

Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Debra Figone

SUBJECT: SEE BELOW

DATE: August 19, 2011

SUBJECT: FY 2011-2012 COUNCIL PRIORITY ORDINANCES

RECOMMENDATION

Approve staff workplan for Fiscal Year 2011-2012 top ten priority ordinances.

OUTCOME

Approval of the workplan would allow staff to focus resources on implementing ordinances previously identified as top ten priorities during the Budget Priority Setting Study Session on February 14, 2011. Staff will present an updated set of recommended priorities in February 2012.

BACKGROUND

This fiscal year marks the tenth consecutive year of General Fund shortfalls, with a cumulative impact of \$680 million. Over the last ten years, the City's workforce has shrunk by more than 2,200 positions, or 30%, with most of the reductions occurring in the last two fiscal years. Approximately 500 City positions were eliminated at the start of this fiscal year alone, bringing staffing levels to approximately 5,300 positions--a level not seen since 1986, when the population was three quarters of what it is today. This significant reduction in staffing levels severely limits staff's ability to take on new work and has also resulted in a backlog of pending ordinances, underscoring the need to focus efforts only on ones that are considered priorities.

To address this issue, on February 14, 2011, the Mayor, Council, and senior staff completed a prioritization exercise and identified the top ten priorities from a list of 43 pending ordinance changes and major referrals. To guide the workload prioritization effort, staff offered the following principles for consideration: a) increased revenue or reduced costs; b) federal, state, or regional mandate; c) significant and positive impact on multiple City goals (Safe City; Prosperous Economy; Reliable Well Maintained Infrastructure; Green, Sustainable City; Vibrant, Attractive Community).

Subsequent to the prioritization, Council adopted the Mayor's March Budget Message and directed staff to focus efforts on the top ten priorities and to return to Council in August on prioritization of any other work efforts.

ANALYSIS

This memorandum provides a status update on the major ordinances and seeks Council approval of the FY 2011-2012 workplan for the top ten ordinances. Attachment A shows the top ten priorities as identified at the February Budget Priority Setting Session. Attachment B includes a list of other ordinances that were not part of the top ten; this list also includes potential ordinances that have surfaced since February. To focus staff efforts even further, the list only includes ordinances and not referrals. Attachment B is divided into three sections—Pending Ordinances (In Progress), Pending Ordinances (On Hold) and Potential New Ordinances.

- Pending Ordinances (In Progress): Ordinances in which staff have made some progress toward implementation and/or a plan is in place to work on them in FY 2011-2012. Given the fact many of these efforts are dependent upon the availability of limited staff resources, the completion date for these projects is only a rough estimate and is subject to change.
- Pending Ordinances (On Hold): Ordinances which currently do not have a work plan for completion and thus do not have associated completion timelines at this time.
- Potential New Ordinances: Ordinances that were included in the 2011-2012 Mayor's June Budget Message or have been identified by staff since February.

Although there are a large number of pending ordinances, it is important to note that they only represent a very minor portion of the overall work effort on City programs and initiatives that have already been deemed as Council priorities. Attachment C provides the FY 2011-2012 major projects workplan by CSA. This attachment includes a list of priority work efforts that are already underway within each CSA, and provides the Mayor and Council with a snapshot of the significant body of work that is currently being undertaken by staff across all City departments.

In addition to the CSA workplans, there are also other major citywide efforts underway such as employee transitions, and development of significant budget balancing strategies such as service delivery evaluations. While not fitting within a specific CSA, these efforts are requiring a significant allocation of leadership and analytical support, in order to ensure that organizational change is managed while service delivery continues to be our priority.

Given the drastically reduced workforce and the significant amount of work in the CSA workplans, the attached FY 2011-2012 workplan for the pending ordinances focuses staff efforts on the top ten priorities. Since eight of the ten priorities are anticipated to be completed by December 2011, staff will return to Council in early 2012 for additional prioritization. Attachment B indicates allocation of some staff resources on a limited number of other ordinances, however, it does conclude that due to limited resources, a significant number of pending ordinances will continue to be on hold. If Council were to wish to advance any of the ordinances on hold, this would necessitate others that are currently slated to advance to be reprioritized.

