership, for a 12-unit Single Room Occupancy (SRO) project, affordable to very-low income persons, at 25 South Fifth Street.**
- (b) **Authorizing the Director of Housing to negotiate and execute all necessary documents on behalf of the City.**
- (c) **Finding that the use of 20% Housing Funds for the proposed project is a benefit to the City's Redevelopment Project Areas in the City of San José. (Housing)**

Documents Filed: Memorandum from Director of Housing, Alex Sanchez, dated March 29, 1996, recommending Council adopt said resolution approving actions for the proposed Casa De Palma SRO Development.

Discussion/Action: Chris Block, representing Catholic Charities, Inc., spoke in support of the conditional fund reservation and thanked the Horace Mann Neighborhood Association, the Mayor's Office Staff, Council Member Pandori and District 3 staff for their consistent support of the project. Upon motion by Council Member Pandori, seconded by Vice Mayor Johnson and unanimously carried, Resolution No. 66545, entitled: "A Resolution of the Council of the City of San José (i) Approving a Fund Reservation of Up to \$294,000.00 for a Land Acquisition and Rehabilitation Loan to Catholic Charities, Inc., for the Development of a 12-Unit Rental Housing Project Affordable to Very-Low Income Persons and Families, (ii) Authorizing the Director of Housing to Negotiate and Execute All Necessary Documents Evidencing Such Loan on Behalf of the City, and (iii) Finding That the Use of 20% Housing Funds for the Subject Project is a Benefit to the City's Redevelopment Project Areas in San Jose",

was adopted with housing issues, as appropriate, referred to the Downtown Housing Implementation Group for their discussion. Vote: 10-0-1-0. Absent: Woody.

9g Review and approval of the 1995 Year-End Report of the Independent Police Auditor. (Independent Police Auditor).

Documents Filed: None.

Discussion/Action: This item was deferred to May 7, 1996.

9i PUBLIC HEARING and adoption of a resolution approving a penalty assessment of \$2,031.71 for subcontractor listing violations and subcontractor substitution violations by Gelco Services, Inc. for the Almaden 1B Sanitary Sewer Rehabilitation Phase I Project. CEQA: Exempt. (Public Works)

Documents Filed: Memorandum from Director of Public Works, Ralph A. Qualls, Jr., dated March 22, 1996, recommending Council approve a penalty assessment for subcontractor listing violations and subcontractor substitution violations by Gelco Services, Inc., for the Almaden 1B Sanitary Sewer Rehabilitation Phase I Project, pursuant to the City's Public Works Standard Specifications.

Discussion/Action: Mayor Hammer opened the public hearing to consider said violations by Gelco Services, Inc. Director of Public Works, Ralph A. Qualls, Jr., stated Gelco Services, Inc., the general contractor for the Almaden 1B Sanitary Sewer Rehabilitation Phase I Project, subcontracted a portion of the work on the project that was in excess of one-half of one percent of the contractor's total bid. He stated the subcontractor was undesignated in the original bid; therefore, the substitution was made without the consent of the City and violated Section 2-1.15B.1 of the 1992 Public Works Standard Specifications. He stated the prohibition in the Specifications against unauthorized use of subcontractors is intended to protect the City and subcontractors against bid shopping, and violations of this prohibition seriously undermine that protection. He stated a contractor who violates any of the subcontracting provisions of the Standard Specifications is in breach of contract and the City can exercise one of two options—cancel the contract or assess the contractor a penalty of not more than ten percent of the subcontract involved. He explained the process and disposition of penalties assessed and collected and pointed out that Gelco has been notified of the City's intention to assess a five percent penalty for the use of the undesignated subcontractor and a five percent penalty for the second violation and the substitution of a subcontractor for the listed subcontractor without consent. He stated the total penalty amount, if approved by Council, will be deducted from the monies owed to the contractor for the project. Upon motion by Council Member Fiscalini, seconded by Vice Mayor Johnson and unanimously carried, the public hearing was closed, Staff recommendation was approved and Resolution No. 66546, entitled: "A Resolution of the Council of the City of San José Approving the Assessment of a Penalty For

Subcontractor Listing Violations by Gelco Services, Inc. for the Almaden 1B Sanitary Sewer Rehabilitation Phase I Project”, was adopted. Vote: 10-0-1-0. Absent: Woody.

