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San José neighborhood services and education committee.

>> Councilmember Chirco: Call the neighborhood services and education committee to order. Councilmember Campos is not able to be here so I will fill in with her. First item on the agenda, review of the work plan which is totally deferred.

>> Madam Chair, members of the committee, we have a number of items that we're recommending for deferral. If you look at the agenda items and then a drop on item 2.4. So from 2.1 through the consent calendar, these items are recommended for deferral. Except for 2.4 which is a drop. And we would need a motion for had a.

>> Moved,.

>> Seconded.

>> Councilmember Chirco: We have a motion to approve. Is 2.4 dropped permanently?

>> Norberto Duenãs: I'm going to clarify whether that is a drop or whether it will come back.

>> Councilmember Chirco: All in favor, opposed, that passes unanimously. The 23 much 1. Library smart start program update.

>> Norberto Duenãs: Madam Chair, this is a short item, and we have new members. We should hear this.

>> Councilmember Chirco: All right, Jane.

>> Jane Light: This will give you a context for the presentation you'll be giving in a few months. We'll give Dawn just a second. We weren't sure if she was doing the presentation or not. There she is.

>> Thank you very much for the opportunity to report on the smart start San José program. The smart start San José program was established in 1999 to increase access to quality, affordable early childhood care and education for the families, and children in San José, especially those young children ages zero to age 5. The San José early care and education strategic work plan which is entitled investment in the future is currently undergoing revision by the early care and education commission and the revised plan is scheduled to be heard by this committee in May. Looking forward to that. The current plan includes four goal areas that create the foundation for the smart start San José programs, and this report will give an overview of some of the recent accomplishments of the smart start programs toward meeting these four goals. In October of last year, the local early education planning council of Santa Clara County released a county wide needs assessment for childcare. In that report it was found that within the City of San José there's a gap of nearly 30,000 childcare spaces. Approximately 1800 of those spaces, gas for spaces for infants and toddlers, 9,000 for preschoolers and 13,000 for school-age children. Our first goal is to increase the number and quality of early education spaces in San José. Through the library's partnership with the redevelopment agency, and other funders, moneys have been provided for facilities construction and program improvement, that has increased the number of smart start sites to 53. Which translates to 3488 new and improved spaces for children. Four new construction projects were celebrated this year with ribbon cutting evens, San José day nursery, infant toddler center, the charities preschool project, the paseo project, the MACSA center, and the San José youth school. Program quality improvement grants also provide funds to ten childcare centers and nine family childcare homes to enhance the quality of their early education programs through staff training, materials and equipment. Our program has maintained 8,000 spaces in licensed childcare homes throughout the city. The library and redevelopment continues to have an excellent partnership. Organizations that receive redevelopment funds for childcare projects through this program and in turn these programs commit to operating an early education program and to meet smart start requirements for a minimum of 15 years. The library then administers oversight to these program standards. The smart start program quality standards assure that these children receive a quality early education experience. This shows the San Antonio site that opened this past fall. For the past ten years the smart start family childcare program which is funded by CDBG moneys, assists low to moderate income families open state licensed childcare businesses. This program not only increases the number and quality of space available for our City's children but it also increases the number of microenterprise run mostly by women, the majority who are Hispanic. Ten months of economic coerce and workshops to build business skills, increased knowledge of child development and appropriate practice along with personal growth and leadership skills. For this program we partner with national Hispanic university, U.C. Davis extension, West Ed program for infant and child caregivers, over the past months, approximately 250 organizations have completed this program and we're expecting that many of these women will graduate this year. Our second goal is to assist in the development, 2009 marks the fifth smart start conference. The annual smart start conference brings together nearly 500 childcare providers, childcare center staff and administrators and parents for workshops on many child-related topics. We actually just

recently outgrew holding this conference at the county office of education and had to move to Evergreen valley or Evergreen Community College in order to house that many at the conference. This year the library was also awarded \$277,000 grant from the U.S. Department of Education to provide scholarships to preschool teachers working at smart start sites to assist them in completing an associate or bachelor's degree in early childhood education. The next goal is to increase the public's awareness of quality early care and education and to ensure that parents, especially, are able to access the resources they need. The annual children's fair is one way that we strive to meet this goal. Last April the children's fair celebrated its 20th anniversary with over 50 booths staffed by local nonprofit businesses, community organizations and government agencies that provide services to families with young children. Each booth provides information and resources to parents and caregivers on things such as child health, early care education, quality childcare and recreation activities, along with childcare for the children. Last year we had six,000 in attendance at this event. This year is being held on April 25th, theme is bridging our past with our future. Historic activities kids used to do, spinning the hoop and things like that along with robotics that children can interact with as well. Some overall updates for the smart start program is, the last moneys from the initial redevelopment funds for facility construction projects are now being expended. The library has expended moneys to increase program quality in both childcare centers and family childcare homes. The remaining moneys from the initial fund, again, are being -- are expended through redevelopment, though redevelopment's five-year budget reflects additional moneys in the coming years for the smart start program. Since its inception, the smart start program has created or improved nearly 50 locations and currently there are 53 smart start location throughout the City of San José. Some our next steps for the smart start program will include continuing to increase the number of smart start certified sites. We'll be doing be this by seeking out additional funding and by creating a process for voluntary association for families in family childcare homes. We continue to get requests on how I can be a smart start center. We are finding that a voluntary adoption might be a possibility here. We continue to strengthen smart start as a brand for quality early childcare and education, that's becoming recognized by parents and service providers. We are also continuing to seek out benefits for our smart start site such as cost effective training opportunities for their staff or parents and also group discounts for equipment, materials and services. That ends my report. If there's any questions, I can answer.

>> Councilmember Chirco: I would just like to thank staff for supporting my ploy that children are going to take over the world. I'm the chair of the early childcare commission, with that, are there any further questions? Kansen.