EVALUATION AND FOLLOW-UP

Based on City Council discussion and direction on the recommended priorities, staff may need to prepare additional assessments of impacts to workload and schedules. Additional prioritization will be brought forward to Council in early 2012.

PUBLIC OUTREACH/INTEREST

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater.
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City.
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach.

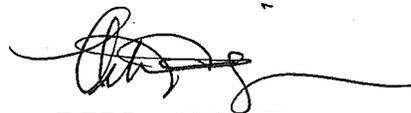
Although this project does not meet any of the above criteria, this memorandum is posted on the City's website for the August 30, 2011 City Council Agenda.

COORDINATION

This memorandum has been coordinated with City Attorney's Office and City Departments with implementation responsibilities for the Significant Ordinances noted in the attachments.

CEQA

Not a Project, File PP10-069(a), staff reports and informational memos.



DEBRA FIGONE
City Manager

For questions please contact ED SHIKADA, ASSISTANT CITY MANAGER, at 408-535-8190.

Attachments

- Attachment A – List of Top Ten Significant Ordinance Changes and Major Referrals
- Attachment B – List of Remaining Significant Ordinance Changes
- Attachment C – FY 11-12 Major Projects Workplan by CSA

Attachment A
Top Ten Significant Ordinances and Major Referrals
(As Determined at 2/14/11 Priority Setting Study Session)

	Name of Assignment/Initiative	Origin/Source	Required Departments	%Complete (As of 7/31/11)	Level of Effort	Estimated Completion Date
1	Sign Code Major Update - Third Phase <i>Description</i> : Improve/Streamline the process for relocating billboards and signs in the public ROW and City properties.	City Council	<i>Lead: PBCE</i> <i>Supporting: CAO</i>	10%	Major	Dec. 2011
2	Sign Code Update - 3 year pilot program for electronic/digital signs <i>Description</i> : Pilot in Commercial Areas Stevens Creek Signage; continue exploration of Capital Auto Row, Blossom Hill Rd, Capitol Corridor near Eastridge.	City Council	<i>Lead: PBCE</i> <i>Supporting:</i>	10%	Major	Dec. 2011
3	Zoning Ordinance Quarterly Modifications <i>Description</i> : Minor revisions to Zoning Ordinance that do not require major analysis, raise community concerns or cannot be found exempt from CEQA. This is a recurring ordinance placeholder.	Department, Customers, City Council	<i>Lead: PBCE</i> <i>Supporting: CAO</i>	50%	Medium	Oct. 2011
4	Off-Sale of Alcohol at Grocery Stores streamlining <i>Description</i> : Define criteria for grocery stores. SJPD to provide support in instances of criminal activity. PBCE to provide the majority of the enforcement.	City Council	<i>Lead: PBCE</i> <i>Supporting: PD, CAO</i>	50%	Major	Oct. 2011
5	Zoning Standards - Main Street/Alum Rock <i>Description</i> : Alum Rock Ave. rezoning project. Rezone land on ARA to the new zoning district. Requires legal descriptions, outreach and diagram creation.	City Council	<i>Lead: PBCE</i> <i>Supporting: CAO, RDA, DOT, PW</i>	0%	Major	June 2012
6	Medical Marijuana <i>Description</i> : Regulations and enforcement pertaining to use of medical marijuana; workload assessment to develop an ordinance for medical marijuana cultivation and dispensaries. SJPD to provide support in instances of criminal activity. PBCE to provide the majority of the enforcement.	City Council and Rules Committee	<i>Lead: CMO, CAO, PBCE</i> <i>Supporting: PD</i>	90%	Major	Sept. 2011
7	Tree Removal Ordinance - Streamlining and Cost Recovery On private property) <i>Description</i> : Streamlining and cost recovery on private property.	City Council	<i>Lead: PBCE</i> <i>Supporting: DOT, CAO</i>	20%	Major	Apr. 2011
8	Off-Sale of Alcohol process streamlining (Planning Commission recommendation to Council instead of mandatory detail) <i>Description</i> : Change process so Council makes final decision without requiring an appeal.	Council, Department	<i>Lead: PBCE</i> <i>Supporting: CAO</i>	50%	Medium	Oct. 2011
9	San Jose Municipal Water System <i>Description</i> : Review leasing Muni Water; service delivery evaluation and options for maximizing financial benefits from Muni Water to the General Fund.	Council (MBM FY10-11)	<i>Lead: CMO, OED</i> <i>Supporting: ESD, CAO, Finance</i>	100%	Major	Completed
10	Development Agreement Ordinance <i>Description</i> : Codify the uncoded Development Agreement ordinance in the Municipal Code and recommend modifications.	Unknown	<i>Lead: CAO</i> <i>Supporting: PBCE, OED</i>	0%	Major	Dec. 2011

