



City Council Meeting Synopsis

Tuesday, November 1, 2022

1:30 PM

**Hybrid Meeting - Council Chambers and Virtually -
<https://sanjoseca.zoom.us/j/88957084529>**

SAM LICCARDO, MAYOR
CHAPPIE JONES, VICE MAYOR, DISTRICT 1
SERGIO JIMENEZ, DISTRICT 2
RAUL PERALEZ, DISTRICT 3
DAVID COHEN, DISTRICT 4
MAGDALENA CARRASCO, DISTRICT 5
DEV DAVIS, DISTRICT 6
MAYA ESPARZA, DISTRICT 7
SYLVIA ARENAS, DISTRICT 8
PAM FOLEY, DISTRICT 9
MATT MAHAN, DISTRICT 10

November 1, 2022



*** COVID-19 NOTICE ***

Consistent with AB 361 and City of San José Resolution Nos. 80628, 80659, 80685 and 80724, Councilmembers may be teleconferencing from remote locations.

- **Call to Order and Roll Call**

9:30 a.m. - Closed Session. [22-1610](#)

Councilmembers Absent: All present.

1:30 p.m.- Regular Session.

Councilmembers Absent: All present.

Study Session - Heard immediately following the Consent Calendar. [22-1634](#)

Councilmembers Absent: All present.

- **Pledge of Allegiance**

Mayor Sam Liccardo led the Pledge of Allegiance.

- **Invocation (District 10)**

Retired Christian Service Director, Bellarmine College Preparatory, Reverend Steve Pinkston offered the invocation.

- **Orders of the Day**

The Orders of the Day were approved.

- **Closed Session Report**

None provided.

1. CEREMONIAL ITEMS

- 1.1 Councilmember Magdalena Carrasco presented the proclamation declaring November 2022 as Alzheimer's Disease Awareness Month to raise awareness around, educate, encourage support of, and promote early detection of Alzheimer's dementia. The proclamation was presented to volunteers and members of the Alzheimer's Association.

- 1.2 Councilmember Maya Esparza presented the commendation to the San José Police Department and the Santa Clara County District Attorney's Office; recognizing their collaborative efforts in obtaining Gun Violence Restraining Orders to prevent violence and keep our communities safe.
- 1.3 Councilmember Raul Peralez presented the commendation to Scott Knies, Chief Executive Officer for the San José Downtown Association, local business owner, and community advocate for his 34 years of service and efforts.
- 1.4 Councilmember Sylvia Arenas presented the proclamation recognizing Sikh American Awareness and Appreciation Month to honor the contributions of the Sikh-American Community to the City of San José.

2. CONSENT CALENDAR

2.1 Approval of City Council Minutes.

None provided.

2.2 22-1611 Final Adoption of Ordinances.

(a) Ordinance No. 30834 -An Ordinance of the City of San José Amending Various Sections of Title 24 (Technical Codes) of the San José Municipal Code Adopting the 2022 California Green Building Standards Code with Certain Exceptions, Modifications and Additions which Serve as a Reach Code to Increase Requirements Related to Electric Vehicle Charging Stations; and Adopting the 2022 California Building Energy Efficiency Standards.

[Passed for Publication on 10/18/2022 - 6.3(b) (22-1549)]

(b) Ordinance No. 30837 -An Ordinance of the City of San José Amending Various Sections of Title 24 (Technical Codes) of the San José Municipal Code to Adopt the 2022 California Building, Residential, Plumbing, Mechanical, Electrical Codes, California Existing Building Code, and California Historical Building Code with Certain Exceptions, Modifications and Additions.

[Passed for Publication on 10/18/2022 - 8.4(a) (22-1535)]

(c) *Ordinance No. ~~30838~~ *30836**- An Ordinance of the City of San José Amending Chapter 17.12 of Title 17 of the San José Municipal Code to Adopt the 2022 California Fire Code with Local Amendments Regarding Certain Architectural, Fire Alarm, Fire Sprinkler, and Hazardous Materials Regulations, and Associated Standards and Amending Chapter 17.68 of Title 17 of the San José Municipal Code to Adopt Local Amendments Regarding the Design and Installation Requirements for Hazardous Materials Storage and Use.

