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City of San José neighborhood services and education committee.

>> Councilmember Campos: Go ahead and call the neighborhood service and education committee to order. And I will ask the secretary to please take roll call. [Roll call]

>> Councilmember Campos: So we have a quorum. And at this time, I'm going to ask Norberto Duenās to take up item B, review of the work plan.

>> Norberto Duenās: Yes, Madam Chair, members of the committee. Under item B we have two items that we are requesting be deferred to October 8th. Those are the report on the PDO/PIO in lieu fee agreement, and the evaluation of surplus city properties for charter schools.

>> Councilmember Campos: Do we have a motion? Could we have a motion for deferral of these items? All in favor? Opposed, that passes. We have nothing on consent calendar and I believe we are going to take up on the regular agenda, item number 3 which is the neighborhood commission.

>> Norberto Duenās: Right, Madam Chair, members of the committee, Ernest Guzman is here to do a brief presentation. We thought we would hear this item first since it's only going to take a few minutes.

>> Madam Chair, madam vice mayor, councilmembers, my name is Ernest Guzman, Community Services Supervisor, Neighborhood Development Center, City Manager's Office. Part of what was on the work plan originally approved for the neighborhoods commission was to give a status report at this meeting, on where we've gone according to the three-month work plan adopted in June as part of the neighborhood commission protocol.

We've had three meetings. The last one occurred last night. But I wanted to walk you through at least through what's been going on so far. Under month 1 on the preliminary work plan it was stipulated that the commissioners have the bulk of their training on how to actually perform their duties as commissioners. As you can see by the slide, we had most of that take up the bulk of the first meeting on July 13th, to bring them up to speed on what their roles and responsibilities would be as commissioners. The top part is really of interest, which was, we had a variety of councilmembers that are listed above, and a representative from the mayor's office come to kick off so to speak by welcoming the commission. That was very heartening to the commissioners because they saw the importance of the fact that we had these many elected representatives there to offer their support. At the second meeting, on August 12th, part of the work plan stipulated that we then talk about the finishing the training, that we then go ahead and start working on the bylaws, and the preliminary discussion on a work plan, which would be coming to you next month. We also took up some of the items that were pro forma, such as the swearing in of one of the commissioners, the approval of an alternate to fill the vacancy in District 1, and also, because we have a District 9 vacancy, a discussion to perhaps hold special caucus to fill that vacancy, and that was approved at this meeting, and we have been working on that since, and I'll tell you about that briefly in a second. But it was also an opportunity for the City Manager to come and give her welcome to the commission and lay out a lot of what she saw the value of the commission would be to the city as well as the enormous expectations that they would have in developing their work plan to go ahead and support the city in its business in terms of working with neighborhoods and communities. The meeting last night which doesn't have a slide, but I'll tell you briefly what happened. We had the election for chair and vice chair. The chair by substantial vote was Beth Shaffer Macai, she is from District 3. We had a surprise for the vice chair which was we had Christopher Zao from District 4, he is the youngest commissioner from the folks who were elected in the caucuses. The reason I bring this up is because up until he actually came of age, by reaching 18, we were having to look at additional paperwork because when he was selected, we would have had to get parents' consent. So the fact that the commissioners felt comfortable in electing him as the vice chair offers a nice indication of the bridge that's being built between experience, which Beth brings to the chairmanship, by having been a part of the original organizing group for the neighborhoods commission, as well as having Chris come on board as the vice chair, he gave a very impassioned speech in which he used the word "passion" several times, and he came up against some very sophisticated competition. He managed to overcome that and become the vice chair. So we're looking forward to part of what the mandate of this new commission is, which is to build new leadership. Certainly, with Chris there, that's going to be a good mentoring role for a lot of young people that are looking to get involved in this. The final thing is that we're going to be having a special caucus in District 9 on September 26th, Saturday at the Cambrian library from 10:00 to 12:00. We are in the process of -- we sent out a press release, we're working with a team including the vice mayor's office to make that happen. And we have as of last evening developed the first priorities for the work plan which will be presented to you in October. And bear in mind, this is a working draft which you'll be able to give input in and then we should come back with a final work plan after your input. So that's the very brief

report on where we are. We are completely on target, meeting all the preliminary work plan goals set up in June, and so I'm pleased to report for your consideration this report, then.

>> Councilmember Campos: Thank you. There are any questions or comments? Councilmember Chu.