Notes:
Level of Effort
a. Minor – Could require up to 2 weeks of staff effort; one or two clear lead department(s) and minimal involvement required from other departments/offices
b. Medium – More than 2 weeks but less than 2 months of staff effort; could involve multiple departments; may involve stakeholder engagement, but relatively limited and focused
c. Major – More than 2 months of staff effort; substantive multi-departmental effort; extensive community outreach and engagement.

Attachment B
Other Significant Ordinances
(Sorted by Lead Department)

	Name of Assignment/Initiative	Origin/Source	Required Departments	%Complete (As of 7/31/11)	Level of Effort	Estimated Completion Date
Pending Ordinances (In Progress)						
1	Landscape Ordinance (Water Efficient) <i>Description</i> : Adopt local version of State Model Landscape Ordinance to replace previous version adopted by the City.	State Regulation	<i>Lead: PBCE, ESD</i> <i>Supporting: PW, CAO</i>	50%	Major	Dec. 2011
2	Bail Bonds Ordinance Analysis <i>Description</i> : Review possible land use regulations for bail bond businesses to minimize impacts to surrounding neighbors. SJPD to provide support to PBCE in cases of issues involving criminal activity.	City Council	<i>Lead: PBCE</i> <i>Supporting: PD, CAO</i>	80%	Major	Sept. 2011
3	Lighting on Private Property Policy Changes <i>Description</i> : Modifications to City Council policy 4-3 on Outdoor Lighting on Private Developments (consistent with recent update to City Council Policy 4-2 for Public Streetlights) to include standards for the use of Broad-spectrum (white) light sources in private streets, parking lots, pedestrian and landscaped areas.	Department	<i>Lead: PBCE</i> <i>Supporting: CAO</i>	20%	Medium	Mar. 2012
4	Taxicab Vehicle Operation Ordinance Amendment <i>Description</i> : Amend Ordinance to raise maximum mileage/year limits for alternative fuel vehicles.	Police	<i>Lead: PD</i> <i>Supporting: CAO</i>	50%	Medium	Dec. 2012
5	Special Events Ordinance <i>Description</i> : Update and consolidate into one chapter the outdoor special events permitting for parades, parks, paseos and plazas.	City Attorney	<i>Lead: CAO</i> <i>Supporting: OED, PRNS, PD</i>	75%	Medium	Mar. 2012
6	Amendments to Title 16 for Gaming Control licensing and work permits <i>Description</i> : Amend Title 16 provisions regarding key employees, administrative procedures prior to revocation of permits and other conforming and technical amendments.	City Auditor, Council	<i>Lead: CAO</i> <i>Supporting: Police</i>	50%	Medium	Dec. 2011
7	Gift Ordinance Cleanup <i>Description</i> : Clarification of specific provisions of Gift Ordinance.	City Attorney	<i>Lead: CAO</i> <i>Supporting: CMO</i>	25%	Minor	Dec. 2011
8	Lobbyist Ordinance Amendment - communications with lobbyists <i>Description</i> : Clarify Ordinance application to nonprofits and other modifications.	City Council	<i>Lead: CAO</i> <i>Supporting: CMO</i>	50%	Major	Dec. 2011
9	Social Host Ordinance <i>Description</i> : Ordinance that could impose liability on adults that host social events where alcohol is served to minors	Rules Committee	<i>Lead: CAO</i> <i>Supporting: PD, CMO</i>	10%	Major	Dec. 2012

