



ADMINISTRATIVE REPORT

DATE: JULY 24, 2009

TO: MAYOR AND CITY COUNCIL
BEN REYES, CITY ATTORNEY

FROM: BELINDA B. ESPINOSA, CITY MANAGER

PLACES TO BE

- **JULY 27 - GENERAL PLAN STEERING COMMITTEE MEETING**

The General Plan Steering Committee will continue to discuss the draft General Plan Background Report and begin discussion of the Draft General Plan Update Land Use and Economic Development Element. The Background Report describes existing conditions within the City and is used to help inform policy discussion during the General Plan Update process. This Draft General Plan Background is now available for review on the City's website.

The Land Use and Economic Development Element is one of eight topics included in the update. This element addresses how land can be used for different purposes within the City and includes Goals, Policies, and Actions to provide direction for new development both within the City limits and areas that affect land use within the City. This document is available on the City's website and will be discussed by the General Plan Steering Committee at City Hall (2131 Pear Street) on July 27, 2009 at 7:00 pm and also on August 10, 2009. Steering Committee input will be utilized to modify the document for further study. Your input on the draft document will help ensure that it reflects your concerns about how land should be used within Pinole.

If you have any questions about this information or the General Plan Update process, please contact Planning Manager Winston Rhodes by phone at (510) 724-9832 or by email at wrhodes@ci.pinole.ca.us

- **JULY 29 - CITY COUNCIL WORKSHOP**

The City Council will be holding a special workshop to discuss appointment procedures for the vacancy left by Councilmember Mary Horton who recently resigned her position as well as Fire Service Delivery options resulting from the Contra Costa County LAFCO Municipal Service Review study. The workshop will be in the Council Chambers and is not being televised.

- **SUMMER SOUNDS AND OUTDOOR CINEMA**

We've had record crowds at Outdoor Cinema with an estimated 500 people last week. The Pinole Explorers are doing a great job patrolling the park to keep a safe and enjoyable atmosphere for all, led by Officer Andrew Decker. So come join the fun this Friday to watch "Journey to the Center of the Earth." Next Thursday at 6:30pm, listen to country rock with the Shawna Lynn Band at Summer Sounds. The seniors will be serving their BBQ chicken dinner and Youth Commissioners will pick up your dinner at local restaurants through Dash & Dine.

ITEMS OF INTEREST

- **FY 2009-10 BUDGET DELAYED**

The City Council continued discussion of the Proposed FY 2009-10 Budget until the August 4 City Council Meeting. The Budget is still an estimated \$227,000 short of our revenue estimates. The Proposed Budget also does not include the recent Budget "Take Aways" proposed by the State including the City's Gas tax and Proposition 1A Property taxes. It is estimated that the City of Pinole may lose another \$1.5 million as a result of this latest State budget scheme.

Outlined below is some of the recent information that we received regarding the State "Take Aways" that will affect local government.

Budget Update 2009-10 State Budget As Modified

Local Government

- ◆ **Proposition 1A Suspension.** Approves the Governor's proposal to borrow \$1.935 billion from local governments through the suspension of Proposition 1A (of 2004). Suspension will divert an amount equal to 8 percent of the total property tax revenues received by cities, counties and special districts in 2008-09 (excluding debt levies). This amount will be redirected from local agencies to a Supplemental Revenue Augmentation Fund (SRAF) in each county to be used by the County Offices of Education during 2009-10, as directed by the Department of Finance, to reimburse the state for a portion of the cost of Medi-Cal and other state services provided within each county and for additional property tax allocations to K-12 school districts in each county in an amount that will reduce state General Fund Proposition 98 obligations to the maintenance of effort level required by the federal American Recovery and Reinvestment Act.

- **Securitization.** The state will repay the suspension amounts with interest no later than June 30, 2013, as required by the constitution. However, the trailer bill includes a securitization mechanism that is intended to avoid any actual reduction in local revenues. Under this mechanism, a joint powers authority will issue notes backed by the state's repayment obligation and use the proceeds to replace the diverted property taxes of all of the local agencies that choose to participate in the securitization.

Moreover, the state will pay all of the costs of the securitization; including payment of an interest rate of up to 8 percent for an issuance amount of up to \$2.25 billion (the principal amount cap includes the potential cost of credit enhancements and issuance in addition to the \$1.935 billion suspension amount).

