



# City Manager's Weekly Update

Week ending August 26, 2011

## UPCOMING MEETINGS

- 9/6** Shoreline-Marina Committee Meeting, 4:00 p.m., Sister Cities Gallery
- 9/6** City Council Meeting, 7:00 p.m., Council Chambers
- 9/8** Business and Housing Committee Meeting, 4:00 p.m., Sister Cities Gallery
- 9/9** Finance Committee Meeting, 8:15 a.m., South Offices Conference Room
- 9/9** Airport Committee Meeting, 9:00 a.m., Sister Cities Gallery
- 9/12** City Council/SLUSD Joint Work Session, 7:00 p.m., Main Library
- 9/13** Facilities and Transportation Committee Meeting, 4:00 p.m., Sister Cities Gallery
- 9/15** CC/SLUSD Liaison Committee Meeting, 4:00 p.m., TBD
- 9/19** City Council Meeting, 7:00 p.m., Council Chambers
- 9/22** Rules and Communications Committee Meeting, 4:30 p.m., Sister Cities Gallery
- 9/26** City Council Work Session, 7:00 p.m., Location TBD

**To: City Council**  
**From: Lianne Marshall, Interim City Manager**

As noted below, the City will participate in observing the 10<sup>th</sup> Anniversary of the September 11<sup>th</sup> attacks on our nation at 10:00 a.m. on Sunday, September 11, 2011. It is an opportunity for everyone to pause for a moment to remember those who lost their lives in the tragedy and honor those who keep our communities and nation safe and secure.

## Mark Your Calendar

### City's Observance of September 11, 2011

- Sunday, **September 11, 10:00 a.m.**
- September 11, 2011 marks the 10<sup>th</sup> anniversary of the attacks on our nation in New York City, Washington, D.C., and Shanksville, Pennsylvania.
- U.S. Senate Resolution 237 was unanimously passed by the Senate, marking 10:00 a.m. Pacific Daylight Time (1:00 p.m. Eastern Daylight Time) as a national "Moment of Remembrance."
- The City will be participating in the following ways:
  - A Proclamation will be presented at the September 6 City Council, proclaiming that day and hour as a "Moment of Remembrance" in San Leandro.
  - Available on-duty Police and Fire personnel will sound their vehicle sirens at that moment.
  - Flags at the Main Library and Fire Stations will be flown at half-staff for the day.
  - Correspondence will be sent to all Churches and Temple Beth Sholom, asking that they ring their bells for one minute at that moment, and encourage their congregations to pause in reflection.
  - A press release is being prepared, encouraging all of the community to stop what they are doing at that moment and pause to remember and reflect on the tragedies that occurred ten years ago, and to honor those who are keeping our communities, our nation and our freedoms secure.
  - The press release will also encourage the community to fly their American flags that day, at half-staff if possible.

## Council Follow-Up

Response to the Request for City Sponsored Pool Tables (staff report, survey and room use report attached)

- At the July 18 City Council meeting, Mr. Jake Jacoby asked the City to consider putting two pool tables in the Patio Room at the Marina Community Center. At first glance, it seems like a great idea. The activity would provide

an opportunity for members of the community to participate in a fun activity and socialize. The idea of pool tables was also brought up during the initial planning of the Senior Community Center. At that time, the Senior Commission researched whether pool tables should be included in the new building. After considering the factors, they decided to not include pool tables or other single use activities such as ping-pong or ceramics.

- In response to the recent request to place two pool tables at the Marina Community Center, staff:
  - Conducted a new survey of other agencies that offer pool tables in their Centers;
  - Reviewed the attendance, use and revenues of both the Marina Community Center and the Senior Community Center rooms;
  - Analyzed the impact on attendance, use and revenues.
- After reviewing the findings, staff found that the negative impact on room use outweighs the advantages of adding pool for the following reasons:
  - The room will be tied up for a single use that serves a limited number of people;
  - The loss of one of the meeting rooms will limit the flexibility to add programs and services and to accommodate meetings, trainings and other uses;
  - Revenue generation will be reduced.
- In order to serve the greatest number of people and meet the widest variety of needs, staff recommends against putting pool tables at one of the City facilities.