>> Councilmember Chu: Does the state have any standard for early childcare education, and to what standard are we matching our quality of the preschool education?

>> The state is in the process now of putting together early learning foundations which is similar to what K-12 has for program content. So they're in the process of doing that now, and doing pieces of that. Smart start actually has its own quality standards that were setback in 2000, 21, which includes having developmentally appropriate kindergarten readiness curriculum, that they continue having ongoing program assessment so they do a yearly program assessment that's required. We also require them to have regular communication with their feeder elementary schools so there's a bridge between preschool and kindergarten and the grades from there on. Another standard we have is that they have ongoing parent participation at all levels of their program. That, and -- that they're culturally competent. And the one standard that is unique is we have a technology component for children. So children have exposure to computers appropriately at an early age, as well.

>> Councilmember Chu: Thank you.

>> Councilmember Chirco: I have a question. I've heard the Obama administration talk about a priority being early education. And I think San José's a little unique in that we have the early care and education and the structure and the format. I was just wondering, maybe it would be to the City Manager's office or to the mayor's office, are there opportunities within the administrative -- the administration's priorities that we might be in a position to take advantage of?

>> Jane Light: And as we look at legislative opportunities we'll be looking at that. What I've seen so far from the stimulus package, which everyone is still discovering, I think, is that there's some money specifically for -- not the federal childcare program --

>> There's money coming down for quality improvement and also for increasing spaces through state-funded programs. So there maybe some opportunities for us to partner with existing government contracted agencies within the city, which there are several. And also, maybe when the -- when it's defined, how the quality improvement with it be distributed.

>> Jane Light: And we also I think anticipate that in addition to the stimulus over this next four years that the intent is that there will be some education initiatives that will improve early care, so that kindergarten readiness and school success is kind of better aligned. And we're not sure when such legislation will happen or initiatives out of the White House. But that was very clear, as part of President Obama's platform.

>> Councilmember Chirco: I know that you watched very closely and I work with education, the number one item I hear to make a dramatic difference in a child's education is early education. So on your already overcrowded plate, I'd like to add, watching federal legislation unfold. And maybe to talk to Betsy and see if anything that our lobbyist in Washington could red flag for us that would really help. When you look at the significant unmet need, it's breathtaking. And that also affects our economy, and whether parents can go to work, they have safe places for their children, quality childcare that makes a difference. I think those are all things that would help San José in its economic recovery and I think we're uniquely situated. I just had a couple of questions. I know page 2 of 5 it talks about expand and renovate. I was wondering whether there was any target between expansion and upgrading of facilities so they need -- upgrading of seats so they meet early care and education standards.

>> Right, that's part of the application process when they apply for those funds is how it will help them meet smart start standards. Because from the get-go they need to meet that as part of their compliance.

>> Jane Light: If we're talking about the \$292,000, those were one-time dollars that were actually put in the library's budget not this prior year but the previous year and we have been spending them over a two-year period to make sure we could adequately manage the number of grants. Because they're fairly small grants, a number of folks getting grants.

>> Councilmember Chirco: Well, I noticed that there were 12 family -- I'm sorry, 12 centers and 24 family childcare homes that applied. We were able to meet 10 centers and 9 families. This is more that asked than are funds. This is hard to ask in this time of tight funds but is this able to do in this time of work, especially the family centers because that seemed like it was the most that were turned away.

>> Jane Light: At this time, we're not aware of any. This was a creative idea, we worked on with the redevelopment. Because redevelopment can't usually do these kind of small grants. So we were able to work out something with the budget office and redevelopment where redevelopment funded some additional program in another area, that they were eligible to, to free up some General Fund dollars for this, on a one-time basis. So at this point given the condition of the General Fund we have not been talking about another opportunity to identify those kinds of dollars. Although, obviously, they're in great need, and people were very eager, and put a lot of thought into their proposals.

>> Councilmember Chirco: Well, I want to compliment the creativity and ingenuity that made this happen on a one-time --

>> Jane Light: And with our existing staff, I'll have to say.

>> Councilmember Chirco: I think she's got some administrative support and that's pretty much it if I'm right. Also wanted to just invite my fellow committee members to attend the smart start education program. That is just such an exhilarating movement. It is an empowering moment. A lot of the childcare providers who are now certified, it is a step up in their education. It empowers them to become wage earners and generate income for their families and also provides quality childcare spots. You can't help but walk out of there just feeling wonderful.

>> Jane Light: That date is what --

>> May 16th.

>> Jane Light: May 16th at 10:00. You'll all get invitations. It is a rather joyous time where women come, wear a graduation gown. Their families often children are there who are very proud. Who have actually sacrificed, because these students have been attending classes for a year, and for many folks, it's the first graduation ceremony they've been a part of. You see very quickly how a program like this has changed people's lives and economic prospects.

>> Councilmember Chirco: I know there was talk about doing it in Vietnamese also. You got quite a few Vietnamese participants.

>> Jane Light: The shot you saw was all women. It is in no way restricted to women, but the way families function, so far, everyone who has completed the program has been a woman.

>> Councilmember Chirco: And one last question. When will the scholarships be granted? I think that's pretty exciting. There were ten -- for a minimum of ten early educators at the national Hispanic university?

>> We actually have five in the process now and we are completing the process with the national Hispanic.

>> Councilmember Chirco: Very nice.

>> Jane Light: That was an earmark last year, that represent Honda's office who is very supportive of childcare, was able to help with.

>> Councilmember Chirco: Is anyone interested in addressing this agenda item? If I could have a motion?

>> Motion.

>> Second.

>> Councilmember Chirco: We have a motion and second to accept this great report. All in favor, opposed, that carries, thank you very much. The next item on the agenda is 3.2 which is the library programming model update. Welcome.

