



June 20, 2019

Dear Santa Clara Community,

With Fiscal Year 2018/19 coming to a close, and our annual State of the City community town halls taking place this week, I am sharing a mid-year update on all of the accomplishments and activities underway. If you are unable to attend a State of the City gathering, this provides some detail of what City officials have been up to and allows for the City to keep Santa Clarans informed about our many achievements.

Indeed, there is a lot of good news to share and, most recently, the City of Santa Clara was named “2019 Best City to Live in California” by the Chamber of Commerce which compared California cities with populations over 25,000.

The City Council's strategic goals and priorities as well as the community's goals are at the forefront of everything we do as a City organization, and this past fiscal year proved to be a productive one that reinforced Santa Clara as The Center of What's Possible. The Council was wise to select policy priority areas, which are: Deliver and Enhance High-Quality Efficient Services and Infrastructure; Manage Strategically Our Workforce Capacity and Resources; Promote and Enhance Economic and Housing Development; Enhance Community Sports and Recreational Assets; Ensure Compliance with Measure J and Manage Levi's Stadium; Enhance Community Engagement and Transparency; and, Sustainability. Accordingly, the attached matrix reports out on a select group of initiatives that illustrate how committed and skilled our City employees are working to advance Santa Clara's interests and quality of life.

Over the last several months, we've partnered and invested in the community – from kicking off the Downtown Revitalization process to transitioning to a new Santa Clara Convention Center operator who will partner with the City to invest over \$3 million into the facility. Improvements in our parks are underway including funding for the Reed & Grant Streets Sports Park, installing a new restroom at Fairway Glen Park and improving Raymond G. Gamma Dog Park. We've renovated the Mission Branch Library and are working to increase library hours at the Northside Branch Library. We're also allotting resources to advance City's Climate Action Plan and our sustainability initiatives.

In addition, our workforce plays an incredible role in the achievements and investing in them yields significant outcomes for Santa Clara. That is why we are investing in staff through more training opportunities, while also investing in the resource areas that are needed to address today's priorities. Among these resource areas are procurement, auditing, real estate, workspace improvements, human resources, communications and outreach, sustainability, greater use of data to make informed service decisions, and Levi's® Stadium oversight.

Here are more ways that we are strategically managing our workforce to the benefit of our community:

- **Fiscal Management** – Resolving a projected \$46 million structural deficit with no service cuts, employee layoffs, or significant fee increases; building our one-time fund reserves across all funds to unprecedented level of approximately \$300 million; improving our 10 Year Fiscal Outlook Plan and being transparent about known risk factors; and, a major overhaul to our budget document that is far more transparent and promotes awareness and accountability of the City's public funds.
 - **Strategic Management** - Development and implementation of several strategic plans, such as: facilities and amenities inventory assessment; water agreements that stabilize water supply stability; comprehensive user fee studies that illustrate how the City can be more efficient in its user fees structure; SVP strategic plan; various land-use strategic plans; various housing and transportations policies underway; and, monitoring of regional development to inform Santa Clara impacts and advocacy.
 - **Change Management** – Implemented strategic initiatives to strengthen our organization to focus on internal training, strategic thinking and organizational development. These efforts include: civic scholars program allowing employees to attain higher education at their own pace; audit work plan to inform additional efficiencies and improvements; risk management program to manage cost and risk in the workplace or in our practices; public records management to improve City's oversight of public records; contracts management and procurement improvements to be more efficient and accountable; reporting improvements/structure in the workplace for accountability, initiated quarterly management meetings focused on professional training for management; initiated several policy revisions for the City Council Policy Manual to modernize and improve practices; and, focused on good and intentional governance practices and the need to be mindful of council district impacts to the organization in a public study session.
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- **Relational Management** – Improved communications and public reporting of activities underway in the City, with data to inform trends and outcome: more open and transparent communication through budget documents, City Manager’s Blog, social media, website redesign and print publications; ease of use for reporting service requests on-the-go through the MySantaClara app, and working on more organizational training, and investment in employees to be able to continue to serve the community with high quality customer service.
- **Stadium Authority Management** – Improving transparency and management of Levi’s® Stadium by: completing 70% of Measure J Compliance Audit Recommendations, delivering first Santa Clara Stadium Authority Annual Report, implementing public safety consultant recommendations resulting in a new and improved multi-department deployment strategy; monitoring public fund expenditure and processes which surfaced significant violations of state prevailing wage and public procurement rules and laws, which require corrective action to 2014; and, adopting Stadium Authority budget that reflects of the Board’s priorities and includes first-ever Stadium Authority Annual Work Plan.
- **Process Integrity/Accountability** – Provided a data-driven Council Policy Priority Setting Session; Initiated implementation of proactively managing risk citywide with City’s first focused risk management program; launched the City’s Community Grant Program that creates a standard process to award grants to qualifying nonprofits or individuals for events/activities that benefit the community; initiated implementation of a basic public records management program, increasing use of technology for efficiency; and created a budget document highlighting department performance and service delivery, resulting in increased understanding and transparency.

