



**Monday March 27, 2017
State of the City Address**

San Leandro: A Community Where Kindness Matters Mayor Pauline Russo Cutter

On behalf of the City of San Leandro, I would like to welcome everyone to the 2017 State of the City.

I am honored to serve as Mayor to a community that values the power of kindness. 2016 was a busy and productive year. With the help of the community, we approved our General Plan Update, which provides the vision that will guide the city for the next 20 years.

As we continue to improve our infrastructure and work with our partners to complete construction projects that provide housing and bring new businesses to our City, I, along with the City Council approved increased investments towards human and social service needs in our community. We aim to build upon the heart and soul of our city: its people. San Leandro is a community where kindness matters. We see it every day. Families playing in parks, seniors visiting our community centers and our providers who deliver services to those most in need. In the upcoming year, one of our top priorities is to provide additional funding to organizations that provide compassionate and quality care.

As you walk, bike or drive through town, you can see the changing landscape. New buildings were completed, new businesses and restaurants call San Leandro home and we see renewed neighborhoods with renovated parks and freshly paved streets. Just earlier this year, the Main Library completed a major renovation project that brought new furniture, carpeting and paint for a fresh new look. This project was made possible by Measure HH funds and a generous contribution from the San Leandro Library Foundation.

When I was first elected to the City Council in November of 2010, our City Council began developing a plan to ensure the City's long-term fiscal health. We worked diligently on a multi-pronged approach that set the foundation for where we are today. We worked with residents to pass Measure HH, which extended a half-cent sales tax for the next thirty years to protect and maintain general City services and allowed us to address immediate infrastructure needs such as roads and parks. Just in the first year, we brought in \$10 million additional dollars, which translates into many of the projects we will talk about today. We also created the PULL Plan, which is a "savings account" that sets aside half of the proceeds from the sale of City-owned property or unspent funds from our budget to go towards pension costs and related obligations.

A new 311 mobile application was unveiled earlier this year that makes it easier for residents and community members to report city-related issues. You can download the app onto your mobile device and report issues directly to the appropriate City staff. According to initial reports, 80% of the 1,400 requests for assistance were completed or resolved since its launch in January. Initial feedback from the public has been positive and we look forward to kicking into high gear as more people download the app.

In the past year, members of the City Council heard from our residents - at Town Hall meetings, through conversations and by email - that maintaining community standards needs to be a top priority. We understand that seemingly small concerns like weeds, junk, debris, and graffiti can turn into bigger problems if left unchecked. With that in mind, the City Council committed \$1 million dollars in the next budget to expand our ability to address code compliance and maintenance issues. We are confident that this effort will result in a major improvement in the appearance of public and private properties throughout the city.

Our people make San Leandro great. Instead of hearing about exciting projects and initiatives happening in the City from me, I thought you might want to hear from your friends and neighbors. Let's take a look.

Video (8 min 10 sec)

Thank you to all the community members who participated in the video and shared their work and vision for the City.

Building Community Through Inclusiveness

As a diverse city, it is critical that we reach out to all members of our community. With that in mind, the City Council funded a multi-lingual outreach program that expands the City's strategy to include languages other than English. Since the launch of the program, more non-English speaking community members participate in our meetings.

On February 21st, the City Council voted unanimously to declare San Leandro a Sanctuary City. I am proud that we, as a City, value the importance of building community by creating a safe and inclusive environment. This resolution affirms our current practices that prohibit the police department from taking actions against individuals based solely on their status and from detaining folks for a civil immigration violation. Nevertheless, I want be clear and assure the public that anyone who commits a crime in San Leandro will be arrested and prosecuted.

I recognize that not everyone may agree with our decision declaring us a sanctuary city. We are monitoring unresolved questions such as the possible withholding of federal funds but we remain steadfast in our commitment to ensure that ALL San Leandrans, regardless of status, feel safe in our City.

Growing Through Partnerships

The Council commissioned a gap analysis that identifies shortfalls in human services funded by the City. This report will serve as a plan that will guide funding allocations to organizations that fulfill those needs.

We can all agree that homelessness is a critical concern. The lack of affordable housing in the Bay Area paired with a high cost of living, has communities across the region experiencing a sharp

increase of homelessness. To that end, I brokered a program that brought together the City, Building Futures with Women and Children and the Rental Housing Association of Southern Alameda County. Known as the San Leandro Homeless Compact, this initiative houses and provides wrap-around services to chronically homeless people in San Leandro. So far, 19 individuals have a home to call their own thanks to this new program. The outreach component also provides support services to dozens of homeless people in San Leandro. The Compact is an amazing achievement. More importantly, it creates partnership, flexibility and cooperation among the various agencies that interface with the homeless population. I want to publicly thank the City's Recreation & Human Services Department for its efforts to spearhead this important initiative.

In partnership with the San Leandro Unified School District and OSISOFT, we leverage the power of our fiber loop to provide a 10-gigabit connection to local schools with a WIFI access point in every classroom. This project puts us one-step closer to closing the digital divide in our city by creating the infrastructure that allows one-to-one student to device ratio for all students opening up a world of information.