## Council Information

### Change in Agenda Timeline

- For the September 6 City Council meeting, we are introducing a new agenda distribution schedule in order for the City Council to have more time to review upcoming meeting agendas.
- On Tuesday afternoons prior to a City Council meeting or Work Session, the City Council will receive a hyperlink via email to view the agenda in Laserfiche.
- On Wednesday mornings, the City Council mail packets will be delivered.
- Also, the agenda will then be posted on the City's website and the Comcast channel 15 cable station for public access.

### City Manager's Weekly Update On-line

- The Weekly Update is now accessible via email by subscribing to [E-Notify](#) on the City's website.
- As you know, E-Notify can also be used to automatically receive City Council meeting and Committee agendas, City press releases, the Recreation newsletter and more.

### Marina Boulevard Street Rehabilitation Project and the Annual Overlay/Rehabilitation 2010-11 Project (staff report and notice attached)

- Both the Marina Boulevard Street Rehabilitation Project and the Annual Overlay/Rehabilitation 2010-11 Project will be underway in mid-September.
- An informational meeting with nearby residents and businesses has been scheduled for Thursday, September 8, from 6:30 p.m. to 8:00 p.m. in the South Office Conference Room. This will be an opportunity for those who will be affected by this project to have their questions answered.
- The Marina Boulevard Street Rehabilitation project will entail two phase construction. Phase 1 will reconstruct Marina Boulevard between San Leandro Boulevard and Washington Avenue by removing the existing asphalt concrete surface, cement-stabilizing the road base, and repaving with a surface course of asphalt concrete. Phase II will remove and replace the top four inches of asphalt concrete on Marina Boulevard between Teagarden Street and Alvarado Street. This phase of work will be done at night to minimize the traffic impact on this heavily-traveled street. Traffic control measures, including detours, will be in place during construction, but local traffic will be allowed through per the project specifications.
- The Annual Overlay/Rehabilitation 2010-11 Project will reconstruct eight street segments utilizing the same cement-stabilization method mentioned above.

## Legislative

Letter to California Legislators Regarding AB 27 – Redevelopment Clean-up Legislation (letter attached)

- The Community Development Department has genuine concerns regarding the impact of Assembly Bill 27, which is described as “clean-up” legislation for Redevelopment commitments to the state.
- The attached letter was sent this week, explaining how the state’s plan to restore Set-Aside Funds in Redevelopment agencies throughout California would have devastating impacts, and offers reasonable and sustainable alternatives.

## **CITY OF SAN LEANDRO**

### **STAFF REPORT**

**DATE:** August 23, 2011

**TO:** Lianne Marshall, Interim City Manager

**FROM:** Carolyn Knudtson, Recreation and Human Services Director  
Recreation and Human Services Department

**BY:** Joann Oliver, Recreation and Human Services Manager  
Recreation and Human Services Department

**SUBJECT:** RESPONSE TO THE REQUEST FOR CITY SPONSORED POOL TABLES

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#### **SUBJECT PROJECT/PROJECT DESCRIPTION:**

At the July 18 City Council meeting, Mr. Jake Jacoby asked the City to consider putting two pool tables in the Patio Room at the Marina Community Center for public use. In response to this request, staff conducted a survey of other agencies' Senior and Community Centers that offer pool and analyzed the impact on room use, attendance and revenue. The findings are summarized in this report.

#### **SUMMARY AND RECOMMENDATION**

At first glance, it seems like a great idea to put pool tables at one of the City facilities. The activity would provide an opportunity for members of the community to participate in a fun activity and socialize. However, after reviewing the findings, staff found that the negative impact on room use outweighs the advantages of adding pool for the following reasons:

- The room will be tied up for a single use that serves a limited number of people.
- The loss of one of the meeting rooms will limit the flexibility to add programs and services and to accommodate meetings, trainings and other uses.
- Revenue generation will be reduced.

#### **BACKGROUND**

When the Senior Community Center was in the planning stages, the Senior Commission and staff considered whether pool tables should be included in the new building. The Senior Commission visited senior centers throughout the area to gather information about programming and facility design. During those visits, staff at other facilities recommended against dedicating a room to a single use, whether it be ping pong, pool tables, exercise equipment, etc. At that time, the Commission was told:

- The room is tied up for a small number of users.
- Using a room for a single use (ping pong, pool, etc.) limits the flexibility to offer a variety of programs and services.

