



May 26, 2016

TO: Honorable Mayor and City Council

FROM: Edward C. Starr, City Manager 

SUBJECT: CITY MANAGER'S WEEKLY REPORT: May 20-26, 2016

CITY MANAGER/ADMINISTRATIVE SERVICES DEPARTMENTS

- As part of the City of Montclair's 60th Anniversary Celebration, the *City Manager's Weekly Report* is featuring stories on people, places, and events in Montclair's history. As part of this series of stories, the following information provides a brief historical description of the area that is now Montclair.

Up until the 1890's, Montclair was little more than a grazing land and a watering hole. In 1897, Mrs. Edward Fraser was instrumental in founding the "Township of Marquette," giving the area its first modern name. This signaled the beginning of land development and the formation of a viable community.

In the early 1900s, Emil Firth, a Los Angeles land developer, named the 1,000-acre land tract that would one day become Montclair, "Monte Vista." All of the tracts were laid out in 10-, 20-, and 40-acre lots with special financing terms to entice the planting of orchards and construction of homes. Settlers moved in shortly after the tract opened in 1907, and the first modern settlement within the tract was called Narod. Buildings that made up the settlement included a large, orange packinghouse, a dry goods store, a hotel, and the Little White Church of Narod.

It was during this period that the Narod settlement emerged as a contributing component of Southern California's economically important citrus industry. Citrus groves dotted the landscape, while the fragrance of orange and lemon blossoms scented the air. Oranges and lemons had become symbols of promise to Southern California orchard farmers. The planting of citrus orchards was as powerful as the gold rush, though without the popular image of quick riches. For the state, the citrus industry was its first economic dynamo, financially more important than the discovery of gold at Sutter's Mill in 1848.

Citrus fruit, however, had not always been a part of the Southern California desert landscape. Citrus plants originated in Asia and first travelled to the Americas with the second voyage of Christopher Columbus to the New World. It took another 300 years before oranges were brought to California to be cultivated, in 1804, at the San Gabriel Mission. It was the arrival of a mutant, seedless navel orange plant from Brazil in 1873 that revolutionized the region's citrus industry. The mutant navel orange plant found Southern California soil and weather to its liking; and navel orchards thrived to meet a growing national demand for the fruit. Within 20 years, the navel orange had transformed the deserts and chaparral regions of Southern California into a Mediterranean oasis.

The completion of three rail lines through the region opened Southern California's citrus market to the rest of the country. Pioneers moved into the area to establish grove farms and participate in the new industry. Citrus farmers continued providing quality navel oranges to the area's citrus packing houses until the industry was hit hard after World War II by smog, soaring real-estate prices, a burgeoning population, freeways, and vandalism. Today the bulk of the state's navel crop is grown in California's Central Valley, with only a few thousand grove acres remaining in the Inland Empire.

- Following a season of increased rain and snowfall in certain parts of the state, on May 9, 2016, Governor Brown issued a new [Executive Order](#), signaling a major change in the state's approach to water conservation. The new Order directs the State Board to adjust and extend its emergency water conservation regulations through the end of January 2017 in recognition of the varied water supply conditions for many communities.

Adopted by the Board on May 18, 2016, the new [Emergency Regulations](#) replace existing state-imposed "top-down target setting" with an approach that allows each urban water supplier to develop and comply with its own individualized conservation standard based on its specific water supply and demand. This new and flexible approach is likely a welcome change for many agencies and their customers. Monte Vista Water District (MVWD) has not announced local changes to conservation rules mandated in early 2015.

New conservation standards will take effect June 1, 2016, and remain in effect until the end of January 2017. **According to some reports, the regulation will include a deadline of June 22, 2016, for each urban water supplier to calculate and report (on a form soon to be provided) to the Board the conservation standard that the supplier will meet. If a water agency can document it has sufficient supplies, the [Board acknowledged](#) that a conservation standard as low as zero can be adopted.** Numerous prohibitions from prior regulations will remain, such as a ban on cleaning driveways with potable water. MVWD is expected to document sufficient water supplies.

In contrast to the current conservation regulations, which were based on state-mandated demand reductions, the new Emergency Regulations will require individual urban water suppliers to self-certify the level of available water supplies they have, assuming three more dry years, and the level of conservation necessary to assure adequate supply in that scenario. Suppliers that would have an inadequate supply after a third dry year will be required to adopt a conservation standard that would ensure an adequate supply.

