



Monday, March 26, 2018

State of the City Address

Strengthening the Fabric of Our Community

Mayor Pauline Russo Cutter

Introduction

Hello! On behalf of the City of San Leandro, I would like to welcome everyone to the 2018 State of the City.

It's hard to believe that I am now in my fourth year as Mayor of this wonderful community, and coming up on 20 years as an elected leader in San Leandro. Looking back over that period of time, I'm so proud at how much progress has been made in our community and how we work together. It is truly an honor to serve as your Mayor.

When I was first elected to the City Council in 2010, the Great Recession was in full swing, and the future was uncertain. The Council and City staff responded with careful planning and investment, and together we successfully navigated those uncertain times.

San Leandro is stronger today than it has ever been. Our economy is thriving, we continue to attract new businesses and jobs, and the City is financially secure. But along with most cities in California, we are faced with dramatically increasing retirement costs. While you'll hear more

later tonight about what San Leandro is doing to address this challenge locally, we're also working at the regional and state level given that this issue affects so many other communities.

Along with this work, we have made great strides toward improving the infrastructure of the city itself, and the quality of life for all San Leandrans. With new parks and pools, innovative technology, and investments in public health and safety, we have made San Leandro a great place to live.

But even more importantly, this year we have strengthened the fabric of the San Leandro community itself. I've said many times that San Leandro is a city where kindness matters. As Mayor, I believe it's critically important for our actions to reflect our values. At a time when national politics have become so divisive, the story in San Leandro is very different. We lend a hand to our neighbors in need, we embrace the rich diversity of our community, and we stand up to defend those who cannot defend themselves.

ECONOMY

Introduction

The City Council and I work every day to create a climate for our economy to thrive, to make San Leandro an attractive destination for entrepreneurs and established businesses, and to ensure that the people of San Leandro have the opportunity to pursue their dreams. We are a city of ambitions, a city of innovation and determination. I am proud to report that our city economy continues to strengthen as the hard work of everyone in the community bears fruit.

At 3.4 percent, unemployment in San Leandro is at its lowest level in nearly 20 years. Only seven years ago more than 11% of our working-age residents were unemployed, which means that more than 5,000 San Leandrans have been able to get back to work since the depths of the Great Recession. That's exciting news to celebrate.

New Investment

Construction and new business investments are picking up pace. The site of the former Kraft factory is being developed into Class A industrial space, which will bring with it many more new jobs than the old factory employed.

Torani, the leading manufacturer of flavored syrups, is relocating their corporate headquarters and manufacturing facilities to San Leandro at the former Georgia-Pacific site, and bringing hundreds of new jobs with them.

In the San Leandro Tech Campus on Alvarado Street, the first of three planned office buildings was completed this past year, and now serves as the world headquarters for OSIsoft, in addition to a home for world-class public art. Construction on the second building is nearing completion.

I know we are all excited to see the future development of the former CVS store at Callan and East 14th Street. This development will include about 200 residential units above retail on the first floor. We are working hard to bring a specialty grocer to that retail space.

New Businesses

Welcoming new businesses to San Leandro is one of the highlights of my job and especially new restaurants as I'm told all the time by residents. Fortunately, we've been making some real progress there in the last few years. In fact in just the past few months, we've enjoyed the grand openings of Moussaka at Bancroft and Dutton, J.P. Seoul on Washington Avenue, and Shabu House on East 14th Street.

In partnership with the San Leandro Chamber of Commerce, I've also had the opportunity to visit numerous San Leandro businesses over the years. I'm constantly amazed by the innovative, high tech businesses that call San Leandro home.

One of those businesses is MID Labs. They have invented a tool for the surgical removal of matter inside the eye. This operation can provide improved vision for people with diabetes and

glaucoma. This technology is changing surgical practices around the world, life changing work and done right here in San Leandro.

I also had the pleasure of visiting Vantage Robotics, a leader in drone manufacturing, and FreeWire Technologies, which manufactures mobile electric vehicle chargers with high capacity battery systems.

I love learning about these businesses because it inspires me to see all of the incredible innovation taking place in San Leandro. We also continue working with startups to develop new services and tools, showing how civic technologies and entrepreneurs can help government achieve its mission.

Innovation and the Smart City

Innovation is also my goal for the investments we make as a City government. We should always be searching for new and better and more efficient ways of providing services to our residents, and managing the business of government.

Innovation means empowering our residents to communicate directly with the City staff, and work together to improve our city. With this in mind, we launched the MySL mobile app early last year with the purpose of providing residents a way to report information to City staff. Since that time, there have been over ten thousand requests for service with a completion rate of 95%. Looking ahead for smart solutions with technology also means that we can save money as well as care for our environment.