- Pool tables and similar activities generate little revenue compared to other uses.
- Some groups become cliquish and do not welcome new participants.

The Senior Commission considered these factors and decided not to include pool tables or another single use activity in the new building.

### Local Opportunities to Play Pool

Opportunities to play pool are currently available in Alameda, Castro Valley, Union City and Newark. Mission Bay also has four pool tables, two of which are used approximately 8 hours per week by 2-4 people; except July 4, when they hold a tournament. Mr. Jacoby, who is a resident of Mission Bay, explained that although the tables are available at Mission Bay, only two guests at a time are allowed at the facility.

### July 18, 2011 Pool Table Request

When the question of pool tables was raised at the July 18<sup>th</sup> City Council meeting, staff conducted a survey and analyzed the impact on revenue and other uses if pool tables were put at the Marina Community Center or Senior Community Center. A copy of the survey results and summary of the room impact is attached. Following is a summary of the findings.

### Survey Results

#### General:

- Centers with pool tables typically have 2 – 3 tables.
- Tables are available during operating hours on a drop-in, first come first serve basis.
- Fees range from free, with most centers charging \$1.00 per day and \$2.00 for tournaments.
- Usage varies from 0 - 10 players per day, to 12 -16 players during tournaments.
- Most centers host tournaments and usage is high on the day of the tournament.
- To avoid conflicts, it is important to post house rules and rotation guidelines.
- One city noted that pool tables provide a great avenue for men to socialize and interact.
- One city noted that they eliminated their pool tables due to limited use and loss of revenue.

#### Challenges:

- Some said no real issues.
- Some noted arguments and bullying amongst players, and commented that regulars are not always welcoming of new people.
- The City must be prepared to pay for replacement and repairs.
- The City should consider the loss of revenue and serving a limited number of people. A room with pool tables will typically generate \$0 - \$10 per day, while classes in the same room could generate approximately \$960 per session or \$120 per day. (3 classes per day, 20 attendees/class @ \$16)

### Use and Room Impact

At the City Council meeting, Mr. Jacoby suggested using the Patio Room at the MCC, but staff decided to look at all of the suitable rooms, including the Patio and Multipurpose Rooms at the Marina Community Center (MCC) and the Meeting Rooms at the Senior Community Center (SCC).

Attached is a copy of the Room Usage Report which shows number of rentals, rental revenue, classes and attendance. The summary also shows the number of rental contracts and bookings that are already on the books for 2011-12.

Putting pool tables in one of the rooms means that the room will not be available for other uses such as rentals, classes and meetings. For example, the MCC Patio Room is the least expensive room and is used most by small groups and non-profit organizations. The 2010-11 attendance in the Patio Room for classes and rentals was approximately 4,211 and the Patio Room generated \$10,202 rental revenue. To date, there are 21 rentals for the Patio Room in 2011-12. The Patio Room's proximity to the Main Hall is also a concern. Noise from pool games could interfere with paid rentals, meetings and other activities in the Main Hall.

Staff does not recommend putting pool tables at the MCC because:

- The Patio and Multipurpose Rooms are regularly used for a variety of classes, services and rentals (322 rentals, 471 Bookings, 76 classes, 20,703 Class and Rental Attendance in 2011-12)
- The rooms generate revenue (\$67,531)
- We have committed rental contracts for the coming year (76 rentals to date for 2011-12)
- Noise generated from pool games in the Patio Room poses a potential conflict with uses in the Main Hall.

The Senior Community Center opened in April. Since opening, programs have expanded, attendance is growing and rentals are increasing. Rentals have generated over \$22,000 in revenue. Most of the revenue has been from the Main Hall, with the two Meeting Rooms used primarily for senior activities and classes. Projected attendance for activities currently scheduled in the two meetings rooms is 2,785.

Tying up one of the Meeting Rooms with pool tables will limit flexibility and the opportunity to expand services. For example, one of the Meeting Rooms will be used between February and April to provide tax assistance to over 700 seniors. During this same period the second Meeting Room will be used for other senior activities. There would be much less flexibility to offer a variety of programs, if one of these rooms was not available for multiple uses.