The trailer legislation appropriates money from the General Fund to make the Proposition 1A repayments or pay off the securitization borrowing. As an alternative to participating in the joint securitization, local agencies may choose to take their property tax reduction in 2009-10, and then be repaid by the state directly at an interest rate that will be set by the Department of Finance, subject to a cap of 6 percent. This option is intended to provide an incentive for local agencies that have adequate resources of their own or that have better credit than the state to finance their suspension amount on their own, rather than as part of the joint securitization, which essentially will be a state credit and probably will be expensive given the state's poor credit rating.

- **Hardship and Special Provisions.** The trailer bill includes an extreme hardship provision that allows local agencies in or in danger of bankruptcy or unable to provide core services to apply to the Department of Finance for a reduction or elimination of their property tax suspension. The department may grant hardship suspension reductions or eliminations totaling up to 10 percent of the total suspension amount in any county.

Any hardship amounts will be reallocated to all of the other local agencies in the county, so the total suspension amount remains unchanged. However, hardship reallocations should not be necessary, assuming that the securitization takes place since there would not be any (or only a brief temporary) loss of revenue to the participating local agencies in that case. The legislation also includes provisions allowing the City of Long Beach to borrow from its tideland trust subsidence fund and for counties to borrow from their redevelopment agencies to cover the suspension amounts if they choose to do so.

- ◆ **Redevelopment Payments.** Provides \$1.7 billion of General Fund savings in 2009-10, and \$350 million in 2010-11 by requiring payments by redevelopment agencies (RDAs) to counties for allocation to K-12 schools and county offices of education to

help support schools and programs that serve residents of the redevelopment areas or that live in redevelopment-financed housing. Redevelopment agencies may suspend their contributions to their Low and Moderate Income Housing Funds in 2009-10 in order to help finance their payments or they may use other available funds or borrow from their parent city or county. Any RDA that fails to restore their Low and Moderate Income Housing Funds by June 30, 2015 will be subject to a 5 percent increase in their required annual housing set-aside (generally increasing the set-aside from 20 percent to 25 percent).

RDAs may extend their time limits for plan effectiveness and for receipt of tax increment revenues by one year after they meet their payment obligation for 2009-10. County auditors will reduce AB 8 property tax allocations to school districts in an amount equal to the additional property tax payments to schools financed from the RDA payments, and, instead, deposit these amounts into the Supplemental Revenue Augmentation Fund (SRAF) in each county, to be used to offset state General Fund costs in the same manner as the Proposition 1A suspension funds discussed above.

- ◆ **Securitization of Redevelopment Extension Revenues.** Includes trailer bill legislation to extend for 35 or 40 years (pre-1994 projects) redevelopment projects for which RDAs do not exercise an opt-out option. This would be done without a new finding of blight. Existing limits on redevelopment debt and limits on the amount of tax increment property tax that they can receive would be eliminated. RDAs that do not opt-out would be required to pay 10 percent of their tax increment revenues to their county Educational Revenue Augmentation Fund (ERAF) and these funds subsequently would be transferred to a state ERAF administered by the state Infrastructure and Economic Development Bank.

The bank would sell its right to these payments to a nonprofit special purpose entity, which would, sell bonds backed by that stream of revenue to pay the bank. The bond proceeds paid to the bank would be available for General Fund purposes. These provisions would not take effect until January 1, 2010, and then, only if the bank determines that at least \$7.4 billion can be raised through this mechanism and there is a court determination that these provisions are constitutional (both occurring by December 1, 2009). The first use of any proceeds would be to eliminate or repay the Proposition 1A suspension amounts and the transfers of Highway Users Tax Account (HUTA) funds that are part of this budget.

- **NEW WESTCAT BUS SCHEDULE – EFFECTIVE AUGUST 3, 2009**

The new WestCAT bus schedule will begin August 3, 2009. It includes route and fare media changes, and will introduce a new schedule for the Local, Express and Lynx Transbay routes. For more information see the Press Release attached at the end of this document.

- **BID OPENING FOR SIMAS AVENUE RESURFACING**

Bids were opened this week on the construction project to resurface a portion of Simas Avenue. Once again the City received more bids than usual, and all significantly below the engineer's estimate. This pattern has played out several times over the past months as the economic downturn has created a buyer's market for construction services. The estimate of cost was \$300,000 and the apparent low bid is \$205,000.

This project will resurface a portion of Simas Avenue from Pinole Valley Road to Mt Diablo Drive. About 20% of the entire roadway. Subsequent pieces of the roadway will be reconstructed if and when funding becomes available. The funding source for this capital project is Measure 1B funds, a funding source passed by the voters of California for the expressed purpose of providing capital funds for infrastructure improvements.