- 9j Report on bids and award of contract for the construction of the Tenth/Senter/Burke Underground Utility District to the low bidder, D.R. Yount Construction Company, in the amount of \$413,330. CEQA: Exempt. (Public Works)**

Documents Filed: Memorandum from Director of Public Works, Ralph A. Qualls, Jr., dated March 29, 1996, recommending Council award said contract to the low bidder.

Discussion/Action: Upon motion by Council Member Shirakawa, Jr., seconded by Council Member Fernandes and unanimously carried, the award of contract to D.R. Yount Construction Company, was approved and execution of the contract authorized. Vote: 10-0-1-0. Absent: Woody.

- 9l Adoption of a resolution to oppose the California Civil Rights Initiative (CCRI). (Diaz)**

Documents Filed: None.

Discussion/Action: This item was deferred to May 7, 1996.

- 9m Discussion and direction on Cardroom Gambling Voter Control Act. (Pandori/Dando)**

Documents Filed: None.

Discussion/Action: This item was deferred to April 23, 1996.

ORAL COMMUNICATIONS

- (1) Cathy S. Brandhorst spoke on various societal issues adversely affecting the citizens of San Jose.
- (2) Frank Rosas spoke on planning, building and code enforcement issues affecting family-owned properties.

RECESS/RECONVENE

Following Oral Communications, Council recessed at 3:30 p.m. and reconvened at 7:10 p.m., Council Chambers, City Hall.

Present: Council Members: Dando, Diaz, Diquisto, Fernandes, Fiscalini, Johnson, Pandori, Powers, Shirakawa, Jr.; Hammer.

Absent: Council Members: Woody (excused).

INVOCATION

Professor Alan Soldofsky, Director of the Center for Literary Arts at San José State University, read poetry entitled “Eagle Palm“, written by Joy Harjo. (District 4)

- 5f Presentation of commendations to Martha Heasley Cox, Emeritus Professor at San José State University, and author Jane Smiley for their contributions to the Center for Literary Arts Major Author Series. (Fernandes)**

Documents Filed: None.

Discussion/Action: Joining Mayor Hammer at the Podium, Council Member Fernandes presented commendations to the honored guests and thanked them for their contributions to the citizens of San José.

- 5h Presentation of commendations to the Aloha Skating Club World Artistic Champions. (Powers)
[Orders of the Day - Item 4(a)]**

Documents Filed: None.

Discussion/Action: Joining Mayor Hammer at the Podium, Council Member Powers introduced Trey Knight and Kyoko Harada, under the coaching of Larry Chopp, Second Place Winners in the Dance Competition at the 1995 U.S. Olympic Festival Championships in Colorado Springs, Colorado; First Place Winners in the World Class Dance Competition in the 1995 U.S. Artistic Championships in Syracuse, New York; and First Place Winners in the World Class Dance Competition of the 1995 World Artistic Championships in Bucaramanga, Columbia. Council Member Powers introduced Danielle Germone, who under the coaching of Vicki Handyside, was Third Place Winner in the Advanced Women’s Loops Competition at the 1995 United States Artistic Championships in Syracuse, New York. Council Member Powers recognized Skyler Lybarger and Nekoe Wilson, who under the coaching of Larry Chopp, placed third in the Free Dance Competition at the 1995 United States Artistic Championships in Syracuse, New York. Council Member Powers introduced Nicole Stearns who, under the coaching of Trey Knight and Larry Chopp, placed second in the Sophomore

Women's Figures Competition at the 1995 United States Artistic Championships in Syracuse, New York. Mayor Hammer presented commendations to each honoree and congratulated them for their commitment to excellence resulting in outstanding achievements in the field of competitive artistic roller skating.

**5i Presentation of commendations to members of the New Realities Task Force.
(Mayor)
[Orders of the Day - Item 4(b)]**

Documents Filed: None.