**Attachment B
Other Significant Ordinances
(Sorted by Lead Department)**

	Name of Assignment/Initiative	Origin/Source	Required Departments	%Complete (As of 7/31/11)	Level of Effort	Estimated Completion Date
Pending Ordinances (On Hold)						
1	Conservation Area Ordinance Streamlining (Distinctive Neighborhoods) <i>Description</i> : More efficient process for establishing conservation areas.	Department, City Council	<i>Lead</i> : PBCE <i>Supporting</i> : CAO	0%	Major	TBD
2	Green Building Retrofit Ordinance <i>Description</i> : Add green building requirements for additions and alterations of existing buildings.	Department, City Council	<i>Lead</i> : PBCE <i>Supporting</i> : CAO/ESD/PW	0%	Major	TBD
3	Multi-Family District Update <i>Description</i> : Alignment with General Plan to facilitate housing production.	Department	<i>Lead</i> : PBCE <i>Supporting</i> : CAO	0%	Major	TBD
4	Noise Performance Standards update <i>Description</i> : Update per best practices.	Department	<i>Lead</i> : PBCE <i>Supporting</i> : CAO	0%	Major	TBD
5	North San Jose Form Based Code <i>Description</i> : Create new Form Based Code for North San Jose to implement the NSJ Strategy.	Department	<i>Lead</i> : PBCE <i>Supporting</i> :	0%	Major	TBD
6	Payday Lending <i>Description</i> : Staff to apply for grant funding from Silicon Valley Community Foundation; if awarded funding, staff to draft ordinances to limit payday lending businesses. (Although not selected as a "top ten" priority at the February study session, the City has received a \$50,000 grant in support of this project.)	Rules Committee	<i>Lead</i> : PBCE, CMO <i>Supporting</i> : CAO	0%	Major	TBD
7	Transit Corridor Residential - Align Zoning Standards <i>Description</i> : Align zoning standards with General Plan.	Department	<i>Lead</i> : PBCE <i>Supporting</i> : CAO	0%	Major	TBD
8	Tow Car Ordinance amendments to be consistent with VC 22658 <i>Description</i> : Amend ordinance to be consistent with new California Vehicle Code revisions.	City Attorney	<i>Lead</i> : CAO <i>Supporting</i> : PD, CMO	0%	Medium	TBD
9	Condominium/Apartment Conversion Notice Ordinance - <i>Description</i> : Notification to neighbors when residential project converts from for sale to rental and vice versa. (CED Committee directed staff on 5/23/11 to explore options to implement a Council policy regarding post entitlement notices for tenure changes, in lieu of an ordinance.)	Community and Economic Development Committee	<i>Lead</i> : PBCE, CAO <i>Supporting</i> : Housing	0%	Medium	TBD

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Other Significant Ordinances
(Sorted by Lead Department)**