- **PINOLE CREEK DEMONSTRATION PROJECT AND THE STATE BUDGET**

On July 8, the State of California sent a \$324,696 check to the City to reimburse costs incurred to date for the design of the Pinole Creek Demonstration Project. The Proposition 50 River Parkways bond funds have been unfrozen, so the Natural Resources Agency was able to pay for costs incurred in 2007 and 2008.

The big issue now facing this project is a May 2010 deadline to construct the improvements. You will recall we were unable to move forward with the construction due in large part to the state budget mess. In a visit to Sacramento Councilmembers Murray and Swearingen requested Senator DeSaulnier and Assemblyman Torlakson to include an extension of the grant deadline in the just passed the State Budget, however, it appears that the extension was not included. Staff is making calls daily to Sacramento for information to determine what our next steps should be. We are also trying to form a coalition of cities which are in a similar situation to lobby their legislators.

- **CONTRA COSTA TRANSPORTATION AUTHORITY SENDS ANNUAL MEASURE C FUNDING TO CITY**

On July 8, the Contra Costa Transportation Authority (CCTA) sent a \$272,748 check to the City for the Fiscal Year 2007-2008 allocation of Measure C and J sales tax for transportation funding, which will be programmed for street maintenance projects. In September, CCTA is scheduled to send an additional \$239,000 allocation. If the State Budget passes with the "take away" of gas taxes the Measure C and J funding become even more important for maintaining City streets. If maintenance is deferred, then future costs will increase, because a poorly maintained road is more expensive than a well maintained road over the long term.

- **BAY TRAIL PROJECT MOVING ALONG**

The East Bay Regional Park District held a pre-proposal meeting this week with engineering firms interested in submitting proposals to design the missing piece of the Bay Trail just down coast of Bayfront Park. Eight engineering firms participated in this field review, and proposals are due to the District in late August with a consultant selected by mid September.

Funding for this project are Regional Transportation Funds distributed by the West Contra Costa Transportation Advisory Committee WCCTAC.

- **PINOLE HOUSING NEEDS SURVEY**

The City is working on an update to the Housing Element of the General Plan. Please help us learn about your current housing situation and needs by responding to the attached survey. Your confidential responses to this short survey will let us know how important certain housing issues are to you. The survey is also available online at <http://www.ci.pinole.ca.us/planning/housingelement.html> and hard copies are also available at City Hall. Please return completed surveys to City Hall **by August 15, 2009**. Your assistance with this effort is appreciated and will help us develop future housing policies that reflect residents' needs.

- **ARTS EDUCATION FOUNDATION DISBANDS**

The Arts Education Foundation has provided a valuable service to the Pinole arts community over the past eight years. Their primary fundraiser was the Festival of the Arts (Carnival) and they used the funds generated from that annual fundraiser to provide grants to local youth arts programs including Pinole Valley High School, Pinole Community Players, City of Pinole School of Performing Arts, St. Joseph's Drama, Tara Hills Drama Club, West County Conservatory of the Arts and Collins Elementary. They have granted close to \$200,000 in that time. The Arts Ed Foundation applied for RDA event grant funding for their 2009 event and received a reduced amount that was based on specific parameters and policies applied to all organizations that requested funding. All organizations received grant amounts less than requested. In light of the reduced funding, the Arts Education Foundation has decided to disband. Their letter to the Mayor and Council is attached.

- **POLICE DEPARTMENT**

On Wednesday, members of the Police Department's Community Preservation Team and Investigations Unit did compliance checks on a number of parolee and probationer's residences in our area. Severe Health and Safety violations were also addressed at some of the residences.

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FOR IMMEDIATE RELEASE

CONTACT: Yvonne Morrow
Title: Marketing Coordinator
Office: (510) 724-3331
Email: yvonne@westcat.org

THE LONG AWAITED RELEASE OF THE NEW WESTCAT BUS SCHEDULE WILL BEGIN, AUGUST 3, 2009—INCLUDES ROUTE AND FARE MEDIA CHANGES

Pinole, July 21, 2009—The Western Contra Costa Transit Authority (WestCAT) will introduce a new schedule for the Local, Express and Lynx Transbay routes on August 3, 2009. The news of this schedule's release has been a long time in coming. Most WestCAT customers have been anticipating the changes since they were first proposed back in mid-January 2009. The holdup in the release was due primarily to the delay in the grand opening of the new Hercules Transit Center now scheduled for Monday, August 3, 2009.