>> Jane Light: Thank you. I think many of you have met Sandra Stewart before. Sandra is -- manages the children's service at the King library and coordinates services throughout the system and we also use her talents as broadly as possible, as we do her peers. Every library, special activities, reading, getting teens into the library, senior citizen programs, around an issue we know or matter people are interested in. It pulls people together in sort of a social learning situation. Many library circumstances are people reading a book. We have done some programming but truly until we had our new buildings we were very inhibited. We couldn't do much of that. Now that we have computer labs and community rooms we have extended that a great deal but we also realize that therefore, we needed to have the maximum impact on the community, and use our staff the most effective and efficient way we could. And so rather than having each one of our 18 branches kind of go off and plan their own programs, we've developed a new model that's -- allows people to take opportunities that come when the local author offers them a special opportunity, but tries to really focus those areas on particular community needs. I asked Sandra to come here, this is also, I should mention, kind of a part of our libraries the San José way that we use as a way, a tag line for kind of innovative use of staff resources, that our library has developed, given that we know we'll never have very many, but we want to offer a lot of service and that other libraries actually come and pay to learn from us what we're doing. This was kind of an extension of that where we saw okay, let's look at how we do programming. So Sandra.

>> Thank you for your time today. I'm Sandra Stewart as Jane said and I'm youth services and programming manager for San José public library. I'm very excited to give you an update on our programming model. Programming in the library as Jane said has taken traditionally the form of story times, of course everybody expects those, puppet shows, practice interviews, conversation and ESL classes. We've offered these programs for each library fairly independently. The exceptions being summer reading celebration and Silicon Valley reads, most notably. In 2005, the United way of Silicon Valley issued a report, a comprehensive report that identified the most pressing health and human services needs for Santa Clara County. Two of the main goals were stability through crisis resolution and self-sufficiency through capacity building. The library decided to focus our attention on the goal of self sufficiency. And we decided to strategically model our program delivery into six core service response areas which make up this pie chart that you see, and they are reading promotion, obviously that's what we do best, cultural transition, support for education, career, physical and emotional well-being, effective parenting, school readiness, early childhood and preschool, service to new Americans, reading in English, language learning skills, and these are all in a circle so that we don't have one that's above any of the others. They're all equally important and we want to try and support our community by programming in all of these areas. Okay. So we came up with a systematic model, they share the workload and offer programs that are of high quality and in demand for San José residents. So the librarians are working in groups, and we're planning programs in each of those areas. And the planning process works like this. I'm trying to make this as simplified as possible. Because it's kind of end up -- anyway. There are basically five steps. One is identifying the community needs for each branch library. Identifying current programming that's currently happens, and the community needs that are being met, recognizing what the gaps are for the community needs that are not being met for programming that we aren't doing, and completing a database of program plans that can be implemented quickly and easily by the librarians and then evaluating that. So what happens first is the branch staff come together and they create a profile for the community that they are serving. The immediate community surrounding the branch. They pull information from the census, from school data, they get all sorts of information about the community that they are serving. So they have a profile of who it is that's

coming into the library and then they take an assessment of what are they currently doing, what programs are they already offering on a regular basis, and what needs within those six areas of that wheel are they filling. And once they've done that, they've identified what they're not doing, the gaps begin to appear and then they realize, okay, these are the areas that we need to do some programming. So that we're fulfilling needs for the community that we're serving. And this is where the program database that they've created comes in. Right now the database that the library staff have created have 390 different programs in it. And 309 possible program presenters. So library identify a gap, they say oh, well, we really need to provide some information for seniors on health. So what they'll do is go into this programs database and they can search which that demographic group and that type of program. They will pull up a list of possible programs and presenters which saves a lot of staff time. Because the majority of the time you spend while you're planning a program is how much, can we get it for free, all of those things are already figured out in a database for the librarians to use. That's the meat of it. Okay, so this also allows the librarians to be able to work together quickly and to meet the changing need of the community. For example, in March, each branch library is offering help to the residents, we're calling it free to succeed. Many has six or seven that are falling under this umbrella. Librarians are able to work together, because they have been able to come up with programs that are in the database that they can pull and share and work together to pull something off that works for the community, and saves staffer time. Also, because we have this database of presenters and possible partners, we're able to work with different community partners to present programming. Not every program that we do in the library is actually presented by the librarian staff. For example, we have such community partners as Siren, Eastside Adult Education and many other partners that allow for us to do programming at a low or no cost, and we're doing quality programming that is of interest to the community. Let's see. Many of our program costs especially for children and teens are subsidized by friends of the library others are paid for by grant funds or by a \$40,000 budget line item. For fiscal 2008-29. In terms of evaluation we regularly hand out surveys and we have a boomerang account that is health for surveys in the library. We ask for ideas of what customers have for future programs and often we do get caught up in the numbers. How many people attended the program but often the real question is did the program have a positive impact on the life of the customer. Did they learn something or did they gain a skill which will help them in their own life? And we're getting continuous feedback enabling us to do continuous improvement. But in terms of the numbers, during the last fiscal year, 2007-2008 we had 10,201 programs. That is a lot! They were offered to a cumulative audience of 332,674 people which is an average attendance of 32 people per program. Compared to the previous year, our programs offered went up by 11% and the overall attendance went up by 32%. Obviously this programming model is working for us. So it's reduced the cost per program and per attendee. We're offering more programs meeting the needs of the community. So does anybody have any questions?

>> Jane Light: I was just going to add, because I think we tried and failed, clearly we failed.

>> The attachment?

>> Jane Light: Yes.

>> Oh, okay.

>> Jane Light: We tried and we failed. Just because this year's size of this going to give you a couple of examples of a monthly calendar. How do people know about our programs? We are doing high-tech and low-tech approach. On the Website there is a list of all the events. Often a busy parent or anybody in the library wants to pick up a calendar for a month. So for each branch we do a monthly calendar that has all of the programs, and you can see almost, I suspect, if you have a couple of these I'll pass them around, for some of the branches, some of you are very familiar with.

