



April 3, 2014

TO: Honorable Mayor and City Council

FROM: Edward C. Starr, City Manager 

SUBJECT: WEEKLY REPORT: March 28-April 3, 2014

➤ ***CITY MANAGER/ADMINISTRATIVE SERVICES DEPARTMENTS***

- Last week, Mayor Paul and Ginger Eaton, Council Member John Dutrey, Administrative Analyst Mikey Fuentes, and I attended the 2014 San Bernardino City-County Conference in Lake Arrowhead. The 30th Annual City-County Conference offered an opportunity for elected officials, city managers, and staff from San Bernardino County's 24 incorporated cities and the County to come together and discuss topics of mutual interest.

This year, the two-day summit focused on "Partners in Progress"—transforming our communities with collective impact. Guest speakers included Jennifer Juster, Director of Collective Impact Forum, FSG; Trudy Raymundo, Director of Department of Public Health, San Bernardino County; Gary Thomas, Ed.D., San Bernardino County Superintendent of Schools; Dr. Thomas Morales, President, California State University San Bernardino; Janice Rutherford, Chair and Second District Supervisor, San Bernardino County Board of Supervisors; Gregory Devereaux, Chief Executive Officer, San Bernardino County; Steve Johnson, Regional Director, METROSTUDY; and several other representatives from throughout Southern California.

The guest speakers offered their perspectives on how the County and cities can work together to prepare our youth for tomorrow's workforce, improve health in communities, and build the foundation for economic growth. Topics included the following:

- ✓ Transforming our Communities with Collective Impact
- ✓ Good Health—Can Your City Live Without It?
- ✓ Education—Your Best Economic Strategy
- ✓ Partners in Public Service
- ✓ The Housing Comeback
- ✓ Legislative updates by the League of California Cities, SANBAG, and SCAG.

Real Estate

Housing prices have continued to rebound since the Great Recession of 2007, when the price of homes fell dramatically throughout the nation. Cities throughout the Inland Empire were hit the hardest, given the explosive growth in home building in the region. Thankfully, many cities in California, particularly in Southern California, have seen double-digit increases on a year-to-year basis. The rapid increase in home prices throughout the State have caused many to predict the beginnings of another housing bubble.

Economists speculate that a softening of the housing market will occur as pent-up demand for housing decreases over time and as first-time home buyers and less affluent buyers forgo the purchasing of either an existing home or new home. The prime culprit in the softening of demand is that price gains for both existing and new homes have far outpaced wage increases during the recovery. Last year, the median price of a new home increased by 8.4 percent and that of an existing home increased by 11.4 percent. In contrast, average hourly earnings in the U.S. increased by 2.2 percent in February from a year earlier.

While a softening of demand is predicted to occur, sales of existing and new homes will continue to occur in more affordable markets such as in the Inland Empire. The average cost of an existing home in San Bernardino County is \$215,000, compared to the cost of a new home at \$375,500.

Recent trends in housing point to increased demand for transit-oriented development projects, mixed-use development projects, and developments centered on walkability. In particular, the millennial generation and baby boomers are opting to live in areas centered on walkability where services and amenities are only a walk away. As millennials continue to enter the housing market, it is clear that mixed-use development and walkability will be the key drivers for future developments, as millennials strive to achieve a greater work-life balance.

Rental costs, particularly in San Bernardino County, continue to be high relative to the costs of owning a home. As such, households that are able to secure a down payment and meet current income and credit requirements are likely to discover that it is less expensive to purchase a home than to continue to rent. Currently, California renters must earn about \$54,000 annually in order to afford a 2-bedroom apartment.

Business Friendliness/Economic Climate

Low commercial real estate rents, the most affordable housing in the region, and lower overall costs of doing business have given San Bernardino County a very competitive edge compared to neighboring counties. Along with newer facilities at lower lease rates, superior transportation, and access to a market of 23 million people within three hours of driving, San Bernardino County has become a viable relocation destination for businesses.

The economic outlook is also strong for San Bernardino County as the economy continues to recover from the Great Recession of 2007. San Bernardino County has an unemployment rate of 9.3 percent compared to the state's overall unemployment rate of 8.0 percent. Job growth in the Inland Empire continues to occur with over 36,000 new jobs created in San Bernardino and Riverside Counties in 2013. With workforce driving corporate relocations and expansions, San Bernardino County is well-positioned with a labor pool of 900,000 and a 2-million resident metropolitan area.

