

From: [Simrat Dhadli](#)
To: [Simrat Dhadli](#)
Subject: March 23, 2021 Council and Authorities Concurrent & Special Stadium Authority Meeting Post Meeting Material
Date: Monday, March 22, 2021 5:33:29 PM
Attachments: [image001.png](#)
[03-23-21 PMM Item 2,B\(b\).pdf](#)
[03-23-21 PMM Item 5.pdf](#)
[03-23-21 PMM-2 Item 5.pdf](#)
[03-23-21 PMM Item 6.pdf](#)

Good Afternoon Mayor and Council,

Please find attached Post Meeting Materials for Tuesday, March 23, 2021 Council and Authorities Concurrent & Special Stadium Authority Meeting.

Sincerely,

Simrat Dhadli

Simrat Dhadli | Deputy City Clerk | City Clerk's Office
City of Santa Clara, California | All-America City
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**City of
Santa Clara**
The Center of What's Possible

03-23-21

ITEM 2.B(b)
RTC# 21-460

RESOLUTION NO. 1305-2021-29

**RESOLUTION OF THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CLARA DENOUNCING ONGOING ANTI-ASIAN
SENTIMENT AND VIOLENCE AGAINST ASIAN AMERICAN COMMUNITY
MEMBERS**

WHEREAS, on April 7, 2020, the County of Santa Clara Board of Supervisors adopted a resolution denouncing xenophobia and anti-Asian sentiment arising due to fears of the COVID-19 pandemic and affirming its commitment to the well-being and safety of Asian American communities;

WHEREAS, the County of Santa Clara Board of Supervisors wishes to affirm its commitment to the well-being and safety of Asian American community members and ensure they know they are not alone and that they can speak out to help stop the spread of bigotry;

WHEREAS, a United Nations report released last August correlated a documented rise in attacks against Asian Americans to former President Donald Trump's seeming legitimization and normalization of racism and xenophobia against people from China, especially during the current global pandemic, through the use of inflammatory rhetoric including referring to COVID-19 publicly as the "Chinese Virus" and "Kung Flu";

WHEREAS, despite a new Presidential Administration in office since January 20, 2021, incidents of hate crimes against Asian Americans have continued, including a recent surge in reported attacks in our own San Francisco Bay Area, some notable for their violence and cruelty;

WHEREAS, the recent rise of violence against Asian Americans is part of a larger history of violence against communities of color, and we must work together to create community-centered solutions that stop the violence in all communities; and,

WHEREAS, in Santa Clara County, one of the first minority-majority counties in the nation, Asians have been the largest racial group since 2014, and currently, Asians make up 37 percent of the county's population;

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Adopted: 03/09/2021

105022

MAR 09 2021

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Santa Clara, State of California, that the County of Santa Clara stands with its Asian American and Pacific Islander (AAPI) community and calls on all constituents and leaders to join us in condemning racist attacks against Asian Americans, in all forms, and renewing our commitment to speak out against such attacks, defend and protect those targeted, and seek out and punish those who commit hate crimes against AAPI members of our community.

PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Clara, State of California, on MAR 09 2021 by the following vote:

AYES: **CHAVEZ, ELLENBERG, LEE
SIMITIAN, WASSERMAN**

NOES: NONE


ABSENT: NONE

ABSTAIN: NONE




MIKE WASSERMAN, President
Board of Supervisors

Signed and certified that a copy of this document has been delivered by electronic or other means to the President, Board of Supervisors.
ATTEST:


MEGAN DOYLE
Clerk of the Board of Supervisors

APPROVED AS TO FORM AND LEGALITY:


JAMES R. WILLIAMS
County Counsel

Hi Jim,

The Stadium Authority Board had a study session on the Draft 2021 Marketing Plan last night and requested clarification on the following items:

Marketing Plan referenced 3,900+ executed client touchpoints that were recorded and closely followed through the CRM system. The Board requested for more information and data about the targeted clients.

2020 COVID Prospecting process:

- 1) Identify companies and categories that have shown financial growth within the Bay Area:
 - Examples: Medical devices, Bio Sciences, Data and Security, Tech Communications
- 2) Research appropriate decision makers through LinkedIn and Zoom Info
 - a. Example: C-Level professionals, HR, Admin, Marketing, Events, Sales
- 3) Send intro email or cold call
- 4) Each touchpoint is recorded in our CRM system as an "activity" which is essentially a list of our outbound sales efforts.
- 5) Continue follow up via email, calls, and e-blast to keep prospect informed and involved, "top of mind" selling.