>> Councilmember Chirco: I got Willow Glen.

>> Jane Light: You can each pick the ones you like the most. I think rose garden might be in there too. If you look at the calendar, there are next to no programs on Mondays. On Mondays we are presently only open 2:00 to 7:00 and only have part time staff working. Homework centers that appears on the calendar but otherwise, our programming takes place Tuesdays through Saturdays and you'll see a real variety of programs.

>> Councilmember Chirco: Are there any questions by the committee on this report? Councilmember Chu.

>> Councilmember Chu: I just wanted to congratulate you. This is really a very successful event. Personal testimony, I will say at the various libraries last night I have my community office hour there, and then I visit the friends of various library, they having a meeting there, got a chance to

participate a little bit. But most interesting is I was invited to read two story book to the young kids over there. So it was really, really good. I understand that we have also started Chinese computer language classes in Berryessa. So it is -- congratulations and thank you very much.

>> Jane Light: Thank you.

>> Councilmember Chirco: I had question. Well, we can all give testimonial as to how successful you've been with your library programs. I know Dr. Seuss's birthday has outgrown our library. It is now at the Camden community center because it is so well received. I just had a question, you were talking about your database. How long did it take you to build your 290 programs with 309 presenters?

>> Oh, that's a good question. We gave each of the groups of librarians in the six programming groups, we gave them assignments at first to -- every couple -- the first couple of months they had to create 10 individual programs in each of their areas. And then, after that, we assigned them more every month, until we got it built up and now it's just a part of, you know, the planning process. Oh I came up with a good program. Well you better put that in the database. So -- so we think about two years total.

>> Jane Light: And I think our partners really appreciate that. For example, we've done some programming with the diabetes society. And if they come and do a program at the Willow Glen library, they put a certain amount of effort into that program. If they can do it at Willow Glen, Berryessa and Evergreen it's much more worth their time, to benefit the program and many others benefit. In the past sometimes people Berryessa librarian and Evergreen librarian might both be work, both be calling the diabetes society, and not knowing the other one was doing it. So a more coordinated approach seems to work better for everybody.

>> Councilmember Chirco: I don't think there's enough good to be said about it. I did have a question. One of the things we look at is cost per delivery. When you look at how your attendance has gone up and the number of programs, what has the cost done, you know, per attendee? That's got to have dropped in this time of very scarce dollars. I note how your attendance had gone up. I know you don't have any more money. So you're getting more attendees at every program which would drive down the cost per individual.

>> Jane Light: Right. And we have fewer staff every year so it works better to spread them out. As I said to many of our partners, most of them are nonprofit organizations who do not charge a knee. They too are more and more under pressure. So if they know they can work with us, develop a program and give it several places instead of us wanting to tailor it, we are all more productive and our community benefits.

>> Councilmember Chirco: One last question. Is this database that others can access like maybe schools that are looking at a program for children that have diabetes? Or --

>> Currently the database is an internal product.

>> Jane Light: It could potentially be modified if we had an intern or something to make it an open one, as long as the presenters were agreeable, to have them done. But that's a thought that we might be able to fine an intern, someone that might be able to do that for us just as a part of the public Website.

>> Councilmember Chirco: And I didn't tell the complete truth because I do have another question now. You do have the library to San José way, kind of your curriculum or something that could be made the San José way, that might be a way to get cost recovery and yet get quality programs that others --

>> Jane Light: Actually, now that you mention it, we haven't -- our libraries the San José way program, kind of a consulting program but because we have only one or two staff members who can spend any time doing it and they actually are supposed to be producing things for the city, we have half-day and full-day workshops. Clients can choose to have workshops, we don't seriously modify them because of the cost of doing that. We were just saying the other day because we're just about to significantly increase our fees on that to the library clients, we need to look back on those workshops, bring sell of them up to date, drop some of them that we know are less popular, or the library world accepts those, rather than shockingly as they were six years ago, to move these to reflect what we are doing today. So these would be one of those potential ones.

>> Councilmember Chirco: When you build a light house program you have to constantly renovate the light house.

>> Jane Light: Every consultant Foss that, you can't sell the same old product year after year.

>> Councilmember Chirco: If there are no further questions from the committee, does anyone in the audience wish to address this agenda item? If not could I have a motion to accept the report?

>> Motion to accept the report.

>> Second.

>> Councilmember Chirco: I have a motion and second. All in favor, all opposed, hearing none, that passes unanimously. Thank you for a great report. I'm not as optimistic about the other one. But the next report is report on foreclosures.

>> Hi, I'm Jackie Morales-Ferrand. I'm assistant director for the housing department. We have Wayne Chen and Sandra Murillo, staff people who have been working very closely on the foreclosure issues. Wayne has been overseeing the policy development work and tracking the levels of foreclosure in our community, and Sandra has been in charge of our implementation. So they're going to lead us through this presentation.

