

MINUTES OF THE CITY COUNCIL

SAN JOSÉ, CALIFORNIA

TUESDAY, APRIL 13, 2004

The Council of the City of San José convened in regular session at 9:30 a.m. in the Mayor's Conference Room 600, at City Hall.

Present: Council Members - Campos, Chavez, Cortese, LeZotte, Reed, Williams, Yeager; Gonzales.

Absent: Council Members - Chirco, Dando, Gregory. (Excused)

Upon motion unanimously adopted, Council recessed at 9:34 a.m. to a Closed Session in Room 600 (A) to confer with Legal Counsel to discuss existing litigation pursuant to Government Code Section 54956.9; subsection (a) considering the case(s) of: (1) Bui, et al. v. City of San José, et al.; and (B) to confer with Labor Negotiator pursuant to Government Code Section 54957.6, City Negotiator: City Manager designee Alex Gurza, and the following Employee Organizations: (1) San José Police Officers' Association; (2) International Association of Firefighters; (3) Municipal Employees Federation; (4) Confidential Employees Organization; (5) City Association of Management Personnel; (6) Association of Maintenance Supervisory Personnel; (7) Operating Engineers, Local 3; (8) International Brotherhood of Electrical Workers; (9) Association of Building and Mechanical and Electrical Inspectors.

By unanimous consent, Council reconvened from the Closed Session and recessed at 10:40 a.m. and reconvened at 1:35 p.m. in the Council Chambers.

Present: Council Members - Campos, Chavez, Cortese, Dando, LeZotte, Reed, Williams, Yeager; Gonzales.

Absent: Council Members - Chirco, Gregory. (Excused)

INVOCATION

Filbert Zhang, the Digital Club House presented his video of Hernando Manaois' personal history from the Battle of Bataan. (District 4)

PLEDGE OF ALLEGIANCE

Mayor Gonzales led the Pledge of Allegiance, along with the Filipino and American Veterans of World War II.

Vice Mayor Dando congratulated and commended the Digital Club House for recording stories such as the “Bataan Death March”. Vice Mayor Dando expressed appreciation on behalf of Mayor Gonzales, and the City Council, to the Filipino and American Veterans for all the sacrifices they gave to the United States.

ORDERS OF THE DAY

Upon motion by Council Member Chavez, seconded by Council Member Cortese, and carried unanimously, the Orders of the Day, and the Amended Agenda were approved. Vote: 9-0-2-0. Absent: Chirco, Gregory.

CEREMONIAL ITEMS

1.1 Presentation of a proclamation to the Fil-Am Veterans declaring April 13, 2004, Bataan Day. (Reed)

Documents Filed: None.

Discussion/Action: Mayor Gonzales was joined at the podium by Council Member Reed to declare April 13, 2004 as Bataan Day, also known as the Day of Valor, in honor of the American and Filipino Troops who defended the Bataan Peninsula in the Philippines against the Japanese attack during World War II. Council Member Reed invited survivors of the “Bataan Death March”, Andrés Cudál, Commander Hernando Manaois, Crispin Quindiagan, and Domínador Valdez, to the podium. Council Member Reed commented on December 7, 1941 the Japanese Navy attacked Pearl Harbor and almost wiped out the Pacific Fleet, and within hours the Japanese began bombing Manila. He remarked the mission of the Filipino and American forces was to stall the Japanese advance for as long as possible in order for the United States to rebuild its fleet in readiness for war. Council Member Reed commented the Filipino and American defenders of Bataan fought without reinforcements and supplies, and on April 9, 1942, the day known as Bataan Day, thousands of soldiers died during the “Death March”, with nearly 20,000 Filipinos dying in the first 4 months of captivity. Council Member Reed asked for all the Veterans and survivors of World War II in the audience to stand up and be recognized. Mayor Gonzales presented a plaque in honor of Bataan Day to Commander Manaois. Commander Manaois thanked Mayor Gonzales, Council Member Reed, and the City Council for the honor.