Discussion/Action: Mayor Hammer joined Council Member Fiscalini in presenting commendations to New Realities Task Force Co-Chairs Tom Kelly and Chester Wang, and Task Force members Troy Brown, Gary Burke, Mary Curtis, Amy Dean, Mui Do, Linda Dydo, Terry Feinberg, Mike Fox, The Reverend John Freeseemann, Jorge Gonzalez, Sarah Gonzalez, Richard Gridley, Leslee Hamilton, Ken Heredia, Tiralisa Kaplow, Magda Madriz, Naomi Nakano Matsumoto, Nina Mazzo, Ron McPherson, Fr. José Rubio, Ron Sylvia, Corazon B. Cortes Tomalinas, James Webb, Jr., and Susie Wilson. The City Council commended Mayor Hammer and Council Member Fiscalini for their leadership.

PUBLIC HEARINGS

**15a PUBLIC HEARING and adoption of a resolution confirming the report of the Director of Finance, as may be modified by Council, regarding the recovery of delinquent Code Enforcement Administrative Costs and Penalties previously imposed by the Appeals Hearing Board, and ordering that notices of lien for the unpaid charges be recorded as an assessed charge against the properties involved.
(Finance)
(Continued from 02/20/96 - Item 15a)**

Documents Filed: (1) Supplemental memorandum from Director of Planning, Building and Code Enforcement, Gary J. Schoennauer, dated April 11, 1996, submitting a status report on the recovery of delinquent code enforcement administrative costs and penalties. (2) Memorandum from Director of Finance, John V. Guthrie, dated February 2, 1996, recommending Council adopt said resolution. (3) Correspondence from Dennis Spielbauer, dated April 16, 1996, transmitting a chronological accounting of the events in connection with repairs at 65-67 Fox Avenue.

Discussion/Action: Mayor Hammer left the meeting and Vice Mayor Johnson assumed the Chair and opened the public hearing on the report of the Director of Finance regarding the recovery of certain costs and penalties. Assistant City Manager, Debra Figone, requested a four-week deferral of Appeals Hearing Board Resolution No. 95-17 for lien assessment \$10,445.44 to allow the Administration an opportunity to review certain findings related to the violation. Upon motion by Council Member Fernandes,

seconded by Council Member Dando and unanimously carried, the public hearing was closed and Resolution No. 66547, entitled: "A Resolution of the Council of the City of San José Confirming the Report of the Director of Finance Regarding Delinquent Administrative Penalties and Costs Imposed Pursuant to Chapter 1.14 of the San José Municipal Code, Ordering That the Delinquent Administrative Penalties and Costs Constitute a Lien Against the Affected Real Property Involved, and Directing the City Clerk to File a Notice of Lien With the Santa Clara County Recorder's Office for the Delinquent Amounts Against the Affected Real Property Involved", was adopted with the \$10,445.44 lien on APN 259-20-020 removed from enforcement and deferred for four (4) weeks. Vote: 9-0-2-0. Absent: Woody; Hammer.

- 15b PUBLIC HEARING ON CONFORMING REZONING of the property located on the west side of Kettmann Road, 100 feet north of Dashman Avenue from A-Agricultural Zoning District to R-1:B-8 Residential Zoning District to allow up to 3 single-family detached residences on .67-gross-acres. (Sophia A. Hill, Owner/Developer). CEQA: Negative Declaration. Director of Planning recommends approval. No Planning Commission action required.
C 96-01-001 - District 8
(Continued from 3/19/96 - Item 15d, and 4/2/96 - Item 15c)**

Documents Filed: (1) Department of Planning, Building and Code Enforcement Staff Report for C96-01-001, approved for action March 29, 1996, recommending approval of the proposed rezoning. (2) Notice of Public Hearing to consider a change in Zoning for C96-01-001, dated February 20, 1996, and Proof of Publication submitted by the City Clerk.