For example, this past year we implemented infrastructure retrofits and Smart City technology for energy and water equipment. This included the conversion of all of our streetlights to high efficiency LED lighting. These improvements will result in savings of \$8 million in energy costs over 15 years, reducing the City's greenhouse gas emissions by 1,400 metric tons annually. That's the equivalent of 3.3 million miles driven in a year.

The City Council and I continue to champion the efficient use of scarce environmental resources like water and power. This past year the City won a \$3.9 million dollar grant from the California

Energy Commission to construct a 1-MEGA watt solar power generation system at the Water Pollution Control Plant. The energy produced will provide half of the power for the Plant and decrease greenhouse emissions.

I'm also excited to share that we will be opening a recycled water station later this spring. Residents will be able to access non-potable water from our water pollution control plant for irrigation at their homes. We hope to have an announcement of an opening date very soon.

San Leandro is Getting Recognized!

As we show our leadership in using innovative technology to improve our city, people across the country and around the world are taking notice, and asking us to share our experience and vision. San Leandro was recently the recipient of a Smart 50 Award in the Energy Category for our Smart Lighting project that I just mentioned and we are actually receiving that award TODAY in Kansas City, I want to thank the staff who have worked tirelessly to implement this project in our community. This year, San Leandro was recognized as a top 10 "digital city" and one of 31 "smart communities to watch."

I'm delighted that the global Smart City community has taken notice of San Leandro too and is eager to invite us – and fund our participation – in international events, where we can learn even more about innovation happening in cities like ours around the world. In the fall, we were guests at a Smart City conference in Yinchuan, China that focused on SmartCities technology and featured leading experts in civic innovation from over 50 countries.

I was also invited to present at Ecomondo, a green technology expo in Rimini, Italy, on San Leandro's use of smart technologies to advance our climate and sustainability goals. Technology provides an opportunity to connect with each other. More and more I see the benefit of sharing ideas within our region, our state and beyond. The more we share and connect with other people, businesses, communities and countries, the stronger our ties within the San Leandro community become.

INFRASTRUCTURE AND CITY SERVICES

Introduction

As you walk, bike, or drive through town, you can see the changing landscape. You see freshly paved streets, parks renovated, new public art, and new infrastructure. In the past year, the City staff, City Council and I have renewed our attention to making systemic improvements to our city to benefit all residents, young and old alike.

Our accomplishments this year include overseeing major infrastructure updates and new amenities for residents, investments in City services to improve the health and safety of San Leandro, and key steps toward providing new transit-friendly housing options and budgeting prudently for the future.

Infrastructure

Last June, the City Council adopted the largest Capital Improvement Program in our City's history, which allocated funding for long-needed improvements to roads, buildings and parks.

We have recently completed over \$8 million of rehabilitation on our roads. This investment is more than double what we have previously spent annually. For the next year we expect to complete over \$13 million of work which is triple our past annual expenditures! This is all made possible by the community's support of Measure BB and SB1. This has been the first opportunity in decades for the city to be able to invest to this much in our streets and roads.

And not only are we fixing our streets, we are also making them safer for pedestrians and bike riders by implementing traffic calming and enhanced crosswalks across the city.

In recent years, the City Council heard from our residents that maintaining community standards needs to be a top priority. Our residents also understand all too well that seemingly small concerns like junk and debris, overgrown lawns and vandalism can turn into bigger problems if not addressed quickly. With that in mind, the City Council allocated \$1 million to

address code compliance and maintenance issues. Known as our Community Care initiative, this program is designed to improve the quality of life and aesthetics in our city through education, cooperation and responsive enforcement. We now have an entirely new Code Enforcement division whose sole purpose is to respond to code compliance issues and help improve the appearance of properties throughout the city.

As I mentioned earlier, the MySL app has helped us tremendously. You can see with just this past year, we have been able to address

- 330 instances of overgrown weeds,
- 1,300 cases of illegal dumping,
- 600 acts of graffiti,
- 300 abandoned vehicles,
- and almost 700 potholes.

I think this is a pretty successful start!

The work of maintaining the city is never-ending, but it can be much more efficient with innovative solutions that empowers citizen participation, and when all of us work together.

Investments in Parks and Pools

Parks are beloved by residents because they provide fond memories as well as a chance to enjoy nature right in their own neighborhood. The progress we made this year toward renovating and improving our public spaces has been remarkable.

Chabot Park off of Estudillo Avenue is now reopened to the public again. I can remember going there with my family and grandma for Easter egg hunts when I was a small child. It is still a very special place. We are all looking forward to more summer fun, hiking and biking the trails, and family picnics there this year. And rest assured our Chabot Park Day Camp will be back this summer.