>> Great, thank you. Again, my name is Wayne Chen with the housing department. I want to thank the council committee for having us here today to talk about the foreclosure issue. The presentation is in two parts. The first part is the contacts and status which I will go over and the various level of government responses that Sandra will discuss in detail. First, the San José context, the rate of foreclosure filings in the city is about 1.7% of all housing units in the city. I'll explain what a foreclosure filing is in just a moment. While this is a relatively moderate rate compared to other cities like Stockton and Modesto, in San José foreclosures tend to be concentrated in three primary geographic areas. The central San José area, East San José, and along the southern stretch of the Monterey highway. Very quickly, I'd like to give a quick background on the foreclosure process for those who aren't as familiar with this process, and it helps explain what a foreclosure filing is, and what the data means, when you actually hear numbers and figures. The foreclosure process really begins when a family or household is behind in their payment. Typically what happens is once a household is behind on their first payment it triggers a 90-day clock. At the end of the 90 days, if the household still hasn't made the payments, then the lender will issue a notice of default, which is the purple one. That's the first stage of the foreclosure filing. It's the first filing. 90 days after that, if the status is still delinquency, then the lender can issue a second filing which is a notice of trustee sale. A minimum of 20 days after that, is when the lender can post when they want to proceed with an auction sale at the county Courthouse to actually auction off the house. However a household does have five days before the auction sale to actually cure their situation, make up their delinquent payments, and go back to a normal status. Now, if that doesn't happy, if a cure does not occur, at the auction sale, the house can either go to the highest bidder or if no one bids then the bank actually takes it back. And that actually is a formal backs repossession or REO or bank owned, they are all synonymous terms. So it's important when you're hearing about foreclosure stats, sometimes the term foreclosure refers to the collective stages of the process. It could also refer to the final stage of the process, the number of 6 REO stage. So when you're hearing about stats you just want to clarify whether the term is being used to refer to the collective stages or to the final REO stage. So with that being said, in San José, the rate of foreclosure has -- it's really increased over the last couple of years. In all of 2007, there were 5800 foreclosure filings in the city. In 2008, from October to December alone there were about 3,000 new foreclosure filings. And then for the entire year of 2008, that number went up to 14,000. So if you look at the 5800 for all of '07 to 14,000 for all of 2008, that's about 140% increase in the number of foreclosure filings in the city. And again when I say foreclosure filings, it refers to the collective stages of the process. One thing to note is that there is a concern that the rate of foreclosures will remain at a relatively high level for the next couple of years. There is still a lot of adjustable rate mortgages that were set in the last five years that are yet to be reset. There is still a lot of bad stuff out there. The second is because the foreclosure crisis has really dragged down the entire economy it is spilling over into employment sectors. We are hearing this from phone calls we're getting, I don't think I'm going to be able to make my payment and I'm losing my job. So we think a significant component of the next wave of foreclosures will involve job losses and families losing their ability to pay their mortgages. Another impact of foreclosures is the vacant and neglected homes. As a result of bank owned homes or of households actually leaving their homes and abandoning them, during the process. Code enforcement division actually maintains a database and addresses this issue of abandoned homes. Between 2008 and 2009, code enforcement located 204 vacant homes, homes in the process much foreclosure. Code enforcement has stepped up their efforts to abate and be proactive about neglected vacant homes, this doesn't just affect the house itself with blight conditions but also has a spillover effect into the neighborhood. And so code enforcement has been doing a really good job about mitigating those issues. Another impact is the significant drop in housing values and housing sale prices for both single family homes and condos and town homes. So between December 2007 and 2008, the median price of a single family home sold dropped 39% from almost \$700,000 to \$450,000. Respectively for condominiums and town homes, there was a 43% drop from about 450,000 to 250,000. So you know, right now, many economists are thinking

that this particular economic situation will differ from some in the past, where it was a C- shaped recovery, you hit the bottom and you start to recover. We may be in a situation where we hit the bottom and we stay there for a protracted period of time. There's one silver lining. The recent data showing that there's a significant increase in home sales. That's largely due to first time home buyers where homes are finally affordable for a lot of the first time home buyers and it's roughly around the \$400,000 mark, that's reflected in the sales price data points. There's also anecdotal evidence from the Real Estate community that two-thirds of the homes are really foreclosed homes.

>>> The more impacted zip codes are 95111, 95127, 95122 and 95126. One in terms of the total number of foreclosures, one in terms of the foreclosure rate as a percentage of all housing units which is the second column and then the percentage of just the other than occupied housing units which is the third column and by any metric, the four zip codes are at the top or near the top, if you go to the next slide, next slide shows a really zoomed out scale of geographic concentrations of foreclosures and you can see the East side having a significant cluster and again, going down the 101. But we have zooms of these zip codes in our next slide. Here's 95111, and you can see significant clustering arounds Capital Expressway and Senter. The next one, real quickly, there is a key that show where the different dots refer to. The first dot is the notice of default. The blue dots represent homes that are going to the Courthouse to be sold at auction, and the pink ones are the ones that are actually bank-owned. I realize that the photos are a little bit small, so we can get bigger printouts of it to help you see a little bit better. The next slide is on 95122. And finally, 95127. You may recognize that many of these zip codes, most of these zip codes correspond to also strong neighborhood areas, like East valley, KONA, Mayfair as well as the Santee neighborhood. There are governmental responses at all levels. One of the first responses is from the federal level. It's a hope for homeowners program. It consists of efforts to help troubled homeowners refinance their mortgage payments. There are certain criteria such as the maximum loan amount of \$550,000, 90% loan to value requirement, and it's effective from October 1st, 2008, to September 30th, 2011. This program has had fairly limited success so far because of the two criteria listed there. Actually, negates a lot of the homes that are eligible for this program because so many homes are now underwater there is no equity in the house. The second limiting criteria is, oftentimes, these homes have mortgages with first, second and third lenders and the first lender needs to coordinate and collaborate with the second and third in order to make sure that a refi can take place and that's been a stick point. With that I'll turn it over to Sandra to discuss the other efforts.

