



# Santa Clara Valley Water District

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**File No.:** 18-0804

**Agenda Date:** 10/9/2018

**Item No.:** \*7.3.

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## BOARD AGENDA MEMORANDUM

### **SUBJECT:**

Recommended Positions on the City of San Jose's Measure T: Disaster Preparedness, Public Safety, and Infrastructure Bond and Measure V: Affordable Housing Bond.

### **RECOMMENDATION:**

Consider taking the following positions on the City of San Jose's ballot measures:

- A. Adopt a position of "Support" on: Measure T: Disaster Preparedness, Public Safety, and Infrastructure Bond; and
- B. Adopt a position of "Support" on: Measure V: Affordable Housing Bond.

### **SUMMARY:**

**Measure T: Disaster Preparedness, Public Safety and Infrastructure Bond**

**Position Recommendation: Support**

**Priority: 2**

On August 10, 2018, the San Jose City Council unanimously voted to place the Disaster Preparedness, Public Safety and Infrastructure Bond measure on the November 6 ballot. The bond measure, now known as Measure T, would create \$650 million in bond funding to:

- upgrade 911 communications and police and fire facilities to improve public safety and emergency/disaster response;
- repair deteriorating bridges vulnerable to being damaged in an earthquake;
- repave local and neighborhood streets and potholes in the worst condition;
- repair the storm drain system;
- prevent flooding and water contamination, including the acquisition of open space in Coyote Valley for those purposes; and
- repair or replace critical infrastructure that is likely to reduce long-term spending on operations or maintenance.

In placing Measure T on the ballot, the Council directed City staff to develop an expenditure plan identifying project categories and projects for this bond measure so the public will have a better idea

of how the bond funding will be utilized.

In accordance with the Council's August 10 resolution placing the measure on the ballot, Measure T will set aside \$300 million to repave streets and fix potholes in the worst condition. For expenditure of the total \$650 million, the Council set three levels of priority:

1. public safety;
2. the storm conveyance system, environmental protection and clean water; and
3. enhancing security and disaster response.

An expenditure plan was adopted by the Council on September 11, 2018. If the measure passes, staff will return in early 2019 with a more detailed implementation plan for the approved funds.

The proposed categories and dollar amounts for each category are as follows:

- Street Repair - \$300,000,000
- Police/Fire/Emergency Operations Center - \$175,000,000
- Environmental Protection Projects - \$50,000,000
- Storm Conveyance and Storm Prevention Projects - \$35,000,000
- Clean Water Projects - \$25,000,000
- Bridges - \$20,000,000
- LED Lighting - \$20,000,000
- Public Safety/Community Center Facility Improvements - \$12,950,000
- Other Priority Critical Infrastructure - \$5,000,000

#### Importance to the District

Measure T would set aside \$50 million for environmental protection projects. The environmental protection projects category includes the acquisition of open space in Coyote Valley to be used as a floodplain to prevent flooding and water contamination. The clean water projects category includes projects related to providing clean water to the bays and beautifying existing City-owned open space.

The repair of the storm drain system and protecting open space to prevent creek pollution includes: better management of storm water to prevent future flooding and pollution of creeks as a result of flooding; rehabilitating and installing new pump stations as part of the sewer system; and other improvements to address creek pollution.

Purchasing land in Coyote Valley for flood prevention, and preventing creek pollution align very closely with District governance policies, goals, and objectives related to providing natural flood protection, reducing the potential for flood damages, protecting and restoring creek, bay, and aquatic ecosystems, and promoting the protection thereof from threats of degradation and pollution.

Because of the strong alignment with Board policies in flood prevention and the prevention of creek pollution, staff recommends the Board adopt a position of "Support" on Measure T.

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Attachment 1 contains the official argument for Measure T and Attachment 2 contains the official argument against Measure T.

**Measure V: Affordable Housing Bond**  
**Position Recommendation: Support**  
**Priority: 3**

On August 7, 2018, the San Jose City Council, on a 10-1 vote, voted to place the Affordable Housing Bond measure on the November 6 ballot. The bond measure, now known as Measure V, would create \$450 million in bond funding to:

- a) acquire land for the development of housing;
- b) construct new housing; and
- c) acquire and rehabilitate existing apartments or homes to create housing that is restricted to be affordable for the long term.

If passed, bond funding will be used to create affordable housing for working families; veterans; seniors; teachers; nurses; paramedics and other workers; individuals with disabilities; domestic violence survivors and the homeless. Like Measure T, the Council directed City staff to develop an expenditure plan identifying categories and allocated funding for each category so the public will have a better idea of what household income levels would be allocated how much of the bond funding. City staff developed an expenditure plan to allocate the available funding as follows:

- 1. households earning up to 30% of the area median income (AMI) (\$0 to \$31,950 for two-person household/\$0-\$39,900 for four-person household) - \$150,000,000;
- 2. households earning up to 80% of the AMI (\$31,951-\$75,600 for a two-person household/\$39,901-\$94,450 for a four-person household) - \$219,350,000
- 3. households earning between 80% and 120% of the AMI (\$75,600-\$120,200 for a two-person household/\$94,450-\$150,250 for a four-person household) - \$75,000,000

No specific projects are contained in the affordable housing spending plan. As funds become available, the City will issue notices of funding availability (NOFAs) to alert developers of the City's intent to fund affordable housing developments that meet the City's criteria. Priority projects for funding will include readiness, cost-effectiveness, housing for the homeless and leverage of outside funds. Funding commitments will be brought to the Council for approval.

**Importance to the District**

Measure V would set aside \$150 million for residents earning from \$0 to \$31,950. The Council resolution placing the measure on the ballot made specific mention of the need for creating affordable housing for the homeless. Another \$219 million will be set aside for affordable housing for households earning between \$31,951 and \$94,450. The measure would also set aside \$75 million for affordable housing for households earning between \$75,600 and \$150,250. The City intends to make

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notable progress on its goal to create 10,000 affordable housing units by 2022. The City projects that Measure V bond funding will create 3,550 affordable units. When leveraged with other available funding sources, the City anticipates 9,165 affordable units will be created.

Measure V's objective to create housing for the homeless aligns closely the Board's commitment that the District be part of the solution to homelessness and would help house homeless residents who might otherwise be encamped along creeks for which the District has environmental stewardship responsibility. The creation of more housing for the homeless that would result in fewer homeless encamped along the creeks thus aligns closely with the District's policy of promoting the protection of creeks from pollution and degradation.

The District could also benefit from additional affordable housing that would make it easier to recruit and/or retain employees earning incomes that would qualify for an affordable home under the bond funding criteria. In addition, more affordable housing units would allow working families that provide needed services (teachers, paramedics, nurses, etc.) to afford to live in San Jose, where their services could be provided to community residents, including District employees.

Attachment 3 contains the official argument for Measure V. Attachment 4 contains the official argument against Measure V.

**FINANCIAL IMPACT:**

There is no financial impact associated with this item.

**CEQA:**

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

**ATTACHMENTS:**

Attachment 1: Argument for Measure T  
Attachment 2: Argument Against Measure T  
Attachment 3: Argument for Measure V  
Attachment 4: Argument Against Measure

**UNCLASSIFIED MANAGER:**

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