Under the Regulation, water supply reliability will be calculated as follows:

- The supply projection for the next 3 years will be based on current supply conditions plus an assumed 3-year hydrology mirroring the 2012-13, 2013-14, and 2014-15 water years. (A water year runs from October 1 through September 30.)
- Demand over that same period would be based on each supplier's average total potable water production for 2013 and 2014.
- Suppliers must factor into their calculations all of their water sources that are capable of being treated to potable standard during the 3-year projected period.
- Suppliers' conservation standards will be calculated as a percentage and rounded to the nearest whole percentage point.
- Suppliers must self-certify accuracy of their conclusions and provide their analysis and supporting data. The State Water Board will post information provided by suppliers on its website and assign each supplier, as a mandatory conservation standard, reductions equal to the supplier's projected percentage deficiency in supply at the end of the third dry year.
- Wholesale water suppliers will be required to make projections about how much water they will deliver to retail water suppliers under the 3-dry-years scenario.

The prior conservation standards will continue to apply if a supplier chooses not to participate in the new self-certification system.

- San Bernardino County earlier this month received more than \$9.3 million in federal Homeless Assistance Program funds, more than \$2.2 million for new projects, and more than \$7.1 million for renewal projects that will provide services to hundreds of homeless individuals and families within the county. County agencies are able to use the funds, awarded by the U.S. Department of Housing and Urban Development, to provide transitional and permanent housing and supportive services for homeless individuals and families.

As part of the more than \$7.1 million for renewal projects, the Housing Authority of the County of San Bernardino was awarded a 1-year renewal grant for more than \$2.7 million for its various Continuum of Care programs that serve homeless individuals and families with disabilities. The Housing Authority's affiliate non-profit Knowledge & Education for Your Success (KEYS) also received \$241,021 in renewal funding for housing navigation services to serve homeless families. Combined, both entities received close to \$3 million in funding to serve approximately 300 homeless families in San Bernardino County.

Part of the \$2.2 million for new projects includes a Permanent Supportive Housing Bonus award in the amount of \$1.5 million to provide funding for "Step Up in San Bernardino," a program that will be administered by Step Up on Second, Inc., a non-profit organization that has provided mental health recovery services and support since 1984. This funding will add an additional much-needed 112 new permanent supportive housing program beds to serve the chronically homeless with mental illness within our county communities.

The Continuum of Care Homeless Programs build on the premise that housing and services need to be linked in order to ensure stable housing for this hard-to-serve population. Partnering since 1996, the County Department of Behavioral Health refers eligible families to the Housing Authority for the Continuum of Care programs they administer. The Housing Authority provides rental subsidies and administers the housing assistance. Behavioral Health provides services ranging from job training, health care, supportive services, and educational services, allowing the tenant an opportunity to obtain economic and social independence, when otherwise they may still be homeless.

Through KEYS, the housing navigators work directly in reaching out to homeless families, and provide housing navigation, case management, and other supportive service referrals to a variety of other agencies in order to increase economic advancement and long-term housing stability.

The award will allow the county's Homeless Partnership organizations to continue with the measurable progress already made in meeting the recommendations as outlined in the 10-Year Strategy to End Homelessness in the County of San Bernardino. To find out more about the San Bernardino County Homeless Partnership, please visit the website at: <http://www.sbcounty.gov/dbh/sbchp>.

- California voters this fall will likely wade through the longest list of state propositions in recent history. A review of election records and interviews with almost a dozen political consultants confirms that as many as 18 propositions—from legalizing marijuana to redirecting the proceeds of a fee on paper bags—will land on the November 8, 2016, statewide ballot.

There are a number of reasons for the large amount of proposals, including a 2011 law that moved all ballot initiatives to November elections.

The 18 proposed measures have the political or financial resources to make it to the ballot, but the final number depends on what happens over the next 6 weeks. The initiative process was loosened in 2014 for proponents to withdraw a fully vetted measure, even after it has earned a spot on the ballot. Of the 18 proposed measures, 7 have already earned a place on the November ballot. Nine more are in the process of signature verification.

At the top of the list of proposals is the initiative to fully legalize marijuana, backed by Lt. Governor Gavin Newsom, Facebook co-founder Sean Parker, and a long list of drug policy reformers.