Discussion/Action: Vice Mayor Johnson opened the public hearing on the conforming rezoning of the subject property and Mayor Hammer resumed as Chair for the remainder of the meeting. There was no discussion from the Floor. Upon motion by Council Member Fiscalini, seconded by Council Member Fernandes and unanimously carried, the public hearing was closed and Ordinance No. 25072, entitled: "Ordinance of the City of San Jose Rezoning Certain Real property Situated on the West Side of Kettmann Road, 1,000 Feet North of Dashwood Avenue", was passed for publication. Vote: 10-0-1-0. Absent: Woody.

- 15c PUBLIC HEARING ON PLANNED DEVELOPMENT REZONING of the property located on the southeast corner of Bird Avenue and Columbia Avenue from A(PD) and M-1 Manufacturing to A(PD) Planned Development Zoning District to allow a 110-unit SRO hotel on .93-gross-acres. (Pak & Co. III, Owner; Charities Housing Development Corporation, Developer). CEQA: Negative Declaration. Director of Planning recommends approval. Planning Commission recommends approval (6-0-1).
PDCSH 96-02-005 - District 3**

Documents Filed: (1) Memorandum from the Planning Commission, dated March 29, 1996, recommending Council adopt an ordinance approving the subject rezoning. (2) Notice of Public Hearing to consider a change I Zoning for PDCSH 96-02-005, dated March 5, 1996, and Proof of Publication submitted by the City Clerk. (3) Letter from Therese Iknoian, Fitness & Health, dated April 12, 1996, supporting the project development and expressing concern regarding parking and construction nuisance/health hazards.

Discussion/Action: Mayor Hammer opened the public hearing on the planned development rezoning of the subject property. The following citizens spoke in support of the proposed development: Director of Catholic Charities, Chris Block, representing the applicant; Glen Skogen, Business Representative Central California District Council of Carpenters; Gertrude Welch, Affordable Housing Network and the Council of Churches Affordable Housing Program; Andrew Boyenga; Leslie Coleman, Director of Transportation and Land Use for the Santa Clara Valley Manufacturing Group and the Co-Chair of the Housing Coalition; William Nack, Santa Clara-San Benito Counties Building & Construction Trades Council. Upon motion by Council Member Pandori, seconded by Council Member Powers and unanimously carried, the public hearing was closed, the Planning Commission recommendation approved, and Ordinance No. 25073, entitled: "Ordinance of the City of San José Rezoning Certain Real Property Situated on the Southeast Corner of Bird Avenue and Columbia Avenue", was passed for publication. Vote: 10-0-1-0. Absent: Woody.

GENERAL GOVERNMENT

9h Discussion and approval of the recommendations from the New Realities Task Force. (Mayor)

Documents Filed: (1) Memorandum from Council Member Fiscalini and Mayor Hammer, dated April 1, 1996, transmitting the New Realities Task Force final report incorporating proposals for the consideration of the Mayor and City Council to equalize the City's resources and expenditures, dated March 29, 1996. (2) Memorandum from Council Member Woody, dated April 10, 1996, supporting the program budgeting recommendation.

Discussion/Action: Council Member Fiscalini stated the report provided by the New Realities Task Force contains recommendations concentrated into three categories: *Revenue, Organization Efficiency, and Personnel*. Regarding the *Revenue* category, he stated the Task Force produced a recommendation to ensure that revenues from existing sources are maximized and that certain other potential sources are identified and pursued, e.g., the application of utility users tax to long-distance telephone usage, clarification on business licenses to ensure equality for all industries, and business fees charged for gasoline tank storage based upon volume. Regarding *Organization Efficiency*, he stated the recommended proposal intends to ensure efficient and effective City functions by including zero-base budgeting, performance budgeting, and a