It is due to engaged residents, employees, businesses and community partners that Santa Clara is ranked the #1 city to live in California. I want to take an opportunity to thank Santa Clarans for working together to make sure Santa Clara is a place where people want to live, work, play and learn.

In community spirit,



Deanna J. Santana
City Manager



CITY COUNCIL GOALS & PRIORITIES – STATE OF THE CITY – MID-YEAR UPDATE

DELIVER AND ENHANCE HIGH-QUALITY EFFICIENT SERVICES AND INFRASTRUCTURE	MANAGE STRATEGICALLY OUR WORKFORCE CAPACITY AND RESOURCES	PROMOTE AND ENHANCE ECONOMIC AND HOUSING DEVELOPMENT
<ul style="list-style-type: none"> ○ Launched Silicon Valley Power Strategic Plan ○ Maintained Measure B funding for transportation projects totaling \$69.3M ○ Purchase & Sale agreement for Great America Theme Park, adding \$15M to General Fund Reserve ○ Received the Reliable Public Power Provider (RP3) Gold designation by the American Public Power Association ○ Re-designing the City website to incorporate user-centric design, improved search functionality and enhanced mobile design ○ Launched new Library Catalog, facilitating user experience ○ Received a Safety Award from Northwest Public Power Association (NWPPA) ○ Overhauled Fire Inspection Compliance program ○ Completed the FY 2017/18 CAFR and Single Audit with an unqualified opinion, the highest rating possible ○ Updated and adopted 3 Council Policies regarding gifts to elected/appointed officials, donations to city and legislative advocacy policy ○ Enforced existing Massage Establishment Ordinance ○ Achieved Full Fire Department Accreditation, SCFD joined the ranks of only 10% being distinguished with this status ○ Balanced FY 19/20 and FY 20/21 Operating Budget, resolving a \$46.4 million deficit (as projected in FY 17/18); issued a revised 10-year Financial Plan with known risks, and continued to grow our reserves to unprecedented levels ○ Updated the City's Traffic Impact Fee Program and completed a Multimodal Improvement Plan for the CityPlace development project ○ Negotiated an amendment to the City's contract with Recology for collection of residential recyclables so the contract was aligned with the garbage contract that expires at the end of 2021 ○ Completed audits of non-exclusive franchise hauler quarterly franchise fee payments and compliance with mandatory commercial recycling and organics recycling requirements ○ Advanced compliance of State Prevailing Wage compliance monitoring ○ Modernized Council agenda and streaming video systems ○ Completed User Fee Study, illustrating a \$20M subsidy requirement to sustain current fees ○ Proactively tracked and identified impacts to the City resulting from PG&E bankruptcy 	<ul style="list-style-type: none"> ○ Launched new CAD system for Police and Fire, promoting higher efficiency with new technology and staff safety ○ Produced employee demographics for Priority Setting Session, showing the State of Workforce data ○ Produced governance study session for the Council to focus on governance values within six Council District Structure based on service framework ○ Conducted a Council Study Session on CalPERS Pension Costs and Forecasts and, also, held employee session on same ○ Implemented the "Friday in the Field" initiative to experience service delivery at all levels in the City ○ Provided practical emergency management training with activation of Emergency Operations Center during College Football Playoff ○ Provided Emergency Operations Center training for Councilmembers ○ Hired necessary management level staff in the Human Resources Department for better strategic support of organization ○ Hired City's first: Risk Manager, Public Records Manager, Contracts Manager to address gaps in service ○ Established Sustainability Manager and Housing and Real Estate Development Officer to advance needed gaps in service ○ Increased communication regarding training opportunities including leadership skill building ○ Maintained Quarterly training for Managers with focus on risk management, wellness in the workplace, and focus on governance as a six Council District model ○ Launched a partnership with Study.com to offer their Working Scholars Program to City employees and welcomed inaugural class of 22 people ○ Filled key Command staff positions in Police and Fire ○ Appointed New Fire Chief Ruben Torres a reputable, seasoned Chief ○ Finalized mediation for successor MOU with the Police Officers Association, with tentative agreements near for other units ○ Bargained with five units over past six to eight months ○ Integrated professional development funds in departments for the training of our staff ○ Launched first ever, Employee Survey to create a baseline of employee opinion on workplace 	<ul style="list-style-type: none"> ○ Received a conditional Measure A funding commitment of \$23.55M for the Agrihood project from the County Board of Supervisors ○ Negotiated and selected to host IASP 2021, a prestigious international science and technology conference not held in the United States for over ten years ○ Continued necessary steps to implement CityPlace Project launching pre-construction in May 2019 with ribbon cutting scheduled for early 2020 ○ Announced a partnership with Career on-line high school designed for adults who lack a high school diploma and could benefit from additional job training ○ Completed the seamless transition of management of the Convention Center to Spectra Management in a short timeframe. ○ Received authorization to form a new Convention & Visitors Bureau ○ Introduced availability of Google Chromebooks for 1-week checkout at City libraries ○ Provided access to Lynda.com which provides access to online instructional videos to learn new business, software, technology, and creative skills to achieve your personal and professional goals ○ Received authorization to execute a loan agreement for up to \$5 million to support construction of 145 affordable housing units ○ Obtained approval for St. Anton Affordable Housing project, resulting in 200 units that will remain affordable for 55 years (rather than 30 years) and representing the largest affordable housing project in California (at this time) ○ Negotiated and executed a disposition and development agreement for the Agrihood Project ○ Completed the Franklin Street and Washington Street Option Agreement for downtown redevelopment which is a key element of the future downtown redevelopment project and kicked off the development of the downtown specific plan ○ Completed Tasman East Specific Plan ○ Seeking approval of Gateway Crossing – a mixed use project, with open space, retail, affordable housing, and 1600 units of housing ○ Facilitated payment of \$5 million, as stipulated in the Santana West Settlement Agreement, from the City of San Jose to the City of Santa Clara. Funds will be used for affordable housing and transportation projects ○ Facilitating necessary approvals for over 17,000 housing units in the pipeline ○ Proposed resources to organize City's assets and improve management of them