Lt. Governor Newsom also is a leading voice behind another proposed measure to impose new background checks on individuals purchasing firearm ammunition, as well as a proposed measure to raise California's tobacco tax by \$2 per pack.

Legislators, too, have added to the fall ballot's largeness. They have placed one proposal on the ballot for voters to repeal the provisions of the 1998 initiative that limited bilingual education in public schools (Proposition 227).

- In his May Budget Revision, Governor Brown announced a new proposal to "streamline" housing development in California. In order to be eligible for the streamlined process, projects must restrict a percentage of units for affordable housing. The required percentage varies depending on the level of affordability and proximity to transit priority areas. All projects that seek to qualify for the streamlined process are required to restrict at least 20 percent of units for individuals who earn 80 percent of the area median income. However, projects located in transit priority areas are subject to lower thresholds—projects in these areas are required to either restrict 10 percent for lower-income individuals or 5 percent for very-low income individuals. The proposal, if approved, would add to and further convolute Government Code Section 65915, which contains California's density bonus law.

In addition to the affordability requirements, projects must also meet certain specific statutory criteria. When a project meets the statutory criteria, it is permitted by ministerial right, and the governing agency is left with little discretionary review.

To begin the process, a developer must submit its intent to utilize the streamlining authority and certify that the project meets all of the statutory criteria described below:

1. The development is consistent with the city's or county's general plan and zoning standards
2. The project site is immediately adjacent to urban uses
3. The proposed development is a multi-unit housing project for which the developer has recorded a land-use restriction that is:

- a. for at least 30 years
 - b. is enforceable by a public agency or any member of the public
 - c. meets the specific affordability thresholds depending upon the level of affordability and proximity to a transit priority area
4. The project site does not include specific types of environmentally sensitive conditions.

Local agencies would still have design review authority; however, such review could not exceed 90 days. Further, local agencies would also have the right to challenge a developer's determination of general plan and zoning consistency. To do so, local agencies must provide developers with written documentation identifying which standards the project is inconsistent with and why. A challenge must be provided to a developer within 30 days of the submittal of a project or else the project would be automatically deemed compliant with the general plan and zoning standards.

The Governor's proposal was included as part of the state budget, which is set for consideration on June 1, 2016. At a meeting with State Senator Connie Leyva on Friday, May 20, I discussed the Governor's proposal and asked for Senator Leyva's opposition.

HUMAN SERVICES DEPARTMENT

- Summer recreation classes have begun! This summer, the Human Services Department is offering a few new classes, such as Gentle Yoga, First Aid/CPR, and an Amateur Radio General License Course. Continuing courses include Ceramics, Zumba, Junior Chefs, Dance, Gymnastics, and Martial Arts.

For more class details, please refer to the Summer 2016 brochure, which can be viewed at http://www.cityofmontclair.org/depts/human_services/brochures.asp. All class registrations are taken at the Recreation Center's front desk.

- Join us this coming Monday for the Community Action Committee's Annual Memorial Day Program at 6 p.m. in the Memorial Garden, adjacent to City Hall.

Our Veteran's Memorial pays tribute to deceased Montclair veterans from all branches of service whose families have purchased plaques. This year's event will feature the dedication of three new plaques, a presentation of colors by the Montclair High School ROTC, patriotic music performed by the Montclair Walker's Choral Group and a barbershop quartet, refreshments, and readings.

- The 4th Annual Country Fair Jamboree will be held on Saturday, June 4 from noon to 6 p.m. at Alma Hofman Park. Attractions will include kids' carnival rides and games, a giant Ferris wheel, a fiberglass slide and scrambler ride for adults and kids, a DJ, performances by the bands 80's All-Stars and Suave, pony rides, a

petting zoo, a skateboarding competition, food trucks, contests for all ages, community organizations, special 60th anniversary activities, and much more.

Any employees interested in volunteering at the event should contact Senior Recreation Specialist Emily Gomez-Medina at Ext. 482.

- The Montclair Senior Center held its monthly birthday party yesterday at the Community Center. Themed as a Mother's Day celebration, the party was attended by more than 250 seniors, along with some of their children.

The women had fun taking their pictures in the photo booth, and everyone enjoyed a festive meal, games, and a musical performance by children from our Lady of Lourdes Catholic Church in Montclair.