>> Councilmember Chu: Thank you, Madam Chair. Thank you for the report. I just wanted to say that I'm very proud of Chris being elected as the vice chair. He wasn't a -- he wasn't a surprise to me. Chris has been a very smart young man. To have intern in my office for more than a year, so really, really happy to see him moving up to be selected or elected, in District, as the representative for the neighborhood commissions, and also being recognized by his colleagues in the neighborhood commission. I just had one quick question for your last slide.

>> Uh-huh.

>> Councilmember Chu: Was there a councilmember there on the August 12th meeting?

>> On the August 12th meeting, we had -- I think we had Councilmember Herrera, I think -- I have to look at that time notes. I don't have the notes in front of me. But we have -- at every single meeting we've had councilmembers attend. At least to be able to make -- and I believe it may have actually been you, councilmember, that was there.

>> Councilmember Chu: Thank you very much. Thank you very much. We'll find that out.

>> I apologize. But in looking at the attendance, if I neglected to list you, I certainly acknowledge that you were there to give welcoming comments. I'll give that mention in my next report. The vice mayor was at the last meeting last night, and gave a very thought-provoking and very supportive presentation at the commission. One of the things that I wanted to say, and I would have said at the next meeting, was that in giving her comments the vice chair has been the champion at the commission, along with several of the other councilmembers in making it occur. So certainly when she came and gave her comments last night to the commission, it was welcomed as part of the history of what their duties are in terms of fulfilling a vision that's been building for at least six or seven years.

>> Councilmember Campos: Thank you for those comments about the vice mayor. Vice mayor wanted to speak.

>> Councilmember Chirco: Well, I want to thank Ernest. He's been on both sides of the table in this particular issue. And he's done a great job of marshaling, coralling, urging and coaching. And I want to acknowledge the work he's done to bring it to this point. So thank you, Ernest, what you have accomplished in the not so great length of time that you've been with the city so thank you very much.

>> You're very welcome.

>> Councilmember Campos: Are there any other comments? I think the presentation is very timely. I know that this has been in the making for a long time, and we had a few delays, and it finally came to fruition, and now we're here and we're hearing how many members, councilmembers are engaged in encouraging the commission to continue to be bold and think of ideas that they can work on. And when we think of what the city's tasked to do, it's really about bringing leaders beyond councilmembers to the table so we can share their great ideas and make the city a better place for everyone. So I'm excited that you're here to give us a quick update and I look forward to many more updates as we move forward with this commission. Thank you.

>> Thank you very much.

>> Councilmember Chirco: I'd like to move approval of the report and to accept it.

>> Second.

>> Councilmember Campos: All those in favor, aye, that passes unanimously. Now we'll go back to the beginning of the agenda and I believe we're going to hear a status report on foreclosures.

>> Hi, I'm Jackie Morales Brand, and I'm the assistant director for the housing department. And it takes a whole team of us to create a comprehensive response to foreclosures. And so I'm going to let the team identify themselves and then we'll start.

>> Good afternoon, Mike Hannon code enforcement official for the City of San José.

>> Marlene Santiago program manager for the City of San José foreclosure help center.

>> Sandra Murillo City of San José housing department CDBG and foreclosure help.

>> Wayne Chen, City of San José, planning division.

>> Well, good afternoon and thank you for giving us the opportunity to come back here today and to give you a status update report on foreclosures in the city. While foreclosures continue to occur, there have been several city responses that have been implemented in order to mitigate the impact of foreclosures, and we'd like to share some of that with you today. And we'd also like to talk about some of the new foreclosure statistics and how banks may be performing in terms of performing loan modifications. So you

