



# City Manager's Weekly Update

April 17, 2013

## UPCOMING MEETINGS

- 4/22** Joint City/SLUSD/  
SLzUSD Work Session,  
7:00 p.m., Main  
Library, Karp Room
- 5/6** City Council Meeting,  
7:00 p.m.,  
Council Chambers
- 5/13** City Council Work  
Session, 7:00 p.m.,  
Council Chambers
- 5/20** City Council Meeting,  
7:00 p.m.,  
Council Chambers
- 5/28** City Council Work  
Session, 7:00 p.m.,  
Council Chambers
- 6/3** City Council Meeting,  
7:00 p.m.,  
Council Chambers
- 6/10** City Council Work  
Session, 7:00 p.m.,  
Council Chambers
- 6/17** City Council Meeting,  
7:00 p.m.,  
Council Chambers
- 6/24** City Council Work  
Session, 7:00 p.m.,  
Council Chambers
- 7/1** City Council Meeting,  
7:00 p.m.,  
Council Chambers
- 7/8** City Council Work  
Session, 7:00 p.m.,  
Council Chambers

**To:** City Council  
**From:** Chris Zapata, City Manager

## Mark Your Calendar

San Leandro Police Department (SLPD) Annual Promotion and Recognition Ceremony (reminder)

**Thursday, April 18, 3:00 p.m., Senior Community Center, 13909 East 14<sup>th</sup> Street**

- SLPD will host its Annual Promotion and Recognition Ceremony tomorrow, **April 18**. Police Officers, Civilians, Dispatchers, Explorers and Volunteer of the Year recipients will be recognized, as well as the awarding of service medals, commendations and other awards from Chief Spagnoli. Department members completing their probation will also be recognized during this event.

- At last year's event, there were approximately 200 people in attendance, including SLPD and City of San Leandro personnel, other Chiefs of Police, and family and friends of the recipients.

- If you would like to attend this event, please notify Yolanda Carrasco.

Earth Day/Watershed Festival on San Leandro Creek (reminder)

**Saturday, April 20, 9:30 a.m. to 2:00 p.m.**

- Participate in Earth Day by helping to care for San Leandro Creek on **April 20**.

- Friends of San Leandro Creek and Merritt College are hosting an Earth Day and Watershed Festival along San Leandro Creek from 98<sup>th</sup> Avenue in Oakland to Cary Drive in San Leandro. Choose from several sites on San Leandro Creek to help.

- **Creek Clean-ups**

- 9:30 am—12:00 pm - meet at Starbucks, 185 98<sup>th</sup> Avenue, Oakland
- 9:30 am—11:00 am - Root Park, East 14th Street at Hays Street, SL

- **Cobb Bench Maintenance**

- 10:00 am—12:00 pm - meet behind Community Reformed Church, 457 Capistrano Drive, Oakland

- **Earth Day/Watershed Festival & FREE BBQ for Participants**

- 10:00 am - 2:00 pm - FREE barbecue for all Earth Day participants!
- Park on Bancroft Ave near Haas Avenue (walk east on Haas Avenue, across the footbridge, to the lot behind Bancroft Middle School)

- There will also be a recycling station at the Festival where participants can bring CDs, DVDs, jewel cases, audio/video cassettes, cell phones, household batteries, mercury thermometers, and empty ink toner cartridges to recycle - no e-waste, please.

- For more information about this event, contact Susan at [Slevenson@sanleandro.org](mailto:Slevenson@sanleandro.org) or Robin at [rfreeman@peralta.edu](mailto:rfreeman@peralta.edu).

Stanford University's SparkTruck to Visit San Leandro Main Library  
(flyer attached)

**Monday, April 22, 4:00 to 6:00 p.m., Main Library Trustee's Room,  
300 Estudillo Avenue**

- The San Leandro Main Library will receive a visit from the SparkTruck on **April 22**, an educational build-mobile that encourages children to find their inner maker. Students will get to try hands-on activities created by Stanford University design school students. Visit [www.sparktruck.org](http://www.sparktruck.org) to see what it's all about.