Additional prospect assets:

- 1) Attendee/participant lists from industry events
 - a. i.e. All Things Meetings, Admin Awards (SV & SF)

Stadium Authority staff previously requested more information from the Stadium Manager about the Marketing Budget that was referenced in the Marketing Plan. The Stadium Manager responded with two different amounts for the Marketing Budget (\$115k and \$50k) and it is unclear what is the total budget and whether those amounts included staff. The Board requested the following information:

Total Marketing Budget amount, including staffing resources and breakdown of costs
 Strategy for marketing efforts that will be funded by the Marketing Budget
 Previous fiscal years' spend on marketing staff and marketing efforts

Please keep in mind that there are TWO separate lines of business here: Catered Events and Major Events. The two separate marketing budgets were already detailed in our reply to you on 2.19.21. They are restated here for your convenient reference:

Catered Events (\$115K):

- \$70,000 Event Expenses/Advertising
- \$15,000 Attending events, conferences, client and prospect meetings
- \$15,000 Promotional supplies/Printing/Postage/Phone
- \$15,000 Dues and subscriptions/software

Major Events (\$50K)

- \$25,000 Networking/Dues and subscriptions/Event tickets
- \$15,000 Promotional supplies/Printing/Postage/Outside services
- \$10,000 Attending events, conferences, client and prospect meetings

- For the catered events team, marketing is an essential component to ensuring a successful sales pipeline, especially after a full year of no events. We expect to be competing with venues across Silicon Valley and supply will likely be greater than demand. Additionally, we will need to educate clients/prospects on new protocols, guidelines and offerings post-COVID. Essentially we will be re-opening the building and similar to when the stadium opened in 2014, marketing dollars will be essential to the success of our “launch.”
- For the ticketed Non-NFL event team, marketing is crucial to the continual engagement of artist management, tour promoters, leagues, teams, and tournaments. We must maintain healthy contact and negotiations with partners, both old and new, to ensure we’re booking both a robust, profitable event calendar each year. Without necessary budget, we will be unable to uncover and negotiate potential profitable events moving forward.
- Due to the Covid-19 Pandemic, the team was very diligent about keeping total marketing expenses down. Estimate for FY20 is \$40-\$50K.
- The Catered Events and Major Events staff do not separately track the time they spend on “marketing”, as those activities often overlap with their time spent on sales and execution.

The Board also discussed having an independent third-party consultant assess the Marketing Plan since there has been several years of poor financial performance. Please let us know if the Stadium Manager is interested in exploring this option, we can schedule a meeting to discuss this in more detail.

As we have previously indicated, the decline in financial performance of NNE is not a result of a shortcoming in the Marketing Plan. If the Board is interested in bringing in a third party to evaluate the Marketing Plan, we are open to that option. We would need to agree on a suitable consultant with relevant industry experience including large scale ticketed events and catered events.

Please provide the Stadium Manager’s responses to the abovementioned requests **by Monday, March 15** so that we can transmit them to the Board as part of the March 23, 2021 budget agenda report. Additionally, we are still waiting for the Stadium Manager to provide a final copy of the Stadium Operation and Maintenance Plan (SOMP) for staff’s review and recommendation to the Board as part of the same agenda report. Please provide that document in electronic form in a separate email **as soon as possible but no later than Monday, March 15**.

Sincerely,
Christine Jung | Assistant to the Executive Director
 1500 Warburton Avenue | Santa Clara, CA 95050
 D: 408.615.2218 | www.santaclaraca.gov/scsa

Meeting Minutes from March 16, 2021 SCSA/Stadium Manager Meeting

**MINUTES FROM
STADIUM AUTHORITY/STADIUM MANAGER
BUDGET MEET AND CONFER MEETING
March 16, 2021 | 2:30 – 4:00 p.m.
Zoom Meeting**

ManCo/Stadium Manager Attendees:

Jeff Fong, Vice President, Finance
Jihad Beauchman, Vice President, Deputy General Counsel
Jas Sajjan, Senior Manager, Public Affairs & Strategic Communications

Stadium Authority Attendees:

Deanna J. Santana, Executive Director
Brian Doyle, Stadium Authority Counsel
Kenn Lee, Treasurer
Christine Jung, Assistant to the Executive Director

Introductions were made since ManCo's Vice President, Finance, Jeff Fong, hasn't met everyone before. Treasurer Kenn Lee started the meeting by thanking ManCo for meeting and stating that while the Stadium Authority was meeting with ManCo and hope that the conversation would be fruitful, the meeting itself did not change the positions that the Stadium Authority have taken in the litigation or the Stadium Authority's position that the Board has the final say on the Stadium Authority budget.

Mr. Lee said ManCo asked for areas of proposed budget disagreement that required discussion so he thought that the Stadium Authority and ManCo staff could go through each one together. The first topic was the Stadium Manager's expenses. Mr. Lee referenced his budget presentation from March 9, 2021 and stated, as you saw in the presentation, the Stadium Authority has allocated a portion of Stadium Manager's expenses in legal contingencies and that was based on our Board's action from 2019. He said from his perspective as Treasurer, he had to make sure that the Stadium Manager's expenses all aligned with state laws. Mr. Lee noted that as he responds to the Board's direction, he has to make sure from a cost allocation position that there is no double charging. He restated that was the direction that he received from the Board.