pay have heard that the housing market has stabilized what and that housing prices may show signs of going back up. That seems to be offset by the fact that foreclosure rates remain high. Just taking a look at this chart, in 2006, for the entire year, marked by the first dotted line, at the end of that year there were about 1900 total foreclosure filings. And you can split that out by 1800 notice of defaults which is the first filing of the foreclosure process, 140 REOs where the home actually gets repossessed by the bank and ten notices for auction sales. You fast-forward that to the second quarter of 2009 which was the end of June 30th, June 30th of 2009, that number has increased dramatically. By the second quarter of 2009, the city experienced over 30,000 total foreclosure filings. About 21,000 notices of defaults. 7400 repossessions. And 2200 auction sales. So what does that mean? That translates from the end of 2006 to the most recent quarter, the second quarter of 2009, it's a 1600% increase in a total number of foreclosure filings. That's a 5300% increase in the number of repossessions. Now, what that means is, 7400 families actually lost their homes in San José. And that's about 22,000 total San José residents. So that's -- that's a big population. You have with you also a separate chart that shows the cumulative number of defaults, REOs and auction sales. It's a separate piece of paper in front of you and you can actually see how the numbers begin to accumulate and stack up over the last three years. One general between foreclosures now and foreclosures of the recent past is the current wave is really characterized by job losses and wage cuts from 1 or 2 of the householders. Whereas before, the wave of foreclosures were really characterized with subprime mortgages or interest rates resetting. San José foreclosures remain concentrated in the Eastside of San José and in certain strong neighborhoods initiative areas. So there have been some recent legislative changes at the federal level to help mitigate the rise in foreclosures. One of the changes occurs in the making home affordable program which is President Obama's federal program to mitigate foreclosures, through loan modifications. One of the alternatives is to provide incentives for servicers and borrowers to pursue short sales, and deeds in lieu for foreclosures, in certain specific cases. There's also a home price decline protection incentive which provides lenders additional incentives for modifications where home price declines have been most severe and where lenders may fear that declines may continue to persist. So this is one incentive to get lenders to perform more loan modifications. There is another change at the federal level which is a 90 day notice for tenants who may be living in housing and their renters and this is to provide continued housing options for renters. There is a provision to honor existing leases through the term of the lease even if the home is in foreclosure and there is a provision to honor Section 8 vouchers to allow renters to continue to stay in these units. Now, banks are a critical part of the loan modification process, and the foreclosure mitigation efforts. It's really up to the banks and the counselors that we have to work with each other to provide loan modifications. Now, what we see here are some data from the U.S. Treasury about how banks are actually performing under the Making Home Affordable program. And what we see here, really, is J.P. Morgan Chase performing the best out of the large national banks and loan servicers, and then Citimortgage, which is a subsidiary of Citibank. What these columns show is for example J.P. Morgan Chase, there's about 400,000 mortgages that are eligible for loan modification. Currently about 80,000 of them have started a trial modification to see how the homeowners will -- whether they will be able to pay the new mortgage rates and mortgage payments. It is about 20% of the eligible mortgages are now under a modification. But as you move down you see that Wells Fargo, Bank of America and Wachovia tend to perform not as well. Some of the reasons, one of the reasons may be because the program is still relatively new, some of the banks and loan servicers may have just signed up of being part of the making home affordable program. But there is still certainly a lot of room to grow and to go. However, the counselors who actually interface with the banks and the loan service providers on behalf of clients have reported other issues such as issues with capacity, with just the process of actually processing all the paperwork, and the general attitudes of banks and servicers, that may have impeded the loan modification process. So some broad themes have emerged from counselors, the experience of counselors. The first is that there's just difficulty trying to communicate with servicers, trying to reach the same individual at that time bank, trying to get through to someone who is seeing the paperwork following through the process. Another one is not following the guidelines of the making home affordable program. And there are other frustrations with the system as a whole. For example, with clients needing to submit their paperwork three or four times or having the paperwork maybe lost in the process or having the process take quite a long time. Having denials of loan modification without any specific reason for a denial. So there's still difficulties in the system, and hopefully, will be able to work through that. With that, I'll turn this over to Sandra.

>> Good afternoon and thank you. I'm going to be very brief here, because I want to turn this over to Marlene who has been on the front line working with the foreclosure clients. But I want to make one correction on the slide. The hot line is 794-1242. That number there goes directly to Marlene. We have been opened for just four months. And we have seen some successes. And Marlene has been very instrumental in that. She comes from neighborhood housing services Silicon Valley, was a HUD-certified counselor at the NHS, and has been extremely helpful in moving all of the services along. So I'm going to turn it over to her.