Warden Park in the Davis West neighborhood is also under construction right now with a brand new playground. Grover Cleveland Park and Washington Manor Park both received grants to

build new playgrounds, with community volunteers in partnership with a nonprofit group rallying to lend hand in construction. Groups like our Local 55 Alameda County Fire Fighters, the Police Officers' Association, Kaiser Permanente, and the Rotary Club have all given their time to actually build the play structures there. It's remarkable what we can do when our community works together.

How many of you like to swim? Well, you'll have some wonderful options throughout the community in the future. Thank you for your patience while these exciting projects are underway. This year we will begin to work on three aquatic facilities in San Leandro. These include the repair and resurfacing of the popular Boys and Girls Club indoor pool, the reconstruction of the 75-year-old Farrelly Pool facility, and the new construction of the Washington Manor Competitive Pool. We're excited for all of these projects to get underway, and we're looking forward to many more years of fitness classes, swim lessons, and fun for the community.

Arts & Culture

Art activates neighborhoods and breathes new life into our commercial and industrial spaces.

Last year, following 31 community meetings, we saw the adoption of the City's first Public Art Master Plan. The Arts Commission is now in the process of implementing that master plan and will be providing grants to implement new public art in our community. In just the past few weeks the new mural on 88 Market in Washington Manor has begun, and a new round of utility boxes will be covered in art later this spring.

Safety and Preparedness

Quality of life not only means enjoying where we live, it also means feeling safe. Community policing is a key priority for the Police Department. Our department has participated in over 95 community events this past year alone, continuing to forge deep partnerships with neighborhood groups, local merchants, community leaders, schools, youth and families to help keep the public safe. Last August San Leandro had the largest number of National Night Out participants since

the program began. Our Council and Police Chief agree – strengthening the relationships between neighborhoods, businesses, schools and law enforcement is a priority not only for our community’s safety but also our quality of life.

Last year, the department handled about 34,000 911 calls and an additional 97,000 calls for non-emergency services. It takes an incredibly dedicated and talented team to deal with that volume and, as always, I’m extremely proud of the women and men who work so hard to keep us safe.

The Alameda County Fire Department is another group of dedicated professionals who work tirelessly to protect San Leandrans in emergency situations. Our commitment to these first responders is to provide them with the resources, tools, and equipment they need to protect the community. I am pleased to say that we have been able to deliver on that commitment by contributing funds to the purchase of new engines and other state-of-the-art tools that they have used to respond to thousands of emergency calls this year.

It’s a comfort to know that our firefighters are serving and caring for our community, and I want to also say how proud we are that during 2017, many of these crews bravely served during the catastrophic fires in the North Bay, the Sierras and Santa Barbara along with being sent to Texas and the Florida Keys to respond and rescue families due to hurricanes and flooding. While the State and Federal government fully reimburse the Fire Department for those responses outside the County, it’s still very important to assist others so that we can count on them should we need help here in San Leandro someday.

And speaking of responding to events, Disaster Preparedness is another key area where the City continues to invest resources. This past year, we were able to hire a full time Emergency Services Specialist who is now working in the City Manager’s Office. In partnership with the Fire Department, she is a key resource in providing a variety of training opportunities to local residents and neighborhood groups about how to prepare for the next earthquake, natural disaster, or large scale emergency.

Preparing for disasters will remain a priority in the upcoming year. We are currently working to identify funding to expand our inventory of supplies – especially water.

Our staff, and the community members they serve, are a big component of what makes San Leandro great. Instead of hearing more about their work from me, I thought you might want to hear from the folks who do this work. Let's take a look.

Video (8 minutes)

Thank you to all the staff and community members who participated in the video and shared their experiences.

We have so much planned as we move ahead. New development, housing, parks, sustainability efforts, businesses, schools and partnerships are what make San Leandro vibrant and exciting. We can't make these plans together without also acknowledging the need for responsible stewardship of our finances. We are in a region where there is tremendous economic growth occurring, along with the challenges posed by aging infrastructure. Cities are all facing the tension of balancing needs and obligations with budgetary limitations and service level desires. Our City Council takes this responsibility very seriously and with a strong commitment to our residents.

City & Financial Sustainability

Our financial stability depends on our ability to plan for the future. Personnel costs are the largest 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 organization, to create fair and beneficial contracts while maintaining fiscal responsibility.

