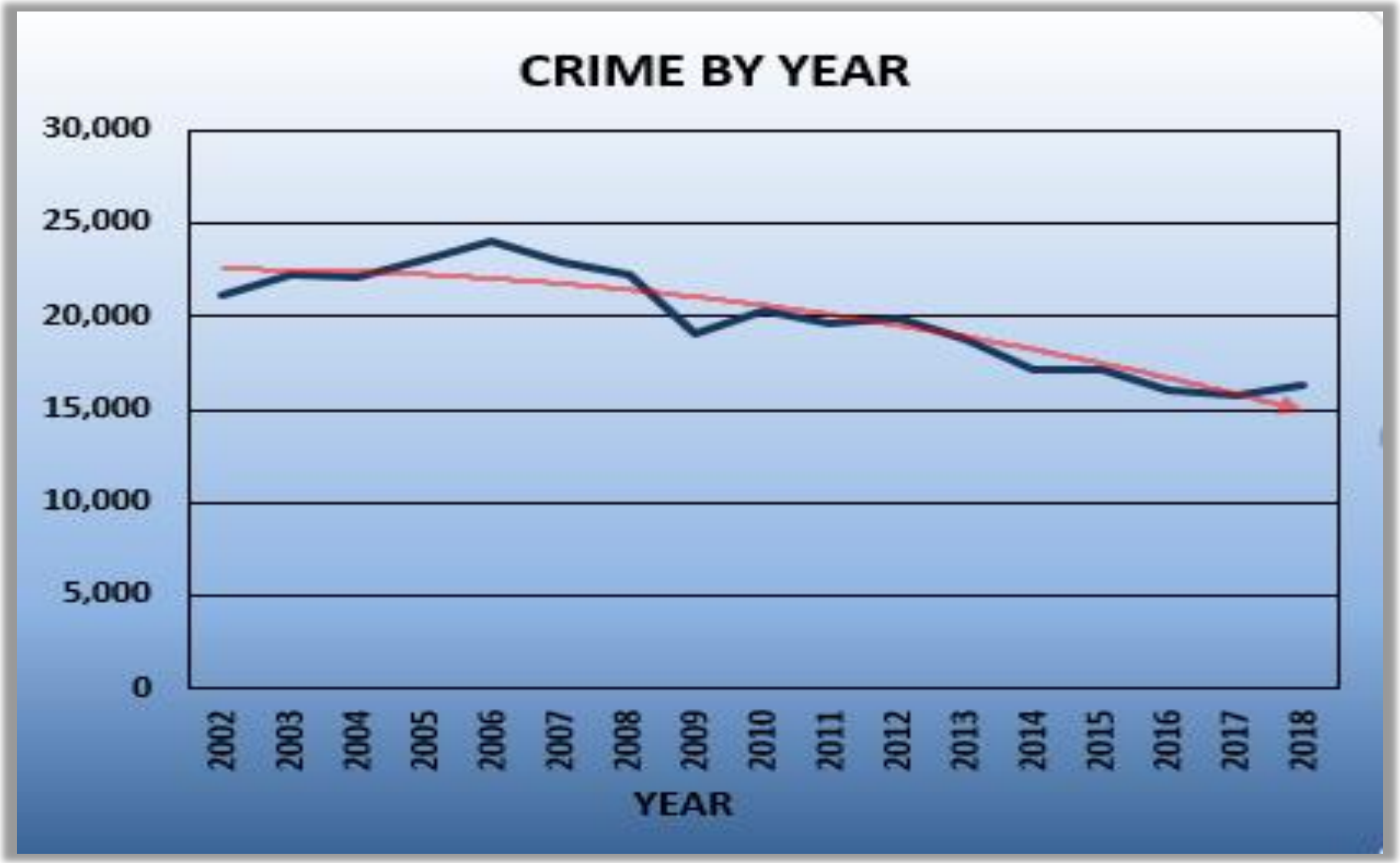
CITY OF STOCKTON

PUBLIC SAFETY

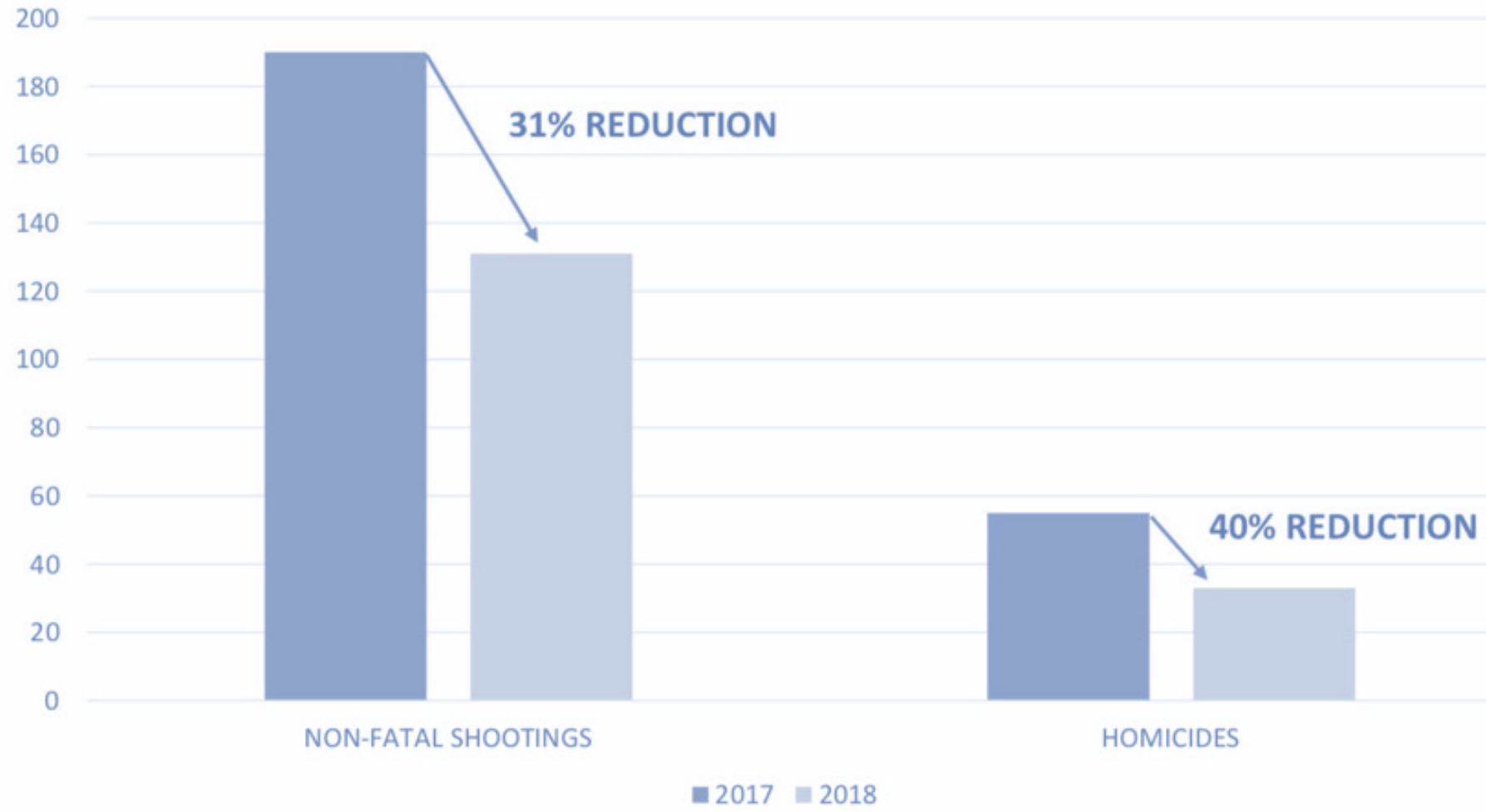
Overall Crime: 17-Year Trend



Violent Crime

Homicide and Shootings Comparison

2017 to 2018



OFFICE OF VIOLENCE PREVENTION

PEACE KEEPERS

Violence Reduction &
Community Safety