Parks Make Life Better: Family Fitness Day (flyer attached)

**Saturday, April 27, 1:00 p.m., Washington Manor Park, 14900 Zelma Street**

- The City of San Leandro's Recreation and Human Services Department, in partnership with the San Leandro Unified School District and the Y's Healthy Kids Day, is hosting Parks Make Life Better: Family Fitness Day on **April 27**. Family Fitness Day is a free event where family members of all ages can try out fun fitness activities such as a challenge course, old fashioned picnic games, dance, martial arts, sports, and more.
- Families are encouraged to participate in a variety of activities and receive a passport stamp for each activity. A completed passport earns the participant a surprise!
- Everybody who participates in any of the physical activities will receive a raffle ticket and be eligible to win great raffle prizes. The raffle drawing is at 3:45 p.m. and participants must be present to win.
- Bike or walk to the event (parking is limited) and you will earn a passport stamp!
- This special event is being held the same day as the San Leandro Sports Foundation's Run for the Schools fundraiser. Come early and join in the competitive run - registration and bib pickup begins at 11:30 a.m., race at 12:30 p.m.; or enjoy the Family Fun Run/Walk at 2:00 p.m.

## **Council Information**

Constraints on Cities in Implementing Property Assessed Clean Energy (PACE) Residential Programs  
(informational flyer attached)

- PACE residential programs are public-private partnerships that provide low cost financing to residential and commercial property owners for energy efficiency and renewable energy improvements to their homes and businesses. There is typically no cost to cities and counties and the programs are administered by a non-governmental entity. The source of funding for the loans is tied to the county or city's tax assessment system and PACE loans have first lien position over other loan obligations on a property including the primary mortgage. Several cities and counties in California have approved the use of PACE in their communities as a community improvement tool that does not add additional fiscal strain to their budgets.
- However, the Federal Housing Finance Agency (FHFA), which regulates secondary mortgage market institutions like Fannie Mae and Freddie Mac, has had major risk concerns about PACE programs for lenders, loan servicers, mortgage securities investors, and homeowners. Key concerns include the loan underwriting standards, not requiring compliance with key consumer protections such as the Truth-in-Lending Act, and uncertainty in measuring whether the improvements lead to significant energy efficiencies for homes.
- In March 2013, the 9<sup>th</sup> Circuit Court of Appeals issued a decision in favor of FHFA, which enables Fannie Mae and Freddie Mac to establish more stringent underwriting standards to off-set risks from the PACE programs. Consequently, the viability of PACE programs faces uncertainty. Many local governments including San Leandro have not opted into any PACE programs and continue to monitor their status with caution. See the attached memo from California First summarizing the impacts of the court ruling on the PACE programs and the California communities which currently implement them.

San Leandro Police Department (SLPD) March 2013 Crime Statistics (view statistics [here](#))

## Businesses in the News

Zinus Inc. (article attached)

- In one of the largest deals inked in the East Bay this year, Zinus Inc. has signed a lease to move into a 166,000 square foot space at 1951 Fairway Drive. Zinus, Inc., a mattress, pillow, and slipper manufacturer, decided to more than double its current Hayward facility by relocating into the heart of San Leandro's industrial zone.
- Zinus, Inc. is a major player in the sleep and comfort industry, supplying retail outlets such as Bed, Bath and Beyond, Walmart, and Target.



**Design class @  
the San Leandro Main Library**

**Monday, April 22  
4pm to 6pm**

**Hands-on design activities for kids  
in elementary and middle school**

SparkTruck is an educational build-mobile that travels to sites to spread the fun of hands-on learning and encourage kids to find their inner maker. Students in elementary and middle school will get to try activities created by Stanford design school students, including using foam tubes, tape and a marble to make a "rockin' roller coaster." Stop by the Trustees Room at the Main Library from 4-6pm to join in the fun.

**San Leandro Main Library, 300 Estudillo Ave.  
577-3960 ● [www.sanleandrolibrary.org](http://www.sanleandrolibrary.org)**



# RUN FOR THE SCHOOLS

As part of the YMCA Healthy Kids Day

KEEP THE BALL ROLLING



**Saturday, April 27, 2013**  
**12:30 PM to 4:00 PM**  
**San Leandro Manor Park**  
**(new location)**



Come out to support  
our San Leandro schools  
and this  
free City-wide  
Healthy Kids Day



**1 Mile Race - \$5 Student/ \$10 Adult,**  
**or 1 Mile Family Fun Run/Walk -**  
**\$10/family**

**Fun and games for the whole family**  
**(interactive games, old-fashion picnic**  
**games, and many more fun activities).**

11:30am –12:15pm	Bib Pickup/ Registration
12:30pm	Competitive 1 Mile Race
12:30pm-2:00pm	Registration 1 Mile Fun Run
2:00pm	1 Mile Family Fun Run/Walk
1:00pm-4:00pm	Healthy Kid Day Activities



Hosted by the **San Leandro Sports Foundation** in partnership with the City of San Leandro, San Leandro Unified School District and YMCA of the East Bay.