Mr. Lee said that he was very interested in Mr. Fong's offer to review the documents and back up documents that he had been tasked to review. He noted that in the past there has been varying levels of review and that the current process where Linh Lam and Rachel Copes (from the Stadium Authority) went over to Levi's Stadium to review documents with Esther (from ManCo), while helpful was not efficient. He asked if there could be a monthly review or some other review on a regular basis where Stadium Authority staff can go down to the stadium to review documents so that the Stadium Authority could release payments. Mr. Lee said that he didn't know if Mr. Fong's offer included those conditions that he shared but if that it was a possibility, that would help the Stadium Authority move everything forward.

Mr. Fong thanked Mr. Lee for his feedback. He stated that when he looks at the budget, he sees it in two pieces. Mr. Fong noted that if we look at the payroll piece, what he would be interested in is what Mr. Lee was looking from a budget perspective to release the \$4.2M shared manager expenses related to payroll.

Mr. Lee acknowledged that the Stadium Manager has expressed concern about personal ID confidentiality. He stated that he would be interested in being able to verify Stadium Manager staff through position classification, position numbers, and other information. He used his position as an example of being allocated 20% to Stadium Authority and 80% to City. He said having a similar breakdown from Stadium Manager for these classifications and how they are allocated to Shared Stadium Expenses, Shared G&A costs, Non-NFL costs, SBL Sales and Marketing, see employee information, and any area that Stadium manager charges that would be helpful to validate how those charges are allocated across those areas or any other areas, e.g., vaccination site. Mr. Lee noted that the Stadium Authority would keep the names confidential, and that having position numbers and job classifications would be helpful. Additionally, if the Stadium Manager has multiple positions in the same job classification they could just number off the positions. Mr. Lee explained that was how things were done on the City side.

Mr. Fong said that starting with the \$4.2M was the simplest because the split for all of the departments is 50/50, with grounds keeping splitting 70/30. He said the Stadium Manager gave the Stadium Authority a list of jobs for that are shared with the Stadium Manager, so they can use that or put something together to show how it will tie to the budget. Mr. Fong said that they can review everything with Stadium Authority staff virtually or as a small group in a large conference room with everyone wearing a mask so that staff can test whoever they wanted to test. He noted that there are 45 full time employees and that those are the options that they would be open to.

Executive Director stated that Stadium Authority staff has tried the virtual review in the past but it didn't work. Stadium Authority Counsel Doyle asked Mr. Lee if Mr. Fong had answered his question. Mr. Lee responded that with respect to COVID, he wants to respect the COVID rules in place. He stated that it would be helpful to have information in a very similar way of how the Stadium Authority shares a spreadsheet with that information with the Stadium manager. He said for example, Mr. Fong's position would be broken down by areas. The Stadium Authority's spreadsheet shows salaries, overhead, benefits. Mr. Lee said that with that information broken down into that detail, he would be able to vouch that that information ties back to the budget. He noted that was just one example of the details he was looking for but a spreadsheet showing Shared Expenses, G&A, SBL sales and services, and any other allocation that the Stadium Manager is charging to Non-NFL, NFL or vaccine. He said that the spreadsheet can add up the allocations and show that a position adds up to 100%. Mr. Lee also said a spreadsheet would be a lot more helpful than going down to look at the records and asked Mr. Fong if that information is helpful in terms of demonstrating what he was trying to figure out. Mr. Fong confirmed that what Mr. Lee said made sense. He said the split is fine so you can tie out the total. He bought up that certain positions have the same title so some people can be easily identified. Mr. Lee asked if position numbers would address that issue, for example listing them out like Position 1, Accountant, etc.

Mr. Doyle stated that on the topic of confidentiality, it is normal to see consultants' pay and that the idea that as a consultant, the Stadium Manager gets to hide how much they get paid by public funds doesn't make sense. ManCo's Vice President, Deputy General Counsel Jihad Beauchman responded that the Stadium Manager disagreed with making that information public. He noted that there are various vendors being used by the City, and other public entities. Mr. Doyle said the Stadium Authority was not trying to know their salaries and that the Stadium Authority just wants to know how much Stadium Authority was paying for the time that they were working on Stadium Authority's behalf. He provided the example of Sam Singer [a City and Stadium Authority consultant], which the Stadium Manager requests public records for. Mr.

Doyle noted that the invoices only show the rate of what the consultant is being paid but not his overall salary.