The Police Department continues to engage with our young people by holding events at city buildings and school sites. These interactions create trust and bring down barriers that allow the department to effectively communicate and interact with the community.

With the help of a state grant, our Engineering & Transportation Department kicked off a traffic safety education program for youth and seniors. This will complement the "Safe Routes to School" program and enables us to conduct traffic safety programs for students in elementary and middle schools as well as older adults.

In August, AC Transit broke ground on the \$170 million dollar Bus Rapid Transit Project, which will bring "light-rail" style bus service to San Leandro via the East 14th corridor. The new hybrid electric buses will arrive every seven minutes, with trips from Downtown Oakland all the way to the San Leandro BART station. The project includes new and upgraded traffic signals at various

intersections and artistic enhancements to local stops. You may have noticed the preliminary construction work such as the removal of some trees along E. 14th. Rest assured, replacement trees will be planted once construction is completed. We continue to work closely with AC Transit representatives who will continue to inform neighbors about upcoming construction and project milestones.

Keeping San Leandro Safe

Community policing is the backbone of our Police department's outreach strategy. Just in the last year, SLPD participated in over fifty community events. They include an annual open house, neighborhood watch meetings, business outreach events, school demonstrations and safety events throughout the City. We are proud that our Police department takes great pride in connecting directly with the people they serve.

Over the last five years, the Council authorized the department to hire up to 93 officers who serve the community every day. Several recruits are currently in the academy and we look forward to welcoming them into our community. SLPD also works smarter. We recently began the design work that will guide the South Offices remodeling project. This project will centralize services such as traffic units, investigations, records and volunteers. The Department also purchased 38 new vehicles, replacing those that reached the end of their usable lives. The 74-vehicle fleet allows police staff to have dependable and safe vehicles to conduct city business.

The Alameda County Fire Department is also an important public safety partner. Since 1995, they provide safety services such as fire suppression, emergency medical services, water rescue and hazardous materials removal. Last year, our five fire stations responded to just under 10,000 calls throughout the City –as you can see, they're very busy.

In 2016, we also purchased a brand new fire engine, housed at Fire Station 12. San Leandro's new Pierce Arrow XT is a state of the art fire apparatus that can pump 1,500 gallons of water per minute. We are grateful to the voters that approved Measure HH, which allowed us to

replace aging equipment and give our firefighters the tools they need to protect lives and property in our city.

Arts & Culture

Art activates neighborhoods and breathes new life into our commercial and industrial spaces. In the year ahead, you will see the restoration of historical assets and beautiful new public art.

The community-driven Public Art Master Plan began its community input process in September of last year and after 31 meetings, staff is working on draft recommendations that will go before the Arts Commission and then to the City Council for comments and input. We are excited to see the final plan that will guide our long-term vision for art throughout the City and positions us to commission more great art in the future.

San Leandro's artistic energy balances art and heritage. The beautiful Casa Peralta will receive significant maintenance and restoration this year. We are excited to see the improvements that will revitalize this local gem.

Resiliency & Innovation

I am excited to announce that we, as an organization, lead by example. Our Department of Public Works expanded the recycling program to include organics as of this past November. Several Departments at City Hall now compost in addition to recycling paper and other materials, as we have in years past. Staff continue to show strong participation by making sure that we separate our trash correctly. We also included organic waste collection in the commercial kitchens of our community centers as well as the Main Library. The public also has opportunities to recycle their waste. The Recycling program hosts events that include household hazardous waste, two annual spring-cleaning recycling events and the holiday lights recycling program.

As we build a resilient city, we kicked off projects that have been years in the making. LED streetlights will be deployed throughout the City in the next several months. We are currently exploring a smart grid energy initiative and we have signed onto the East Bay Community Energy

Authority, which will be a new provider that will offer residents energy rates comparable to PG&E from cleaner renewable sources. We remain committed to inform residents about this new initiative.

Through the US Conference of Mayors, I joined the world's largest cooperative effort among city leaders called the "Energy Compact of Mayors". Through this agreement, cities around the world commit to reduce greenhouse gas emissions, track progress and prepare for the impacts of climate change locally.

City & Financial Sustainability

Our financial stability as a city depends on our ability to plan for the future. In June, we will adopt a two-year budget that includes the largest Capital Improvement Program in city history. Positive revenue projections and proceeds from local and county measures such as Measures OO, PP and NN solidifies a strong budget that stabilizes city operations and services. It also promises to fund important capital improvements such as roads, buildings and parks.

The City Council works hand in hand with the community and city staff to identify and fund the Capital program that aligns the priorities and needs of our community. The \$74 million dollar program allows us to improve, enhance and rehabilitate City infrastructure.

Personnel costs are the biggest part of any city's budget and San Leandro is no exception. Our goal is always to work with our employees who are the backbone of our agency, to create fair and beneficial contracts while maintaining fiscal responsibility. Working with each bargaining group our Council unanimously authorized long-term agreements that have our employees receiving salary adjustments each year while paying their own share of retirement costs.