	Name of Assignment/Initiative	Origin/Source	Required Departments	%Complete (As of 7/31/11)	Level of Effort	Estimated Completion Date
Pending Ordinances (On Hold) continued						
	Smoking in outdoor areas <i>Description</i> : Staff to apply for County grant funds and develop an ordinance to limit smoking in outdoor areas. (Not a "top ten" priority, however, \$196,731 in grant funds may be available for this effort along with potential partnership opportunities with the County and other non-profits for ordinance development and enforcement. The grant will cover staff costs related to ordinance development; it will not cover ongoing implementation costs ranging from \$30,000 (no field inspections) to \$180,000 (with field inspections). Advancing this will impact staff work on development and implementation of other ordinances such as: Tobacco Retail Licensing; Medical Marijuana; Sign Code; San Pedro Kiosk; Taxicab Alternative Fuel; Massage; Airport Ground Transportation - Dispatch Program; and Tow 10 Ordinance.)	Rules Committee	<i>Lead</i> : CMO <i>Supporting</i> : CAO	0%	Major	TBD
Potential New Ordinances						
	Public Entertainment Business Permit Fee Methodology <i>Description</i> : Amend Public Entertainment Ordinance to authorize change in fee methodology 1	2011-2012 Mayor's June Budget Message	<i>Lead</i> : OED <i>Supporting</i> :	90%	Medium	TBD
	Plug-in Requirements for Parking Garages <i>Description</i> : Develop requirements for the installation of electric vehicle charging stations in parking garages. 2	Department	<i>Lead</i> : PBCE <i>Supporting</i> : CAO	10%	Medium	April 2012
	Real Estate Streamlining Transactions <i>Description</i> : Amend Municipal Code to streamline process for selling and acquiring real estate, providing easements, right-of-ways, and entering into below market rate leases with non-profits. 3	2011-2012 Mayor's June Budget Message	<i>Lead</i> : OED, CAO <i>Supporting</i> :	0%	Medium	TBD
Notes:						
<i>Level of Effort</i>						
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c. Major – More than 2 months of staff effort; substantive multi-departmental effort; extensive community outreach and engagement.						

ATTACHMENT C - MAJOR PROJECTS WORKPLAN BY CSA (2011-2012)

