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--[AUDIO DIFFICULTIES]-- >> Norberto Dueñas: To the library annual use and trends report for fiscal 2009-2010 we're recommending deferral to December 9th. And then the update on the neighborhoods commission we're recommending a deferral to next month, November the 4th.

>> Councilmember Chirco: I would move approval of that.

>> Councilmember Campos: Second and hopefully we have our third walking in the door. All those in favor? Aye. Anyone opposed? That passes with three of us. Thank you. We have nothing on the consent calendar. And now we'll go to the reports and we will can the foreclosure response update.

>> Norberto Dueñas: The housing department taking a lead on this update.

>> Councilmember Campos: Wherever you like.

>> Great, thank you for having us here today. We really appreciate it. I'm James Agee from the housing department and Molly Santiago. We're here to present the foreclosure update. This is going to be a little bit of information. The memo you received there was a lot of information in that memo so I'm going to try not to be redundant and cover too much of that information but hopefully some of the high points. Okay so today we're going to cover four of the main points that we've broken the foreclosure efforts into. You can see that first of all we're going to cover trends but the main efforts that we've broken our foreclosure efforts into are prevention, intervention, neighborhood, and legislative and policy updates. I will be talking about some of the prevention efforts as well as neighborhood and legislative. Marlene will be talking about our intervention efforts with the foreclosure help center. So I wanted to get -- start off by talking a little bit about where we're right now with foreclosures. As you can see from the chart, we continue to have a foreclosure problem here in San José, it continues to be something that a lot of families struggle with. I guess fortunately, if you look at the numbers, we're quite a bit behind last year's statistics. At this point, if we finished off the year the numbers that you see up there are through June, which is half of the calendar -- half of a calendar year. And we're about a little bit -- about 40% of where we were last year, which is a good thing. We want less foreclosures, right? So one of the things that

we're not sure about, a lot of these statistics they're sending us mixed signals at this point. We're having a lot of things going on right now in San José. If you look at a lot of the different policies that are being validate on the state federal and local levels, we think that that might have some effect to where the foreclosure numbers are today. If you look at one of the statistics that really stood out to us is the fact that foreclosures now are taking about 100 days longer today than they did in 2009. So at the very least what that does is it allows families to stay in their home a little bit longer and hopefully seek help either through the foreclosure center, or through an attorney. And one of the things I'm not sure if a lot of you have been reading the papers but there's been a lot of new, since we actually put this memo together, there's been a lot of new movement on the foreclosure front. 23 states, or several banks, have completely halted foreclosures in 23 states. Bank of America currently has a foreclosure halt in all 50 states and we'll talk a little bit about that later on under the legislative and policy actions. This is just I'm not sure if you remember, from the last time that we were here we showed an illustration of where the foreclosures are taking place. Fuzz take a look at the map, they're all over San José. There's definitely some focused areas which we have a lot of efforts in our neighborhood stabilization program. But if you take a look at the map there's no one area that's really not feeling the pain of foreclosure. So under prevention, one of the efforts that the housing department really is putting a lot of focus and lot of effort into is our marketing and our outreach under prevention. What our hopes are is that we can reach out and really help the majority of the people before they get into foreclosure problems. So we've done a lot of marketing, we've gone out on a lot of events and Marlene will tell you a little bit more about what we've done and the efforts that we've made out into the community. One of the bright points is, we've actually had the Santa Clara County different include our foreclosure help center phone number on every letter that goes out to somebody who has a default. And basically, they're doing that to ensure that they have the contact and the information to make sure that they don't get taken advantage of somewhere down the line. Because that's another piece that we're really focusing on and have a lot of efforts now is to try to prevent a lot of the scams that are going on out there right now. You may have read that we've put together a foreclosure help center too, here at City Hall. In order to help out a lot of the city employees who were facing some of our tough cutbacks and may have also had some of these foreclosure issues. Currently we no longer have that site open, we felt that we weren't getting a lot of walk-in but we were getting a lot of phone calls so we are able to do the same thing from our Work2Future site. Marlene can tell you a little bit more about some of the numbers. One of the bright points of the foreclosure help center is the number of

volunteers that we have, and a lot of that comes from our foreclosure task force. We have members from the Realtors community, we have members from the legal services, nonprofit legal services, we have a lot of different volunteers that are helping and are doing this on their own time. They're not being paid. They're there to really, really help us with making sure that we're doing everything we can to help prevent foreclosure. So I'm going to turn over to Marlene some of our intervention efforts. We have some successes and obviously we have some challenges that she'll go over with you.

>> As James mentioned, there continues to be a great need for education and awareness that there is a free service that's available to the community that's being affected by mortgage problems, whether that be legal services, HUD services and rental assistance. So the foreclosure help center has that available to those that need that. And through the HUD and legal services we continue to provide foreclosure intervention workshops through those agencies on a weekly basis. Also, awareness to avoid loan modification and forensic fraud awareness. That continues to be a big problem for those that are being affected. And our marketing efforts, the majority of the callers are referred to us from either other agencies or from someone 0 has already used our services. Again the Santa Clara County District Attorney has also helped us in reaching motion of those that are already 90 days past due. This letter includes tips on how to avoid rescue scams and again go to trusted resources like HUD programs that are localized as well as the foreclosure help center. Our Website also has a lot of information. We've also received calls from out of state callers who feel that they're in trouble, where we refer them to HUD services within their state and community. Our center has an increase of volunteerism. Many of those volunteers find that there's a need that they want to also help some of those community volunteers have come from Work2Future, unemployed people that want to lend a helping hand right in the same building where they're taking classes. The HUD approved housing agencies that offer loan modification assistance, also the nonprofit legal services as well as pro bono Public Safety authorities such as the local police department, sheriffs, sometimes eviction problems will be occurring. We find that some people need rental assistance, emergency housing, where they're referred to the one stop homelessness prevention center for those services. Also those that are seeking unemployment, we make them aware that Work2Future is there to offer that employment training service for them and also senior services, within our building we also have a local nonprofit agency that helps senior citizens understand what benefits are available to them. So we refer them to that service if necessary. And we're also a linkage to other