Education

San Bernardino County is continuing to see improvements in academic performance scores and the overall high school dropout rate. Unfortunately, there have only been slight gains seen in students' college readiness, and economically disadvantaged students continue to lag behind in English and math proficiency. While there is a close match between the number of college degrees granted and jobs requiring degrees, most projected job openings in the County need only experience or on-the-job training.

In order to increase economic vitality in the region, the County has adopted the Countywide Vision Cradle to Career Roadmap in an effort to bring all sectors of the community together to support every child's path to the workforce. It is important that students be provided with the necessary interdisciplinary and critical thinking skills that are vital in today's demanding job market. An investment in education is an investment in the region's overall economic vitality and improves social, environmental, and cultural factors as well.

- Last week, the state's nonpartisan Legislative Analyst's Office responded to Governor Brown's proposal to enhance infrastructure financing districts (IFDs) with a firm recommendation to make the districts more like the dissolved redevelopment agencies.

IFDs are funded the same way as redevelopment districts, through tax-increment financing; however, they are more restricted, resulting in only a few documented cases of IFDs ever being implemented in California.

Tax-increment financing is a system that takes funding from designated project areas after developers build on them. The increase in the value of the land creates a subsequent rise in property taxes. That additional property tax, known as the increment, is redirected for a specific purpose other than going to schools and local governments. Unlike redevelopment, IFDs cannot redirect funds that would otherwise go to schools.

Since abolishing redevelopment in 2011, Governor Brown has proposed expanding IFDs to give cities a new economic development tool. Brown wants to lower the votes needed to create an IFD from two thirds to 55 percent. The Governor also wants to expand the kind of projects an IFD can fund to include housing, manufacturing, and retail facilities.

Supporters of redevelopment, however, complain Brown's proposal is no replacement for redevelopment. Even with a lowered vote requirement, it is difficult to create IFDs; and even with an expanded scope of projects, those funded through an IFD would be minor compared to what redevelopment was able to address. The LAO also argues Brown's proposal to lower the voter threshold may violate the California Constitution—current law requires the two-thirds vote for issuing IFD-related debt.

The LAO offered three ways to get around these problems:

Option 1: Grant IFDs autonomous governing boards that could issue infrastructure bonds without going to voters—a process that would closely resemble the old redevelopment agency approach.

Option 2: If voter approval is required, keep the two-thirds threshold to meet legal requirements. In addition, the LAO states everyone in the city or county should get a vote on financing because they may be affected indirectly.

Option 3: Blend Options 1 and 2 by creating the board and expanding the vote requirement. Under this scenario, the voter threshold could be lowered to 55 percent because the IFD would become a separate entity from the sponsoring city or county.

The LAO also took issue with the Governor's proposal to expand IFDs to fund housing, manufacturing and retail facilities. The LAO would remove retail from Brown's list because, according to the LAO, that provision would not increase the number of retail stores overall, it would just move

them from one city to another. In other words, cities would be competing with each other in a zero-sum game.

➤ **COMMUNITY DEVELOPMENT DEPARTMENT**

- No new information to report.

➤ **FIRE DEPARTMENT**

- On April 1, the Fire Department started using the new Electronic Patient Care Reporting software (ePCR) when responding to emergency calls. This electronic system will allow the input of all patient information at an emergency scene and will do away with the current paper forms.

Two of the four computers to be used with this system were purchased through 2012 Homeland Security Grant funds.

The use of the ePCR is mandated by the Inland Counties Emergency Medical Agency (ICEMA). The ePCR provides paramedics with the electronic means to facilitate an efficient and streamlined data collection process to quickly produce accurate and complete electronic patient care reports, thereby assisting in giving life-saving care in a timely manner. The Upland Fire Department has been using this system for a year and has found it to be a very efficient way of providing care at the scene and documenting the care given.

➤ **HUMAN SERVICES DEPARTMENT**

- The Winter Youth Basketball League has officially come to an end with six teams participating in regional Southern California Municipal Athletic Federation (SCMAF) tournaments. A highlight of the tournament was the advancement of our Division A Boys All Star team to the championship game by winning all three games on Saturday, March 29. On Sunday morning, the team played against the City of El Segundo; however, we lost 34-39. It was a competitive game full of action and excitement as the last 6 points were scored by the other team to take the lead with less than 2 minutes left in the game.

Our players were disappointed; but parents, coaches and City employees were very proud of their accomplishments and second-place finish. Our volunteer coaches did an outstanding job preparing and representing all of our teams. We look forward to another great season full of memorable moments.

A photo collage of our boys and girls All Star teams is included on Page 11 .