These rising pension costs and legacy obligations from years and years past continue to be one of our biggest challenges. The city has made a commitment to pay our yearly obligations in full and has been moving money into the PULL program, which will help increase the savings dedicated for pension obligations. When I became Mayor, we set a goal to put aside \$5 million

dollars towards these needs and due to careful planning and strong revenue years, we have surpassed that goal and our PULL program now has a balance of over \$13 million dollars. I believe that by increasing the funds we set aside for our obligations, we fulfill our promises to past, present and future employees.

Cultivating a Thriving Business Climate

This past November, San Leandro voters overwhelmingly endorsed Measures OO, PP & NN. These measures reduced taxes for over 2,300 local small businesses, increased the local hotel tax and implemented a local gross receipts tax for the three approved medical cannabis dispensaries.

I am proud that our City takes concrete steps to ensure our most vulnerable workers can afford to live in the Bay Area. This region is one of the most expensive in the country. Last September, our City Council adopted a local minimum wage ordinance that accelerates the new statewide minimum wage law. Our local requirements go into effect on July 1st with a \$12 local minimum wage. After that, the minimum wage will go up by a dollar an hour each year, until achieving a \$15 minimum wage by July of 2020.

New opportunities are popping up in our industrial areas. The former Georgia Pacific Facility will soon be a large Class A industrial building that is marketed for advanced manufacturing. The former Kraft factory on Halcyon Drive will also be redeveloped with up to 553,000 square feet of Class A industrial space. Both projects will create much needed space for our growing business community.

The community has made clear that we want new and exciting dining options. We are thrilled to welcome new restaurants such as Sons of Liberty, The Fusion Factory, Noodles Pho Me, Cinco Taco Bar, Mel's Diner, Pieology, and Kendejah. Other businesses that opened this year include: Ross Dress for Less, Urban Bloc, Gourmet Cellar, Cordial Bottle Shop, and the Cooler tap room.

Investment in the Community

It is exciting to learn about all these new businesses and opportunities that are coming to town and we are also eager to see long-term projects being completed. The San Leandro Tech Campus finished Phase I in the Fall. OSIssoft's new world headquarters also includes a parking garage with 850 spaces and the Truth Is Beauty 55-foot sculpture, set in a one-acre open plaza.

Construction of the second office building will begin later this year and Westlake Urban, the Tech Campus developer, is moving forward with planning entitlements for a nearly 200-unit multi-family apartment complex at the southern portion of the site.

Also in Downtown San Leandro, Phase I of Marea Alta which includes 115-units of affordable family housing is now open and the long awaited BART underground parking will be available any day now. Construction on Phase II of Marea Alta, which includes 85-units of senior affordable housing, is scheduled to start later this year.

We continue to make solid progress on transforming our Shoreline. The last time we invested this much energy and funding into such a project was over 50 years ago. 2017 will be a big year because we are now getting into the details regarding design, phasing and financing of the shoreline improvements. The City and the developer are planning to add exciting amenities such as expanded open space, a hotel, restaurants, banquet facility, housing and a new Mulford branch library. Our plan is to have a new and exciting destination for everyone- young and old. The project will also see important safeguards to ensure the resiliency of the development as sea levels rise. I hope you will be able to join us or tune in to the April 3rd City Council meeting for an update on the Monarch Bay Shoreline Development project.

There is large interest in expanding our local housing stock. Currently, we have more than 1,500 units of housing in various stages of the review process that could be constructed in the next few years. Increased housing supply is essential to deal with the current affordability crisis. Development in our city represents great opportunities and benefits. It reflects significant investment, construction jobs, as well as new amenities and services. We actively work with the

community to ensure that we mitigate the impacts of development in neighborhoods and maximize the benefits for the entire City.

Conclusion

We are a city that looks and plans ahead by balancing challenges with proactive solutions. We continue to work closely with our city neighbors, our state and federal partners and the community. We are building a city that our children and grandchildren want to call home. We are proud of what makes San Leandro such a livable city. Our unique combination of geography, services and people make us the City that we are today. I am excited to explore new opportunities and challenges this year and make San Leandrans proud.

As we all know, no one person does everything by themselves. Our City Council takes much pride in the job we do on a daily basis, which includes the input from our community. And it takes our city staff to do the day-to-day work that makes our city the great place it is. Thank you to my colleagues and to our city staff!

I would like to thank Chris Zapata, Jeff Kay, and Eric Engelbart, from the City Manager's office for their support. For tonight's presentation, thank you to Sbeydeh Walton and Caroline Hernandez for helping me to get this message out.

Thank you also to our past City Councils, board members & commissioners, business partners, school districts, and community partners. And thank you to my family and husband Scott without whose support I would not be able to do this job I love so much. Most importantly -thank you- to our residents, for all that you do to make San Leandro a community where kindness matters.

Thank you and good evening.