communities and partners and again those educational workshops. So our successes have included assisting over 1,491 callers who have either come to our office or called our office. We have actually packaged 307 packages so that the HUD counselors can readily review those documents. Approximately 188 homeowners have been referred, either directly to the HUD agency, and reason would be because of time constraints. If the foreclosure was very near we would want them to get services immediately, and many of the agencies take those calls that same day rather than waiting four weeks for the typical homeowners to get help. Also, the out of state callers that I mentioned earlier. To date we've had 43 approved loan modifications that have been reported back to us. And 68 families were referred to the one-stop assistance center for housing needs. And 277 legal referrals for help on either fraud recovery, or predatory lending, or any other issues that are related to legal and also bankruptcies. And the challenges continue to be of the physical signs because of lack of income and job loss. The loan modification process continues to be a real struggle for the counselors as well as the homeowners who are trying to keep their homes. There's long term trial modifications that last typically more than the time that is actually stated on the documents. For example if a loan modification is for three months it will extend to six months without notice. Sometimes homeowners are prequalified on these trial mods and then denied the modification at the end. Approvals are very different on the telephone. Versus when the homeowner actually gets the package in the mail. So the terms are not the same. Usually they're not to the homeowner's benefit. And staff, at the banking institutions are very limited on what they can handle or what they can do for the homeowner. And many times, if someone is denied, there's really no reason. They don't -- they just say simply you've been denied, you'll get something in the mail and then when that letter comes in the mail it simply says you didn't qualify or meet the guidelines of a particular program, rather than be more specific, whether or not there was a sufficient income, or insufficient income. And then sometimes, loan modifications are taking over 12 months to actually get an approval. And then the continued problem with credit. After someone is actually late, I want to share one of our actual successes that we had about two weeks ago. Where we had a homeowner from District 6 who came to our office, three days before her trustee sale date which was going to be on a Monday. Her bank had stopped accepting payments from her and she had the complete amount to reinstate the loan in her bank. She spent at least a day and a half, we thought it would be simple for us to simply get the reinstatement quote and the wire information. We spoke to nine representatives who wanted us to fax the proof that she had the income to make that payment. She had enough in her bank account to actually pay off the loan if she had wanted to. And the

reason that she was unable to actually understand the foreclosure time lines was because she was visually impaired and she was unable to read the documents and she lived alone as a senior. And the way she came to our office is because she went to her bank, and attempted to make a payment, and the bank teller told her to go to City Hall and make your payment and that's where we were able to help her. It was kind of a fluke how we came across how we were able to help her. We weren't able to help her at our office but we called one of our pro bono attorneys who showed up next day with the judge, explained the situation, the judge stopped the foreclosure and she remains in her home today. [applause]

>> Thank you. We continue our effort to work and find solutions with our partners, build consumer confidence, make every effort to provide homeowners with accurate information so they can make important financial decisions. Thank you.

>> Thanks. Play a little tag-team here. So the next area that I'd like to kind of get into and cover is the neighborhood impact. You know obviously I think I said this at the last meeting. Our first choice would be to prevent foreclosures. But unfortunately we know that that can't always happen. So in the cases where we have neighborhoods that do have homes that are vacant, and foreclosed, we need to do something to get out there and ensure that the homes are not a blight on the neighborhood. And that's where Mike will talk about some of his efforts and code enforcement's efforts with the housing department we've been lucky enough to administer the neighborhood stabilization program. And briefly I'll talk about the neighborhood stabilization program the first allocation that we received. With this money we're really close to completing the entire grant. We've committed all of the initial grant, and in doing so we've been able to purchase 12 homes, and two fourplex units. Of the 12 homes we have nine new families inside these homes now. Six of those are single mothers who have written us letters and said otherwise they wouldn't have been able to get into a new home because not only were we able to go in there and buy these properties and fix them up but we also provide financing to help them get into the home as well. I'll kind of skip the funding piece because you can read that but one of the other positive things that's come out of our work with neighborhood, the first neighborhood stabilization program is the ability to network with not only other communities and see what other communities are doing on the neighborhood front, but to really work with national organizations such as the national community stabilization trust who is putting together a

Website and a portal for us to be able to link into all of the -- at least the majority of the major banks and look at what REO properties they have here in San José. We have currently in addition to the neighborhood stabilization trust we have three other first-look portals that we're working with. So that has really been a big plus for us in the learning process. As we get into the second neighborhood stabilization program it's a much larger grant obviously and we have much loftier goals with this program. So you can see the numbers up there, we have the second neighborhood stabilization program broken down into three components. The -- our partners, the Santa Clara County housing trust, is administering the purchase assistance loans. So home buyer can locate their own REO home and negotiate with the bank and they will provide funding so that they can buy the property. As far as the single family this is very similar to what we are doing with the first neighborhood stabilization program. You saw that we've been able to purchase 12 homes, well with this grant we're looking at 65 homes minimum. And again it may not sound like a big number when you compare it with the number of foreclosures out there but we're really out there looking for a lot of the homes that people really aren't buying right now because they are the blighted homes in the neighborhood or because they have a lot of problems. And you know we anticipate that this is going to make a big difference. And then of course we have the very low income program which is geared towards households that are earning 50% of the area's median income. And currently we have just completed an RFP process to hire a developer to help us with the single family program. This week we'll be making our final selection and hopefully, within the next couple of weeks, or well, next month, the council will see our recommendations and we'll be able to actually purchase some of our first homes before the end of the calendar year. That's our goal. This is one of the properties that we have purchased. This property -- usually they say a picture is worth a thousand words. Unfortunately I think being there in person would be a lot more -- you'd be able to appreciate the difference a lot more. This is a before and after of one of the properties that's currently being moved into right now by one of our buyers. This is the same property, just the before and the after. This is another property, this is an example of what we're trying to do with our properties. Not only are we trying to take the properties and fix the blight but we're also trying to make sure that these homes are sustainable, that our buyers who move in will be able to maintained the homes and live in them without having to pull a lot of money out of their pocket and make repairs down the road. So can you see this is the type of kitchen, it's pretty much standard that we're doing out there. On top of that we're doing a lot of green improvements in these homes. That is one of the main focuses of

NSP, this is before and after. And now I'm going to turn it over to Mike Hannon and he's going to talk about code enforcement.

>> Thank you for the opportunity to be here this afternoon. It is my pleasure to report out on our code enforcement efforts. As I tour the city of San José I clearly see that the vacant foreclosed properties continue to create an impact on our neighborhoods. And we were very successful up front when we set the tone with the banks and the lenders that we the City of San José were going to take a no tolerance approach. And I'm really thankful to people acting in community together to raise that issue early on that the City of San José needed to be aggressive in this area and we've taken that cue. We continue to take a no tolerance approach in code enforcement. If we receive a complaint about a vacant foreclosed property, inspectors are instructed to issue an immediate citation to the bank without any questions. We have learned over the last couple of years that the banks have been much more responsive to code enforcement because of that approach that we've taken. But bought of you know budget resources we the city have experienced where we started with a proactive enforcement and again thanks to this council providing code enforcement with additional staffing to be proactive. Due to our own budget situation we've had to cut those proactive services and we really only have one code enforcement officer that responds to vacant building complaints. But nonetheless, I think we've been successful. As you can see from the data, just since July we have issued 60 citations in response to 60 complaints that we've received, and we don't wait for the banks and the lenders to abate these nuisances. These are property owners. They need to be responsible for their properties. Residents only wait a certain period of time before they get up and decide I better call the city because this is becoming a life safety or immediate health and safety issue that it needs to be resolved. As James has mentioned a picture is worth a thousand words. Let me show you some of our efforts in the last few months. I wanted to make sure I highlighted the bank that owns these properties because these are properties which we've received complaints, and we the city have actually gone onto these properties and abated these nuisances all of them creating a immediate life safety issue just in terms of the presence of hazardous and overgrown vegetation, certainly in July and August when we had some extreme heat, coupled with the fact that a lot of these buildings are not in a secure position, allowing an attractive nuisance to children and others. So here's a property on 19th Street, and you can see the overgrown vegetation in the front. And so our efforts to cut that vegetation. The next property is also on same property on 19th Street and you