>> Thank you for allowing me to be a part of the City of San José foreclosure prevention initiative. We continue to serve as a hot line as well as an intake center. We've recruited over 45 real estate professional volunteers to assist us and support our center. We have served 326 clients, either by phone or in our office, to take their intake. Seven families as of May have received a trial loan modification, either through the making home affordable plan, or through their lender directly. We hope that those families will be able to continue to keep their home. We have recovered \$5500 from a rescue scam that a client felt that they were a victim of. Another client who was also a victim of a rescue scam was evicted and we were able to restabilize that family by providing rental assistance, and one time deposit through the one-stop homelessness center. The income categories that you see there are the actual completed intakes that were taken in our office. So that would be 156 of our clients that were forwarded to the nonprofit HUD approved agencies, who are hopefully pending approval of a loan modification. And 50% of the clients that we've spoken with, either by phone or by appointment, continue to come in because of job loss or reduction of income. And 10% are coming in because of a current reset or an increase in the payments. And others are calling us from other areas, and generally we just service them and assign them to a HUD agency that is local to where they live. We had a foreclosure prevention resource fair at the beginning of the year and 97% of those attendees had their expectations met. Thank you.

>> Other efforts that the city is involved in, is with NSP 1 and NSP 2. NSP one, we are working with the redevelopment agency to identify foreclosed multi15 residential properties for acquisition, rehab and then reoccupancy. And then we are going to be presenting to council on September 15th, or recommending our selection for a contractor to perform the NSP 1 single family program, which is to acquire, rehab and resell to income eligible households, single family properties within the SNI areas. The other is, NSP 2 which is part of the American reinvestment and recovery act. We co-authored an application, a \$25 million application with the housing trust of Santa Clara County and neighborhood housing services Silicon Valley. Two of the programs that are going to be offered are down payment assistance, \$5 million will be allocated to down payment assistance, and \$18 million will be for acquisition, rehab resale or reoccupancy are foreclosed homes in residential properties. Of that 18 million, 25% will be -- well, a total of 25% of the 25 million will be set aside for very low income households. So we're expecting about \$6,500,000 to go to multifamily or single-family units that are available for rental. Next would be Mike.

>> Good afternoon, as sobering as this news is regarding foreclosures and as it impacts our residents of San José it also has a destabilizing effect on our neighborhoods. They can foreclose properties, not only destabilize neighborhoods but bring down the value of other properties in that neighborhood and therefore code enforcement has taken a very aggressive approach to address this issue. We -- back in March of 2009 we began a street by street inspection of all vacant homes in the SNI neighborhoods. In the non-SNI neighborhoods we've relied on resident complaints and residents are generally the first to advise us when they do see a property that's not being maintained. We, as I mentioned, took a no-tolerance approach. My instructions to my staff is that we are to issue instructions to banks and lenders immediately upon discovering a property that's not being maintained. I want the message to be to the banks that you are a property owner and you have responsibility for this property and to this neighborhood and therefore we're going to issue the citation, give you the opportunity to correct before issuing another citation, it's been effective. We have seen a lot of the banks and lenders have stepped up and taken responsibility for their properties. As you can see in the charts, we've identified and inspected over 802 properties. It's greater than 75% of those and would I say close to 90% of those are probably properties that are in some state -- are in foreclosure stage. We've issued well over 157 citations just in the SNI neighborhoods alone in our memo we mentioned 233, that's citywide and we abated 45 public nuisances through our efforts. We tried to get the word out in the community. We did quite a bit of ACRN. The community wants the city to be aggressive, they want the city to be responsive. We are only going to be successful if the community participates in the process. So we've asked PACT, we've asked ACORN to partner with us and bring these issues to our attention, and they've done so, and we appreciate that. The next few slides I just want to demonstrate some of the properties that we are