Mr. Beauchman stated that some of that information is there and sometimes it's not. He said that the Stadium Manager doesn't have an issue of showing the Stadium Authority salary information, but they don't want that information becoming public information. He asked if there can be some system to provide indemnity for that information. Mr. Doyle responded that as we have said before, the Stadium Authority believes that records of public funds spent on the Stadium Manager are public records. He noted that it was not up to the Stadium Manager to decide whether something is a disclosable public record, just like the Stadium Authority/City couldn't hide their public salaries. He referenced a Supreme Court case that requires that disclosure of public information. Mr. Doyle said that we heard that you'd like to keep it confidential, but we can't promise that we won't disclose that information if someone requested it.

Mr. Beauchman responded that that is why the Stadium Manager doesn't want to disclose that information. He referenced back to the Stadium Manager employees and said that the staff are split 50/50. He said that we don't understand the idea of double billing for these positions since this is the general operation of the stadium. He said these are not employees who charge their time to different events. Mr. Beauchman stated these are 50/50 employee who are splitting their time with the Stadium Authority because there isn't any time allocation.

Ms. Santana said it is known what is needed from the Stadium Manager based on the Board's discussions and actions. She noted that staff have already shown the Stadium Manager's charges and the lack of documentation publicly to the Board and public. She said it is the Stadium Authority's position that until those charges are reviewed, we cannot reimburse the charges, and that the Stadium Authority has been clear about what is needed in terms of transparent and easy to trace information. She also stated that the responses to the December 1 letter are unclear so if the Stadium Manager changes that information to something that would be easy for staff to verify, then we could release the public funds for payment. She restated that no one wants to not pay workers.

Mr. Beauchman clarified that the documentation that Stadium Authority staff shared was Non-NFL expenses, not shared expenses. Ms. Santana responded that all staff has is a document with a bunch of numbers and that we needed supporting documentation that is easy to trace to make sure that staff that is being charged for shared expenses is not double billing to non-NFL events: which, at this point, based on documentation is not easy to confirm.

Mr. Beauchman provided a specific example of one of their Stadium Operations staff whose time is 50/50 [split between Stadium Authority and Stadium Manager] and makes \$100,000 salary. Mr. Beauchman clarified that his time is not allocated to a specific event and that it would truly be a 50/50 split between the two parties. Mr. Beauchman stated that we're willing to show their employee numbers and other benefits information, which will give you an idea of what they will be paid.

Ms. Santana said that she wants to make sure that based on his tracking information it's easy to show that he's not going to show up as numerical numbers (that don't make sense) in the non-NFL expenses. She stated that staff has to be able to trace the expenditures so that they could validate the numbers in both shared expenses and Non-NFL expenses. Mr. Beauchman noted that these individuals don't track their time. He said they are shared [between the Stadium Manager and Stadium Authority] and split 50/50.

Mr. Doyle stated that you have a universe of people who are split 50/50 and others who would show up similar to the in the lump sum \$156,000 of expenses in the example of the Redbox Bowl documentation provided by Mr. Lee last week, show that universe of people who are split 50/50 in the spreadsheet and show people who charge their time to other allocations. Mr. Lee added that based on Mr. Beauchman's example, the exercise should be easy. He said, in a spreadsheet, show employees who work on G&A, shared expense, SBL sales and marketing and obviously if a position does not show up in other areas there is no double billing. Mr. Lee said, it would be great if the Stadium Authority can check this information on regular basis. He further stated, if we can validate how those people get charged then we can vouch for these expenses and get this paid. He noted that all he was looking for was a spreadsheet that would have information that ties back to the budget, which would be more efficient.

Mr. Beauchman asked if the Stadium Manager was able to produce this spreadsheet to be reviewed on site, would the Authority be able to do that. Mr. Lee confirmed that the Stadium Authority could do that on the regular basis, which would allow staff to validate the positions and expenses. He also said that it would be helpful if the information is all compiled so that it can help speed things up. He reiterated that it would be helpful to review the information on a regular basis, whether that is monthly or something else, that the information is all prepped and ready for review. Mr. Lee noted that this was his suggested process given the Board's direction.

Mr. Beauchman stated that he didn't think we were too far apart. He asked if Stadium Authority staff had seen any examples of double billings and to provide an example because he was unaware of any. Mr. Lee answered that it's more of what the Stadium Authority doesn't have so we are unable to confirm their expenses. Ms. Santana added that the best example is the bunch of numbers on the document that we showed to the Board that included a handwritten amount of \$156,000 (Redbox Bowl example provided by Mr. Lee last week). She said the information might be clear to the Stadium Manager but not to the Stadium Authority so we are looking for a way to validate those expenses.

Ms. Santana also inquired about the status of the Stadium Manager's response to the December 1 letter that the Stadium Authority sent regarding questions for the supporting documentation that was submitted. Mr. Beauchman answered that there will be a response to the December 1 documentation. He noted that their fear was that there was a specific example of people double billing, but it appears that it was speculation because of what the Stadium Authority doesn't know. Ms. Santana clarified that the Stadium Authority was worried that it was being double billed. She noted that neither Mr. Lee or her could release public funds without supporting documentation and that the Stadium Authority's fears are valid based on what has recently happened. She also said that it has been nearly four months since the December 1 letter was sent and the documents that were submitted were woefully insufficient.