1.2 Presentation of a proclamation recognizing the week of April 11th-17th as National Public Safety Dispatchers Week in San José. (Mayor) (Orders of the Day)

Documents Filed: None.

Discussion/Action: Mayor Gonzales invited Police Captain Walt Tibbet and Communication Supervisor Cynthia Keehen to the podium. Mayor Gonzales remarked the dedicated Public Safety Dispatchers serve communities throughout the United States and Canada by professionally handling calls from the public for Police, Fire and emergency medical attention, and working difficult hours under stressful conditions. Mayor Gonzales stated that the Public Safety Dispatchers are a critical communications link between the residents and front line emergency personnel, and must respond swiftly to help those who call 9-1-1 to reduce personal injury and damage. Mayor Gonzales commented through their commitment to professional development, training and participation in professional organizations, Public Safety Dispatchers enhance their skills, knowledge and leadership to improve public service and strengthen emergency response capabilities, and communication systems. Mayor Gonzales remarked the City of San José appreciates the men and women who serve as Public Safety Dispatchers, and recognizes the critical role they play to protect the safety, life and property of the people who live and work in San José. Mayor Gonzales, on behalf of the City Council, proclaimed the week of April 11 through April 17, 2004, as National Public Safety Dispatchers Week in the City of San José commending and honoring the Public Safety Dispatchers for their vital contributions. Ms. Keehen thanked Mayor Gonzales and the City Council for the honor on behalf of all the Public Safety Dispatchers.

CONSENT CALENDAR

Upon motion by Vice Mayor Dando, seconded by Council Member Chavez and carried unanimously, the Consent Calendar was approved and the below listed actions were taken as indicated. Vote: 9-0-2-0. Absent: Chirco, Gregory.

2.3 Approval of an agreement with Engineering Economics, Inc. for consultant services for quality assurance commissioning of the planned North Concourse Project and Central Plant Expansion Project at the Norman Y. Mineta San José International Airport, for the period from March 15, 2004 to September 30, 2008, in an amount not to exceed \$224,062. CEQA: Resolution Nos. 67380 and 71451, PP03-09-275. (Airport)

Documents Filed: Memorandum from Director of Aviation Ralph Tonseth, dated April 8, 2004, recommending approval of said agreement with Engineering Economics, Inc. for consultant services for quality assurance commissioning of the planned North Concourse Project and Central Plant Expansion Project at the Norman Y. Mineta San José International Airport.

2.3 (Cont'd.)

Discussion/Action: The agreement with Engineering Economics, Inc. for consultant services for quality assurance commissioning of the planned North Concourse Project and Central Plant Expansion Project at the Norman Y. Mineta San José International Airport for the period from March 15, 2004 to September 30, 2008, in an amount not to exceed \$224,062, was approved, and its execution authorized. Vote: 9-0-2-0. Absent: Chirco, Gregory.

- 2.4 (a) **Adoption of appropriation ordinance and funding sources resolution amendments in the Services for Redevelopment Capital Projects Fund (City-side Redevelopment Fund) for the University SNI Pedestrian Light Project (PSM 352) Project with a net impact to the fund of \$60,000.**
- (b) **Adoption of a resolution making certain determinations regarding the related expenditures of Redevelopment Agency funds on certain public improvements in connection with the University SNI Pedestrian Light Project as more specifically described in the memorandum from the Redevelopment Agency, dated March 8, 2004.**

CEQA: Not a Project. Council District 3. SNI: University. (City Manager's Office)

Documents Filed: Memorandum from Budget Director Larry Lisenbee, dated March 29, 2004, recommending adoption of said appropriation ordinance and funding sources resolution amendments and resolution regarding expenditure of Agency funds on certain public improvements.