**MEMORANDUM**

TO: CaliforniaFIRST Participating Local Governments  
FR: Simón Bryce (simon@renewfund.com)  
DATE: April 4, 2013  
RE: Residential PACE Update: 9<sup>th</sup> Circuit Court Decision

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On March 19, 2013, the 9<sup>th</sup> Circuit Court of Appeals issued a decision<sup>1</sup> in favor of the Federal Housing Finance Agency (FHFA) affecting Property Assessed Clean Energy (PACE) residential programs. By a 3-0 vote, the Appeals Court vacated the earlier ruling by 9<sup>th</sup> Circuit Judge Claudia Wilken that had required FHFA to undertake a public rulemaking process regarding PACE.

This decision means that FHFA does not have to complete the final rule on PACE in September, as had been previously ordered by Judge Wilken. It also means that Fannie Mae and Freddie Mac can continue to require PACE liens be paid off when a home is refinanced or sold as well as other, more severe actions, at their discretion. Fannie Mae and Freddie Mac have not indicated which additional actions, if any, they may take, but those include those authorized in FHFA July 6, 2010 statement. As a reminder, those actions include:

- “Adjusting the loan-to-value ratios to reflect the maximum permissible loan amount available to borrowers in PACE jurisdictions;
- Ensuring that loan covenants require approval/consent for any PACE loan;
- Tightening borrower debt-to-income ratios to account for additional obligations associated with possible future PACE loans;
- Tightening borrower debt-to-income ratios to account for additional obligations associated with possible future PACE loans;
- Ensuring that mortgages on properties in a jurisdiction offering PACE-like programs satisfy all applicable federal and state lending regulations and guidance.”

In short, the Court decision means that Fannie and Freddie can change the underwriting standards to make it more difficult and expensive for ALL homeowners to get mortgages in any jurisdiction that has a residential PACE program. This would affect those homeowners who have no PACE lien as well as those who do have a PACE lien.

The FHFA has also indicated that participation in PACE programs can be considered an act of default under the terms of the mortgage.

The August 2010 CSCDA Board of Directors decision to pause residential PACE remains in effect while we await information or clarity regarding the viability of residential PACE.

The State of CA and other plaintiffs have 45 days (until May 3) to decide whether to appeal this decision.

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<sup>1</sup> Decision available at [http://cdn.ca9.uscourts.gov/datastore/opinions/2013/03/19/12-16986%20web\\_revised.pdf](http://cdn.ca9.uscourts.gov/datastore/opinions/2013/03/19/12-16986%20web_revised.pdf)

# Zinus Inc. takes 116,000 square feet in San Leandro



San Leandro, CA

San Francisco  
Business Times

April 8, 2013

By Bianca Torres

Zinus Inc., a mattress and bedding distributor, took 116,017 square feet in the Fairway Industrial Center at 1951 Fairway Drive in San Leandro.

The company plans to expand from its current 48,000-square-foot space at 30799 Wiegman Road in Hayward, which serves as its U.S. sales and marketing base.

Zinus, based in Asia, also has offices in Canada, China and Korea. It makes mattresses, pillows, sleep foundations and slippers sold in stores such as Target, Bed Bath & Beyond, Sam's Club and Walmart.

The company's San Leandro deal is one of the largest inked this year in the East Bay.

"The commercial real estate market is showing continued signs of improvement," said Greig Lagomarsino, a broker with Colliers International who represented the landlord, Loma Verde Properties along with Todd Severson and Nick Ousman of the same firm. "Many Bay Area companies are back in expansion mode and this transaction is indicative of the market today. This facility provides an excellent opportunity to accommodate Zinus' current and future expansion needs."



Fairway Industrial Center contains 288,000 square feet with about 38,638 square feet available for lease.