Photos are included on Page 12.

- The City of Montclair is accepting applications for four (4) vacancies on the Community Action Committee. The term length is four years, expiring on June 30, 2020.

Applications are available at City Hall's front counter during business hours. The application deadline is Thursday, June 2 at 5:30 p.m.

The Community Action Committee is an advisory body to the City Council on matters related to the evaluation of recreational programs. The Committee may propose additional City-approved programs designed to meet the cultural and social needs of the residents.

The Notice of Vacancy can be found on Page 13.

POLICE DEPARTMENT

- Last week, a Peace Officer Memorial Service was held for San Bernardino County law enforcement officers who lost their lives in the line of duty. It was a tear-jerking ceremony for the families and friends of the fallen officers.

Attending in honor of Montclair's fallen Officer, Andrew W. Farthing, were Chief Mike deMoet, Captain Robert Avels, Sergeant John Minook, and Officer Jesus Carrillo. As Chief deMoet announced the name of Officer Farthing and his End of Watch (June 18, 1961), Honor Guards Minook and Carrillo each laid a single, right-handed glove at the base of Farthing's memorial statue.

District Attorney Mike Ramos thanked the peace officers and their families for their sacrifices, stating that putting on the badge is a difficult thing to do.

SUCCESSOR REDEVELOPMENT AGENCY

- Nordstrom's sales are plunging at its full-price department stores.

Comparable sales for Nordstrom's full-price businesses fell 5.4 percent, including a 7.7 percent drop at its U.S. department stores and a lower-than-expected 3 percent increase in online sales—both marking the worst results since 2009, according to industry analysts.

The declines confirm a terrifying new reality for high-end retailers: wealthy shoppers are reining in spending and, along with the rest of American consumers, refusing to pay full price for anything.

While sales are plunging in Nordstrom's full-price business, comparable sales for the company's off-price brands (including Nordstrom Rack which sells steeply discounted clothes and accessories) grew 4.6 percent.

Morgan Stanley analysts said the surprising bifurcation between Nordstrom's low-end and high-end businesses should be a warning sign for all luxury retailers.

Nordstrom announced earlier this year its plans to cut 400 jobs from its headquarters and forecasts that profit per share would fall 30 percent in the first half of this year.

The company's inventory levels (which increased 5.4 percent in the first quarter, following a 12 percent increase in the fourth quarter) show that Nordstrom has been having a hard time clearing its shelves and is relying on promotions to sell merchandise. That can be a risky strategy, particularly for a high-end retailer, because too many promotions can cheapen the brand. But even steep discounts are not attracting customers like they have in the past.

Customers are also shifting more spending to big ticket items, such as cars and houses, while splurging less on clothes, shoes, and other fashion items, according to analysts.

Nordstrom says that it is going to focus on creating a "more efficient and agile organization."

Along with Nordstrom, within the past year Macy's, J.C. Penney, Neiman Marcus, and Target have said that they will cut jobs at headquarters.

- Banana Republic is floundering.

The clothing chain's same-store sales plunged 11 percent in the first quarter, marking its fifth straight quarterly decline, according to preliminary results reported by parent company Gap Inc.

Gap executives will likely go into more detail on why sales fell when the company reports earnings later this month; but it is likely that the poor performance will be chalked up to a warm winter.

Following dire fourth-quarter results, Banana Republic stores relied heavily on deep discounts and promotions on its winter styles.

Many industry analysts point to Banana Republic's recent attempt to compete with lower-end fast fashion chains as the reasoning behind the stores' continued sales declines. Instead of catering to the stores' target audience of young, professional women, Banana Republic attempted to gain market shares with teenagers. This resulted in an annihilation of the store's core audience.

Fortunately for the company, things started to pick up in April, just as new spring styles were hitting stores. Same-store sales dropped 7 percent in April compared to a 15 percent drop the previous year.

Banana Republic is returning to its roots with updated classics with a twist. Gap has long pegged spring 2016 as its turnaround point, at least for its namesake brand.

Fortunately, things are somewhat improving for Gap.

Gap's sales were down 3 percent in the first quarter, versus 10 percent this time last year. Gap stores recently returned to their roots of simple, colorful basics.

The company says it is looking for ways to improve its business. According to a recent report, the company is identifying opportunities to streamline its operating model to be more efficient and flexible.