Rising pension costs and financial obligations from years past continue to be one of our biggest challenges. We created a plan to address unfunded liabilities related to employee pensions. The plan is referred to as the PULL Program, which stands for Prioritizing Unfunded Liability Liquidation. In short, it's a "savings account" that sets aside half of the proceeds from the sale of City-owned property or unspent funds at the end of each fiscal year to go towards pension costs and related obligations. When I became Mayor, we set a goal to put aside \$5 million towards these needs and, due to careful planning and strong revenue years, we have surpassed that goal and have actually set aside over \$14 million. It's also notable that City employees have

partnered with us and are now paying their full share of pension and retirement costs. And while I'm currently serving as the president of the Alameda County Mayors' Conference, I have ensured this topic is part of our agenda this year too.

As we plan our finances, we also plan for long term investments in our community. I've talked about many of the ways we are investing in roads, parks, and pools, and other infrastructure around the city. Another important investment we need to make moving forward is in making sure that we offer enough housing for our growing city.

Calling San Leandro "Home"

We are all aware of housing issues in the Bay Area region, be it the price or availability. We also need to create more housing to address these needs and to provide for our residents already living here. New housing in San Leandro will be focused around our transit centers to minimize impacts and to maintain the character of our existing neighborhoods. We are trying to meet this challenge in a smart and thoughtful way.

Last year, we hosted the ribbon cutting for Marea Alta, which provides 115 units of affordable housing across the street from the Downtown San Leandro BART station. Phase 2, now known as La Vereda, is nearing completion and will provide 85 affordable units for seniors. And in alignment with our General Plan, we have a handful of projects in the downtown that will provide additional housing.

Planning for the Future

In this past year, San Leandro received an award from the Northern California Planning Association for the Best Comprehensive General Plan. Our 2035 General Plan was approved two years ago and has helped pave the way for new developments. Two examples of areas that will be critical components of future revitalization in San Leandro are the Marina Shoreline and the Bayfair area.

The Monarch Bay Shoreline Development has been discussed by the community for many, many years. We are pleased that the project groundbreaking is closer than ever, and will include a 220

room hotel, restaurants and banquet space, about 500 housing units, outdoor amenities, improvements to Doolittle Drive, and an updated Mulford-Marina Branch Library. The project also includes a premier waterfront park that will transform the area. This was an element that the community stated was a priority, and it's exciting to see its design in the plans. This portion of the project will create 15 acres of new open space parkland including bike lanes and pedestrian pathways.

Just like nearly a decade ago when the City focused on reshaping the area near our Downtown BART station, the Bay Fair TOD plan provides us with a 20-year vision to transform the Bayfair Center and Bay Fair BART Station area. The plan includes a vision for shopping, community amenities, and transportation access that will also include park space, housing, gardens, walkable neighborhoods and activities for the residents.

A CITY WHERE KINDNESS MATTERS

As a city, we are strong because we value the diversity of our community, we work together to overcome challenges, and because we treat each other with kindness and mutual respect. We reject isolationism and xenophobia, and we celebrate the many different cultures and languages and histories of the people who call San Leandro home. I also believe that the moral test of a government is how it treats the most vulnerable residents and that every person deserves both a fair shake, and a helping hand.

I have worked closely with the City Council and our entire staff to strengthen the fabric of our community by helping the homeless get back on their feet, re-doubling our commitment to inclusiveness in government, and giving everyone in San Leandro a chance to participate in how their city is run.

Homelessness

Last year I was very proud to announce the formation of the San Leandro Homeless Compact, which brought together the City, Building Futures with Women and Children, and the Rental Housing Association of Southern Alameda County. Thanks to this program, we have now been able to place 26 formerly homeless individuals into long-term housing, and get them connected with a host of wrap-around support services. Additionally, we were able to shelter and provide services to many others in need. Our work is being noticed and duplicated by other cities.

I'm proud to mention that San Leandro received the 2017 Helen Putnam Award from the League of California Cities for the Homeless Compact. This award recognizes outstanding community service projects that produce positive impacts within the City. It's an honor for San Leandro to be recognized for our efforts.

Tenant Relocation

This past October, we took steps to further protect local renters who are increasingly impacted by the regional housing crisis, by passing a new tenant relocation assistance ordinance. This law requires landlords to pay renters' relocation costs when tenants need to move out based on high rent increases or involuntary displacement. Additional protections have been provided for tenants with children, seniors, or those with disabilities. Our goal is to provide additional support for local renters who are impacted by the well-known challenges of the Bay Area rental housing market.

Minimum Wage

We also want to help ensure that workers can continue to afford to live here in the Bay Area. This year, we increased the minimum wage to \$12, and will go up \$1.00 each July ultimately increasing to \$15 in July 2020, two years faster than it would have under California State law.