- Last Wednesday evening, the "Geek Squad" dance crew from the After-School Program at Serrano Middle School performed at the *Ontario Reign vs. Las Vegas Wranglers* hockey game. The girls gave an outstanding performance between the first and second periods of the game to a crowd of approximately 8,000 people. Close to 100 family members, friends, and City staff were present to cheer the girls on.
- Yesterday, the Montclair Senior and Youth Centers joined forces for an intergenerational afternoon of Buzingo! (a form of Bingo). Winners chose from a variety of prizes and, during intermission, everyone enjoyed grilled hot dogs, chips, and cookies. It was refreshing to see the youth assist the seniors by pulling out their chairs to sit, and the seniors enjoyed sharing life stories with the youth.

Photos on featured on Page 10.

➤ **POLICE DEPARTMENT**

- On Tuesday, Officers Courtnie Mair and Eric Ruziecki and Dispatcher Karina Gonzalez participated in Montclair High School's *Career Day*. Several local businesses, the Armed Forces, and the Montclair Fire Department also participated in the event. Montclair High School hosts this event annually for its 700-plus senior class.

The Officers spoke with the seniors regarding the requirements for becoming a police officer and Dispatcher Gonzalez talked about different careers that are available within a police organization. For fun, the students had the opportunity to try on police equipment.



Officer Eric Ruziecki, Dispatcher Karina Gonzalez, and Officer Courtnie Mair

➤ **PUBLIC WORKS DEPARTMENT**

- Two non-City projects reached significant milestones this week with the completion of street improvements associated with their work. First, National Community Renaissance of California, better known as National CORE, completed the street improvements associated with its Montclair Special Needs Housing Project at the southwest corner of Pradera Avenue and Kingsley Street. The improvements included street lighting, new curbs and sidewalks, some utility undergrounding, and pavement rehabilitation/restoration. The housing project itself is nearing completion and will soon be ready for occupancy.



The second project is the third phase of an expansion of Southern California Edison's underground system. All the work in the previous two phases has been along Monte Vista Avenue between Arrow Highway and Palo Verde Street, and in Palo Verde Street between Monte Vista Avenue and Central Avenue. This third phase is in the vicinity of the I-10 Freeway/Monte Vista Avenue interchange. Although the work was not expected to be completed until early June, International Line Builders, Edison's contractor, was able to complete the pavement restoration this week.

➤ **SUCCESSOR REDEVELOPMENT AGENCY/MONTCLAIR HOUSING CORPORATION**

- Construction is underway for the landscape project at the 5444 Palo Verde Street property. The contractor has completed the preliminary grading in the rear and side yards and has begun constructing the combination wall and fence on the north elevation. The property is slowly transforming from an overgrown chaos to an orderly and attractive landscape design.

The new landscape design is intended to create a similar ambience original to the property by incorporating much of the original planting model. However, the new landscaping will be updated by incorporating more water-use efficiency plants and hardscape materials.

The unique adobe-constructed residence was once owned by renowned sculptor John Svenson who, with his family, began construction of the home and design studio in the late 1940s.

ECS:spa

"There are two ways of spreading light: to be the candle or the mirror that reflects it."

~ Edith Wharton

APRIL 2014



07	City Council Workshop Council Chambers	5:45 p.m.
07	City Council Meeting Council Chambers	7:00 p.m.
09	Prism Award Luncheon Ontario Convention Center	11:30 a.m. - 1:30 p.m.
09	Oversight Board Meeting Council Chambers	6:00 p.m.
14	Planning Commission Meeting Council Chambers	7:00 p.m.
15	City Manager's Staff Meeting City Hall Conference Room	9:00 a.m.
17	Safety Committee Meeting City Hall Conference Room	9:00 a.m.
17	Public Works Committee Meeting City Hall Conference Room	2:00 p.m.
19	Easter Eggstravaganza Montclair Community Center	9:00 a.m. - 11:00 a.m.
20	Easter Sunday	
21	Code Enforcement Committee Meeting City Hall Conference Room	6:00 p.m.
21	City Council Meeting Council Chambers	7:00 p.m.
22	Online to College Celebration City Hall Lobby	6:00 p.m.
24	Strategic Planning Session Montclair Senior Center	4:00 p.m. - 8:00 p.m.
28	Planning Commission Meeting Council Chambers	7:00 p.m.
29	City Manager's Staff Meeting City Hall Conference Room	9:00 a.m.

Youth Center & Senior Center Intergenerational Event