can see down the side yard again the vegetation. If I'm a property owner next door I'm concerned about the property. Not just the condition it creates in terms of devaluing my property but the immediate concern I have should that property catch fire. The next property is over on bronze avenue again owned by the Bank of America. These conditions where you'll see vegetation four and five and six feet high in the front and side yards. I'm not going to call Bank of America and ask them how soon do they think they can get out there and cut the weeds. We're simply going to notify them that the weeds have been cut. We're going to bill them for the cost that we incur, and then fortunately, when the city does an abatement, we can put that delinquent abatement on the tax rolls. So we're going to get our money back when the property taxes are paid. So it's a secure funding source for the city to recoup its cost. In addition, they received a citation. The next property is also one you'll typically see. When people leave, as was mentioned, the one property owner that was able to save her property 72 hours before the foreclosure, many of our property owners aren't as successful. They try up until the last minute to save their property, and then all of a sudden have to leave, within 24 hours' notice. And we come across these conditions where folks leave mattresses and garbage and things of that nature strewn about the property as they're trying to collect their valuables and leave the property and now can you see of course the after picture of what we did in terms of getting it cleaned up. I think the community expects the city to be this responsive and we will continue to be this responsive but I still am going to rely on the residents to bring these issues to our attention as soon as they notice them in their neighborhoods. We are still guaranteeing that we will do an inspection within 72 hours and as I mentioned we're not going to hesitate to abate these nuisances right away. So again, I encourage our residents to give code enforcement a call when they see these conditions in their neighborhood, and we will continue to be responsive moving forward. Thank you.

>> Almost done. Okay, and the last piece of the four major categories is the obviously legislation and policy. It plays a very big part in our foreclosure efforts and we monitor all of the legislative and policy actions very closely. As you can see and I'm sure as you've read in the memo there are constantly new things that are coming up with the federal government and as you can see there are two efforts where they were existing programs to help either unemployed or, you know, homeowners who are underwater. And the federal government has actually added funding to those initiatives to try to help further the efforts. As far as the state level we continue to see that there are problems and Marlene mentioned you know a lot of the different things that we've seen as far as you

know people being foreclosed on in the middle of modifications, you know paper work that's gotten lost. We've all read about it and heard about it and I think everybody is concerned about it and the state legislation side, AB 1275 it is actually no longer moving forward. But at least it does illustrate how we are aware of it, the state legislators are aware of it and doing everything we can, what AB 1275 would have done was, it would have added some regulatory measures for our foreclosure process and how you process the paperwork. On our local side here in San José, you all received -- the council received a memo from the finance, the City of San José finance department, that talked about some of our policy changes when it comes to our investments. I'm not going to go into a lot of daytime because I'm not subject matter expert in that area. But I did want to point out that it is something that on all levels we're looking at how we can continue the work on this. One of the things we've done in housing is we've put together what we call a best practices study so we've done some extensive research and outreach to other states and local governments to see what are they doing as far as the major you know prevention intervention neighborhood and legislative and policy efforts and I guess I'm not surprised to find that in most cases, we're doing a lot of the same things and in a lot of cases we're doing even more here in San José. So we are ahead of the curve in San José. We found intervention policies that we're evaluating right now, seeing if we can make those efforts work in San José. And the last thing I wanted to talk about just really briefly what I touched on earlier is right now kind of the state of things is, a lot of banks are reevaluating their processes and looking at are they really moving forward correctly in foreclosing on homes. And I mentioned earlier Bank of America has voluntarily halted all of the foreclosures here in California and all other 50 states to really evaluate that process. And I think that's something that, you know, it's short term but it's something that at least allows us to kinds of reevaluate that and claim that as a little bit of a victory in knowing that we've forced people or banks to kind of look at that and reevaluate that so with that I'm going to open it up to questions.

>> Councilmember Campos: Thank you for that presentation. Are there any questions or comments from members on the committee? Vice Mayor.

>> Councilmember Chirco: Maybe Betsy could speak to this. But what are the -- is there anything pending on the legislative side, for all of these foreclosures? I know yes, the banks have stopped foreclosing, but that's only because they got caught with their hand in the cookie jar. So do we see just a speed-up once they get past this?

>> As far as I know there isn't anything being proposed right now. And I don't know if it's a matter of timing with all the other things that the legislators are dealing with. But you're right it is just a temporary you know thing that they've all stopped. I have -- we have a lot of communication with other people in the industry, and we've heard that other banks are going to also be at this point look at doing the same thing that Bank of America has done as far as halting you know foreclosures in all 50 states. But that's something that we obviously don't have control over. We do monitor closely but to answer your question not that I know of.

>> Councilmember Chirco: Well and the other part of my question was, is there anything pending at the state level to put additional burdens on banks when they begin the foreclosure procedure? Or that all at the federal level?

>> Betsy Shotwell: Betsy Shotwell, Director of Intergovernmental Relations. I'm not aware of anything at the moment to housing's comments, it's just the timing I think right now, we're dealing with, we're in a major change. We will have at the administration the governor's level in Sacramento the priorities dealing with the state budget, which I don't know how long the budget that was signed Friday will last, before that is taken up again. So we have all these things in play and I'm not aware of anything specific right now particularly with the end of the two year session. It will all start up again the first week of December with new legislators, reelected legislators and a new governor in January. So --

>> Councilmember Chirco: Well I know that I had participated in a pact action over at most holy trinity and it was to try and get the Treasury Department to work with a lot of these, oh what was the term you used, modification, loan modifications.

>> Loan modifications right.

>> Councilmember Chirco: And the banks have just not been stepping up to take that responsibility. Even if they pretend to they're disrespectful. On the news a couple of days ago some woman was in her house, it was in

foreclosure. Somebody changed the locks. She thought somebody was breaking in. She called 911. To me that's just criminal.

>> Right and we were at the same meeting. We were there to see the Treasury Department official speak and I tend to agree with you. I think one of the -- one of if there is a little bit of a positive, is when you look at the time period that it's taking for the banks to foreclose, that additional 100 days it may not end up preventing a lot of the foreclosures, but what it does do is it does give them the ability or the time to consort with people like Marlene who can help them review documentation and help them fight through that process. It is a small thing but it is one thing.