Discussion/Action: Mayor Gonzales called for public testimony. William Garbett spoke in opposition of the issue. Upon motion by Vice Mayor Dando, seconded by Council Member Chavez, and carried unanimously, Ordinance No. 27116, entitled: "An Ordinance of the City of San José Amending Ordinance No. 26916 to Appropriate Moneys in the Services for Redevelopment Capital Projects Fund for the University Strong Neighborhoods Initiative Pedestrian Light Project; and Providing that this Ordinance Shall Become Effective Immediately Upon Adoption"; Resolution No. 72047, entitled: "A Resolution of the Council of the City of San José Amending Resolution No. 71608 Setting Forth the Estimated Sources of Funds for the Fiscal Year 2003-2004 to Adjust Revenues in the Services for Redevelopment Capital Projects Fund"; and Resolution No. 72048, entitled: "A Resolution of the Council of the City of San José Making Certain Determinations Regarding the Expenditure of Redevelopment Agency Funds for Certain Public Improvements in the University Neighborhood in the Strong Neighborhoods Initiative Redevelopment Project Area", were adopted. Vote: 9-0-2-0. Absent: Chirco, Gregory.

- 2.5 **Recommendation: Approval of award of open purchase orders for supplies, materials, equipment, and services for FY 2003-2004 #19, and authorization for the Director of General Services to execute the purchase orders. CEQA: See memo for CEQA designation(s). (General Services)**

2.5 (Cont'd.)

Documents Filed: (1) Memorandum from Director of General Services Jose Obregon, dated March 22, 2004, recommending approval of award of said open purchase orders for FY 2003-2004 #19. (2) Letter from the Treatment Plant Advisory Committee, dated April 8, 2004, stating concurrence with the Staff recommendation.

Discussion/Action: The award of open purchase orders List No. 19 for FY 2003-2004 was approved and its execution authorized. Vote: 9-0-2-0. Absent: Chirco, Gregory.

- 2.6 (a) Report on Request for Quotation (RFQ) for coating and rehabilitation of clarifier tanks and approval of award to George E. Masker, Inc., for a total cost of \$253,000 including taxes and freight.**
(b) Authorize the Director of General Services to execute the service order.
CEQA: Exempt, PP03-04-112. (General Services)

Documents Filed: (1) Memorandum from Director of General Services Jose Obregon, dated March 22, 2004, recommending approval of said award of service order to George E. Masker, Inc. for coating and rehabilitation of clarifier tanks. (2) Letter from the Treatment Plant Advisory Committee, dated April 8, 2004, stating concurrence with the Staff recommendation.

Discussion/Action: The award of service order to George E. Masker, Inc. for coating and rehabilitation of clarifier tanks for a total of \$253,000, was approved, and its execution authorized. Vote: 9-0-2-0. Absent: Chirco, Gregory.

- 2.7 Adoption of a resolution providing additional certifications required by the State for completion of the City's application for a \$3,000,000 grant request under Proposition 40, the Urban Park Act of 2001, associated with the Burbank/Del Monte Community Center Project. CEQA: Exempt, PP03-12-376. Council District 6. SNI: Burbank/Del Monte. (Parks, Recreation and Neighborhood Services)**

Documents Filed: Memorandum from Director of Parks, Recreation and Neighborhood Services Sara Hensley, dated April 2, 2004, recommending adoption of said resolution.

Discussion/Action: Resolution No. 72049, entitled: "A Resolution of the Council of the City of San José Providing Additional Certifications Required by the State Resources Agency to Complete the City's Approval of an Application for Grant Funds for the Urban Park Act of 2001 Program Under the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002 for the Proposed Burbank/Del Monte Community Center, in an Amount Not To Exceed \$3,000,000", was adopted. Vote: 9-0-2-0. Absent: Chirco, Gregory.

- 2.8 Adoption a resolution ordering the reorganization of territory designated as McKinley No. 109, which involves the annexation to the City of San José of 0.62 gross acre of land located at the southeast corner of White Road and Buckner Road, and the detachment of the same from the County Lighting Service, Central Fire Protection, Area No. 01 (Library Services) County Service, and County Sanitation District – 2-3. CEQA: Resolution No. 65459. Council District 5. (Planning, Building and Code Enforcement)**

Documents Filed: Memorandum from Director of Planning, Building and Code Enforcement Stephen Haase, dated March 22, 2004, recommending adoption of said resolution.