>> Sandra Murillo, housing department. Thanks for this opportunity to share with you the implementation piece of this foreclosure process that we're working with here. The -- in addition to the help for homeowners, the homeowner affordability and stability plan was announced on February 18th. And the plan is intended to assist 7 to 9 million families restructure and refinance their mortgages to avoid foreclosures. Not applicable to families already facing foreclosures. This is intended to help the responsible homeowners, those who are making their payments. Or who are upside down or face unaffordable interest rate adjustments. The key components of this particular plan includes -- to assist homeowners who have conforming loans owned or guaranteed by Fannie Mae or Freddie Mac. And this would qualify approximately four to 5 million homeowners and it will help them reduce their payments by refinancing or reducing their interest, as well. \$75 billion has been set aside for this homeowner stability initiative. And it is also intended to strengthen the confidence of Fannie Mae and Freddie Mac. The home affordability -- home affordable modification program requires that the banks be in agreement with the treasury by, or enter into an agreement by December 31st, 2009. And lenders must agree to decrease payments to a 38% debt ratio. This is the monthly mortgage payments, and along with it comes incentives for each of the loan modifications that are done to servicers, borrowers and then also, borrowers who are current. At the state level, SB 1137 applies to loans that were made between January 1, 2003 and December 31st, 2007. And it requires that the lender communicate with the borrower prior to a notice of default. And if there is a tenant in the property it requires a 60-day eviction notice. Another component of this particular bill was the owner's requirement to maintain the exterior -- the property. Specifically, the exterior. And this enables jurisdictions to fine property owners \$1,000 a day if they do not maintain the property. Currently, code enforcement has announced their efforts, like Wayne was saying, their proactive efforts to keep track of these particular properties, because there is a lot of -- there is controversy out there in the neighborhoods at this point due to unkept and unmaintained properties. The State also announced keeping California in their homes. Very similar. A lot of these are very similar programs. They kind of overlap, asking for basically the same thing. But with a little twist. And keep Californians in their home also, it included a 90-day stay on the foreclosure process. So before you can go into -- before the

bank can enter into the process they need to have a conversation with the homeowner. It provides a safe harbor, an aggressive loan modification program, which means one that is there to help the client, not one that is to get the home foreclosed on quickly. With the loan modification, 18% debt to income, this was announced in November, 2008. Another less popular state senate bill X 27, included a moratorium for mortgages that were included between January 1, 2003 and January 1, 2008. Exceptions to certain loans, and those are, if they were held by a servicer with the state approved loan modification program, again with a 38% debt to income ratio, provides some sort of -- some combination of interest rate reductions, loan term extensions, deferrals, et cetera. There are concerns. Some advocates have concerns that this actually weakens requirements as it isn't as stringent as the FDIC program that many lenders have already started to implement. As mentioned earlier, moratoria were placed, and several banks, several major banks participated in this moratorium and agreed to stay the foreclosures, to give some of these programs an opportunity to be put into place. We, as of recent in February we had another extension of the moratorium, so that President Obama can implement and announce his plan. Banks have agreed to participate in, local banks have agreed to participate in the foreclosure prevention and resource fairs, we had one in August 2008, and we have one planned for April 23rd, 2009. And the banks are and have notified us that they are increasing their staffing on the loan modification side. In early February, Wamu opened an eight-person site. Chase will be opening one at Stevens Creek on March 18th. City efforts in response to this foreclosure crisis, in December I was charged with the responsibility to implement a foreclosures prevention program. The -- along with a fellow staff member, Robert Lopez, who was there by my side almost every single day. We convened a foreclosure prevention task force which under the auspices of don't borrow trouble, which includes representatives from the real estate agents, mortgage brokers, that include foreclosure prevention, and we included faith based organizations to be part of this as well. The foreclosure prevention task force adopted a comprehensive strategy which includes prevention, to reach folks at an early stage when they have that inkling that something may be wrong, if they're hearing announcements of possible layoffs in their jobs, whatever. Doing a little bit of budgeting, credit counseling, and then intervention, helping those, guiding those who require loan modification assistance, helping them through that process. But most importantly, it's a restabilization. Because there is going to be the reality that some of these folks won't be able to stay in their homes. And then what do they do afterwards? So we are looking at the resources that we have to help folks identify a place to rent, a new home, and then, with any financial resources, in order to move them to that new home. Because once the reality hits that they will not be able to maintain or keep their home, they need to have -- feel confident and comfortable that they will be able to continue on, and not become homeless. And that's the main purpose of this restabilization piece, is to prevent an increase in homelessness. Neighborhood stabilization is also a piece of it. And that will be under our -- the housing and economic recovery act of 2008, the neighborhood stabilization program funds that we received. We were awarded or allocated 5.6 million and HUD approved or plan in February, and we are still pending, and I heard yesterday that we should be getting our agreement here shortly for signature, so we can start spending money. These moneys will go to the acquisition and rehab of foreclosed or abandoned properties in hardest-hit areas and we have identified these hardest-hit areas to be the four zip codes that Wayne mentioned earlier. Once the foreclosure prevention task force met, in our first meeting, January 29th, we did some assessments as to what needs were out there, what resources do we have, and what needs or what gaps exist. And it was identified that there are certainly, there is certainly a need for additional HUD certified counselors. Foreclosure prevention counselors. There are only ten in the county, which is not sufficient, and they are receiving 60 to 80 phone calls a day, the nonprofits, each nonprofit that we're working with. And we have four nonprofits that we're working with. The ten certified counselors do not meet the need. Certainly a lot of outreach and marketing is necessary in order to make folks aware of the scams out there, where folks will be calling you, promising that they will help them get out of this foreclosure mess, for an up-front fee of, you know, \$2500. And these folks are desperate and many of them have gone looking and have found nothing. Short term financial assistance to get them over the hump or find them a new place to rent, a new rental properties. I think this is oso critical now because these families are going through such a critical and dramatic point in their lives, their whole family is being impacted by this, the kids need to -- may need to move from school, you know, there's been an increase in domestic violence, increase in truancy. So we looked at everything that would all of the impacts that this foreclosure crisis is having. From our initial meeting, we realized that the foreclosure counselors needed help. So through the real estate -- the real estate agencies and the mortgage brokers, we have come up or they have put together a list of 200 volunteers to help the foreclosure prevention counselors,