>> Councilmember Chirco: Well I think one thing that would be helpful is if it is a priority, that the what we heard at that meeting was that the treasury had no teeth.

>> Right.

>> Councilmember Chirco: To make the banks step up to the modification. And frankly I'd like to see this as a priority, that we work with our delegation because this is not just a San José problem. It's a nationwide problem. If they could pass the bank bailout surely they could bank -- pass something that has some consequences if they don't work in a diligent, aggressive manner to refinance these loans. Thank you.

>> Right, I agree.

>> Councilmember Campos: Are there any other questions? Just a few questions around slide -- well, neighborhood stabilization program, the two, the second one that you talked about.

>> This one?

>> Councilmember Campos: Yeah. And in relationship to the top well there are 12 zip codes but you listed five of the top. And I'm looking at them and three of them are very clear that they're pretty much prominent in East San José. The other three, the other two that I'm not familiar with exactly where they're at, 95123, what area is that? Is that --

>> I didn't bring a map, I apologize.

>> Councilmember Campos: Okay, it would be helpful just to know that if you can because it's in relationship to these five zip codes on how, within the housing department, they prioritize where they're going to focus majority of the energy. I mean listening to what Mike said, you have how many people handling this right now?

>> One code enforcement officer.

>> Councilmember Campos: And it's a big city. And because I don't have numbers that say how many homes are foreclosed or blighted in these particular zip codes compared to maybe one area may have two homes, or three homes, and I think you made a point when you said that if we've been targeting the homes that are probably the worst and no one's buying them because they're in bad, bad conditions. And I don't know what your guiding principles are internally but definitely if no one is buying a particular home because it's so blighted that people can't see beyond the visual presentation it's presenting and see what the potential is which most of us can't, we just see the package and the package looks pretty or it doesn't, and then we make a decision. It would be helpful to understand what you as a department are going to be focused on and what are going to be your guiding principles on how you determine to spend the money in phase 2. And I think that's important for the council to know and I think also for the public to know, where we're going to be focusing our energy. Because I get a lot of calls around this asking me, you know, I think someone said you said my -- you know if I'm a neighbor that lives -- some people have four or five homes and there are one homes between all of these homes and that's pretty depressing living with afternoon environment like that.

>> It definitely has even one blighted and vacant home in the neighborhood has a severe effect on the entire neighborhood. I think Mike will share that opinion. But I do have some specific information. One of the things I guess in trying to be brief we didn't include the maps.

>> Councilmember Campos: You could send those to us.

>> Okay, absolutely but I just wanted to make the point that the second neighborhood stabilization program is actually our contract with HUD was for 35 census tracts within San José. So the zip codes that you mentioned these census tracts are subsets of those zip codes. The way we determined those or they were determined was by doing foreclosure analysis and those are the 35 hardest hit areas in San José.

>> Councilmember Campos: We saw -- I saw some of those maps and everything is still east of 101.

>> Yeah, it's definitely focused on those areas.

>> Councilmember Campos: It is really East of 101 and maybe a few miles going West. But more central San José.

>> Right, right.

>> Councilmember Campos: So those are my recommendations and my comments. And when you're thinking about what your guiding principles will be on how you look at this money.

>> Well taken, thank you.

>> Councilmember Campos: Thank you. Any other questions, if not, we need a motion just to accept the report.

>> Councilmember Chirco: Move to accept the report.

>> Second.

>> Councilmember Campos: All those in favor, that passes unanimously. Thank you. And the next area that we're going to look at is Healthy Neighborhood Venture Fund for 2009-2010 year-end evaluation report.

>> Matt Shulton, the housing department, and I have Dr. Peter Ellis with me today. He is the HNVF consultant who produces this report that's in front of you today. So today I'm very excited to present to you the second annual HNVF year end report. We were here this time last year, introducing the first report, and subsequently we anticipate being here every year about this time, providing you annual reports. And away this annual report does is summarize the effort of 58 grantees that we worked with in fiscal year 2008-2009. We have two types of data in these reports. We have quantitative data as well as qualitative data. Total participants served, total funds spent and as well as total service hours provided. On the qualitative side we have customer service satisfaction rates. We have youth developmental attainment and senior resiliency attainment. As you can see from this report there are a significant number of San José residents who are benefiting from the programs that Healthy Neighborhood Venture Fund is helping to support. So with that I would like to introduce Dr. Peter Ellis and he can go through the report with you.

>> The report that HNVF uses is the logic model where you measure or you can call it the results based accountability model or you measure effort which is the amount of work you do. Inputs grants and matching funds is where you hook at the staff and educational level work experience who are the staff that do it because as we all know staff makes a program. And our experience with HNVF program as it's been with other city programs, vast majority are very dedicated passionate folks that are out there working with our children youth and seniors. Customer demographics tells you who your customers are. Strategies, the types of strategies and eligible services that we put together, activities, the amount of services delivered and each of those eligible service areas and the bottom line of effort ask what it cost per hour. When you look at cost per hour you can't compare the tooth mobile which is providing dental service with recreation program, because a tooth mobile is going to cost more than \$100 an hour. But you can compare the tooth mobile with another program you have and same thing with

senior programs, health programs cost more usually, preventive health program don't. So you need to look at that with a good eye. Effective, are youth seniors, participates, families, we asked them to tell us whether they felt the services were beneficial for their child youth or seniors we asked their family or friends to say whether they actually are benefiting from the services that we got and the data is in there. Service productivity is asset development or senior resiliency. Asset developments for children and youth, senior resiliency has some questions that relate to assets for seniors around the resiliency variables that I'll explain a little bit later and those are similar between youth and seniors. Healthy behaviors is one that everyone asked about, what have they changed for the better and then agency specific ones are ones that each grantee comes up with on their own. If we find something in the diabetes society, those targeted changes will be about what they do. If we're funding an early childhood program, it will be about had a they learn, parental involvement area, being the parent's first teacher so they're all different. At Matt said 58 grantees were funded, with \$56.1 million from HNVF with match of \$21.9 million for a total fund of 28.70 million of funding, it is interesting that the matches for every dollar that we put in of HNVF money we got \$3.24 back and matching from other partners that we have in this program. So that's a nice leverage that you can be proud of, of your funds. The grantees served 45,199 unduplicated customers with 2.2 million hours of direct service. You can see on the right there a couple of gas gauges that make it easy to see that they didn't need all the funds, we spent 98% of the funds, we did have one grantee that shut down mid year. HNVF was very -- the administration was very flexible at getting other providers to help out when we had to close the adult program for seniors at MACSA. We still fell short there but the good news there and efficiency is that the planned hours of service that everybody had they were still able to deliver more services. They didn't need the 98% to meet their plans overall collectively. Oh cost per hour I missed that one. So cost per hour for HNVF funds was \$2.05. For total cost that was all the 58 grantees, \$7.42. We do not collect cost per hour for the children's health initiative because it is beyond the scope of this evaluation and beyond their scope to collect how often kids are going to the doctor and hospitals and other things with the documents but we - we did measure good feedback from their did parents and the children and the folks that are involved in the children's health initiative and can you see that in the report.