Discussion/Action: Resolution No. 72050, entitled: “A Resolution of the Council of the City of San José Ordering the Reorganization of Certain Uninhabited Territory Designated as McKinley No. 109 Subject to Liability for General Indebtedness of the City”, was adopted. Vote: 9-0-2-0. Absent: Chirco, Gregory.

- 2.9 (a) Approval of the proposed increase of \$69,200 to the 2002-2004 Spending Plan for the Supplemental Law Enforcement Services (SLES) Fund.**
- (b) Adoption of the following amendments to the annual appropriation ordinance and the annual funding sources resolution in the Supplemental Law Enforcement Services Fund (Fund 414) for Fiscal Year 2003-04:**
- (1) Increase the SLES 2002-2004 Grant appropriation for the Police Department in the amount of \$69,200;**
 - (2) Increase the Earned Revenue by \$30,274.**
 - (3) Decrease the Ending Fund Balance by \$38,926.**

CEQA: Not a Project. (Police/City Manager’s Office)

Documents Filed: Memorandum from Budget Director Larry Lisenbee, and Police Chief Robert Davis, dated March 22, 2004, recommending approval of said increase of \$69,200 to the 2002-04 Spending Plan for the SLES Fund, and adoption of amendments to said annual appropriation ordinance and annual funding sources resolution.

Discussion/Action: The increase of of \$69,200 to the 2002-04 Spending Plan for the Supplemental Law Enforcement Services Fund was approved, and Ordinance No. 27117, entitled: “An Ordinance of the City of San José Amending Ordinance No. 26916 to Appropriate Moneys in the Supplemental Law Enforcement Services Fund for the Supplemental Law Enforcement Services Fund Grant for Fiscal Year 2003-2004; and Providing that this Ordinance Shall Become Effective Immediately Upon Adoption”; and Resolution No. 72051, entitled: “A Resolution of the Council of the City of San José Amending Resolution No. 71608 Setting Forth the Estimated Sources of Funds for the Fiscal Year 2003-2004 to Adjust Revenues in the Supplemental Law Enforcement Services Fund”, were adopted. Vote: 9-0-2-0. Absent: Chirco, Gregory.

- 2.10 (a) Report on bids and award of contract for the Watson Park Skate Facility Project to the sole bidder, A.J. Vasconi General Engineering to include the base bid and Add Alternate Nos. 1 and 2 in the amount of \$352,800, and approval of a contingency in the amount of \$35,000.**
- (b) Adoption of the following appropriation ordinance amendments in the Park Trust Fund:**
- (1) Establish the Watson Park Skate Facility Project to the Department of Parks, Recreation and Neighborhood Services in the amount of \$70,000;**
 - (2) Decrease the Reserve for Future PDO/PIO Projects by \$70,000.**

CEQA: Exempt, H03-042. Council District 3. SNI: Thirteenth Street. (Public Works/ Parks, Recreation and Neighborhood Services/City Manager's Office)

Documents Filed: Memorandum from Director of Public Works Katy Allen, Director of Parks, Recreation and Neighborhood Services Sara Hensley, and Budget Director Larry Lisenbee, dated March 22, 2004, recommending award of said contract to the sole bidder, A.J. Vasconi General Engineering, with related contingency, and adoption of said appropriation ordinance amendments.

Discussion/Action: The award of the contract to the sole bidder, A.J. Vasconi General Engineering, with related contingency, for the Watson Skate Park Facility Project to include the base bid and Add Alternate Nos. 1 and 2 in the amount of \$352,800, was approved, and its execution authorized, and Ordinance No. 27118, entitled: "An Ordinance of the City of San José Amending Ordinance No. 26916 to Appropriate Moneys in the Subdivision Trust Fund for the Watson Park Skate Facility Project and Providing that this Ordinance Shall Become Effective Immediately Upon Adoption", was adopted. Vote: 9-0-2-0. Absent: Chirco, Gregory.