Staff does not recommend putting pool tables at the SCC because:

- A variety of programs ranging from social activities to health checks are offered at the SCC. The focus is to serve as many people as possible with a wide range of services. Pool tables will tie up a room for a single use and serve a limited number of people.
- The loss of one of the meeting rooms will limit the flexibility to add programs and to accommodate meetings, trainings and other uses.
- Revenue generation will be reduced.

## Fiscal Impact

Funds are not budgeted for purchase or ongoing maintenance. Following is an estimated cost of adding pool tables to the SCC.

	Cost Estimate	Quantity	Total
Pool Table (Including Installation)	\$3,000	2	\$6,000
Costco Accessory Kit (Cues, Balls, etc.)	\$200	3	\$600
Total			\$6,600
Annual Maintenance, Replacement, Repair			\$300
Note - Pool tables range in cost from \$1,000 - \$5,000			

## Conclusion

Staff recommends against putting pool tables at one of the City facilities. However, should the City Council decide to give this matter further consideration, staff suggests that the SCC would be the most appropriate location and the matter be brought to the Senior Commission for further review. The Senior Community Center would be the most appropriate location because more people are likely to discover the availability of pool at the SCC and users would have access to the variety of other senior programs and services offered at the facility.

When the Senior Commission first considered what programs and services should be offered at the new Senior Community Center, the number one criteria was to provide programs that serve the greatest number of seniors and meet a variety of needs. That is why the Senior Commission decided not to have a single use activity such as pool in the new building.

Staff supports the Senior Commission's original conclusion that pool tables will tie up a room for a single use, serve a limited number of people and limit flexibility to grow programs and services.

Attachments: Pool Table Survey  
Room Use Report

Recreation and Human Services Department  
Pool Table Survey - August 2011

Aug-11

	Union City	San Ramon	Dublin	Pleasanton	HARD – Castrol Valley (Kenneth Aitken)	Alameda (Mastick Senior Center)	Petaluma	Santa Rosa
Does your Center have Pool, Ping Pong or similar dedicated use?	Pool, Ping Pong	Pool	No Pool, two Ping Pong Tables	Used to have Pool Tables but did not have enough use so let it go. The room is now used for a variety of classes and more people are served.	Pool	Pool	Pool	Pool
What is the set-up (e.g. dedicated room, common area, etc.)?	Common area with two Pool tables and one Ping Pong table	Dedicated room with one Pool Table	The Ping Pong Tables are portable, so they can be removed from the room when needed for other uses		Dedicated room with two Pool Tables	Dedicated Room with three Pool Tables (converted school, so have space)	Dedicated room with two Pool Tables (8' and 7')	Leisure Room with (3) Pool Tables, (3) game tables, TV, computer
Fee?	Center has a membership fee so the use of the Pool Tables is free	Drop in fee of \$2.00	NA		Drop in Fee of \$1.00	Free	Drop in fee of \$1.00	Drop in fee of \$1.00, \$2.00 for tournament play, plus \$1.00 for winner's pot.
How do you manage the Pool Table use?	First come-first serve	First come-first serve	NA		Participants sign-in and pay at the front desk before playing	First come-first serve	First come-first serve, monthly Pool tournaments held Sept – June, 3 -4 times per year do a BBQ after the tournament	First come-first serve

Recreation and Human Services Department  
Pool Table Survey - August 2011

	Union City	San Ramon	Dublin	Pleasanton	HARD – Castrol Valley (Kenneth Aitken)	Alameda (Mastick Senior Center)	Petaluma	Santa Rosa
What is the level of use?	4 – 15 users per day	Used a few hours each day, 3 – 4 people, not heavily used	NA		0 – 10 players per day	Heavily used, particularly during tournaments	Mostly male clients with a few women from time to time, busy until noon	Players use the room all day, ladies Pool lessons weekly, 12 -16 players for tournaments
What works?	Tournaments are popular	No conflicts, people take their turn and self monitor	NA		The men who play Pool enjoy it	Have one of the regular Pool players serve as a volunteer to coordinate the room usage	Have participants develop a set of rules.	Balls are kept at customer service and checked out with membership card, card is returned when balls are returned.
What are the challenges?	Some arguments and bullying. Post rules and include system for use rotation	None	NA		The regular group of players are not always welcoming to new people. Collecting the fee can be difficult. Some players start playing without paying. Room can get loud and interfere with other activities	None	No real issues.	None
Comments?	Be prepared for cost of maintenance and equipment replacement	Use of the Pool Table is not consistent, it goes in waves.	Do not plan to add Pool Tables because room is tied up for a single use, generates a small amount of revenue and serves few people.		Consider cost of maintenance (new felt and bumpers.)  Consider using coin Consider loss of revenue. Other uses generate more revenue than the \$0 - \$10/day collected for Pool.	Provides a great avenue for men to socialize and interact.	If you need to purchase equipment, consider Buffalo Pool, Rohnert Park, 800-400-4283	None