The new schedule will contain several changes affecting the majority of the local fixed route and express bus services, with only minor adjustments to the Lynx. The new schedule will also introduce new electronic fare media to include 31-Day Passes valid for unlimited rides for 31 consecutive days from the first day of use, as well as Local Fixed Route/Express Stored Value Passes valid for any route that has the same ride value as shown on the pass. There will be no increase in passenger cash fares, but the schedule will include one new stop for the 'J' line at the corner of Sycamore and San Pablo near the Shell gasoline station. As a reminder, the reductions in the levels of WestCAT service that will be included in this new schedule were originally approved back in February of this year and are in response to the major reductions in state and federal transportation operating funds that WestCAT receives.

In addition, with the opening of the new transit center, BART will initiate the process to charge for parking. The \$3 a day fee includes two one way trip vouchers good for travel on WestCAT Local and Express routes. The vouchers are dated, and may be used only on the day the parking permit is valid (travel vouchers are not valid on the Lynx for transbay travel). Transit Center users also have the option to purchase a monthly permit, which includes a 31-day WestCAT bus pass for \$80, or a monthly parking permit without the WestCAT pass for \$63. The 31-day WestCAT pass allows unlimited travel in any direction on WestCAT Local Fixed Routes, Express, and Martinez Link 30Z buses only, which is activated from the first day of travel. Daily parking permits will be sold through the City's online system. Transit Center users may now begin purchasing their parking permits online at www.herculestransitcenter.com as no parking meters or boxes will be onsite. The parking fees collected help cover the costs of the maintenance and services provided to the transit center users by the City. Enforcement of the new daily parking fee will begin on the same day the Transit Center opens. In order to use the Hercules Transit Center Parking Facility you must register and display a valid parking permit. Violators will be ticketed and may be towed.

WestCAT's schedule changes will take place in conjunction with the grand opening of the new Hercules Transit Center on Monday, August 3, 2009 at the new location. On this day, Transit Center users will begin parking their vehicles at the new facility. Police volunteers will be at the site of the old facility to redirect transit center users to the new location. The old transit center will be fenced once the new facility opens.

A bus schedule preview is now available at www.westcat.org or for more information call 510-724-79993. The printed schedules will be available on board WestCAT buses as soon as possible. Please visit www.ci.hercules.ca.us for parking fee information, as parking permits will not be available through WestCAT.

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STATE OF CALIFORNIA 04-914476

WARRANT NUMBER

THE TREASURER OF THE STATE WILL PAY OUT OF THE IDENTIFICATION NO.

FUND NO. FUND NAME
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TO: 914476
--- CITY OF PINOLE

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John Chiang
JOHN CHIANG
CALIFORNIA STATE CONTROLLER

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REMITTANCE ADVICE

VENDOR-ID

PAGE 1

STATE OF CALIFORNIA
DOF

STD. 404C (REV. 4-95)

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THE ENCLOSED WARRANT IS IN PAYMENT OF THE INVOICES SHOWN BELOW

DEPARTMENT NAME NATURAL RESOURCES AGENCY		ORG. CODE 0540	INVOICE DATE 01/09/09	INVOICE NUMBER REQUEST #1	RPI
DEPARTMENT ADDRESS P O BOX 944246 SACRAMENTO CA 94244-2460		CLAIM SCHED. NO. 5003415	INVOICE AMOUNT 324696.00		
VENDOR CITY OF PINOLE 2131 PEAR STREET PINOLE CA 94564			<p><i>Deposit to:</i> 347-32399-7351</p> <p><i>A. Brown</i></p>		
FEDERAL TAX ID NO. OR SSAN		RP TYPE	TAX YR	TOTAL REPORTED TO IRS .00	TOTAL PAYMENT 324696.00 07-13-09

PYMT INQUIRIES: (916)654-0672



2009 City of Pinole Housing Needs Survey

The City is updating the Housing Element of the General Plan. **Please take a few minutes to respond to the following questions and let us know about your current housing situation and how important each of the following housing concerns is to you.** Your confidential response will help us assess current and future housing needs and policies.