- 2.11 (a) Report on bids and award of contract for the Plata Arroyo Park Skate Facility Project to the lowest responsive bidder, Robert A. Bothman, Inc., to include the base bid and Add Alternate Nos. 2 and 3 in the amount of \$408,461, and approval of a contingency in the amount of \$38,000.**
- (b) Adoption of the following appropriation ordinance amendments in the Park Trust Fund:**
- (1) Increase the Plata Arroyo Park Skate Facility Project by \$108,000;**
 - (2) Decrease the Plata Arroyo Park Improvements Project by \$102,000;**
 - (3) Decrease the Reserve for Future PDO/PIO Projects by \$6,000.**

CEQA: Exempt, PP03-08-251. Council District 5. SNI: Gateway East. (Public Works/ Parks, Recreation and Neighborhood Services/City Manager's Office) (Deferred from 4/6/04 – Item 2.16)

Documents Filed: None.

Discussion/Action: Item 2.11 was deferred to April 20, 2004.

**2.12 Approval of City Auditor Gerald Silva’s travel calendar through June 30, 2004, at no expense to the City. (City Auditor)
(Rules Committee referral 4/7/04)**

Documents Filed: Memorandum from City Auditor Gerald Silva, dated April 5, 2004, requesting approval of his travel calendar through June 30, 2004.

Discussion/Action: The travel calendar for City Auditor Gerald Silva through June 30, 2004, at no expense to the City was approved. Vote: 9-0-2-0. Absent: Chirco, Gregory.

**2.13 Acceptance of the Office of the City Auditor’s monthly *Report of Activities and Findings through March 15, 2004.* (City Auditor)
(Rules Committee referral 4/7/04)**

Documents Filed: Report of Activities and Findings Through March 15, 2004 from the Office of the City Auditor.

Discussion/Action: The Report of Activities and Findings Through March 15, 2004 from the Office of the City Auditor Report, was accepted. Vote: 9-0-2-0. Absent: Chirco, Gregory.

END OF CONSENT CALENDAR

STRATEGIC SUPPORT SERVICES

**3.4 Adoption of a resolution supporting federal transportation funding reauthorization. (Dando, LeZotte)
(Rules Committee referral 4/7/04)**

Documents Filed: Memorandum from Vice Mayor Dando, and Council Member LeZotte, dated April 6, 2004, recommending adoption of said resolution.

Discussion/Action: Upon motion by Vice Mayor Dando, seconded by Council Member LeZotte, and carried, Resolution No. 72052, entitled: “A Resolution of the Council of the City of San José Supporting Federal Transportation Funding Reauthorization”, was adopted. Vote: 8-1-2-0. Noes: Reed. Absent: Chirco, Gregory.

ECONOMIC & NEIGHBORHOOD DEVELOPMENT

4.3 (a) Adoption of a resolution:

- (1) Approving funding commitments for a loan of up to \$5,671,900, and a conditional grant of up to \$2,300,000, to CORE Development Inc., or its designated affiliate entity, for the development of the 148-unit Art Ark Housing project, located at the northeast corner of South 5th and Keyes Streets, to be made affordable to extremely low- and very low-income households.
- (2) Approving a funding commitment for a loan of up to \$8,378,250, to the Housing Authority of the County of Santa Clara, or its designated affiliate entity, for the development of the 130-unit Fairgrounds Family Housing project, located at 350 Tully Road, to be made affordable to low- and very low-income households.
- (3) Approving a funding commitment for a loan of up to \$10,856,800, to ROEM Development Corporation, or its designated affiliate entity, for the development of the 170-unit Fairgrounds Family Apartments project, located at 350 Tully Road, to be made affordable to very low- and low-income households.
- (4) Finding that the use of 20% Housing Funds for the Fairgrounds Family Housing project and the Fairgrounds Family Apartments project is of benefit to the Redevelopment Project Areas in San Jose.

(b) Adoption of amendments to the annual Funding Sources Resolution and the annual Appropriation Ordinance in the Multi-Source Housing Fund (Fund 448) to:

- (1) Increase Revenue Estimate by \$2,500,000.
- (2) Establish an Extremely Low-Income Housing appropriation to the Housing Department for \$2,500,000.