Sanctuary City

2017 was a year that challenged our City's character. Time and time again, we took on opportunities to stand up for our values and the residents who call San Leandro home. Our City Council unanimously reaffirmed that San Leandro is a welcoming place for all. We have remained steadfast in our declared status as a sanctuary city. This means that our residents can be assured that our law enforcement officers are here to keep *everyone* safe, regardless of immigration status.

Gender Equality

As Chair of the Women Mayors Leadership Alliance, I had the honor of moderating a panel at the US Conference of Mayors earlier this year. The topic was the #MeToo movement and challenges facing women in government. These issues affect us all, from the national to the local level, and I am proud that our City Council has affirmed its commitment to a fair workplace, equal treatment for all, and respect for due process.

Focus on Inclusivity

Just as we have adopted many of these new policies to protect those who are most vulnerable, so too have we maintained our focus on being inclusive and offering programming for our diverse residents.

During 2017, the City Council formed a special ad hoc committee on multi-culturalism, which focused on ways to support and honor the diversity of our community.

We are making many changes to City policies and programs based on suggestions from the committee and the community, including outreach in multiple languages since San Leandro is one of the most diverse cities in the country.

Our Recreation and Human Services Department continues to offer an array of programs for all ages, interests and needs. Last year, they had close to 15,000 folks participate in programs. These classes and special events reflect the diversity and beautiful cultures of our community.

Programs last year included a celebration of Lunar New Year, Day of the Dead, Teen Take Over, a concert at the Marina, Chinese and Spanish bilingual classes, the Pumpkin Splash, and – my personal favorite - a Pooch Pool Party.

Another highlight was the opening of the Adult Day Care facility operated by the Center for Elders Independence, which provides medical and social services and day programming to individuals and seniors. They totally remodeled their space across from Kaiser Hospital and now quality adult day care has a San Leandro home. Thank you to our Senior Commission for their leadership in this project.

Other Human Services highlights include providing Community Assistance Program Grants to ten nonprofit agencies that provide important and needed services to our community such as mental health, food and clothing, and job training. Since I've been your Mayor, we have authorized \$300,000 per year, or \$1.2 million, for community investments, in collaboration with the Human Services Commission. We are so incredibly lucky to have commissioners and staff who care so much about the community.

Our library is first class as well, and they offer programs representing a variety of demographics. During the past year, we celebrated

- African American History
- Lunar New Year
- Hispanic Heritage
- Arab American Heritage
- LGBT Pride
- Indo American Heritage
- Story Times in Spanish and Chinese
- and many San Leandro History Museum activities.

There were 738 youth programs provided with a total attendance of over 35,000 people. Additionally, 160 programs for adults were enjoyed by almost 11,000 individuals. Collections are now available in Spanish, Chinese, Vietnamese, Arabic, and Tagalog. The library is home to a very active Veterans' Resource Center and also a Citizenship

Information Corner. Special thanks to the many community volunteers who logged in over 15,000 hours last year to provide their support. This is a perfect example of neighbors helping neighbors to benefit the entire community.

Conclusion

In closing I would like to thank our City Council for their leadership this past year. I know there are some complicated issues coming up next year and I am counting on us to make some difficult decisions together -- the future of our city's growth is one that comes to mind. Thank you to the Chamber of Commerce for co-sponsoring this evening's event and for arranging the business visits which have allowed me to get to know my community even more. For tonight's presentation, thank you also to Eric Engelbart, Caroline Hernandez, Jacqui Diaz, Derick Lee and Nate Clinton for a truly collaborative effort.

Again, I thank past City Councils, as well as current and past board members and commissioners who contributed their time to address challenges, embrace new ideas, and who helped make this past year so successful. Thank you to our business partners, our school districts, and community partners who work tirelessly for San Leandro's future.

And thank you to my family and my husband Scott without whose support I would not be able to do this job that I love so much.

But most importantly, thank you to our residents, who are partners in all we do for the City. It is you that make San Leandro a vibrant and compassionate community where innovation thrives and where connecting with each other is important. This truly is a city where kindness matters. Every one of you help to strengthen the fabric of this beautiful community with your commitment to working together.

But now before we end, here is some important news I'd like to share about this year's San Leandro Cherry Festival, which is taking place on Saturday, June 2. In addition to the parade, the kids' zone, and the great food, the festival is always highlighted by amazing music. And this year, I'm proud to announce that the East Bay's own Goapele will be the musical headliner. She mixes soul and R&B music with a strong social conscience. We'll have more information on the rest of the Cherry Festival lineup soon, but in the meantime, let's enjoy some of her music as we depart this evening.

Again, it is an honor to serve as your Mayor. Thank you and good evening.