Mr. Beauchman said the shared expense payroll is very easy to tie out to show the 50/50 split. He noted that they have enough information to go back to their team and have Kenn go to the Stadium to review, starting with the shared stadium staff who are split 50/50 and 70/30 split and not allocating time to events.

Mr. Lee brought up the G&A chart that Mr. Fong showed during his budget presentation, which lumped departments together. He noted, when we talk about cost allocation, it's helpful to know where they are. He provided some examples and said when it comes to budget and actuals, it's very clear where things are charged. Mr. Lee restated that we could move on once we have that

information and are able to validate it. He said he hoped the Stadium Authority and Stadium Manager could get there based on this conversation.

Mr. Fong said he appreciated the feedback and that they would take it back and see if they could come up with something that meets the Stadium Authority's needs and still keeps the Stadium Manager's confidentiality. Mr. Lee responded that if they can provide position names, position numbers, and other information then he could make correlate the information. He restated that the information that he's looking for is position number, job titles, no names, and the allocations of the positions so he can validate their actuals and where they're budgeted. Mr. Lee said that Rachel from his team provides that information to Darren Wong (from ManCo) as part of the budget process. He stated that what he's asking for is a very similar process that can be in a spreadsheet or packet that would help make the review process efficient. Mr. Fong said they would take Mr. Lee's feedback and clarification and come up with something that can work for everybody.

CONFIDENTIAL DISCUSSION ABOUT LEVI'S SIGNAGE.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Mr. Lee said the third and last item for discussion was G&A costs. Mr. Beauchman said he didn't think that we touched on the pie chart of G&A costs, which was made up of payroll and contracts that were approved. He stated that the Stadium Manager was trying to find areas where there is agreement. Their understanding is that there are areas agreement, e.g., ABM, which was a Shared Stadium Expense that was brought to the Board and approved by the Board. He asked why Stadium Authority needed to review something that was previously approved by the Board. Mr. Lee answered that in a very similar way, there is a need to validate

their expenses to ensure that state and regulations were followed. He said it would be helpful to see the contracts and see how they were procured. He noted that by having that detail, all he needed was just a spreadsheet of contracts, their dollar amounts and supporting documents including contracts and how they were procured. Mr. Lee said that he felt that the Board's direction to him was very clear and he hoped that the Stadium Authority could review those documents expeditiously and get those bills paid.

Mr. Beauchman said that they see that pie chart of additional expenses and it seemed that the concerns were in terms of expenses that needed some level of public works procurement, some level of state law compliance, bidding requirements and prevailing wage. He suggested carving out the expenses related to public works/prevailing wage and where there is dispute between the parties. Mr. Beauchman said it seems as if there should be a way to budget the other non-public works related items. He said there are items that concern prevailing wages, procurement requirements, public bidding, compliance with state laws, and that you don't have an issue with. He asked if the Stadium Manager could segment funds on those things that the Stadium Authority are concerned about and include the things that there are no concerns about, e.g., people attending conference, as part of the budget. He envisioned those to be day to day expenses.

Ms. Santana said part of what we've been talking about in the last couple weeks is that there are opportunities to advance Purchase Orders and travel expenses and bundled authority. She provided an example that the Stadium Manager could send a contract for uniforms and get that ready for Board approval and when they have expenditures for that item, they would send the appropriate documents to Kenn to get paid. She also provided an example of how to advance the release funds for payment for travel expenditures. Ms. Santana noted that the Stadium Manager could submit a list of all the conferences that they were planning to attend for the year and to ask for approval to send their staff to those conferences, without further Board action.

Mr. Beauchman said the Board's concern was about public works and prevailing wage. Ms. Santana clarified that there is a concern about how the Stadium Manager was procuring things, in general. She reminded him that when Stadium Authority was looking at prevailing wage, staff found that there were no bidding or legal contracts in place. She also reminded him that at one point the Stadium Authority discovered that the Stadium Manager was manufacturing documents to create the illusion of compliance. Mr. Beauchman said that they are trying to segment things that are about the disputes but that there was a difference between setting the budget and getting things approved.

Mr. Beauchman said there are no concerns in certain areas so it doesn't make sense to not set a budget. He stated that the budget is the budget and when you want to utilize it, you get approval for it. He noted that the current set up where they're put in a litigation reserve is a departure from regular practice. Mr. Beauchman said they're trying to see if there's an ability to set the budget and they'll still do the things that they're required to do, but that he just wanted to get them in a position where there are all these disputed areas in the budget when it's not a dispute.