CEQA: Art Ark Housing, Mitigated Negative Declaration, PDC 03-029; Fairgrounds Family Housing, Resolution No. 71359, PDC 02-040; Fairgrounds Family Apartments, Resolution No. 71359, PDC 02-040. Council Districts 3 and 7. SNI: Spartan/Keyes. (Housing)

Documents Filed: (1) Memorandum from Director of Housing Leslye Corsiglia, and Budget Director Larry Lisenbee, dated March 22, 2004, recommending adoption of said resolution and amendments to annual funding sources resolution and appropriation ordinance. (2) Supplemental memoranda from Director of Housing Leslye Corsiglia, dated April 8, and April 12, 2004, transmitting a correction in regard to the project sponsor's cost to acquire the site, and a change in the identity of the entities for which funding commitments are being recommended.

4.3 (Cont'd.)

Discussion/Action: Mayor Gonzales called for public testimony. William Garbett spoke in opposition of the issue, and Saul Wachter, Affordable Housing Network spoke in favor of the issue. Upon motion by Council Member Williams, seconded by Council Member Cortese, and carried unanimously, Resolution No. 72053, entitled: “A Resolution of the Council of the City of San José (1) Approving Funding Commitments for a Loan of Up to \$5,671,900 and a Conditional Grant of Up to \$2,300,000 to Core Development Inc., or its Designated Affiliate Entity, for the Development of the 148-Unit Art Ark Housing Project, Located at the Northeast Corner of South 5th and Keyes Streets, to be Made Affordable to Extremely Low and Very Low Income Households; (2) Approving a Funding Commitment for a Loan of Up to \$8,378,250 to the Housing Authority of the County of Santa Clara, or its Designated Affiliate Entity, for the Development of the 130-Unit Fairgrounds Family Housing Project, Located at 350 Tully Road, to be Made Affordable to Low and Very Low Income Households; (3) Approving a Funding Commitment for a Loan of Up to \$10,856,800 to Roem Development Corporation, or its Designated Affiliate Entity, for the Development of the 170-Unit Fairgrounds Family Apartment Project, Located at 350 Tully Road, to be Made Affordable to Very Low and Low Income Households; and (4) Finding that the Use of 20% Housing Funds for the Fairgrounds Family Housing Project and the Fairgrounds Family Apartments Project is of Benefit to the Redevelopment Project Areas in San José”; Resolution No. 72054, entitled: “A Resolution of the Council of the City of San José Amending Resolution No. 71608 Setting Forth the Estimated Sources of Funds for the Fiscal Year 2003-2004 to Adjust Revenues in the Multi-Source Housing Fund”; and Ordinance No. 27119, entitled: “An Ordinance of the City of San José Amending Ordinance No. 26916 to Appropriate Moneys in the Multi-Source Housing Fund for the Extremely Low-Income Housing Appropriation to the Housing Department; and Providing that this Ordinance Shall Become Effective Immediately Upon Adoption”, were adopted. Vote: 9-0-2-0. Absent: Chirco, Gregory.

4.4 **Public hearing on the 2004-2005 Draft Consolidated Plan Annual Action Plan, including FY 2004-2005 proposed recommendations for the Community Development Block Grant (CDBG) Program, the HOME Investment Partnership Program (HOME), the Housing Opportunities for People with HIV/AIDS (HOPWA) Program, and the Emergency Shelter Grant (ESG) Program. CEQA: Not a Project. (Housing/Parks, Recreation and Neighborhood Services)**

Documents Filed: (1) Memorandum from Director of Housing Leslye Corsiglia, and Director of Parks, Recreation and Neighborhood Services Sara Hensley, dated March 23, 2004, recommending public review and comment on the 2004-2005 Draft Consolidated Plan Annual Action Plan. (2) Supplemental memorandum from Director of Housing Leslye Corsiglia, and Director of Parks, Recreation and Neighborhood Services Sara Hensley, dated April 7, 2004 transmitting a copy of the 2004-2005 Draft Consolidated Plan Annual Action Plan.

4.4 (Cont'd.)