# Room Rental and Use

## Marina Community Center - July 2010 - June 2011

	Patio Room	Multipurpose Room B	Multipurpose Room C
Rental Revenue	\$ 10,202	\$ 22,633	\$ 34,696
Rentals	65	111	146
Bookings *	158	145	168
Rental Attendance	1931	3713	5939
Classes (each class has multiple sessions)	19	35	22
Class Attendance	2280	4200	2640
Total Hours of Use	1723	1175	1620

\* One rental may have multiple bookings

### Rentals/Classes Already Booked for 2011-12

	Patio Room	Multipurpose Room B	Multipurpose Room C
Rental Revenue	\$ 2,955	\$ 4,912	\$ 9,631
Rentals	21	22	33
Bookings *	58	22	34
Rental Attendance	750	264	528
Classes (each class has multiple sessions)	11	12	12
Class Attendance	1320	1440	1440
Total Hours of Use	704	264	520

\* Classes would have to be moved to alternative room. Rentals would have to be moved with permission of renter.

## Senior Community Center - April - June 2011 - (Facility opened in April 2011)

	Meeting Room C	Meeting Room D
Rental Revenue	\$1290	\$275
Rentals	4	1
Bookings *	9	1
Rental Attendance	140	40
Classes (each class has multiple sessions)	8	12
Class Attendance	960	1440
Hours of Use	141	91

\* One rental may have multiple bookings

### Rentals/Classes Already Booked for 2011-12

	Meeting Room C	Meeting Room D
Rental Revenue	\$ 330	\$ 0
Rentals	1	0
Bookings *	1	0
Rental Attendance	25	0
Classes (each class has multiple sessions)	5	18
Class Attendance	600	2160
Hours of Use	251	196

\* Classes would have to be moved to alternative room. Rentals would have to be moved with permission of renter.

# **CITY OF SAN LEANDRO**

## **STAFF REPORT**

**Date:** August 22, 2011

**To:** Lianne Marshall, Interim City Manager

**From:** Uchenna Udemezue, Director  
Engineering and Transportation Department

**By:** Kenneth Joseph, City Engineer

**Subject:** MARINA BOULEVARD STREET REHABILITATION PROJECT &  
ANNUAL OVERLAY/REHABILITATION 2010-11 PROJECT  
PROJECT NO. 10-150-38-329 & 10-149-38-327

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### **SUMMARY AND RECOMMENDATION**

This report provides information regarding the Marina Boulevard Street Rehabilitation Project and the Annual Overlay/Rehabilitation 2010-11 Project and notification of an upcoming meeting with residents and businesses located within the vicinity of the project. This is for information only, and no action is required.

### **BACKGROUND AND DISCUSSION**

Both subject projects were awarded to Gallagher & Burk, Inc. of Oakland and will be constructed at approximately the same time to maximize efficiency and to get as much work done as possible prior to the rainy season. Construction is tentatively scheduled to start in mid-September.

The Marina Boulevard Street Rehabilitation project will entail two phase construction. Phase 1 will reconstruct Marina Boulevard between San Leandro Boulevard and Washington Avenue by removing the existing asphalt concrete surface, cement-stabilizing the road base, and repaving with a surface course of asphalt concrete. Phase II will remove and replace the top four inches of asphalt concrete on Marina Boulevard between Teagarden Street and Alvarado Street. This phase of work will be done at night to minimize the traffic impact on this heavily-traveled street.

The Annual Overlay/Rehabilitation 2010-11 Project will reconstruct the following eight street segments utilizing the cement-stabilization method mentioned above.