>> Councilmember Pyle: We did 15,554 survey reports from children youth parents family friends and staff surveys looking at the same types of targeted changes. We use a concept called service productivity that's really

kind of neat because it ties these changes, that I'm reporting here, directly tied to the effort and that's not always easy to do when you look at outcomes. And these are initial outcomes but these are targeted changes that they answer questions that because of the HNVF funded services this kind of change happened for me and so it's tied to the service they got at their thing and it's from three different viewpoints, it's for the customer of the services, whether they're children or seniors and it's viewed from their significant other in their life like their parent or guardian or somebody and then it's also the staff looks at those same changes and you can see we have a usual trend with children. They don't quite see as many changes as their parents. And staff do. Seniors are pretty similar across the board. And the healthy behavior ones is both seniors and youth and the agency specific ones, you can see that it's easier for agencies to hit those changes because those are directly related to the scope of work that their mission that they're doing. And those are -- by the way those are all very good scores and the satisfaction scores are very high. So the performance this year, 91% of the grantees met or exceeded their contracted service plan for this year. 97% of the grantees met or exceeded the goal for customer satisfaction. And that's a score from zero to 100, but we use the very sensitive way to measure customer satisfaction. We do not combine excellent and good as they're rating the program. Excellent would be 100%, good would be a 66% score. When they get their total scores of four questions that gives them a target that they can practice continuous quality improvement. That's the practice of this valley, improvement by almost every company in Silicon Valley. Focus fine tune so you can always get better. As Norberto said, in a great speech, a noble person is someone who doesn't want to just be the best, but he wants to continue to get better. And I love that quote. So I'm using it all the time. I'm going to charge you. So you can see here that there's a mixture of surveys that everybody did. We've allowed many of the groups to have the flexibility of not doing them all. But all 58% of them tracked their goals, all 58 of them asked customer satisfaction questions and then depending on what their project is. A number of them did other things. And 49 did grantee-specific goals. A few years back the county health department director released a study that is in the full report. This is just the executive summary, the full report is almost 200 pages. Because we give each of your 58 grantees a write-up that they can give to their partners to keep ensuring that we get the matching funds and they can demonstrate to their partners that they are producing some good benefit and outcomes from their services. But there is a correlation between educational level, economic level and better health. And so many of the population results we're looking at over time are -- we're looking at what's going in the desirable direction and what's going in an undesirable direction. Lots of good things

going in the desirable direction, academic performance, student achievement standards. We went from 25% to 32% in the two years that we've been taking a look at these achievement goals but that still was kind of scary that only 32% of our young people in fifth, seventh and ninth grade are meeting some pretty simple fitness standard scores. But it's still going in the right direction and so we're building it up. We have one of the high level of adults consuming fruits and vegetables. We also have a number of current -- the lowest in the California, the only body that beats us out are three cities in Utah and I don't think Mormons allow you to smoke, right? So we're doing really well on those things. Where we're not doing so well is, over half our adults, it's measured every year through the center for disease control study are either overweight or obese. So we still need to keep encouraging our folks to eat well and stay active. Our four year high school rate dropout rate is still going in an undesirable direction. We do not have new data. I think it's got probably because of the state budget or something but usually by now we know what happened last year, the last school year in dropouts and graduation rates, and that data is not available yet. It will be sometime in late November and we'll provide you with an update when we get that. But the trend over time for both that and high school graduation rates is going in an undesirable direction. We've learned some good lessons. We've learned that these agencies, even though they're -- we're going from the cradle to the grave almost, they're finding some common variables that they can measure together. So you can look at them and compare them. We're excited about that. They've endorsed the RBA model in fact I've got no fewer than half the groups pounding on me to get this thing finally finished here in this next week so they can have their reports to give to their other funders and they're using the data for improvement. The data clearly shows they're producing positive change in their customers and the exciting thing is they've increased both their efficiency and effectiveness from last year. So when you practice continuous quality improvement your goal is always to try to improve your efficiency at the same time as you improve your effectiveness and they collectively have done that. That's a nice thing. We've learned that our data has sufficient quality to indicate how effective services are. It's in the big report but we actually run reliability and validity data for all the agencies on all their data and we look at all the data together to give you some idea of some things that in fact yes, this is a good measure of the effectiveness that they're doing.

>> And so that concludes the overview of our annual report and we're ready to take any questions that the committee may have.

>> Councilmember Campos: Thank you for that report. Are there any questions from this committee? I have just one question, first of all thank you for the report. It was reassuring to see that the Healthy Neighborhood Venture Fund's dollar is being leveraged at a greater capacity to be able to serve this community. I'm sure you're aware that it is now in the General Fund and there's not a specific funds. I guess the question I want to ask you and you might know this from the perspective of some of the community based organizations that are benefiting with the matching funds that we provide, if they were to lose that money, what would happen for their ability to be able to service the community here in San José?

>> Well, it's different with each agency. It definitely would obviously be reduced by whatever you reduce the amount of money.

>> Councilmember Campos: Would they still be able to -- without that money --

>> Catholic charities would survive but some of the others might not survive and we have quite a few of our nonprofits on the ropes right now that are struggling just to figure out how to stay afloat. So it's an interesting question for the city. And you might remember the wonderful work that Goober and others did in reinventing and government means to steer and their theory was perhaps the community might want to row. And this is a wonderful example of the community rogue. And it gives you a lot of flexibility. If somebody isn't performing you can move it off to the side. And it's harder to change a big city or the government to change direction, as quick as these people can. I mean I think that the -- I would hope that the community, our community agencies will survive but we've got -- you know just with the cuts already that's -- that are out there we've got some that are struggling pretty hard.

>> Councilmember Campos: Go ahead.

>> And just to add to Dr. Peter Ellis, we have about approximately half of our agencies have annual budgets of \$500,000 or less which we consider kinds of mid to small size agencies. And so to not have any HNMF funding,

would definitely impact those agencies, obviously at various levels but in some case that could be a very significant impact to agencies.