Discussion/Action: Mayor Gonzales opened the public hearing on the 2004-2005 Draft Consolidated Plan Annual Action Plan. Speaking on the issue were Kerstin Arusha, Fair Housing Law Project, Richard Konda, Asian Law Alliance, Ann Marquart, Project Sentinel, Dan Aloom, Silicon Valley Economic Development, Consuelo Santos Killins, William Garbett, Saul Wachter, Affordable House Network, Wes Mukoyama, YU-AI KAI, Young Shim, Korean American Community Services Inc., Steve Groark, Charter Financial, and Mary Helen Doherty, Emergency Housing Consortium.

Mayor Gonzales asked when this issue would be brought back for Council action. Director of Housing Leslye Corsiglia replied Staff plans to return to Council on May 4, 2004. She added that Staff has to submit the plan to the Department of Housing and Urban Development (HUD) by May 15, 2004. Council Member Yeager remarked he would like to make a motion to have Staff to look at three programs and bring back information. Council Member LeZotte seconded the motion. Mayor Gonzales commented there was no action on this item today. Assistant City Attorney William Hughes clarified there is a 30 day comment period and having information during that comment period is fine, however the document is available. Council Member Yeager asked for Staff to look at additional funding for Project Sentinel, to bring a report back from the clients served by Fly and Rohi with comments on how those programs are different and similar as far as the clients they serve, and a report from Office of Economic Development on the recommended funding cut to Silicon Valley Economic Development Corporation. Council Member Reed requested a clearer understanding of how the changes in the CBO funding are consistent with the Mayor's Budget Message. Vice Mayor Dando requested information in regard to Silicon Valley Economic Development Corporation and programs previously funded by the Redevelopment Agency. On a call for the question, the motion carried unanimously, and Staff was requested to return with additional information: (1) Look at additional funding for Project Sentinel. (2) Report on the clients served by Fly and Rohi. (3) Report from Office of Economic Development on the recommended funding cut to the Silicon Valley Economic Development Corporation (SVED), and to look at programs previously funded by the Redevelopment Agency in collaboration with the SVED Corporation. (4) A clearer understanding of how the changes in the CBO funding are consistent with the Mayor's Budget Message. (5) Clarification on public testimony regarding very low-income households, and the final City Council public hearing to be held on May 4, 2004. Vote: 9-0-2-0. Absent: Chirco, Gregory.

4.5 **Approval of an ordinance amending the San José Municipal Code by adding a new Chapter 4.06 and amending Section 4.12.117, adding Section 4.12.118 to Chapter 4.12 and amending Sections 4.13.135 and 4.13.040 of Chapter 4.13 of Title 4 to establish contracting preferences for local and small businesses. (City Attorney's Office)** **(Deferred from 4/6/04 – Item 4.4)**

Documents Filed: None.

Discussion/Action: Item 4.5 was deferred to May 4, 2004.

- 4.6 (a) Adoption of the following appropriation ordinance and funding sources resolution amendments in the General Fund:**
- (1) Increase the City-Wide appropriation for the Coyote Valley Specific Plan by \$2,000,000; and**
 - (2) Increase the estimate for Other Revenue by \$2,000,000.**
- (b) Take the following actions in regard to the preparation of the Coyote Valley Specific Plan:**
- (1) Approval of a consultant agreement with the Dahlin Group land planning and urban design team to prepare the Coyote Valley Specific Plan, Design Guidelines, and Zoning Districts for an amount not to exceed \$2,000,000.**
 - (2) Delegate the authority to approve minor amendments to the consultant agreement to the Director of Planning, Building and Code Enforcement to account for increases in funding received from Coyote Housing Group, LLC and minor schedule or task changes that are necessary to conform to the City Council's Vision and Expected Outcomes for the Coyote Valley Specific Plan, and delegate to the Director the authority to extend the term of this agreement for up to 12 months to ensure the successful completion of this planning effort.**

CEQA: Exemption, PP03-06-211. Council District 2. (Planning, Building and Code Enforcement)

(Deferred from 3/30/04 – Item 4.6 and 4/6/04 – Item 4.8)

Documents Filed: Memorandum from Director of Planning, Building and Code Enforcement Stephen Haase, and Budget Director Larry Lisenbee, dated April 6, 2004, recommending adoption of said appropriation ordinance and funding sources resolution amendments, and actions in regard to the preparation of the Coyote Valley Specific Plan.