[Passed for Publication on 10/18/2022 - 8.4(b) (22-1535)]

** This Ordinance was agendized with the incorrect number. The corrected ordinance number is 30836 and was passed for publication on 10/18/2022. **

Action: (a) **Ordinance No. 30834**, (b) **Ordinance No. 30837**, and (c) **Ordinance No. 30836** were adopted. (11-0.)

2.3 Approval of Council Committee Minutes.

None provided.

2.4 Mayor and Council Excused Absence Requests.

None provided.

2.5 City Council Travel Reports.

None provided.

2.6 Report from the Council Liaison to the Retirement Boards.

None provided.

2.7 [22-1599](#) City Initiatives Roadmap - Small Business Recovery and Resilience: Amendment to the Agreement with the Enterprise Foundation to Manage and Implement a City Grant Program for Eligible San José Small Businesses Impacted by the COVID-19 Pandemic.

Adopt a resolution authorizing the City Manager to negotiate and execute an amendment to the agreement with the Enterprise Foundation to manage and implement a grant program utilizing American Rescue Plan Act funding to provide financial assistance to eligible San José small businesses that have been negatively impacted by the COVID-19 pandemic and to authorize the City Manager to revise the financial assistance eligibility requirements as necessary during the term of the agreement through June 30, 2023, with no increase in the total funding in the amount of \$2,750,000. CEQA: Not a Project, File No. PP17- 003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment. (Economic Development and Cultural Affairs)

Action: **Resolution No. 80739** was adopted. (11-0.)

2.8 [22-1600](#) Actions Related to the Purchase Order with Interior Office Solutions - S.F. Bay, Inc. for Furniture and Equipment.

Adopt a resolution authorizing the City Manager to execute a purchase order with Interior Office Solutions - S.F. Bay, Inc. (Irvine, CA), for the purchase of furniture and equipment subject to pricing obtained through the cooperative agreement between the City of Charlotte, North Carolina and Haworth, Inc. (Holland, MI) for a period starting on or about November 2, 2022, and ending on or about November 1, 2023, for an amount not to exceed \$1,800,000. CEQA: Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment. (Finance)

Action: **Resolution No. 80740** was adopted. (11-0.)

2.9 22-1601 Actions Related to Open Purchase Orders with OpportunitySpace, Inc. for Redevelopment Impact.

Adopt a resolution authorizing the City Manager to issue purchase orders to OpportunitySpace, Inc. dba Tolemi (Boston, MA) for redevelopment impact assessment tools for up to four one-year options to extend the term through May 31, 2027, with maximum compensation for the first option term beginning June 1, 2023 and ending May 31, 2024, not to exceed \$126,000, subject to the appropriation of funds. CEQA: Not a Project, File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment (Finance)

Action: **Resolution No. 80741** was adopted. (11-0.)

2.10 22-1635 Settlement of Jaishree Varshney v. City of San José, et al.

Approve the settlement of a lawsuit brought by Plaintiff Jaishree Varshney in the total amount of \$1,500,000 and authorize the City Attorney to execute a settlement agreement. CEQA: Not a Project; File No. PP17-003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment. (City Attorney) [Rules Committee referral 10/26/2022 - Item A.1.a]

Action: The Settlement of Jaishree Varshney v. City of San José, et al. was approved. (11-0.)

2.11 22-1633 Approval of San José State University Homecoming Football Game Tower and Rotunda Lighting Sponsored by Council District 3 as a City Council Sponsored Special Event to Expend City Funds and Accept Donations of Materials and Services for the Event.

As recommended by the Rules and Open Government Committee on October 26, 2022:

(a) Approve the San José State University Homecoming Football Game Tower and Rotunda Lighting event scheduled from October 29, 2022 to November 4, 2022 as a City Council sponsored Special Event and approve the expenditure of funds; and

(b) Approve and accept donations from various individuals, businesses, or community groups to support the event.