>> Councilmember Campos: So Matt my question to you is, internally, could we do some type of study, or -- that wouldn't cost a lot of money to figure out if the trend that I think -- you know and I'm just speculating I'm not going to be here next year but what would happen to the agency's ability to be able to perform if we're going to have that discussion, we're having at that time council I think we need to start having it at the other level. And understand what the trickle down effect will happen because there's no secret that I have been a champion about making sure that we're able to provide services for prevention and intervention within my district, around the gang activities that seem to be plaguing the community that I represent. Someone else may have another interest, but there is a trickle down effect and then how does that affect our police department? I don't need to tell you this, Peter, you live and breathe this. But I think that it's fair we have that study so before they make the decision at a policy level, it's important to have all that information and not to just make a decision without understanding what the trickle-down effects will be for the City of San José and the betterment of the quality of life of the people that we represent here. So I don't know what the mechanism is to be able to trigger that, and -- but it would be helpful for us to understand how would we be able to do something that's not going to take a lot of staff's time to be able to understand that.

>> Yeah and we could definitely work with our current partners, councilmember, and get a better understanding of, you know, a loss of HNVF what is that impact? So we can work with them and get some feedback from them to see, you know, exactly how that is going to affect programming, you know given some of the budget challenges that are currently going on.

>> Councilmember Campos: And maybe if you do the top five at the top and then the top at the bottom and a little in the middle so that you're not having to target all of them. I'm just making some suggestions.

>> The other danger that I've seen is you can get into where you have kinds of a --

>> Councilmember Campos: Peter can you get closer to the mic because they're recording.

>> You can still keep maybe a skeleton looking like you've got all these services out there. You know you can keep enough agencies and other partners but it's really I mean you had 2.2 million hours of direct service where seniors and children and youth got touched by caring adults. That's why you're only spending \$7.42 for those services. So, you know, it's -- I see it all the time in the county. The judge will send somebody that just beat somebody off and send them off to a Saturday anger management course or domestic violence course and they think they got something that will change that behavior but any of us who work with those adults in domestic violence know you don't change them in one day. We can take a look at it and I'm sure Patricia Garner can do one of her survey monkey things, but you will see it in the City of San José. One of the things in the city is the fact that you have such talented nonprofit agencies. It is a resource, a foundation of this city. So they'll survive but it's something to think about.

>> Councilmember Campos: Yeah, they'll survive but what will the quality of life be like for the people of San José? And I think you brought up a valid point about you know, the people that got touched by these services.

>> Right.

>> Councilmember Campos: I hear stories all the time about how kids go to the youth center or to a community based organization and why they're not in gangs because they had a safe place to go and they had X Y and Z mentoring them leading by example and a senior that really is passionate about getting up every morning and going to a senior center or to a nonprofit Catholic charities. And they can extend their life maybe ten, 20 years because of that human contact. So there's a lot of things. And I think we should need to just start having that discussion at that time CBO level because we're having that discussion at that time council level.

>> And another variable to look at, and Judy and I were talking about the PAC luncheon, is we're -- you know, with seniors we use the resiliency level, which is having caring adults, high expectation, a meaningful participation. I think you asked me what was -- how did you hook up seniors to other people in their

neighborhoods. The average senior got hooked up with 3.2 additional caring adults they didn't know that they could call on to help them when they needed problems. So there is ways the community can do that without funding anybody. But that's one of the beauties of the resiliency model is a strength-based model where you're trying to network the community so that -- and the youth were -- child and youth were 4.0, and so it's a -- you know, trying to hook people up is another thing we can do. And that's -- Kip gave a great speech of it the other day that when times are tight, we got to reach out, and what can we do as a community altogether. But they definitely, community based organizations are a resource that we want to keep of that round if we can.

>> Councilmember Campos: Thank you. Any other questions? With that can we get a motion to accept the report.

>> Councilmember Chirco: I would move to accept the report.

>> Councilmember Campos: Second? All those in favor? That passes unanimously. Thank you for that report.

>> You're welcome.

>> Thank you.

>> Councilmember Campos: Next is the report on Happy Hollow park and zoo. Oh, oh.

>> I'm getting old.

>> Thank you. I'm Matt Cano, acting deputy director of Parks, Recreation, and Neighborhood Services. And with me today is Susan Wolf, our manager of Happy Hollow park and zoo. We're here today to provide you a quick status report and update on the opening of Happy Hollow Park and Zoo. As most of you know, we opened up to great success this past March 2010. Our attendance has increased, we've had great membership sales, and thanks to Vice Mayor Chirco and others, Vice Mayor Chirco directly helped us raise \$25,000 for our fund for future

programming and improvements at the zoo. So thank you a lot for that. And with that I will turn it over to Suzanne Wolf who can give you some details on the opening.

>> Thank you, Matt. As a Matt indicated we did have a wonderful record attendance last March with an all time record high of 16,000 visitors over the initial weekends. Through June 2010 Happy Hollow park and zoo received 217,000 visitors and through September we received over 365 customers representing 85% of our target for attendance projections in the first year. The good news is we still have five months remaining in the first year and so we do believe that we will make our targets. We're also pleased to be on target towards achieving 100% cost recovery for direct operational cost. In fiscal year 2010 and 11. The City of San José receives 15% of gross proceeds from retail sales from our vendor, California parks company. Thus far we've received between 6400 and \$7,000 per month for retail sales exceeding our minimum of 6500 monthly towards our annual guarantee. The picnic basket has also been equally successful with a cost recovery rate of 119%. And through our omni ticketing sale we now have a point of sale ticketing system that allows for better tracking of data and our online ticket sales. Regular meetings still occur between IT, PRNS and omni, as we continue to improve our process and onsite training continues as well for our front line cashiers and managers. Before the park reopened, we had approximately 8,000 membership households in our membership and now, throughout our inaugural season we're pleased to report 22,000 active household members. With the -- after the reopening and following 31 months of closure many young parents are just now learning about Happy Hollow park and zoo and what it has to offer. One of the primary changes was the need for full day classes. All five of our full day specialty camps sold out and we had to close four half-day camps due to low enrollment. Next year we know that we'll be focusing on full-day camps and that we'll be adding a focus for our preteen and teen populations. Another highlight that we are proud to share with you all is some of our key special event activities that we've had. The business plan recommended that we focus on earned income opportunities and to maximize a variety of programming to match high community expectations. Happy Hollow park and zoo created a number of week longed activities such as cardboard city and our conservation lecture series in an effort to draw more patrons of different ages especially during our shoulder season months. Due to the special events and advanced marketing our fall school group reservations have increased 138%. If you haven't already picked up your pumpkin for this fall we do invite to you join us October 18th through 31st as we are having scarecrow competitions and all sorts of fun this fall. And we