specifically with the intake piece of it. And this is going to be extremely helpful on an ongoing basis, plus at the resource fair that we are going to be hosting on the 23rd. The outreach and marketing we are doing, we are focusing on a neighborhood-based approach, bringing in the faith-based organizations, working with them to get the information out to their congregation, and also with the schools. Getting information out through the children, to the parents. We're coordinating a lenders meeting to try to get local lenders in, getting their support and backing. We have much of that now but we want their firm commitment in that -- in this particular event or effort. And from all of this, we created the foreclosure help program which will be launched April 20th, three days prior to the fair. This program will be looking at -- will be -- members of this particular task force, we will continue to look at prevention efforts at the first stage of foreclosures, how do we communicate, as much as the information, how do we deliver as much information to the families that are facing foreclosure through the court system. Having judges provide information, making sure that everybody that goes through has a resource that they can go to in order to get further assistance. We're also investigating the possibility of a foreclosure one-stop. We have 200 volunteers. We just need a place to put them. Very similar to lawyers in the library. Set up -- identify facility where these folks can go on a two, three, four-hour basis to volunteer time. And the volunteers all understand that this is at no fee or cost to the client. We are also looking at -- at the emergency shelter grant that we received from the stimulus. We were allocated \$4.1 million. These funds will be helpful in trying to prevent homelessness as it relates to foreclosures. We continue to monitor legislation, monitor the foreclosure scams and then explore any foreclosure ordinances. One which we are looking at, as a task force, is encouraging the possibility of -- well, implementing the thousand dollar per day fine on property owners who do not maintain their properties. So this is -- foreclosure help, it will be coming out soon. We have a Website, we will have a hot line so that we can -- so the folks can be directed to, A, central repository that will be -- that will have links to the nonprofits who provide these services to financial -- emergency financial services, to a variety of services, family counseling, you name it, it will be here. And there will also have a self-help guide for those who want to go through this process alone, they will have a guide to help them with that, as well. So that's where we're at with foreclosure help. If there's any questions I'd be more than happy to answer.

>> Councilmember Chirco: Questions by the committee. Councilmember Chu.

>> Councilmember Chu: Thank you. Questions on the outreach and the marketing. How do you plan on reaching out to, say, a Vietnamese American community which language may be a barrier? And how are you going to just reaching out to the general public, that the foreclosure help is available? You mentioned about the faith based organizations and schools. Any other means and ways that you will be considering?

>> Certainly. We are planning to have some public service announcements. In the launch we do have -- there will be a Presley on April 20th. We will have the mayor launch it. So there will be some television, radio announcements. We are also look at working with VTA to try to get some posters on the buses. Little bit of a challenge there because it's very offensive. But doing that, and with the faith based organizations, we're working with them to help us distribute a survey. And fliers. And the survey is to get the neighborhood response to the foreclosure, how it's impacting them, and whether or not they need assistance. We felt that going directly through a faith based organization, because this is such a private and emotional situation, that they would feel more comfortable going and responding to a survey if it was being delivered by their church or any other -- any other faith based organization that they are in contact with.

>> Councilmember Chu: I would encourage you to contact ethnic based organizations.

>> My apologies. They are in the list as well. We are looking at a few in Chinese also as well as English.

>> Councilmember Chirco: Councilmember Oliverio.

>> Councilmember Oliverio: Thank you, Vice Mayor. Question on the code enforcement side. What has been the response, if you go out to a neglected home and then you fine them, is there some type of communication you're receiving or is it going into a black hole? What's happening?

>> Thanks for the question, councilmember, that is one of our initial challenges is to try to figure out who is responsible for the property when we first got out there. But we've been working with our housing partner creating a database, as to who this lenders are, with the housing's help, we have been able to cut through the red tape, our success rate has improved over what it was initially.

>> Councilmember Oliverio: Would you say 50% respond and make reassessment?

>> They don't want to be subject to fine or abating those nuisances. It would be triple what it would be to hire a contractor themselves. p.m. so it's no need to go to lien stage?

>> First of all, I think San José has adequate violation, \$250, 500 and then more. If you come across a vacant structure that's unsecured we can board it up immediately and will do so so that we protect the neighborhood and the community and thirdly, we do have an ability to go through the public hearing process and subsequent abate the nuisance as well. Finally, this council had the foresight to adopt a policy, we will require to register that property as a neglected vacant property and we will bill them for our cost as far as inspecting the property on a monthly basis, make sure they're maintaining it for not only now but in the coming future. I think we have adequate tools to address the lenders and the word out on the street as a result for that, the lenders will take care of their property.

>> Councilmember Oliverio: I feel that is really effective it will the internal affect of the home and the other side, the impact on the neighborhood and clearly maintain those homes and having them cleaned up so it doesn't become a detriment to the balance of the neighborhood. I would say go forward and keep maintaining. I don't see this economy bright thing any time soon, and I would imagine we'll be living with this problem in a committee meeting next year.

>> Unfortunately I agree with you. I hope the word gets out on the street that residents and neighbors don't have to live with this. If they see a blighted property they should get in touch with code enforcement and we'll take care of it.

>> Councilmember Oliverio: Appreciate it.

>> Councilmember Chirco: A couple of questions. Have you thought about sending out information in the trash bills, that's something the city controls.

>> That wasn't in our list of things to do, outreach but that is a very good suggestion.

>> Councilmember Chirco: And then probably Ben would be the best one for this one. Talking to the superintendents about the possibility of getting the information out in school newsletters and information, getting the permission of the superintendent. And the third thought I had is, working with the authorized enrollers for the children's health initiative because you're dealing with children who don't have health insurance. Which I think you're going to find some of these families and children are falling into the cracks. And these are state-approved enrollers, so there's a very high confidentiality issue.

>> Thank you for those suggestions.

>> Councilmember Chirco: Kind of working backwards here. You said you were working with a lot of Realtors. I good only guess you are in contact with the Realtors association.

>> Santa Clara Valley association of Realtors and San José association of Realtors.

>> Councilmember Chirco: And then the money --

>> Federal stimulus money, homeless prevention. 4.1 million.

>> Councilmember Chirco: On the family counseling, who is actually doing the family counseling? You said you had 200 volunteers. Are they all doing family counseling, are they doing financial counseling?