- Andover Street from Burkhart Avenue to Lewelling Boulevard
- Astor Drive from View Drive to Lake Chabot Road
- Begier Avenue from Chetland Road to Bancroft Avenue
- Pearson Avenue from Gilmore Drive to Valley Street
- Johnson Street from Leonard Drive to Gilmore Drive
- Valley Street from Pearson Avenue to Gilmore Drive
- Maria Drive from Leonard Drive to Johnson Street

A portion of the segment of Bancroft Avenue from San Leandro Creek to Callan Avenue will be repaired to correct pavement defects due to trench settlement in the area. Curb ramps adjacent to the paving limits on both projects will be upgraded or constructed to meet current Americans with Disabilities Act standards. Traffic control measures, including detours, will be in place during construction, but local traffic will be allowed through per the project specifications.

An informational meeting with nearby residents and businesses has been scheduled for the evening of Thursday, September 8, 2011, from 6:30 p.m. to 8:00 p.m. in the South Office Conference Room in the San Leandro Civic Center. This will be an opportunity for those who will be affected by this project to have their questions answered.

Gallagher & Burk, Inc., will distribute additional notification flyers prior to start of construction. Flyers will include a description of the work to be done, working hours, and the contact information of key project staff should any issues arise.



## CITY OF SAN LEANDRO



### NOTIFICATION OF PUBLIC MEETING MARINA BOULEVARD STREET REHABILITATION PROJECT & ANNUAL OVERLAY/REHABILITATION 2010-11 PROJECT

You are invited to attend an informational meeting regarding upcoming street reconstruction projects.

**Thursday, September 8, 2011**  
6:30 p.m. to 8:00 p.m.  
San Leandro Civic Center  
South Office Conference Room  
(south of the San Leandro Police Department)  
835 East 14<sup>th</sup> Street, San Leandro

The following street segments will be part of the project:

#### Marina Boulevard Street Rehabilitation Project

- Marina Boulevard between Teagarden Street and Alvarado Street
- Marina Boulevard between San Leandro Boulevard and Washington Avenue

#### Annual Overlay/Rehabilitation 2010-11 Project

- Andover Street from Burkhart Avenue to Lewelling Boulevard
- Astor Drive from View Drive to Lake Chabot Road
- Begier Avenue from Chetland Road to Bancroft Avenue
- Pearson Avenue from Gilmore Drive to Valley Street
- Johnson Street from Leonard Drive to Gilmore Drive
- Valley Street from Pearson Avenue to Gilmore Drive
- Bancroft Avenue between San Leandro Creek and Callan Avenue (easterly half only)

Work will include the removal of the existing surface layer of asphalt concrete, stabilizing the road base with cement, and installing a new section of asphalt concrete. On Marina Boulevard between Teagarden Street and Alvarado Street, the work will consist of the removal and replacement of the top four inches of asphalt concrete, which will be done at night to minimize impact to traffic. Gallagher & Burk, Inc has been contracted by the City of San Leandro to perform this work.

“No Parking” signs will be posted at least 72 hours in advance with the effective dates and times in areas where street parking will be temporarily unavailable to accommodate construction activities. Traffic control measures, including detours, will be in place during construction. Local access to streets will be maintained. Prior to start of work, Gallagher & Burk, Inc. will distribute flyers to you with more information on the construction schedule.

The City of San Leandro appreciates your patience and cooperation during construction. Should you have any questions regarding this project, please contact the Project Manager, Kyle K. Lei, at (510) 577-3302 or at [klei@sanleandro.org](mailto:klei@sanleandro.org). Thank you.

## City of San Leandro

Civic Center, 835 E. 14th Street  
San Leandro, California 94577  
www.sanleandro.org



August 22, 2011

The Honorable Darrell Steinberg  
Senate President Pro Tem  
State Capitol, Room 205  
Sacramento, CA 95814

The Honorable Ellen Corbett  
Senate Majority Leader  
State Capitol, Room 3092  
Sacramento, CA 94248

Dear Senators Steinberg and Corbett:

A wise person once said, “The road to hell is paved with good intentions.” The proposed “clean-up” legislation for AB 27 is an example of the truth of this saying.

The Legislature recognized that redevelopment agencies needed to utilize a portion of their Redevelopment Housing Set-Aside Funds (“Set-Aside Funds”) to make their first year balloon payments to school districts and other local entities in order to alleviate the state budget shortfall. However, faced with an outcry from affordable housing advocates, AB 27 calls for the repayment of Set-Aside Funds to occur within five years.

