



September 29, 2016

TO: Honorable Mayor and City Council

FROM: Edward C. Starr, City Manager 

SUBJECT: CITY MANAGER'S WEEKLY REPORT: September 23-29, 2016

CITY MANAGER/ADMINISTRATIVE SERVICES DEPARTMENTS

- California cord cutters in some California communities have avoided high monthly cable fees by switching to streaming video services; however, in a growing list of cities, they will not be escaping cable-related taxes.

Pasadena recently approved a 9.4 percent tax on "video services" used by subscribers of streaming video including Netflix, HBO Go, and Hulu. To impose the tax, the city used an existing utility user tax (UUT) rate schedule for cable service providers. Starting January 1, 2017, a \$10 Netflix bill would increase to approximately \$11 per month for subscribers living in Pasadena. At least 45 other California cities are considering a similar tax, including San Bernardino, Glendale, Santa Monica, Culver City, Benicia, Indio, and Pico Rivera, according to a listing from MuniServices, the tax consulting company that oversees tax collections for those municipalities. In those cities, tax rates on video services range from 4.5 percent to 11 percent.

The Howard Jarvis Taxpayers Association is calling the tax "very suspect," and its legal team is investigating the legality of the new interpretation of the tax. The argument is that consumers did not directly vote on the tax; however, cities argue that previous voter-approved tax measures related to cable services already address video streaming, although no cities have sought the revenues until recently.

Many of the cities considering taxing video streaming services went to their voters over the last decade to amend their utility user taxes to address conflicting language related to cell service providers. In some cases, those amendments made the language regarding video services open-ended. In Pasadena, an amendment to the city's UUT ordinance notes the city can tax video service suppliers "whatever their technology."

The Pasadena tax will apply to video games and streaming services regardless of content or the technology used to deliver such services. Pasadena's administrative ruling is instructing the various companies that offer video service that the tax includes their streaming services as well, and it will be incumbent upon them to collect the tax and remit it to the city.

- In compliance with a new law signed by Governor Brown (Assembly Bill 2542), California drivers could start seeing more reversible lanes. Under the bill, the direction of lanes can be switched to allow traffic to flow in either direction—the sparingly deployed strategy is used to increase traffic capacity on streets and highways during peak hours. The Golden Gate Bridge in San Francisco uses reversible lanes, as does the San Diego-Coronado Bridge, where a 30-ton, 58-foot-long contraption known as a Zipper picks up and moves concrete barriers to switch lanes around.

A stretch of express lanes on I-15 in San Diego is also rearranged by a Zipper on Thursdays to accommodate traffic patterns. The \$20.5 million system has been criticized for being rarely used and for the time it takes to rearrange lanes for an unplanned event, such as an accident.

Reversible lanes can be an efficient way to decrease traffic congestion, according to the bill's author, Assemblyman Mike Gatto (D-Glendale). Starting next year, the new law will require California transportation agencies to consider incorporating reversible lanes before starting some major road and highway projects. The bill appears to be directed only toward projects that add capacity.

Transportation specialists are generally opposed to reversible lanes, arguing that they require a "very strong and defined travel pattern"—patterns that can be difficult to discern on highways that carry heavy traffic loads in both directions, regardless of time of day.

- Governor Brown has once again vetoed a bill to help four Inland Empire cities recover vehicle license fee revenues. The veto of SB 817, sponsored by state Senator Richard Roth, D-Riverside, would have restored vehicle license fee revenue to Eastvale, Jurupa Valley, Menifee, and Wildomar, which lost the income stream in 2011.

Roth's bill sailed through the Legislature, only to succumb to Brown's veto as it did in 2012 and 2014. In his latest veto message, the Governor noted he signed legislation in 2015 to provide \$24 million in relief for the four cities.

The failed legislative effort has fueled the disdain of some local leaders who argue that Sacramento favors other parts of California over the Inland Empire.

Eastvale, Jurupa Valley, Menifee, and Wildomar all incorporated this century, relying heavily on vehicle license fee revenue to operate. But faced with a budget crunch, state lawmakers in 2011 reallocated the fees, leaving deep holes in the fledgling cities' budgets. At one point, Jurupa Valley's council started down the path of disincorporation, fearing the city would not have enough to pay for basic services.