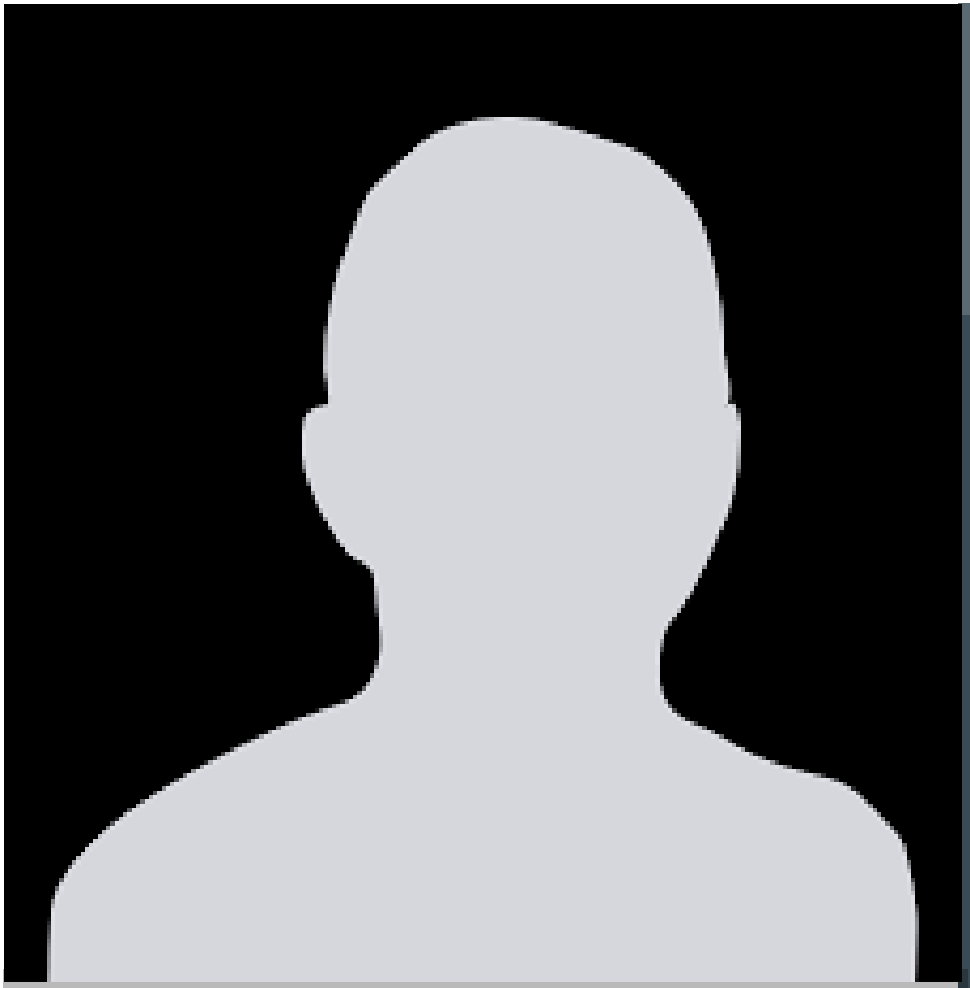
STOCKTON

Gun Violence **Reduction** Strategy

CEASEFIRE PARTNERSHIP STRATEGY

GOALS:

- Reduce non-fatal shootings and homicides citywide
- Decrease recidivism and improve outcomes for those at highest risk of violence
- Strengthen police-community relations and trust