CITY COUNCIL GOALS & PRIORITIES – STATE OF THE CITY – MID-YEAR UPDATE

ENHANCE COMMUNITY SPORTS AND RECREATIONAL ASSETS	ENSURE COMPLIANCE WITH MEASURE J AND MANAGE LEVI'S STADIUM	ENHANCE COMMUNITY ENGAGEMENT AND TRANSPARENCY
<ul style="list-style-type: none"> ○ Received a \$1.8M grant for 2 all-inclusive parks, reflecting \$800k greater allocation than originally contemplated ○ Initiated a City Park fee review and update ○ Initiated process for the creation of a Civic Center Master Plan ○ Completed necessary repairs and facility cleaning at the International Swim Center in time for the Pacific Swimming Short Course Far Western Championships ○ Allocating funds to install a restroom at Fairway Glen Park ○ Enhancing library hours at Northside Branch Library ○ Expanding dog parks and staffing for Sports Complex ○ Reopened the newly remodeled Mission Branch Library to provide robust library services, expanded hours, and collections to the surrounding community. Held a placemaking session to determine strategies and approaches for placemaking at this library ○ Improved access to public meeting space in city libraries by converting underutilized staff space to publicly usable meeting rooms and innovation centers ○ Completed community input and approved schematic design for park playgrounds for Bowers, Machado, Homeridge, and Agnews Parks and Fuller Street Sports Court ○ Completed public input phase for Montague Park rehabilitation project and Central Park Master Plan ○ Provided approximately 15,800 seniors with nutritional meals in the Monday-Friday Senior Nutrition Program ○ Installed Central Park Library's new Mamava, a state-of-the art nursing pod ○ Addressed service gaps in the community by partnering with the Department of Motor Vehicles (DMV) and coordinating DMV Now Self-Service Terminal at Central Park Library ○ Hosted the Second Annual Health & Wellness Fair supporting seniors ○ Continued valued tradition of various special events such as: Holiday Tree Lighting, 4th of July All City Picnic, and Art & Wine Festival ○ Parade of Champions City Sponsorship support and collaboration for event day 	<ul style="list-style-type: none"> ○ Completed 70% of Measure J Compliance Audit Recommendations, Improving Transparency and Management of Levi's® Stadium ○ Delivered first Santa Clara Stadium Authority Annual Report ○ Delivered first Stadium Authority Workplan and Referral Report for full Transparency of Efforts ○ Hosted the College Football Playoff National Championship (January 7, 2019) at no cost to the Stadium Authority or City ○ Recovered all College Football Playoff National Championship related expenses from the Bay Area Host Committee ○ Implemented Public Safety Consultant Recommendations resulting in new Multi-Department Deployment Strategy and positively impacting desired outcome ○ Successfully deployed staffing at a non-NFL soccer event that had proven to be problematic at past events. ○ Adopted Stadium Authority Budget that is Reflective of the Board's Priorities and Includes the first ever Stadium Authority Annual Work Plan ○ Hosted 5 Levi's Stadium events in 30 days at end of 2018, with increased focus on mitigating neighborhood impacts ○ Surfaced Stadium Management Questionable Practices Regarding Non-NFL Events at Levi's Stadium (Complimentary Tickets) ○ Completed continuous oversight of the annual financial audit contracts for the City and Santa Clara Stadium Authority ○ Identified multiple violations of state law by 49ers: state prevailing wage law, public projects law, public records act law, and other local rules/laws. Initiated cure action by the 49ers and suspended payment of public funds until rightfully cured. ○ Obtained a favorable award in Stadium Rent Reset Arbitration and dismissal of the Stadium Management Agreement Declaratory Relief Action ○ Led the effort to regain \$21million that the 49ers were holding of Stadium Authority funds in January 2019 	<ul style="list-style-type: none"> ○ Launched a "Community Letter from the Office of the City Manager" initiative to