- Applebee's has a problem—it is essentially the same as thousands of other casual dining restaurants across the United States—but is working to change that.

Things have not been looking good for the chain with sales decreasing 3.7 percent in the most recent quarter. However, after years of slumping sales and unsuccessful turn-around initiatives, the chain says it has a solution—this time, hopefully, for real.

Applebee's announced what the brand is calling a "comprehensive business transformation," which promises to be the most significant in company history.

The brand is installing wood fire grills in all 2,000-plus locations across the U.S.—a \$40 million investment by the chain's franchisees. The grills will completely change much of Applebee's menu meal preparation, impacting 40 percent of items on the menu. Applebee's hopes this major change will allow the chain to gain culinary credibility and stand out from the vast array of casual dining restaurants across the U.S., which have struggled to keep up in an era dominated by fresh, fast casual chains.

The chain has attempted various adjustments and initiatives to turn business around in the last few years, with changes such as location-specific menu items and rolling out tables in restaurants. However, the changes have not been enough. The crux of the problem is that Applebee's is suffering from a problem that has plagued many modern casual chains: it isn't exciting, with nothing to distinguish itself from the competition. The chain knows this.

Applebee's wants to stand out in a way that the competition cannot copy. Beyond the grills, the chain is adding new items like hand-cut, wood-fired steaks to the menu, training employees as meat-cutters, and remodeling locations across the U.S. It is also launching a \$120 million marketing campaign, the largest in the company's history, with a new creative agency.

These "bigger and bolder" changes are necessary if Applebee's truly wants to stage a comeback. Executives say they are confident that these changes will serve as a major reset for the brand.

According to Applebee's executives, responses to market tests, growing employee pride, and franchisees' eagerness to invest in the changes have served as promising indicators. However, with other innovations' failure to boost sales in recent years, it remains to be seen if the rebranding will be enough to set Applebee's apart from the competition—a lofty goal in the modern casual dining business.

ECS:spa

"I praise loudly. I blame softly."
 ~ Catherine the Great

MAY 2016

30	Memorial Day – City Offices Closed	
30	Memorial Day Program – Civic Center Memorial Garden	6:00 p.m.
31	City Manager's Staff Meeting City Hall Conference Room	9:00 a.m.

JUNE 2016



2	Andrew Schwab Appeal Hearing Council Chambers	6:30 p.m.
4	Country Fair Jamboree, Alma Hofman Park	Noon - 6 p.m.
6	Special Olympics Torch Run	1:00 p.m.
6	City Council Meeting Council Chambers	7:00 p.m.
13	Planning Commission Meeting - Canceled	
13	Fiscal Year 2016-17 Preliminary Budget Review Council Chambers	6:00 p.m.
14	Flag Day	
14	City Manager's Staff Meeting City Hall Conference Room	9:00 a.m.
15	Safety Committee Meeting City Hall Conference Room	10:30 a.m.
15	Public Works Committee Meeting City Hall Conference Room	4:00 p.m.
19	Father's Day	
20	Real Estate Committee Meeting City Hall Conference Room	5:30 p.m.
20	Code Enforcement/Public Safety Committee Meeting City Hall Conference Room	6:15 p.m.
20	City Council Meeting Council Chambers	7:00 p.m.
27	Planning Commission Meeting Council Chambers	7:00 p.m.
28	City Manager's Staff Meeting City Hall Conference Room	9:00 a.m.



Senior Center May Birthday Party





Notice of Vacancy

The City of Montclair
Invites You to Become Active in Your Community

There are four (4) vacancies on the Community Action Committee

Committee's Purpose: To serve as an advisory body to the City Council on matters related to the evaluation of recreational programs and to propose additional City-approved programs designed to meet the cultural and social needs of the residents of the community.

Qualifications: Members must be residents of the City of Montclair.

Meetings: Montclair City Council Chambers
5111 Benito Street, Montclair
First Wednesday of each month at 7:00 p.m.,
except during the months of July and August
when the Community Action Committee is dark.

Length of Term: Four (4) years – Term expires June 30, 2020.

Stipend: \$50 per meeting attended

Applications are being accepted in the City Clerk's office until 5:30 p.m. on Thursday, June 2, 2016.

Application forms are available at City Hall, 5111 Benito Street, Montclair, or by calling (909) 625-9416.