CEQA: Not a Project, File No. PP17-011, Temporary Special Events resulting in no changes to the physical environment. (Peralez)

[Rules Committee referral 10/26/2022 - Item B.1]

Action: The City Council Sponsored Special Event was approved. (11-0.)

• Study Session (Cost of Residential Development in San José) Begins.

Mayor Sam Liccardo opened the study session at 2:20 p.m.

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Study Session (Cont'd.)

President and Founder of Seifel Consulting, Libby Seifel; Managing Partner, L37, Eric Tao; Chief Investment Officer, Sares Regis; and Drew Hudacek offered the panel presentation and responded to questions.

Housing Catalyst, Office of Economic Development and Cultural Affairs, Jerad Ferguson; Director, Office of Economic Development and Cultural Affairs, Nanci Klein; Director, Housing Department, Jacky Morales-Ferrand; Deputy Director, Housing Department, Rachel VanderVeen; Director, Department of Planning, Building and Code Enforcement, Chris Burton; and Deputy City Manager, Rosalynn Hughey offered the staff presentation and responded to questions.

Mayor Sam Liccardo closed the study session at 5:02 p.m.

• Council Recessed until 6:02 p.m.

3. STRATEGIC SUPPORT

3.1 Report of the City Manager, Jennifer Maguire (Verbal Report)

None provided.

3.2 Labor Negotiations Update.

None provided.

3.3 [22-1605](#) City Initiatives Roadmap: COVID-19-related Food Distribution Expenditures Audit Report.

As recommended by the Neighborhood Services and Education Committee on October 13, 2022, accept the report on COVID-19-related Food Distribution Expenditures Audit as part of the approved City Initiatives Roadmap for 2022-2023.
CEQA: Not a Project, File No. PP17-009, Staff Reports, Assessments, Annual Reports, and Informational Memos that involve no approvals of any City action. (City Auditor)

Action: The COVID-19-related Food Distribution Expenditures Audit Report as part of the approved City Initiatives Roadmap for 2022-2023 was accepted. (11-0.)

3.4 [22-1606](#) Approval of an Ordinance Authorizing the Director of Finance to Administer an Accounts Receivable Amnesty Program.

Approve an ordinance authorizing the Director of Finance to administer an Accounts Receivable Amnesty Program which forgives unpaid penalties, interest, and collection expenses accruing to the City of San José General Fund and other funds for certain accounts billed from April 1, 2020 through August 31, 2021. CEQA: Not a Project, File No. PP17-004, Government Funding Mechanism, or Fiscal Activity with no commitment to a specific

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3.4 (Cont'd.)

project which may result in a potentially significant physical impact on the environment. (Finance)

Action: **Ordinance No. 30840** was passed for publication. (11-0.)

3.5 22-1614

Cannabis Business Ordinance Revisions.

As referred by the Rules and Open Government Committee on October 19, 2022, direct the City Manager to amend the Cannabis Business Ordinance with the following changes:

(a) Adjust distance requirements for new cannabis storefronts citywide from K-12 Schools, Daycare Centers, and Youth Centers, replacing the current distance requirements, as follows:

(1) Establish a 1,000-foot distance buffer measured as path of travel from the public entrance of the cannabis business to the public entrance of the school, daycare, or youth center (path of travel); and

(2) Establish a minimum 500-foot distance buffer measured as a straight line from the property line with the cannabis business to the property line of the sensitive use (parcel to parcel).

(b) Eliminate the distance requirements from other cannabis storefronts.

(c) Adjust distance requirements for new cannabis storefronts outside of Downtown or Urban Villages from Community Centers, Recreation Centers, and Parks as follows, replacing the current distance requirement:

(1) Establish a 500-foot distance buffer measured as parcel to parcel.

(d) Retain current distance requirements to sensitive uses for Rehab Centers, Emergency Residential Shelters, and Residential Uses.

(e) Remove the crime overlay restriction on new cannabis storefronts.

CEQA: Not a Project, File No. PP17-008, General Procedure and Policy Making resulting in no changes to the physical environment.