Mr. Lee said that the budget was submitted at a very high level and the Stadium Authority has asked for more detail. He said when the Stadium Manager talks about segmenting areas for approval, none of those details were submitted with the budget. He noted that if there are areas that are not related to public works procurements, the Stadium Authority would need to see an itemized list of vendors. Mr. Beauchman said if you look at some of the other line items, there

are things that don't touch public works at all. He started referring different line items that would or wouldn't have public works.

Ms. Santana clarified that the Board's action was focused on removing contract authority for Executive Director because it wasn't just about prevailing wage, it was also about contracts and their legal practices overall. She asked Mr. Beauchman to bring their contracts forward to get them approved. She noted that the Stadium Manager can look at the contract reports that SVP has done to bring 5-6 contracts at a time to get Council approved, noting that this was an efficient approach.

Mr. Beauchman said he agreed but noted that the Board action was about contract authority so they're wondering why it is tied into the budget. He stated the contract authority is separate from budget. Ms. Santana responded that we don't know about the legal compliance of the contracts. Mr. Beauchman clarified that there are ones that are not for public works. He said you have things like ABM which is still a valid contact process. He said this is the budgeting process and asked why things were being carved out.

Ms. Santana asked if that was part of the Stadium Manager's budget responses. She told him that he had today to respond because everything goes public on Thursday. Ms. Santana said that she was open to hearing proposals about the general types of services that the Board can approve but noted that the Stadium Manager would have to do the carve out and show the Stadium Authority the contracts.

Mr. Beauchman said there is a line item on outside service. He pointed out for that segment, they are planning to carve out ABM and budget for that item. but everything outside of that line item, has the ability to be public works related. He asked that the Stadium Authority set the budget for those non-public works items so there is some sort of direction on those items. Mr. Beauchman confirmed that everything related to the signing authority would still apply but at least the Stadium Manager would have direction from Board on those items.

Ms. Santana asked if he submitted something for the Stadium Authority to review. Mr. Lee also clarified that when Mr. Beauchman said look at outside services, there is equipment that might have public works components. Mr. Beauchman said purchase of equipment would not be public works-related but services may. Mr. Lee and Mr. Beauchman discussed possibilities of what could or couldn't be carved out due to their nature of being potentially public works related. Ms. Santana clarified that sometimes combining services and equipment can be more cost efficient. She asked Mr. Beauchman that if he had some information by way of proposal because it feels like the Thursday deadline won't be met. She noted that the Stadium Authority can form some sort of recommendation that we will work through these items and come back to the Board for action.

Mr. Beauchman stated that he would just recommend that the Stadium Authority would carve out what is clearly not public works, e.g. uniforms, travel and expense. He asked Mr. Lee to look at things to carve out. Ms. Santana asked Mr. Beauchman to submit those requested carve outs so that Mr. Lee doesn't have to guess what those items are.

On a separate topic, Ms. Santana followed up with Mr. Beauchman regarding questions that Assistant to the Executive Director Christine Jung sent about the electrical repairs. She told him that the agenda reports are close to being finalized and that the plan was to include the Stadium Manager's responses to the agenda report. Mr. Beauchman confirmed that he received the email but had not reviewed the questions yet. There was agreement to move the electrical

repairs service agreements to the April 6 meeting if the Stadium Manager didn't meet the March 17 deadline to submit their responses.

Ms. Santana requested Mr. Beauchman to send Mr. Lee what they needed. She reiterated the importance of having the Stadium Manager respond to the December 1 letter. Mr. Beauchman answered that he didn't have a timeline, but he would bring that information back to the team.

Mr. Lee redirected the conversation to G&A costs. He said the Stadium Authority submitted a G&A budget of \$5.1M to the Board, while the Stadium Manager proposed to lower that amount to \$3.1M. Mr. Lee stated that Measure J does not allow City to subsidize the Stadium Authority's costs and that the Stadium Authority's position is that the \$5.1M is needed to provide oversight as needed and to perform the work required. He noted that the Board has discretion has over its own budget.

Ms. Santana shared that the Board directed some additional work items to staff as part of the study session. She noted that in addition to the financial management system, new referrals, Stadium Builder Licenses, there is a lot of work and that new resources are needed. Mr. Beauchman said they understood Measure J and Stadium Authority requirement to cover its cost. He stated that one of their responsibilities is to make sure that the Stadium Authority is being responsible. He said, you saw our comparison where your G&A costs are up 67%. Mr. Beauchman said that he was going to keep the legal costs completely separate from the numbers he is talking about. He said that the Stadium Manager is seeing that staffing costs go up close to 80% during pandemic.

Mr. Doyle responded that the costs are going up because of ManCo's mismanagement and lawsuits. He said if you want to cut those lawsuits and we can cut the costs drastically. Mr. Beauchman stated that they were discussing that internally and are taking it back to see what that looks like. He asked Mr. Doyle to have the same conversation with the Board.