>> The majority of them will be assisting the HUD certified counselors with the intake and packaging process. That's where they identified the needs of most to take in the documentation, make sure all the documentation is there, also hear their story for the first time. And the story is really important because it's their initial -- it's the start of their healing process. Those three pieces there was taking a lot of time, the HUD-certified counselors' time. So that's where they asked for assistance. The family counseling, we would -- if it's not just listening to the story but actual family counseling, we would refer them on to our family counseling partners.

>> Councilmember Chirco: And does that come with financing? All of our nonprofit partners are struggling and I heard about the code enforcement. But that one property, 1139 I believe it was where there's a \$1,000 fine there's a lot of kind of -- I don't know what the word is -- there's issues that go with this that really transcend just the loss of a home. It's the training of the counselors, it's the family counseling, and it almost seems that if somebody is repossessed a home and it's gotten to the attention of code enforcement, I don't have much sympathy. Thousand dollars a day and I know there's always a nexus issue. You need trained, because you were talking about additional HUD certified counselors. There's only 10. And so how long does it take to train a HUD certified counselor? What is the cost? Can we look at some of the former mortgage brokers, because they've got some of the financial background to do that additional training that can now make them certified HUD counselors, and using some of the funds? It's just -- these are thoughts that went through my head as I heard your presentation.

>> Neighborworks America has offered and has provided counseling to increase or training to increase the number of counselors. But unfortunately, like you say, the nonprofits don't have enough funding to increase their staff, to provide this counseling on an ongoing basis. We are looking to try to get neighborworks to train a number of the real estate agents or a number of the volunteers who have this

skill set that is needed. That, we are looking at because there's -- there's no funds available to add that number.

>> Councilmember Chirco: And I really appreciate looking at but we need this help yesterday. Two people I'm going to look at is code enforcement and City Manager's office. If this is help allowed under state law, and for this reason, code enforcement, mechanisms in our city, that is only to help City Hall. There is a great deal of suffering going on that was brought on by this ill-advised financing, and here is a mechanism that maybe we can begin to get some resources to help heal the community. So one is to the City Manager, and the other is to code enforcement.

>> Let me make a clarification. SB 1147 was really focused against the lenders, once you've gone through the process of foreclosing on a property, where you the bank now own the property, the state law says you are responsible to make sure the property is secure. The issue is fining \$1,000 a day. Code enforcement is very conscious of the financial situation our residents are finding themselves in. To the point that I'm instructing my agents, the building issue on their property, I've told my inspectors to pull back, not issue fines to somebody struggling to keep their home. It doesn't do me any good to issue a citation to a person who is in 90 days not going to be living on the property. I've asked my officers to be sensitive to that fact. I have asked them to confirm with the property owner that in fact they are indeed in the notice of default stage, so we can work with them to correct the condition. I've asked my officers to take a little bit more of a compassionate approach on enforcement --

>> Councilmember Chirco: I totally agree with you. I think your officers are doing a great job. I'm looking for a mechanism that we might be legally able to access to help the housing department. And it's -- I totally respect you and I think you do an excellent job as do your officers. So my question is really, is this something we can do, when they come to our attention, there is this tool, that we could leviesy these fines. I mean, don't draw our attention. Keep the property up, and you don't have to talk to us. But if you get our attention, there is a tool that we might be able to get more funding to train these people that we so critically need which affects the quality of our community life. So no, keep up the great work you're doing. I totally respect and salute you.

>> Norberto Duenãs: Madam Chair, members of the committee, appreciate those comments. This team, while you see a formal product up here, this team has been working for quite some time in tracking this issue. I couldn't help when listening to Wayne do his presentation seeing the various stations of the development of a perfect storm. And we've seen how we've gone to, first, foreclosures increasing at the high level, and kind of a sense well, housing prices are not going down so it's a different situation for us. And then we saw the housing prices going down. So that adds another element and now we're dealing with the employment piece. We will continue to evaluate all the tools that we have, including the ones that you just mentioned, and make the necessary adjustments to do what we can. I totally agree with Councilmember Oliverio, the focus, because this is not -- this is a market-created situation, if you will, the focus needs to be in preserving of the neighborhoods. That is the one where we have the most control over and that's the one where we have a number of tools that we can use. I think on the market piece things have happened so quickly that we continue to find ourselves behind the curve. And what's very troubling is that you are going to continue to see over the next three years those adjustable rates continuing to go up. You've seen the wave of foreclosures over the last two-year period and we can see a wave coming over the next probably another two years. So again, I think our focus has to be the preservation of the neighborhoods, and we'll continue to keep you posted on the nature of the work. This group of, housing, code enforcement, also SNI, and you have a lot of caring people looking at this issue.

>> Councilmember Chirco: I can only echo what Norberto has just said, the hard work of that they've been doing, I agree with Councilmember Oliverio, preservation of our neighborhoods, as I heard, San José has been forward-thinking as they passed ordinances that allowed that to occur. So just looking for tools that might assist us further. Are there any other questions by the committee?

>> Councilmember Oliverio: Motion to accept the report.

>> Councilmember Chu: Second.

>> Councilmember Chirco: Anyone in the vast audience wishing to address the committee on this? Okay we have a motion and second to accept the report. All those in favor? All those opposed? Hearing none, that motion carries. Thank you for an excellent report. Keep your energy up. The work is large. I believe -- is there a verbal report on school/cities at this point?

>> Norberto Duenãs: Madam Chair, members of the committee, the schools-cities collaboration meeting was cancelled for March so we'd like to defer that until the next meeting.

>> Councilmember Chirco: Could I have a motion to defer?

>> Councilmember Oliverio: Motion to defer.

>> Councilmember Chu: Second.

>> Councilmember Chirco: Motion to defer, all in favor, opposed, carries. Last item is open forum. And the meeting is adjourned. Thank you.