are pleased with the innovations that have taken place this year, as well. The foundation in particular has had an incredible growth with beginning of 200 givers ongoing to now where we have over 400 givers a year. Executive director Heather learner and board president John 10:have diligently continued to create an active fundraising board. They are working on a signature event for our 50th anniversary this year, and last night they released the name of the hoot and howl -- that's so different from foreclosure and HNVF. But the hoot and howl is expected and planned for March 26th, and we encourage all of you to come. With over 8,000 Facebook fans and twitter fans, San José received a wonderful publicity this last year. In addition Google recently identified Happy Hollow as one of the top-visited Websites in the nation during spring 2010. Ongoing strategic outreach marketing and advertising will be critical to continue ongoing media coverage throughout the year. And finally I think one of our proudest moments is being identified as the first gold LEED certified park and zoo in the nation. With that our gold LEED certification came in July 2010 and the community has been very excited by those results. Bringing us to our next steps for fiscal year 2011 there's still a lot of work to do to ensure we retain the enthusiasm and provide extraordinary experience to customers around the region. The new pedestrian bridge on the East lot has been delayed due to structural changes over Coyote creek and significant spring rain that we had. We look forward to the bridge opening in the first quarter of 2011. The city has also released a request for information RFI that is due at the end of October in order to determine the interest in outsourcing food and beverage services at our facility. Shortly thereafter the city will determine if it should release an RFP if sufficient vendor interest is generated through this RFI process. The intent is to have a different operational model in place prior to the opening of the 2011 peak season. One of the distinguishing features of a quality zoo is accreditation. It develops public service that the zoo is excellent in its current professional standards in care for animals conservation and education. Happy Hollow park and zoo has been a leader for the past 17 years in keeping this long-term commitment. It is one of 221 accredited zoos throughout the nation. We have submitted our proposal this past September and will be audited and reviewed in December at our location and will defend this accreditation in March 2011. Once again, the 50th anniversary is much anticipated this coming March with a year-long special celebration ahead of us. We are planning for a variety of special events including the bridge opening, and again, our special hoot and howl event by the foundation. There will be an emphasis on collecting stories, and we do invite all of you to share your memories with us as we prepare for the next 50 years ahead. With that this

completes our presentation. If you have any questions, Matt Cano and I are here and available to answer your questions.

>> Councilmember Campos: Thank you for your presentation. Are there any questions or comments? Vice Mayor.

>> Councilmember Chirco: Did Danny the dragon get over his tummy ache?

>> Yes, his tummy ache has been cleared, and he's now back on his magical path.

>> Councilmember Chirco: That's good to know.

>> Councilmember Campos: I have something since I'm a frequent visitor of Happy Hollow these days we encourage people to get a membership. And I know that there are -- I know that I'm not only family, I know there are a lot of families who still have not received their permanent pass and I know that some of the families didn't just buy the pass but they also bought the parking. And so when they go, there's no waive indicating that they may have purchased six or 12 parking spaces as well but they're paying for it and we're literally almost, March is not too far away. And that will expire, and we will have -- they will have to renew and what I don't want people to walk away is that they lost out because they didn't benefit from the complete package that they bought. And so I'm asking that because we're here in a public setting and there maybe people at home who have this question.

>> We agree with you Councilmember Campos. That is probably one of the key aspects of improvements that we're looking forward to this fall. We currently having gone from 8,000 members which we could handle in house and a direct membership we do anticipate having those out before Halloween. We're right now collaborating and getting all of our names correctly input into the system. We've had a few glitches along the way with that. We do want everybody to have their cards this fall so that when renewals do happen, people feel confident that we are a location that can provide them the card that they have in their wallet book and are ready to know that we are -- we

have those resources available. It is because we have a new system up and it has taken us a little bit of time to get used to the new system.

>> Councilmember Campos: So plan B would be if they're not able to utilize a portion of their membership, will you have a way to reimburse them or give them credit for next year?

>> At this point all of our memberships carry larger pieces of paper but it carries with them all the information that the card will.

>> Councilmember Campos: Actually it doesn't, I have one it doesn't say you have park so you still have to pay the \$12 and if someone -- you know you get a discount if you buy the package. So I just would hope that you would think about that, so that people are not discouraged when they come and say well I'm not going to purchase the park because I didn't get to use it, I didn't get the benefit last year.

>> We'll get back to your office specifically on that and we'll make sure we retrain staff if that's necessary as well.

>> Councilmember Campos: I just want people to have a good experience, that's all. Thank you. Any other questions if not we'll accept the report.

>> Councilmember Constant: I'd move to accept the report.

>> Second.

>> Councilmember Campos: All those in favor and that passes unanimously. Thank you. Now we're going to have Betsy give us a report. Legislative guiding principles.

>> Betsy Shotwell: Thank you Madam Chair, members of the committee, Betsy Shotwell, Director of Intergovernmental Relations. That it's time of year again when I'm going to all the council committees with draft

legislative guiding principles next year for review and comment. This will then go to the full Rules Committee and council in early December. This serves as the foundation for our actions and advocacy for Sacramento Washington and regionally as well. It gives us the foundation to also act quickly on legislation. This year we implemented as your approval what we call the expedited bill process which allowed our lobbyist, particularly it's beneficial in Sacramento as you know for our lobbyist, Roxann Miller, to back quickly when things sort of -- I don't want to say appear in the middle of the night, but that's actually what happens. And we are with a system of review from the city attorney's office, the mayor's office, and the City Manager's office, allows our lobbyist to move forward very quickly, expeditiously, and then report back to the Rules Committee and the full council as to the action that was taken. This year I saw that take place predominantly with legislation that reflected past legislation that the council had taken action on, and again, the guiding principles that you contribute to and approve and accept in December. I wanted to just briefly mention that this year for the neighborhood services committee the library did contribute some revisions and new items on page 2 of the memo. These items particularly talking with - - referencing materials and family literacy, and quality education, early education programs for children reflect a lot of the library department's actions with regards to our appropriation requests in Washington which our delegation has been very helpful with through years. So it's an updating as to a lot of the activities that the library department has been actively pursuing and involved in getting funded and funding at the federal level. And that's reflected here. The housing department submits a number of edits and changes each year and while that's been consolidated into the Community and Economic Development memo I wanted to bring to your attention following the discussion earlier on the foreclosures, that if you turn to the actual legislative guiding principles, under D as in dog, item 4, the housing department has made some major updates to direct and help particularly in this, in this area of foreclosures, our lobbyist activities has bills particularly in Washington seem to morph into other bills and then other bills this gives us a foundation to be specific as to advocacy on the foreclosure issue rather than a general statement that had been prepared earlier. I mean this is a living document obviously five years ago some of these issues weren't even in the document and it's a living document throughout the year to help address issues. And then also on the next page on page 23, it was added that the city should seek federal and state funding under number 23, for the city to invest into vacant foreclosed homes in the heart of the community and to sell these homes as affordable homes to first time home buyers. I know it's hard because there's a lot here and it's not just for one committee, it's for each committee and then all of the committees and there's some overlap

here but I particularly wanted to make you aware of those new guiding principles with regards to that. And this again will be going on to other committees, and the Rules Committee at the same time as we're preparing the legislative priorities document. That's more specific to particular to perhaps city sponsored bills, legislation or policy, advocacy and appropriations requests and the departments and the agency are working on that right now. And with that I'd be happy to answer any questions.