(Jones, Peralez, Carrasco and Foley)

[Rules Committee referral 10/19/2022 - Item C.1]

Action: The revisions to the Cannabis Business Ordinance were approved; including Staff direction to look into the number of dispensaries per district and bring back their findings regarding the overconcentration of businesses for further discussion to the full Council when the item returns.

Including the memorandum from Councilmember Pam Foley, dated October 31, 2022 recommending: To direct the City Manager to bring the revised Cannabis Business Ordinance with approved changes back to City Council for final approval before the end of the 2022-23 fiscal year. (10-0-1. Noes: Mahan.)

4. PUBLIC SAFETY SERVICES

5. TRANSPORTATION & AVIATION SERVICES

6. ENVIRONMENTAL & UTILITY SERVICES

7. NEIGHBORHOOD SERVICES

8. COMMUNITY & ECONOMIC DEVELOPMENT

8.1 22-1607 Public Hearing on the Renewal of the San José Hotel Business Improvement District.

Receive a report and accept public comment on the renewal of the San José Hotel Business Improvement District for an additional ten years from its current expiration date of June 30, 2023, through June 30, 2033. CEQA: Exempt, File No. PP08-048, CEQA Guidelines Section 15061(b)(3). (Economic Development and Cultural Affairs)

Action: The Public Hearing on the Renewal of the San José Hotel Business Improvement District was heard and continued to the December 6, 2022 City Council Meeting. No vote was required.

8.2 22-1608 City Initiatives Roadmap - Emergency Housing System Expansion: Actions Related to the Guadalupe Emergency Interim Housing Site Located at the Police Administration Building Parking E-Lot.

(a) Adopt a resolution adopting an Addendum to the Negative Declaration prepared for the Bridge Housing Communities Project analyzing the expansion of the Guadalupe Emergency Interim Housing Site in accordance with the California Environmental Quality Act, as amended.

(b) Adopt a resolution:(1) Awarding Devcon Construction Inc. a contract to construct the expansion of the Guadalupe Emergency Interim Housing at the Police Administration Building Parking E-Lot (Phase II) without a competitive procurement under the “idle act” exception in Section 1217(i)(6) of the City of San José Charter; (2) Authorizing the City Manager to negotiate and execute the First Amendment to the Construction Agreement with Devcon Construction, Inc. to increase the contract amount by \$2,300,000 for a new total not-to-exceed amount of \$8,300,000 to construct the original Project and the Phase II expansion of the Guadalupe Emergency Interim Housing community; and (3) Authorizing an increase to the construction contingency for the Project including Phase II by \$300,000 for a new total contingency amount not-to-exceed \$600,000, which is equal to seven percent of the total construction contract amount.

(c) Adopt the following Appropriation Ordinance and Funding Sources Resolution amendments in the Multi-Source Housing Fund:

(1) Increase the estimate for Other Revenue by \$500,000; and

(2) Establish the All Home Grant appropriation to the Housing Department in the amount of \$500,000.

(d) Approve the Phase II expansion of the Guadalupe Emergency Interim Housing as a “Committed Addition” to the 2023-2024 Base Budget, certifying that all operating and maintenance costs associated with the Project will be included in future Five-Year General Fund Forecasts, beginning with the 2024-2028 Forecast.

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8.2 (Cont'd.)

(e) Approve the following staffing changes to the Public Works Department in 2022-2023 to support the maintenance of all City-owned sheltering facilities for people who are unhoused and other properties previously acquired for affordable housing purposes:

- (1) Make permanent an existing 1.0 Division Manager position;
- (2) Add 1.0 Building Management Administrator position;
- (3) Add 2.0 Senior Construction Inspector positions; and
- (4) Add 2.0 Senior Facility Repair Worker positions.

(f) Adopt a resolution designating certain portions of Mission Street, between Guadalupe Parkway and San Pedro Street, as a restricted permit zone for use by the Police and Fire departments.