inspecting and coming across and some of the efforts that we've made. These are before and after photographs. Here is a property on Millicent court, you see the vegetation overgrown on that property and you can see what our efforts -- what will happen is the code enforcement officer will issue the citation to the bank may issue a second citation to the bank. We will not let this deterioration to continue. What we'll then do is we will ask the city contractor to go out there, cut the weeds back, we will then bill the property owner and subsequently place a lien on the property for any cost that we, the city, have incurred in abating this nuisance. So here's a good example, of Millicent Court. Next, on C.R. Road, again, overgrown vegetation. Not only is it a blight to the community, but it's also a fire hazard. Anybody that discards a match or a cigarette on this property could not only damage this property but adjoining properties as well. And in the after photograph you can see again, not great, but certainly much better than what we observed when we first got to that property. Property on South 19th Street. And this is, again, typical of what we've seen, a lot of overgrown vegetation. In some cases we are seeing structures that are not in a secure position, homeless getting into them, transient, kids looking for -- just to create problems. So we're boarding those up, as well, as we come across one. So this next photograph will show how we've cleaned this one up. Next. This is one of the first properties that was brought to our attention through actually pact. This was one that they were actually highlighting as they indicated to the city was not responsive and the city needed to be more responsive so here is a side view of this property with the overgrown vegetation and the other photograph you'll see on the next slide we took care of that and then the next slide shows again this property was not only blighted with overgrown vegetation, but people were using it to dump discarded items. So we -- and you can see in the backyard, so we made sure that that all got cleaned up as well. Next you can see that's the condition of the property. So not only are we cleaning up these properties but we are now monitoring them. Until such time as that property is sold and/or reoccupied we will monitor that property. City council back in the early '90s allowed code enforcement to charge a property owner in essence a reinspection fee for neglected, vacant properties. If you can't demonstrate as a property owner, and that includes banks and lenders, that you can manage your property, we're going to bill you for every time we have to go out there and we're going to do so for at least nine months. I want you to be able to demonstrate over a period of time that you can manage your property and so we're going to bill this bank for every month we're out there at least for a minimum of nine months. If they're able to demonstrate that they can manage this program we'll take them out of the vacant home monitoring program and rely on the residents to keep us apprised. Next. This is another property on Falen court. The unfortunate thing again, we can't get enough communication out to our residents to make sure they bring these issues to our attention. As limited as we are in the city in terms of the number of staff we have, we do really rely on residents to bring this issue to our attention early and often. We will have a code enforcement officer out in response to a complaint like this within 48 hours. And again, I mentioned we are taking that no tolerance approach. You can see how we cleaned up this property. Those are our efforts to date.

>> To continue to spread the word on foreclosure help and that the city is -- has services, free services to assist those who are being impacted by foreclosure, we have a pretty comprehensive outreach effort going on. And again we have the foreclosure help hot line, want to correct the number, it should be 1242 and we have a Website where they can go and get additional information. And then we also have resource pocket guides and fliers which Marlene has brought some to share with all. We are stating our public service announcements. Not only on the 90-day notice for tenants but also on just letting folks know that we're here, we're available and we've also started to work with the media. We're doing community surveys, going through the faith based organizations within the impacted areas to get input from the neighborhoods. And the prevention and resource fairs events. Right now we are working with the Santa Clara County association of Realtors who received a grant to put on a fair and we're targeting an October fair date. Middle to late October. Some of the public service announcements or one of the public service announcements that we did already was through Guinada Del Via on September 6th. We are scheduled to do SNI presentations at their meetings. We did one Monday -- Tuesday. Tuesday. And very, very receptive crowd and had a lot of information and we got -- we had six individuals that were very interested in our assistance that particular night. The resource fairs or events that we've done, we were at District 4 on the 29th. That same day we were at the celebration Del campo, hosted by Work2Future in Morgan Hill. And on the 30th we were on KTEH with -- facing the mortgage crisis, right. And again, working with score to host another foreclosure fair in October. The next steps, we are also working with, on an investment policy which is a council referral, working with finance, and to determine how we can encourage the banks to work a little bit closer with the foreclosure issue and how -- and I guess Jackie

you probably would be better to explain this but to give them an incentive, so that they can concentrate on San José. If they're in San José, concentrate on San José and help us work with that particular -- with the foreclosure issue. We will continue to monitor and track. We do have a database set up at the foreclosure help center and Marlene keeps very close eye on that. And then again, the next step is another foreclosure fair. One other thing that I wanted to add which is not on here. South valley -- I mean South County, Gilroy, Morgan Hill, San Benito County, San Martin, they are very interested in starting the foreclosure help, so they've asked for our assistance in providing the resources, providing them the information on how they can get their program up and running as well, so we just started talking to them yesterday.

>> Councilmember Campos: Thank you for presentation. At this point there are any questions or comments from my colleagues? Councilmember Chu.

>> Councilmember Chu: Thank you, Madam Chair. The question, Mike, this proactive code enforcement, right now you're concentrating on the SNI area. Is that any plan in the future to expand it into the nonSNI area?

>> Yeah, when we first started the -- part of it is funding you know, again it was this council that provided code enforcement with two additional code enforcement officers in the SNI program, as part of the redevelopment budget this past December. It is with those two officers that we were able to initiate the proactive enforcement in the SNI. But we did kind of expand it kind of into the area of effect, a little bit beyond the SNI areas because we knew there were some neighborhoods just outside the SNI that were significantly impacted so we did use those resources in those areas as well. We did do an initial street by street inspection in the non-SNI neighborhoods, we haven't seen the same impact as we have seen in the SNI neighborhoods. So we are continuing the street by street in SNI as we move forward as long as that funding continues. In the nonSNI neighborhoods we're relying on residents to refer those issues to us and/or other code enforcement officers or other city staff as they come across them.