COMMUNITY DEVELOPMENT DEPARTMENT/ECONOMIC DEVELOPMENT

- More than 25 years since its initial formation, Montclair Housing Corporation (MHC) and Code Enforcement staff continues to play integral roles in the City's Foundation Area owners associations. The MHC and Code Enforcement personnel remain points of contact for the owners associations' questions or problems. Along with a representative from the Police Department, staff members from the three departments meet monthly and/or bi-monthly with the Board of Directors from the Helena Gardens, Cobblestone Village, and Castlerock Villas owners associations.

The three owners associations are currently working on upgrading the security camera systems and/or increasing the number of cameras located in the Foundation Areas. The security cameras have proven an effective tool for the Board Members and have been useful to Code Enforcement and Police Officers in addressing problems that have occurred in the Foundation Areas. Collectively, staff continues to work with each Board of Directors in keeping the common areas looking their best, reducing the amount of trash and bulk items left behind, addressing problem tenants, and ensuring proper tenant screening practices are implemented.

The positive long-term relationship between staff and the owners has been the key to continued success of the owners associations.

- Southern California home sales were up 8 percent in August compared to July, with the median price for the 6-county area holding steady at \$465,000, real estate analysis group CoreLogic reported. The report looked at San Bernardino, Los Angeles, Riverside, Orange, San Diego, and Ventura counties, where a total of 23,278 new or resold houses and condo sales were recorded during the month. Year-over-year, sales were up 9.5 percent.

Individual August median prices ranged from \$649,000 for Orange County to \$275,000 for San Bernardino County. The median sale price for all of Southern California has risen year over year for 53 consecutive months.

While inventories are low, many of the residual marks of home sales following the Great Recession are fading. The share of homes sold to investors and cash buyers is the lowest in years, closer to historical averages, and this summer the distressed sales' share of total sales (5.2 percent in August) has been the lowest since spring 2007.

In San Bernardino County, the percentage of price increase for median home prices year-over-year was the lowest of the 6 counties, at 1.9 percent. For August compared to July, San Bernardino County's median price dropped 3.5 percent.

Other points from the August report:

- ✓ The higher August numbers were likely affected by more business days to record sales than in July
 - ✓ Homebuyers in Southern California took out 6,200 home equity lines of credit in August
 - ✓ San Bernardino and Riverside counties continue to have the region's highest percentage of sales secured by Federal Housing Administration loans, 31.1 percent and 35.2 percent, respectively.
- Following national trends, San Bernardino County saw an uptick in household median incomes in 2015, according to the U.S. Census Bureau's American Community Survey. Released last week, the survey showed poverty levels fell, but remain above national and state percentages.

The median household income for San Bernardino County in 2015 was \$53,803, up 3.38 percent from the previous year's \$52,041.

The United States median income was \$55,775 in 2015, up 3.9 percent from 2014, while California's was \$64,500, up 4.14 percent from the previous year. Riverside County's rose to \$58,292 last year, up 2.25 percent from 2014's \$57,006.

Meanwhile, the population increased locally. San Bernardino County counted 2.12 million residents last year, up 0.7 percent from 2014.

With income up, poverty fell, both in percentages and real numbers. The overall population number reviewed for poverty differs slightly from the general population numbers.

San Bernardino County had 392,509 living in poverty, 19 percent of 2.06 million. In 2014, the number was 422,111, or 20.6 percent.

The national poverty number was 14.7 percent, or 46.15 million people. In California, the poverty percent was 15.3 percent, or 5.89 million.

HUMAN SERVICES DEPARTMENT

- Please save the date for the following Human Services Department events. All events are free and open to the public.

Candidates' Forum – Wednesday, October 12
7 p.m., Senior Center

The Candidates' Forum is being sponsored by the Community Action Committee and the Montclair Chamber of Commerce. The five candidates for Montclair City Council have agreed to participate in a structured debate. The public will be allowed to submit questions.

Youth Talent Showcase – Friday, October 14

6 p.m., Community Center

Come see Montclair’s youth share their talents!

Montclair Community Health Fair – Tuesday, October 18

9 a.m. to noon, Community Center

Free health screenings and more than 35 health and community agencies will be present. Complimentary flu shots will be available for City employees from 11:30 a.m. to noon. Flu shots will also be available for City employees at the Montclair Medical Clinic on Thursday, October 20 and Thursday, October 27 from 2 p.m. to 4:30 p.m.