CEQA: Addendum to the Bridge Housing Communities Project Negative Declaration (Resolution No. 78926), File No. ER22-198. Council District 3. (Housing/Public Works/City Manager)

Action: (a) **Resolution No. 80742**, (b) **Resolution No. 80743**, (c) Appropriation **Ordinance No. 30841**, (c) Funding Sources **Resolution No. 80744**, and (f) **Resolution No. 80745** were adopted. (11-0.)

8.3 22-1609

City Initiatives Roadmap - Emergency Housing System Expansion: Actions Related to the Homekey Program Round 2 Funds from the California Department of Housing and Community Development for Interim Housing Located at Branham Lane and Monterey Road.

(a) Adopt a resolution:

(1) Accepting an award of \$51,552,800 in Homekey Program Round 2 funds from the California Department of Housing and Community Development in order to address the housing needs of individuals and families experiencing homelessness or at risk of experiencing homelessness through the construction and operations at an interim housing community on City-owned property located Branham Lane and Monterey Road;

(2) Authorizing the City Manager to negotiate and execute a California Department of Housing and Community Development Standard Agreement and all other necessary related documents to accept \$51,552,800 in construction funding and operating subsidy;

(3) Authorizing the transfer of the City-owned Branham and Monterey property, totaling approximately 2.39 acres of land, to the Housing Department to meet the City's affordable housing needs;

(4) Authorizing the Director of Housing to enter into a ground lease of the City-owned property located at Branham and Monterey Road with LifeMoves for an initial term of up to seven years with an option to extend up to 15 years for the purposes of construction of and operating the interim housing community; and

(5) Approving a commitment of \$51,552,800 in Homekey Program Round 2 funds and \$37,000,000 in Measure E funds, subject to the

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8.3 (Cont'd.)

appropriation of funds, totaling \$88,552,800 for the construction and operations of the Project and authorize the Director of Housing to negotiate and execute grant documents and any related documents or amendments with LifeMoves.

(b) Adopt the following Appropriation Ordinance and Funding Sources Resolution amendments in the Multi-Source Housing Fund:

(1) Increase the Estimate for Revenue from the State of California by \$40,700,000; and

(2) Increase the Project Homekey 2.0 appropriation to the Housing Department by \$40,700,000.

(c) Adopt the following Appropriation Ordinance amendments in the General Fund:

(1) Decrease the Measure E - 40% Extremely Low-Income Households Reserve by \$10,000,000; and

(2) Increase the Measure E - Project Homekey 2.0 (40% ELI) appropriation to the Housing Department by \$10,000,000.

(d) Approve the Branham and Monterey Interim Housing Community as a “Committed Addition” to the 2023-2024 Base Budget, certifying that all operating and maintenance costs associated with the Project will be included in future Five-Year General Fund Forecasts, beginning with the 2024-2028 Forecast.

CEQA: Statutorily Exempt, File No. ER21 261, CEQA Guidelines Section 15268, Ministerial Projects. (Housing/Economic Development and Cultural Affairs/City Manager)

Action: (a) **Resolution No. 80746**, (b) Appropriation **Ordinance No. 30842**, (b) Funding Sources **Resolution No. 80747**, and (c) Appropriation **Ordinance No. 30843** were adopted. (11-0.)

9. REDEVELOPMENT – SUCCESSOR AGENCY

10. LAND USE

10.1 Land Use on Consent Calendar

No Land Use items on Consent Calendar.

END OF CONSENT CALENDAR

10 Land Use - Regular Agenda

- Notice of City Engineer's Pending Decision on Final Maps

FOR APPROVAL:

Tract: 10569

Location: Southeast corner of S. First Street and E. Reed Street

District: 3

Lots/Units: 1/340

Type: MFA

Proposed Decision: Approve

Developer: Scape San Jose LLC

- **Open Forum**

1. Paul Soto invited the Councilmembers to a historical landmark commission meeting on November 2, 2022.
2. Blair Beekman spoke to accountability issues, community input, and concepts on racial equity.

- **Adjournment**

The Council of the City of San José adjourned at 7:54 p.m.