>> Councilmember Chu: Thank you.

>> Councilmember Campos: Any other questions? First of all, thank you for the presentation. It was very clear and very precise on what you've been able to do from the last time we had a brief overview of, I believe it was at a council meeting we were talking about where this money was going to go. I just have a couple of questions and then a few comments. Regarding the NSP 1 recovery act, right now has there been any money spent, or you're coming to council to get approval to spend that money? It wasn't clear to me on that.

>> We are getting approval to enter into a contract with the contractor to do the single family home program.

>> Councilmember Campos: I remember asking the question about, I know we were going to look at SNI areas and look at buying half a block or a block so that we would be able to really find value in our --

>> Yes, because we have actually made three offers, which total, in our budget when we think about the offer and the relocation cost and the rehab for those three, four plexes, it would -- we're estimating that going to be costing us about \$2.3 million. Now, we haven't -- none of the offers have actually been accepted. It's taking much longer for the whole process to work its way through the system. Because one of the requirements is that we have to purchase the property, below the appraised value. So we're not able to offer top or compete with other offers. So we're still waiting. But we have now actually entered the market and are trying to be active. It's trying to figure out which ones we can actually purchase.

>> Councilmember Campos: Okay, thank you. And regarding the help center, and God, that's phenomenal, what you were talking about. But one of the things that I'm -- would I like for you to be able to explain or address is, has there been any barriers with people that may not speak the -- I guess the -->> English?

>> Councilmember Campos: English or other languages, are we able to meet the demands out if there are any barriers?

>> The majority of our clients that are troubled is going to be the Hispanic community, I speak Spanish as well, so if no one else is available, I am available. But most of our volunteers speak a diverse -- just every language we could think of.

>> Councilmember Campos: Oh, that's great, that's great.

>> So we have somebody available.

>> Councilmember Campos: That's wonderful. I know you mentioned in the presentation that the Santa Clara County association of Realtors and the California association of mortgage brokers of Silicon Valley, have been recruiting volunteers, and you have 45 volunteers that give of their time. That's wonderful,

that's really a wonderful thing not only for the people that are receiving the services but it says a lot about our community that people are really coming together, and using their knowledge to help others that are in difficult situations. And then my last comment is, to Mike, and your team and really, it is your team because the code enforcement in the past, I guess, more than nine years that I've worked with your department, you've done a phenomenal job. But to be able to say that we're going to direct and really have two code enforcement people that really focus on addressing this issue that we didn't foresee coming, and you were able to be proactive and have two people focus on the blight issue in areas that are seeing a high number of foreclosures, and someone mentioned East San José. So it is affecting my community. And I can tell that it's working because the number of calls that we used to receive has gone down. Which tells me that your team is doing what they need to do, and being proactive out there to make sure that the residents that are surrounded by this particular home that's blighted are now -- have a little bit more hope that their value of their home is not going to go down anymore than it already has. So I wanted to thank you for that and hopefully you'll send the message to your team as well that we're very, very appreciative of that. At this time I don't know if Norberto, do you have anything to add? Councilmember Oliverio.

>> Councilmember Oliverio: Thank you, chair Campos. Quick question on the NSP 1 that will be coming to council. Is that funding coming from the housing department or RDA?

>> It's the housing department.

>> Councilmember Oliverio: .

>> The only lender we've actually had a problem with is Deutsche Banc. They've been difficult to figure out who is the principal party to serve for that bank. Most of the other banks have gotten the message that there is a no tolerance policy in San Jose and have stepped up, but Deutsche Banc continues to be a problem for us.

>> Councilmember Oliverio: I imagine since they're in Germany. Question, though, what do you keep doing, do you just keep making a higher fine?

>> Yes, we will continue to increase the fines, 250 then 500 -- and that was actually the concern, that PACT and ACORN both have had. They saw SD 1137, saw that that was the mechanism to solve this problem at least from an enforcement standpoint. We met with both pact and have talked to acorn. Have told them that city statutes are good in making sure that the banks are responsive. But you're right, the fines will go from 250 to 500 to a thousand, and then at the end of the day, I can abate that nuisance myself and bill them for the contractor's time and the code enforcement time and the fine, as well.