comprehensive management audit of the Police Department. He stated the *Personnel* section of the report attempts to develop human resource management policies that result in competitive and fair compensation and benefits packages which encourage superior performance by all employees and provides recommendations ranging from gain sharing with employees and changes in medical benefits to greater opportunities provided for competition with the private sector for work based on cost effectiveness and quality of services. He stated several of the recommendations require expenditure of funds, e.g., the wellness program, safety audit, and financial systems for new budget procedures, which the City Council is urged to give the highest priority of future one-time funds for the implementation of the recommendations. He stated consensus of the Task Force is that the recommendations submitted should be considered as a package, as deletion of specific items by the City Council would alter the equity and balance achieved through the group's deliberations; and that the proposals move along parallel and simultaneous paths so that the balance achieved by the Task Force is carried through the stages of program implementation. As a point of clarification, he stated Council approval of the recommendations submitted by the New Realities Task Force should be interpreted as policy direction to City Administration to proceed with proposals that will fairly and fundamentally change important aspects of the operation of the San José City government. He stated the Task Force should be reconvened in six months, or no longer than one year from the date of the report, and that precise scheduling of the meeting is to be coordinated with an implementation timeline and workplan to be developed by the City Administration within 60 days of Council approval. He recommended conceptual approval of the recommendations with the Mayor's Budget Office, City Manager, City Attorney, City Auditor, and Executive Director of Redevelopment Agency to report back in 60 days with implementation workplan. The following members of the New Realities Task Force addressed the City Council in support of the proposals: Ron Sylvia, Professor of Political Science, San José State University; Nina Mazzo, Executive Director, Willow Glen Villa; Corazon B. Cortes-Tomalinas, Community Activist; Ron McPherson, Owner, McPherson Insurance and President, Santa Clara County Black Chamber of Commerce; Amy Beth Dean, Business Manager and Chief Executive Officer, South Bay AFL-CIO Labor Council; and Terry Feinberg, Executive Director, Tri-County Apartment Association; and the following citizens spoke in support of the recommendations with specific concerns: Steve Tedesco, San José Chamber of Commerce; Ernie Claudio; Ray Villarreal, San José Real Estate Board; Gregory Peacock, City employee. Putting into perspective the importance of the Task Force recommendations submitted for Council consideration, Mayor Hammer stated the proposal attempts to address a fundamental and long-term problem confronting the City of San José, that is to become fiscally stronger. She stated the City of San José experienced a cumulative shortfall of \$113 million over four years—the recession period—and that during the following five years an additional cumulative shortfall of \$40 million was projected; however, crisis management must now be replaced with strategies for rebuilding and restoring a stable framework of public services. She stated the Task Force's work was based on an understanding of several important factors, namely, that the City of San Jose must recognize that fundamental change is necessary and that efficiency throughout the organization must increase, that the nature of work and the City's workforce is changing, and that development of greater community participation in the City's budget

and priority setting processes is critical. She stated the deliberations of the principles will continue to occur in public forums, and individuals and groups with specific concerns regarding the Report and timelines and implementation issues will have the opportunity to express their opinions. She expressed appreciation to the Task Force participants and City Staff for their hard work in producing a document which reflects the fact that the City has critical needs beyond balancing the annual budget, and one which requires bold, innovative and decisive action beyond the 1990's. Council Member Dando endorsed 95% of the package but stated she did not support the principle of increasing taxes. Council Member Pandori agreed with the concept of *no new taxes*, given the absence of analyses as to the level of anticipated savings, and suggested that before Council proceed with tax increases that consideration should be given to implementing other ideas contained in the report. Upon motion by Council Member Fiscalini, seconded by Council Member Powers and carried, the New Realities Task Force recommendations were conceptually approved with direction to the City Manager, City Attorney, City Auditor, and Redevelopment Agency Executive Director to report back to Council within 60 days with implementation strategy and workplans. Vote: 8-2-1-0. Noes: Dando, Pandori. Absent: Woody.

ADJOURNMENT

The Council of the City of San José adjourned at 9:05 p.m. in memory of Secretary of Commerce Ron Brown, in memory of I. Donald Turner, President of Bridge Housing, and in memory of Robert L. Baron, stockbroker, ex-San José State University official, and community volunteer, to meet again on Thursday, April 18, 1996, at 1:30 p.m. in a joint City Council/ Redevelopment Agency session.

SUSAN HAMMER, MAYOR

ATTEST:

PATRICIA L. O'HEARN, CITY CLERK