better communicate with residents on facts, events, and accomplishments ○ Provided a data-driven Council Policy Priority Setting Session ○ Initiated implementation of a basic public records management program, increasing use of technology for efficiency ○ Initiated implementation of proactively managing risk citywide with City's first focused risk management program ○ Increased transparency by providing routine reports like the Tentative Meeting Agenda Calendar for transparency of the dates that the Administration has scheduled various topics before the City Council/Board ○ Initiated a monthly report of open/closed Council referrals to show pending list of referrals as well as those that have been implemented for transparency ○ Launched the City's Community Grant Program creating a standard process to award grants to qualifying non-profits or individuals, for events or activities that provide benefit to city residents ○ Launched SVP Grant Policy with transparency of long funded sponsorship activity ○ Established an emergency public information office in the City's Emergency Operations Center ○ Launched a robust Social Media Strategy for pro-active outreach through all City social media channels including Nextdoor—providing daily updates on City activity ○ Implemented Council approved smoking ordinance with messaging on utility billing and direct mail outreach to restaurants and banks ○ Implemented auto theft prevention strategies ○ Gearing up for Census 2020 outreach, up to \$100k allocated in budget; launched a new webpage to provide residents important information about the upcoming Census 2020 ○ Implemented a citywide council districting process ○ Developed a streamlined legislative advocacy process that establishes clear guidelines for advancing city goals at the regional, state and federal levels of government ○ Implemented the Hidden Political Donations (Dark Money) Ordinance ○ Increased use of MySantaClara to provide a more effective and user-friendly experience to Santa Clara residents, businesses and visitors. Provided use data in January 2019 ○ Created a budget document highlighting department performance and service delivery, resulting in increased understanding and transparency. Additionally, funds that were managed outside of the regular reporting requirements, are now "on the grid" and reflected within the budget ○ Greater use of organizational data for Council when considering policy items or at annual priority sessions, linking work to budget resources and transparency of cost/resource needs



CITY COUNCIL GOALS & PRIORITIES – STATE OF THE CITY – MID-YEAR UPDATE

SUSTAINABILITY

- Implemented strategy to improve energy efficiency at aging City buildings
- Implemented a pilot residential food scrap program covering 1/4 of residential customers
- Finalizing Green Streets Infrastructure Plan
- Developed a Green Fleet Policy
- Reduced use of plastics - reusable drinking containers for city buildings and practice of single-use plastic bottles, with more work to do
- Created a City-wide Sustainable Procurement Policy
- Implemented State adopted Green Building Codes
- Created an interactive map to help locate public EV charging stations in Santa Clara and beyond
- Achieved Green Business Certification for the Street Corporation Yard building
- Transitioned to using the most sustainable paper towel available on the market for City facilities
- Adopted a Resolution amending Silicon Valley Power's Rules and Regulations to require new or modified customer-owned self-generation units to utilize only CEC approved renewable generation and fuel sources
- Allocating resources to hire dedicated staff to oversee strategies outlined in the Climate Action Plan with a focus on creating a more sustainable, healthy, and livable community
- Creating a pilot program for multifamily housing projects achieving 15% whole building energy savings with gas, electric and water measures
- Created a Fuel Cell Policy
- Creation of Program Manager with \$12.5 M identified for greenhouse gas emissions program