>> Councilmember Oliverio: Do you put a lien on a foreign bank? What do you do?

>> We can't put liens on the property for any work that we do and that will end up on their tax bill so if they pay the property taxes which I'm sure they're doing then we'll at least recover our cost for that work.

>> Councilmember Oliverio: Great. And then when someone calls in the house we mention there's an approximately 48 hour time line until you go and investigate and then you issue a citation and then how long do you have to wait?

>> Not long because they're making that phone call to that bank the same day. They are getting a citation, you need to get out there and cut the weeds. They need to work with the lender. If somebody is out there in the next two or three days, we're fine with that. If somebody indicates that's not a top priority for that, we'll let them know how long it is not only with this property but other properties, so we want that partnership to be established early.

>> Councilmember Oliverio: Fair enough and so what is if in general what would you say is the time line from a initiated call to cleanup?

>> Sure typically on a weed situation five to ten days.

>> Councilmember Oliverio: Thank you very much.

>> Councilmember Campos: Thank you.

>> Councilmember Oliverio: Make a motion to accept the report.

>> Second.

>> Councilmember Campos: All those in favor, passes unanimously. Thank you. At this point we will go to item -- are we on item 2 -- D 2, okay. Threw me off. Housing counseling services. Same group? Thank you.

>> Well, two of us.

>> Councilmember Campos: Okay.

>> And this is -- we're just bringing a report, no slide presentation, just a report on housing counseling. With the reduction of CDBG funds to the housing counseling services primarily to legal aid,

council directed us to determine whether or not there was going to be an impact on the services that were being provided. And this report basically indicates the analysis that staff has done. And since we are so early in the beginning of the fiscal year, there really hasn't been a -- or the nonprofits who are currently offering housing counseling have not attributed their increases to the lack of CDBG funding. They're attributing their increases to the ongoing unemployment and foreclosure. So we did query several of the nonprofits and I did meet with the executive director of legal aid and talked to him about the housing counseling services that he continues to offer and how he is doing that. And it has actually been a good exercise for him. He continues to provide housing counseling services. They are only to the San José residents. And he has become or he's realized that there's some -- there was some inefficiencies and duplications between other nonprofits. So they are sharing the services. If a noncity client comes and requests assistance he will refer them to the local jurisdiction as appropriate or to another legal nonprofit as appropriate if he does not provide those services. So it has worked out for him. He doesn't expect that there is going to be a decrease in services and the agencies have not shown that there is a significant increase in the number of clients that they have to help because legal aid continues to provide those services.

>> Councilmember Campos: Thank you for getting back to us. I really appreciate that. There was a lot of discussion at the council meeting of this, so I really appreciate you getting back to us and reporting out that things are moving in a timely manner and as smooth as possible. Any questions from my colleagues? Vice Mayor.

>> Councilmember Chirco: You know, this is the kind of report you would love to hear when we are fable to fund one of our nonprofit partners. So thank you for doing the due diligence, and also, compliments to legal aid services for looking at their organization critically and then moving forward. So with that I'd like to move approval to accept the report.

>> Councilmember Campos: We have a second, all those in favor? Aye, and that passes unanimously. Thank you.

>> And I will share that compliment with our executive director. Thank you.

>> Councilmember Campos: Now we'll go to Norberto, for our last item, school and city collaborative monthly meeting.

>> Norberto Duenãs: Madam Chair and members of the committee, you do have a staff report. I will not go over the staff report. The purpose of the information was just to show the various activities occurring in the three subcommittees of the collaborative. Unfortunately we had a meeting scheduled for this Wednesday that, at the request of the superintendents, we had to cancel. Rather than wait a couple of months for the next meeting, we will set up what we're calling the issues working group of the collaborative, which is a smaller group of superintendents that can come together, so that we can begin discussions on the work plan for next year. So hopefully, by the -- our meeting in October, I'll be able to give you some additional information on the work plan items.

>> Councilmember Campos: Thank you. Are there any comments or questions on this particular item? Vice Mayor?

>> Councilmember Chirco: Move to accept the report.

>> Councilmember Oliverio: Second.

>> Councilmember Campos: All those in favor? Ayes, that passes unanimously. So at this time if there is any member of the public that would like to address this committee, please step forward. There is no one at this time, so the meeting is adjourned. Thank you.