Mr. Beauchman asked what proposal or settlement Mr. Doyle would suggest. Mr. Doyle stated that the Stadium Authority asked that there would be a disinterested manager to manage Non-NFL Events, who did not have self-dealing, and that abided by state laws. Mr. Beauchman responded that the proposal can't be what you're asking for. He noted that was what the Stadium Authority was looking to achieve, but what they're trying to do is see if there is reasonable negotiation about settling the continuing legal disputes.

Ms. Santana said that she thought that the presentation went back and forth. She clarified that the Stadium Authority has not hired a Deputy City Manager and Management Analyst to purposely keep costs down. She acknowledged that the Stadium Authority cut those major positions and with the more initiatives that the Board has assigned, the workload has increased, and the Stadium Authority has artificially kept vacancies to keep the costs low and absorbed the workload with existing staff.

Mr. Beauchman said that the Stadium Manager doesn't have that information yet. He said from their perspective they see that a year when there were no events, why would we see an increase in staffing? Ms. Santana provided an example that Stadium Authority was still spending significant resources to review FY 19/20 documents this fiscal year due to the Stadium Manager's late submittal and incomplete documentation. Ms. Santana told Mr. Beauchman that the Stadium Authority would discuss additional initiatives during Thursday's meeting. There was agreement that both parties were open to what that looks like and that it may take an additional meeting. Ms. Santana clarified that Stadium Authority staff are receiving documents later from

the Stadium Manager so they are reviewing them in a different fiscal year. She said Stadium Authority can explain that as part of its March 23 report to demonstrate where the expenditures are spent.



U.S. Department of Housing and Urban Development
San Francisco Regional Office - Region IX
One Sansome Street, Suite 1200
San Francisco, California 94104
www.hud.gov
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March 18, 2021

The Honorable Lisa Gillmor
Mayor of Santa Clara
1500 Warburton Avenue
Santa Clara, CA 95050-3713

Dear Mayor Gillmor:

SUBJECT: Annual Performance Assessment
Community Development Block Grant
HOME Investment Partnerships Program
Program Year: July 1, 2019 – June 30, 2020 (2019)

The U.S. Department of Housing and Urban Development (HUD or the Department) Office of Community Planning and Development (CPD) assesses the performance of its grant recipients on an annual basis. This letter conveys the results of the evaluation for the 2019 program year.

A principal report utilized by CPD to assess performance is the Consolidated Annual Performance and Evaluation Report (CAPER), submitted by grant recipients within 90 days of the completion of each Program Year. The CAPER provides important information on the use of Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) funds in meeting specific housing and community development goals and addressing the needs of the homeless, as identified in the grantee's Five-year Consolidated Plan and Annual Action Plan. Additionally, this performance assessment takes into consideration information collected from other financial and performance reports, correspondence, and monitoring documentation.

Program year 2019 (PY 2019) marked the fifth and final year of Santa Clara's 2015-2019 Consolidated Plan. The city's Consolidated Plan established five-year goals to benefit its low- and moderate-income residents by providing decent and affordable housing, creating suitable living environments and economic opportunities, and supporting activities to end homelessness.

In PY 2019, despite challenges posed by the COVID-19 pandemic, the city was able to achieve the majority of its five-year Consolidated Plan goals. Santa Clara met its homelessness prevention goals through HOME-funded Tenant Based Rental Assistance programs, which assisted 46 households in PY2019. As it has in previous years, the city continued to address the needs of vulnerable populations in the community with a variety of CDBG-funded public services, such as the Santa Clara Senior Center's Senior Nutrition Program, which provided daily meals to 560 low-income seniors, and Bill Wilson Center's Family Therapy, School Outreach, and Grief Counseling Programs, which provided counseling services to 115 extremely low-income youth and their families.

Based on available information as presented in the enclosed report, in CDBG PY 2019 the city complied with certain key requirements which measure capacity. The city reported that 100 percent of CDBG funds expended in program year 2019 were directed to serving low- and moderate-income persons, which is substantially above the requirement that 70 percent of funds are used for that purpose. CDBG program requirements also limit the amount of funds obligated for public services to 15 percent or less and for administration and planning to 20 percent or less of the annual grant amount. The report shows that the city's public services obligation is below the 15 percent cap at 13.66 percent, and the administration and planning obligation meets the cap at 20 percent. Another regulatory limitation on CDBG administration and planning costs is that no more than 20 percent of any origin year grant may be expended for planning and administrative costs. The city is currently in compliance with this requirement for origin year grants 2016 through 2019.

Finally, the critical program requirement of expending CDBG funds in a timely manner was met for program year 2019. A review of Santa Clara's expenditures on May 2, 2020 showed the city had a balance of 1.48 times its annual allocation, thus meeting the requirement that the amount of CDBG funds on hand 60 days prior to the end of the program year not exceed 1.5 times the annual allocation.