>> Councilmember Campos: Well, thank you for that. Are there any questions from the committee? Vice Mayor.

>> Betsy Shotwell: And staff is here from the library department as well. And Jackie Connolly stayed on to hear your comments.

>> Councilmember Chirco: I just want to thank housing for expanding section D number 4 especially after the last report we had. I think this is just really critical, and help protect homeowners and tenants from eviction. But I was just trying to read it, to frankly force banks to step forward on their helping to restructure these loans. So it seems like it's captured in there so I'd like to physically --

>> Betsy Shotwell: Exactly again to the points raised earlier on the legislation front, senator Leno's bill did not make it out of the assembly, but I'm sure we'll see future activities in regard to this. I intend to take that memo that was presented earlier to you, as well, and share it with our lobbyist, Roxann Miller, and Patton Boggs in Washington, to give them a flavor of what the issue looks like in San José, not just a new super headline, but some specific details that were captured in that excellent report.

>> Councilmember Chirco: Yeah, and also, even just the abuses by the banks once a house is vacant. It just becomes a blight in the neighborhood, and they just walk away, they don't even secure them. And the community is left to deal with the consequences of the bank's action. So thank you.

>> Councilmember Campos: Any other questions? I just have one, regarding the guiding principles. First of all, all of these are great and I think they represent some of the work that has been done on the council, and that the

priorities on where we're going in creating policy. But the other thing that I think we may need to look at in adding is healthy lifestyle choices. And I think some of that discussion will take place tomorrow in a joint meeting. But whether we think about supporting, you know, children and supporting young people and supporting communities you also have to figure out how you balance the other lifestyle choices, whether it's around food, and the environment, and what's available to them. So if we're going to create a city that we'll people are going to want to pay to live in, with the housing market the way it was at one time, and prices are still kind of high to live in this valley, we need to create communities that are equitable across San José.

>> Betsy Shotwell: Do you have a -- some language in mind, or do you want staff to look at this?

>> Councilmember Campos: I think I'll look to you to maybe prepare some of that language.

>> Betsy Shotwell: Okay.

>> Councilmember Campos: And maybe, I don't know if someone is going to the discussion tomorrow.

>> Betsy Shotwell: I'll be there.

>> Councilmember Campos: And maybe some language will come out of there. I bring this up because I think it's important for us to start looking at that here as policy makers. I had a chance to go through binder briefly and there's a lot of money that's available around this issue. And we should be able to capitalize on that as policy makers in the City of San José.

>> Betsy Shotwell: All right. Well we'll work on that and have it in the memo that so that it can again be addressed at the next level for discussion.

>> Councilmember Campos: Thank you. Any other questions? With that can we accept the report?

>> Councilmember Chirco: I would move to accept the report.

>> Councilmember Chu: Second.

>> Councilmember Campos: All those in favor? That passes unanimously. Thank you. The last item is schools city collaborative bimonthly update.

>> Norberto Dueñas: Madam Chairman, members of the committee, you do have the written report on the schools city collaborative. We did have a meeting of the collaborative this past Wednesday. And you have the additional information that I've outlined but I've asked Elisa Echeveria from general services department and Peter Jensen to give you an overview of the partnership that we have with Alum Rock school district and the work that we've done together over at the Mexican heritage plaza. Peter, Elisa.

>> Peter Jensen: Peter Jensen, director of general services. Elisa will be giving the presentation on what's going on at the plaza.

>> Hello, madam chairwoman, vice chair, councilmembers, thank you for the opportunity to report today. My name is Elisa Echeveria. I'm the Mexican Heritage Plaza transition manager, staff of the Department of General Services. Thank you, madam chairwoman, for the opportunity. I'd like to report to you today on the very successful completion of the Mexican Heritage Plaza classroom conversion and the lease agreement with the Alum Rock Union Elementary School District. I'm going to be showing you some photos. You can see a little bit of the activity that's going on at the plaza while I run through some reporting items. 150 San Antonio school first graders began the first Dave school August 25th at that time Mexican heritage plaza. They've now settled into a daily routine that will continue through academic year 2010-2011. The three most exciting aspects of this project are, the district's investment in renovating the second floor of the plaza which was formerly office space into classrooms. We now have five total classrooms which is very exciting because it helps us in the implementation of the council and community's future vision of the plaza to be a school of arts and culture offering after-school programs in arts education. Secondly, this is a distinct opportunity for the city to strengthen its partnership with the

Alum Rock union elementary school district. And to continue future collaborations of this kind. I'm especially thankful to Councilmember Campos and superintendent José Manzo who were instrumental in the early vision for this project. I'd also like to call out the participation of contributing departments from the city. This was a conversion, the construction phase of this project was very, very short. We had to do it in a very short time frame. So it was with the participation particularly of Public Works, of fire department, of the office of the City Manager, City Attorney's office, as well as general services and Department of Transportation, all coming together to make this project possible. Last but not least, the daily traffic of children and families to the plaza adds to the vibrancy and the openness to the community. We are very excited about the plaza being open to the local community on a daily basis. Thank you for the support from the council, that made this partnership possible. Peter and I are here to take questions, should you have any.

>> Councilmember Campos: Are there any questions from the council? So I just have one question. First of all, it's so wonderful to see so many young people playing out there. And I want to echo the same thanks as well. And I want to recognize Norberto for work very close with my office, and Alum Rock's superintendent's office, to make sure and then of course Peter and Elisa thank you for everything that you've done in bringing the partners. Because it was seamless through -- there were no complaints. And you don't get that too often. So that was wonderful to be able to make it seamless. But I had one question. So I was out there not too long ago and the separation you have, live plants, did -- I couldn't see it but it looks like they may have changed the pots because when I was out there a lot of them were -- had fallen over. Toppled over. And my fear was, oh, my goodness if one of those falls on a kid. It appeared to be very heavy. And concerned about has that been addressed already?

>> We are working on the plant issue. They have been replaced in terms of the planters, so they are rectangular as opposed to circular now.

>> Councilmember Campos: Well, the rectangular seem might be a problem.

>> They're rectangular, heavy.

>> Councilmember Campos: I just don't want it to be a situation where a young person may get hurt from one of those toppling over on them. So I just want to voice my concern about that, and hopefully we can address it.

>> Thank you, Councilmember Campos.

>> Councilmember Campos: Any other questions? Okay can we get someone to accept -- make a motion to accept the report.

>> Councilmember Chirco: I'd move to accept the report.

>> Councilmember Chu: Second.

>> Councilmember Campos: All those in favor? That passes unanimously. At this time open forum there's staff in the audience. I don't know if they want to speak on anything if not meeting adjourned. Thank you.