<p align="center">TRANSPORTATION & AVIATION SERVICES</p> <ul style="list-style-type: none"> ➤ Infrastructure Backlog (Pavement Maintenance Policy and Funding Strategy) ➤ Green Mobility Strategy (100,000 new trees, zero emission streetlight retrofit, electric vehicle infrastructure, trails/bike plan) ➤ Diridon Master Plan (Land Use Plan, Station Expansion) [Also in CED CSA] ➤ Car Share Deployment Strategy ➤ Regional Mega Projects (BART, High Speed Rail, BRT, 101/Tully/Capitol, 280/880/Stevens Creek) ➤ Bicycle Master Plan Implementation ➤ School Bike/Ped Access Grants ("Walk and Roll San Jose!") ➤ Traffic Signal System Modernization ➤ Implementation of the Airport Living Wage Ordinance ➤ Airport Taxi Operations ➤ Airport Competitive Plan ➤ Airport Bond Issue ➤ Airport West Side Development 	<p align="center">COMMUNITY AND ECONOMIC DEVELOPMENT</p> <ul style="list-style-type: none"> ➤ Economic Strategy Workplan implementation ➤ Envision 2040 adoption and implementation ➤ Outside funding sources and new tools for affordable housing, planning, economic development ➤ Stimulate new construction ➤ Downtown management ➤ Convention center ➤ Green Vision Implementation: cleantech jobs ➤ Preservation of employment lands, including manufacturing ➤ Streamline development process ➤ Planning ordinance updates ➤ Generate revenue through city real estate ➤ Shop San Jose ➤ Redevelopment Agency Transition ➤ Regional influence and state legislative advocacy ➤ Five-year Housing Investment Plan ➤ Destination Home ➤ Community Development Grant Management – CDBG priorities 	<p align="center">ENVIRONMENT & UTILITY SERVICES</p> <ul style="list-style-type: none"> ➤ Master Planning <ul style="list-style-type: none"> • Storm and Sanitary • South Bay Water Recycling • Plant Master Plan Environmental Impact Report ➤ Stormwater Permit and Pretreatment Program ➤ Sanitary Sewer System Cleaning and Management ➤ Expand Neighborhood Street Sweeping Program ➤ Wastewater Management: <ul style="list-style-type: none"> • Stabilize Work Force • Staff Training and Development • Asset Management and Documentation • Plant CIP Implementation Resourcing • Biosolids Transition Planning • Plant Energy Generation Infrastructure ➤ Commercial Solid Waste System Implementation ➤ Single-Use Bag Ordinance Implementation ➤ Greening of San Jose Events ➤ Environmental Innovation Center Construction ➤ Manage City-Owned Drinking Water Company ➤ Green Vision Advancement – Recycled Water, Zero Waste, Energy Efficiency, Renewable Energy
<p align="center">PUBLIC SAFETY</p> <ul style="list-style-type: none"> ➤ Police Automated Field Reporting & Records Management System Procurement ➤ Use of Force Policy revisions ➤ Gang Prevention, Intervention & Suppression Services ➤ Early Intervention System ➤ Crossing Guard – cost-effective program & Crossing Guard Site Hotspots ➤ Fire Department Strategic Plan ➤ Dynamic Deployment and Broadband implementation ➤ Implement a Labor/Management collaborative process within Fire Department ➤ Staffing: Senior Staff appointments and staff development ➤ EMS Contract and Ambulance Provider transition ➤ Streamline review, inspection and construction initiatives with the development partners. ➤ Medical Marijuana Regulations ➤ Cardroom Regulations ➤ SVRIP ➤ Fire Station/Emergency Deployment System evaluation ➤ Fire Department succession planning ➤ Maximize Police Officers on Street 	<p align="center">STRATEGIC SUPPORT SERVICES</p> <ul style="list-style-type: none"> ➤ Fleet Services – Business Model Evaluation ➤ Asset Management – Facility ➤ Hayes Mansion and Convention Center ➤ e-ideas ➤ Technology Infrastructure and Applications ➤ IT Investment Strategies ➤ Workers Compensation Cost Containment ➤ Modernize Tax Structure/Revenue Opportunities ➤ Fiscal Emergency Analysis and Support ➤ Redevelopment Agency Transition ➤ Billing System Replacement ➤ Marijuana Business Tax Audit Program Initiation ➤ Organizational Development – New ways of doing business ➤ American Recovery & Reinvestment Act Implementation and Monitoring ➤ City-County Relationship Building ➤ Fiscal/Budget Management ➤ Labor Relations/Negotiations ➤ Retirement Board Governance ➤ Fiscal Reform Efforts, including Retirement Reform ➤ Civil Service Reform ➤ Redistricting Efforts (Clerk) ➤ Green Vision Implementation – City Fleet 	<p align="center">NEIGHBORHOOD SERVICES</p> <ul style="list-style-type: none"> ➤ Library Parcel Tax renewal ➤ Evaluate options for opening Seven Trees, Bascom, and Calabazas, and Educational Park Branch Libraries ➤ Install automated materials handling equipment at 5 branches ➤ Begin conversion of library materials handling system to RFID from barcodes ➤ Evaluate Reuse Partner/s for Bascom Community Center with no General Fund impact ➤ Implement Senior Nutrition Task recommendation for vendor service model by Nov 2011 ➤ Complete long-term financial sustainability plan for San Jose Family Camp ➤ Expand financial sustainability approach to providing parks and recreation services and facilities ➤ Ensure effective vendor services provision for graffiti abatement, custodial and small park maintenance ➤ Explore additional service delivery evaluation areas in PRNS ➤ Complete Infrastructure Assessment study in PRNS ➤ Partner with Public Works on fleet outsourcing pilot program ➤ Award construction contract for bond Soccer Complex and complete site selection for Softball Complex ➤ Green Vision Implementation: 100 mile trail network