Imposing a stringent and unrealistic term for redevelopment agencies to restore Set-Aside Funds will backfire on the state. Municipalities will be forced to transfer general fund dollars to redevelopment agencies to satisfy AB 27’s current 5 year loan repayment term.

Cities are at the fiscal breaking point and cannot afford to take on significant new debt. Faced with transferring monies from the general fund to ensure the redevelopment agency satisfies the mandate under AB 27 or closing down their agencies, cities will shut down their agencies. We will protect funds for public safety and other essential services over preserving redevelopment agencies. Redevelopment agencies must have more flexible options for repayment than what is presently being considered or there will be no future stream of funds for affordable housing generated by redevelopment agencies. In San Leandro, if our redevelopment agency is eliminated, an estimated \$125 million for future affordable housing projects will disappear.

Our Agency has been very pro-active in financing well designed, safe, and decent affordable housing with nonprofit and private developers over the years and has been diligent in striving to achieve the goals and objectives in the City’s Housing Element, Redevelopment Implementation Plan and HUD Consolidated Plan. Of the more than 600 below market rental units in San Leandro, over 75% of them have been assisted through Set-Aside Funds and/or inclusionary requirements under State redevelopment law.

Notable recent projects include partnering with the nonprofit Mercy Housing California to acquire and renovate a long-standing blighted motel into 67 units of affordable rental housing for very low-income households. Also, the Agency helped finance the nonprofit Eden Housing, Inc., which acquired an underutilized vacant used car sales lot and constructed a 51 unit affordable rental complex called Estabrook Place serving very low- income seniors.

Our Agency was recently highlighted as one of two redevelopment agencies (out of twelve agencies randomly surveyed) that appropriately used Set-Aside Funds for general administration/planning costs in a California Senate Office of Oversight and Outcomes Report from September 30, 2010 entitled “Where Does the Affordable Housing Money Go: Administrative Spending by Redevelopment Agencies Lacks Accountability”.

The most flexible option for redevelopment agencies like San Leandro’s, which are preparing to comply with AB 27, would be no repayment requirement to the Set-Aside Fund balance under any “clean-up” legislation. However, I believe reasonable and sustainable alternatives may include:

- Making repayment to the Set-Aside Fund balance voluntarily. Therefore, redevelopment agencies that can afford to repay may do so at their own risk and financial exposure.
- Establish a threshold for repayment. For example, agencies that borrow less than \$5 million from Set-Aside would be exempt from repayment.
- Set a longer loan term for repayment of 15 or more years with longer terms based on tiered thresholds for the amount of Set-Aside funds borrowed and hardship exemptions.

Affordable housing needs, particularly in high-cost regions like the San Francisco Bay Area, represent a long-term challenge statewide. Without greater flexibility in any “clean-up” legislation involving the repayment of Set-Aside Funds, the end results will be the 1) elimination of more redevelopment agencies like San Leandro’s beyond the heavy impact of AB 26; 2) inability of local jurisdictions to adequately address their affordable housing needs; and 3) conveyance to cities and counties that affordable housing is not a State priority and has no funded mandate.

Thank you for your serious consideration of this urgent matter. Please contact me at 510-577-3355 or [scassidy@sanleandro.org](mailto:scassidy@sanleandro.org) if you have any questions or would like to discuss further.

Sincerely,



Stephen H. Cassidy  
Mayor

cc: City Council  
Assemblymember Mary Hayashi, 18<sup>th</sup> Assembly District  
Senator Mark Leno, Chair, Senate Budget and Fiscal Review Committee  
Senator Mark DeSaulnier, Chair, Senate Transportation and Housing Committee  
Assemblymember Bob Blumenfield, Chair, Committee on Budget  
Assemblymember Norma J. Torres, Chair, Committee on Housing and Community Development  
Senator Loni Hancock  
Senator Alan Lowenthal  
Senator Roderick D. Wright  
Assemblymember Luis A. Alejo  
Assemblymember Ricardo Lara  
Assemblymember Henry T. Perea  
- continued -

Assemblymember V. Manuel Pérez  
Steve Shea, Office of State Senator Darrell Steinberg  
Lianne Marshall, Interim City Manager/Agency Executive Director  
Luke Sims, Community Development Director