1. Do you live in Pinole? Yes No
If yes, how long have you lived in Pinole? _____ years
If no, in what city do you live? _____

2. Please indicate your current income range:

<input type="checkbox"/> < \$14,999	<input type="checkbox"/> \$10,000 to \$14,999	<input type="checkbox"/> \$15,000 to \$24,999
<input type="checkbox"/> \$25,000 to \$34,999	<input type="checkbox"/> \$35,000 to \$49,999	<input type="checkbox"/> \$50,000 to \$ 74,999
<input type="checkbox"/> \$75,000 to \$99,999	<input type="checkbox"/> \$100,000 to \$149,999	<input type="checkbox"/> \$150,000+

3. Which of the following best describes your current residence:

<input type="checkbox"/> Single Family Home	<input type="checkbox"/> Duplex/Triplex	<input type="checkbox"/> Condominium
<input type="checkbox"/> Apartment Complex	<input type="checkbox"/> Senior Apartment	<input type="checkbox"/> Assisted Living

4. How long have you lived in your current residence:

<input type="checkbox"/> 1 to 5 years	<input type="checkbox"/> 5 to 10 years	<input type="checkbox"/> 10 or more years
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5. Please indicate the total number of persons living in your household: _____ person(s)

6. Do your or another member of your household have a physical or mental disability?
 Yes No

7. Do you own or rent your home? Own Rent

8. If you were to consider moving, would you prefer to rent or own your new home?
 Own Rent

9. Check all that apply to you.

<input type="checkbox"/> Employed in Pinole	<input type="checkbox"/> Developer of housing	<input type="checkbox"/> Developer of commercial buildings
<input type="checkbox"/> Owner of a Pinole Business	<input type="checkbox"/> Female-headed household	<input type="checkbox"/> Use public transportation
<input type="checkbox"/> Commute more than 10 miles to work		

Additional questions on page 2



10. Please rank the following questions based on their importance to you.

HOUSING NEEDS

- a) Ensuring that children who grew up in Pinole can afford to live in Pinole.
 Very Important Somewhat Important Not Important Don't Know
- b) Create mixed-use (commercial/office and residential) projects in the community that encourage walkable neighborhoods and reduce dependence on the automobile.
 Very Important Somewhat Important Not Important Don't Know
- c) Ensuring that the housing market in Pinole provides a variety of housing types, including single family homes, townhouses, duplexes, and apartments, to meet the varied needs of local residents.
 Very Important Somewhat Important Not Important Don't Know
- d) Establish special needs housing for seniors, large families, and persons with disabilities.
 Very Important Somewhat Important Not Important Don't Know
- e) Integrate affordable housing throughout the community to create mixed-income neighborhoods and to eliminate the concentration of poverty in certain neighborhoods.
 Very Important Somewhat Important Not Important Don't Know
- f) Encourage energy conservation through site and building design.
 Very Important Somewhat Important Not Important Don't Know
- g) Provide shelters and transitional housing for the homeless, along with services, to help move persons into permanent housing.
 Very Important Somewhat Important Not Important Don't Know

HOUSING CONDITIONS

- h) Encourage the rehabilitation of existing housing stock in older neighborhoods.
 Very Important Somewhat Important Not Important Don't Know
- i) Establish programs that will enhance the livability of existing, older neighborhoods, such as programs to provide new sidewalks, traffic calming measures, bike lanes, and street lighting.
 Very Important Somewhat Important Not Important Don't Know

HOUSING ISSUES

- j) Establish programs to help at-risk homeowners keep their homes, including mortgage loan programs and programs to help maintain and secure neighborhoods that have suffered numerous foreclosures.
 Very Important Somewhat Important Not Important Don't Know

OTHER ISSUES:

Please feel free to add any other comments or observations about housing needs in Pinole:

Please return by August 15, 2009 to:

Pinole City Hall
Attn: Leslie Carbahal
2131 Pear Street
Pinole, CA 94564

If you have additional comments or questions about this survey, or the housing element update, you may contact Leslie Carbahal at (510) 724-9831 or email lcabahal@ci.pinole.ca.us.



ARTS EDUCATION FOUNDATION

P.O. Box 656, Pinole, CA 94564

President:

Joe Ojeda

Board:

Linda Brandt

Dave Brandt

David Clark

Patti Clark

Dana Grisham

Ken Madfes

Sherry Madfes

Deanna Million

Dave Million

Debbie Ojeda

Linda Rosedahl

Donna Savine

July 21, 2009

Dear Mayor Fujita and Council Members,

First, let me thank the Pinole Redevelopment Agency for their support through the years, beginning with The Conservatory of the Arts and followed by The Arts Education Foundation. They helped us to support community arts programs for our youth. Over the past eight years we have granted close to \$200,000 to non-profits and schools in Pinole. These grants made a huge impact on the community through our fundraising efforts.

The Pinole Redevelopment Agency's decision to lower their support for our major fundraiser, *The Festival of the Arts (Carnival)*, was a driving factor in our decision to cancel "Carnival".

Without our major fundraiser we also decided to disband the Arts Education Foundation as of July 16, 2009.

Again, please thank the Agency for their past support.

Sincerely,

Joe Ojeda

AEF Past President