Santa Clara has also performed well and in accordance with certain statutory and regulatory requirements for the HOME program. The city met its expenditure requirement deadline, which occurred on July 31, 2019.

Based on this analysis, HUD has determined that Santa Clara has the continuing capacity to administer its CDBG and HOME programs. The activities undertaken are consistent with Santa Clara's HUD-approved Consolidated Plan, and the city continues to make progress in meeting its housing and community development goals.

In accordance with the Consolidated Plan regulations described at 24 CFR §91.525, if Santa Clara has comments regarding the enclosed report, please submit them to this office within 30 days of receipt of this letter. This office may revise the report after considering the city's response. If the Department does not receive comments within the 30-day time period, this letter and the attached report can be made available to the public.

The Department appreciates its partnership with Santa Clara staff and looks forward to continuing to support the city's efforts to meet the goals of the Consolidated Plan. If there are any questions or there is a request for technical assistance, please do not hesitate to contact Meira Barrett, Senior Community Planning and Development Representative, at 415-489-6568 or Meira.A.Barrett@hud.gov.

Sincerely,
KIMBERLY
NASH
Kimberly Nash
Director
Community Planning and
Development Division

Digitally signed by: KIMBERLY NASH
DN: CN = KIMBERLY NASH C = US O
= U.S. Government OU = Department
of Housing and Urban Development,
Office of Administration
Date: 2021.03.18 16:37:28 -0700

Enclosure

cc:

Deanna Santana, City Manager

Andrew Crabtree, Director of Community Development

Jonathan Veach, Housing and Community Development Division Manager

Eric Calleja, Housing Development Officer

**Annual Performance Assessment
City of Santa Clara**

2019

Consolidated Annual Performance and Evaluation Report (CAPER)

Program Year End: June 30, 2020
Report Due: December 29, 2020
Report Received: December 21, 2020

Funding Covered by CAPER:

CDBG

Allocation: \$987,798.00
Program Income: \$932,634.69

HOME

Allocation: \$395,531.00
Program Income: \$256,828.74

Summary of Program Compliance

Community Development Block Grant Program (CDBG)

- Public Services Obligation [24 CFR 570.201(e)(1) or (2)]
 - Standard: <15% of Allocation plus Program Income received in prior year
 - Actual %: 13.66%
 - Obligated as reported in CAPER: \$182,375.93

- Administration & Planning Obligation [24CFR 570.200(g)(2)]
 - Standard: <20% of Allocation plus Program Income received in current year
 - Actual %: 20.00%
 - Obligated as reported in CAPER: \$384,086.54

- Administration & Planning Expenditure [24CFR 570.200(g)(1)]
 - Standard: <20% of Origin Year Allocation excluding Program Income

 - 2016 Origin Year Allocation - Grant B16MC060022
 - Allocation: \$897,752.00
 - Grant Drawn %: 92.04%
 - Actual Administration & Planning %: 20.00%
 - Administration & Planning Expenditure: \$179,550.40

 - 2017 Origin Year Allocation - Grant B17MC060022
 - Allocation: \$903,714.00
 - Grant Drawn %: 89.66%
 - Actual Administration & Planning %: 20.00%
 - Administration & Planning Expenditure: \$180,742.80

- 2018 Origin Year Allocation - Grant B18MC060022
 - Allocation: \$968,933.00
 - Grant Drawn %: 39.75%
 - Actual Administration & Planning %: 20.00%
 - Administration & Planning Expenditure: \$193,786.60

- 2019 Origin Year Allocation - Grant B19MC060022
 - Allocation: \$987,798.00
 - Grant Drawn %: 54.83%
 - Actual Administration & Planning %: 20.00%
 - Administration & Planning Expenditure: \$197,559.60

- Benefit to Low to Moderate-Income Persons [24 CFR 570.200(a)(3)]
 - Standard: At least 70% of the aggregate amount of CDBG funds received by the recipient shall be used for activities that benefit low- and moderate-income persons as reported in the CAPER.
 - Actual %: 100%

- Timeliness of Expenditures [24 CFR §570.902]
 - Standard: The regulations require that 60 days before the end of the program year, the city have no more than the equivalent of 1 ½ years' worth of CDBG grant funds available in its U.S. Treasury account. A ratio at or below 1.50 is acceptable.
 - Actual ratio: 1.48
 - Balance: \$1,461,918.30
 - Test date: May 2, 2020

HOME Investment Partnerships Program (HOME)

- HOME Expenditures [24 CFR 92.500(d)(1)(C)]
 - PJs have five years from the date of their executed grant agreement with HUD to expend HOME funds, applicable for all expenditure deadlines that occur on or after January 1, 2015. The following information identifies the disbursement requirement for the 2014 HOME allocation and any shortfalls as of September 30, 2019.
 - Disbursement Deadline: July 31, 2019
 - Disbursement Requirement: \$10,734,188.75 Shortfall: \$0