Discussion/Action: Upon motion by Council Member Williams, seconded by Council Member Cortese, Ordinance No. 27120, entitled: "An Ordinance of the City of San José Amending Ordinance No. 26916 to Appropriate Moneys in the General Fund for the Coyote Valley Specific Plan Project; and Providing that this Ordinance Shall Become Effective Immediately Upon Adoption"; and Resolution No. 72055, entitled: "A Resolution of the Council of the City of San José Amending Resolution No. 71608 Setting Forth the Estimated Sources of Funds for the Fiscal Year 2003-2004 to Adjust Revenues in the General Fund", were adopted; and the consultant agreement with the Dahlin Group land planning and urban design team to prepare the Coyote Valley Specific Plan, Design Guidelines, and Zoning Districts for an amount not to exceed \$2,000,000, was approved, and authority was delegated to the Director of Planning, Building and Code Enforcement to approve minor amendments to the consultant agreement, to account for increases in funding received from Coyote Housing Group, LLC and minor schedule or task changes that are necessary to conform to the City Council's Vision and Expected Outcomes for the Coyote Valley Specific Plan, and to extend the term of this agreement for up to 12 months to ensure the successful completion of this planning effort, was authorized. Vote: 9-0-2-0. Absent: Chirco, Gregory.

RECREATION & CULTURAL SERVICES

- 5.2 Approval of an exception to the City's Subordination Policy allowing the City to subordinate its Community Development Block Grant (CDBG) Loan in the amount of \$794,979 to The Mexican American Community Services Agency, Inc. (MACSA) to the National Cooperative Bank Development Corporation. CEQA: Not a Project. Council District 5. SNI: Gateway East. (Parks, Recreation and Neighborhood Services)**

Documents Filed: Memorandum from Director of Parks, Recreation and Neighborhood Services Sara Hensley, dated April 1, 2004, recommending approval of an exception to the City's Subordination Policy allowing the City to subordinate its Community Development Block Grant Loan in the amount of \$794,979 to MACSA.

Discussion/Action: Mayor Gonzales called for public testimony. William Garbett spoke in opposition of the issue. Upon motion by Council Member Campos, seconded by Council Member Cortese, and carried unanimously, the exception to the City's Subordination Policy allowing the City to subordinate its Community Development Block Grant Loan in the amount of \$794,979 to The Mexican American Community Services Agency, Inc. to the National Cooperative Bank Development Corporation, was approved and its execution authorized. Vote: 9-0-2-0. Absent: Chirco, Gregory.

JOINT COUNCIL/REDEVELOPMENT AGENCY

- 10.1 Presentation on the development and implementation of One-Voice Service Delivery Pilot Projects. (City Manager's Office/Redevelopment Agency)**

Documents Filed: None.

Discussion/Action: Item 10.1 was deferred to April 27, 2004.

NOTICE OF CITY ENGINEER'S PENDING DECISION ON FINAL MAPS

In accordance with Sec. 19.16.140d of the San Jose Municipal Code, this is notice of the City Engineer's pending decision on the following Final Maps:

None.

In accordance with Sec. 19.16.140d of the San Jose Municipal Code, this is notice of the City Engineer's receipt of the following Final Maps for review:

None.

OPEN FORUM

- (1) Vince Guasch, Parsley Sage Rosemary Thyme, spoke of issues related to the planning of the San José Museum of Art's 35th Anniversary.

ADJOURNMENT

The Council of the City of San José adjourned in memory of Herman Levy, a member of the Human Rights Commission, law professor at the University of Santa Clara, and long time San José resident.

The Council of the City of San José adjourned at 2:36 p.m.

RON GONZALES, MAYOR

ATTEST:

NANCY ALFORD, ASSISTANT CITY CLERK

smd/04/13/04min