Lights on After School – Thursday, October 20

6:30 p.m. to 8 p.m., Community Center

The City’s After-School Program will be showcased with representation from all 12 of the City’s ASP sites.

Children’s Halloween Party – Monday, October 31

5:30 p.m. to 8 p.m., Community Center

For children 12 and younger. There will be games, candy, refreshments, and a costume contest.

For additional information on any of these events, contact 625-9479.

- Montclair Day at the Fair was held last Thursday at the L.A. County Fair. The day’s activities included a special ceremony for Montclair’s three Community Heroes followed by a parade featuring Montclair groups, including our Fire Department, Police Department, Public Works Department, Senior Center and Youth Center. Awards were presented to our heroes by Mayor Pro Tem Carolyn Raft on behalf of the City; Montclair Chamber of Commerce Executive Director Myra Kirscht; representatives from the Offices of Congresswoman Norma Torres, Senator Connie Leyva, Assembly Member Freddie Rodriguez, and County Supervisor Curt Hagman; two representatives from the Ontario-Montclair School Board; and the L.A. County Fair. Council Member Trisha Martinez joined us in the parade.

Our heroes were:

- ✓ Senior Community Hero Frank Corsaro - Montclair Little League volunteer for more than 50 years
- ✓ Adult Community Hero Abel Benitez - Montclair Community Garden and Fruit Park volunteer
- ✓ Youth Community Hero Erin Alegria - Montclair Community Garden volunteer

A photo collage of the day is shown on Page 9. Our appreciation goes out to all of our volunteers!

POLICE DEPARTMENT

- Last Saturday, Reserve Officers Joe Kuskie and Randy Ortiz, Reserve Sergeant Scott Stephenson, and Reserve Captain Ron Foss attended the Western Region 2016 Special Olympics Bowling Tournament at the Bowlm in Montclair. Over 150 Special Olympics athletes, family members, and community leaders attended.

The Reserve Officers were honored to present the athletes with medals during the awards ceremony. The Special Olympics Bowling Tournament is an event that our Reserve Officers look forward to participating in each year.



PUBLIC WORKS DEPARTMENT

- Late last week, the City received notice from Caltrans that the City's request for authorization to advertise for a consultant for design services related to the rehabilitation of the Central Avenue Bridge over the Union Pacific Railroad tracks has been approved. With this approval and obligation of \$150,000, the City will be able to perform a scoping study to determine the extent of work necessary and obtain approval from the railroad for the type of bridge to be selected.

It was four years ago that the City applied for and received approval for the use of federal funds under the Highway Bridge Program to reconstruct this bridge. After several studies and inspections, Caltrans staff determined that the bridge did not need to be replaced, only rehabilitated. However, this rehabilitation work can and almost certainly will require the complete removal and replacement of the existing bridge deck.

With the authorization last week by Caltrans, who administers federal funds, City staff has prepared a request for proposals. This RFP was mailed to several consultants with hopes of selecting the best qualified consultant for the scoping work necessary. Proposals are due at the end of October.

ECS:spa

"Concentration comes out of a combination of confidence and hunger."

~ Arnold Palmer

OCTOBER 2016



3	City Council Workshop – Audit Responsibilities and Process, Council Chambers	5:45 p.m.
3	City Council Meeting Council Chambers	7:00 p.m.
5	State of the City Community Center	11:30 a.m.
5	Community Action Committee Meeting Council Chambers	7:00 p.m.
10	Planning Commission Meeting Council Chambers	7:00 p.m.
11	City Manager's Staff Meeting City Hall Conference Room	9:00 a.m.
12	Candidates Forum Senior Center	7:00 p.m.
14	Youth Talent Showcase Community Center	6 p.m.
17	Real Estate Committee Meeting City Hall Conference Room	5:30 p.m.
17	Code Enforcement/Public Safety Committee Meeting City Hall Conference Room	6:15 p.m.
17	City Council Meeting Council Chambers	7:00 p.m.
18	Montclair Community Health Fair Community Center	9 a.m. - noon
19	Safety Committee Meeting City Hall Conference Room	10:30 a.m.
20	Public Works Committee Meeting City Hall Conference Room	4:00 p.m.
20	Lights on After School Community Center	6:30 p.m. - 8 p.m.
24	Planning Commission Meeting Council Chambers	7:00 p.m.
31	Children's Halloween Party Community Center	5:30 p.m. - 8 p.m.

Montclair Day at the Fair!