Jonny

15 years old

Youth Experiencing Trauma

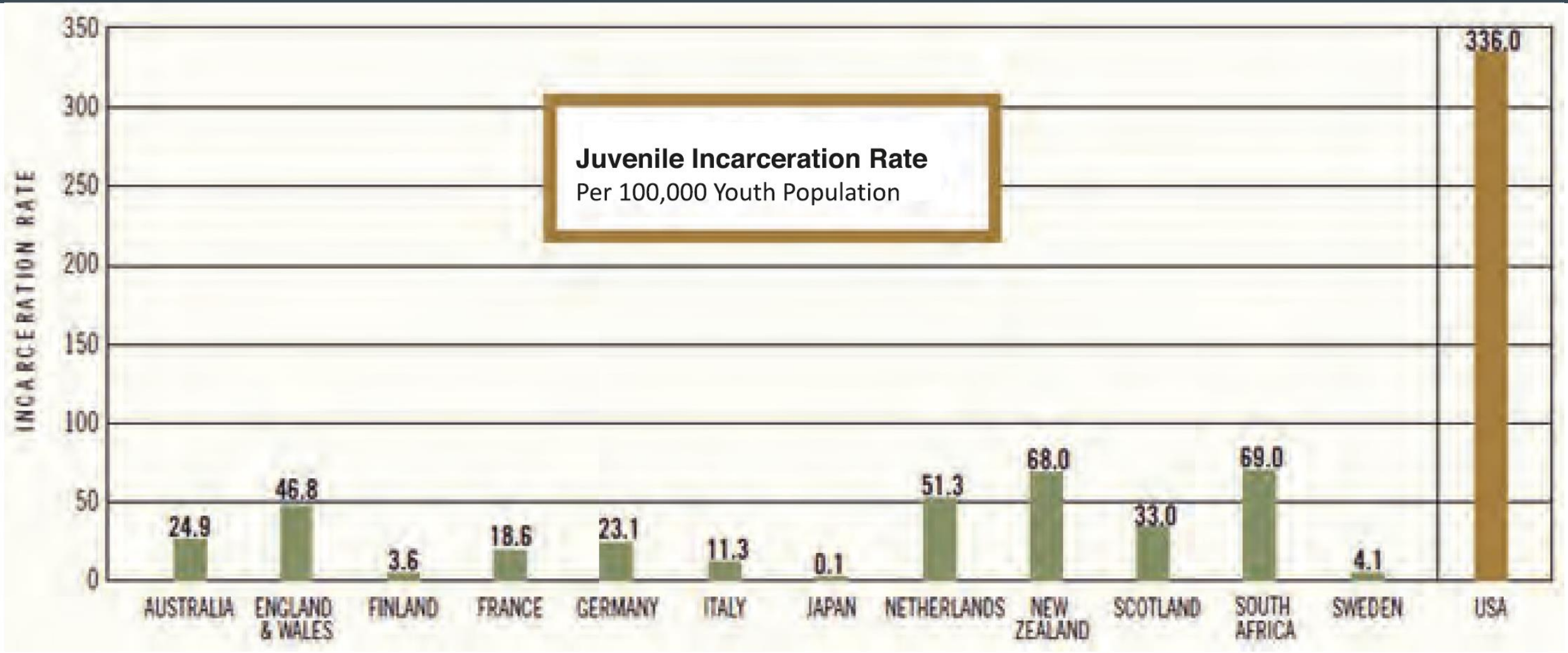
Father imprisoned

Best friend was shot

Witnessed domestic violence in home

Uncle used drugs in the home

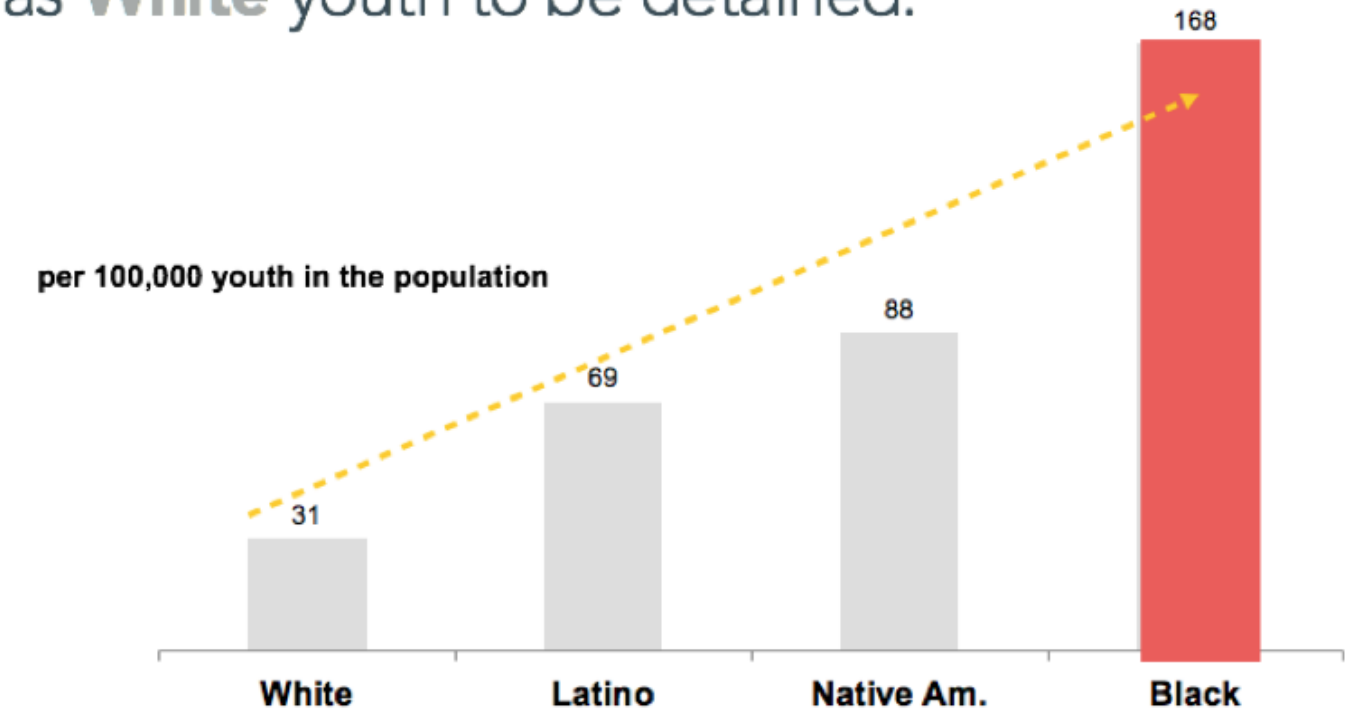
America's **Incarceration** **Addiction**



In a one day count of detention in the US in 2011:

- **Latino youth** were more than **2 times as likely** as **White** youth to be detained.
- **Native American youth** were nearly **3 times as likely** as **White** youth to be detained.

Black youth were more than **5 times as** likely as **White** youth to be detained.



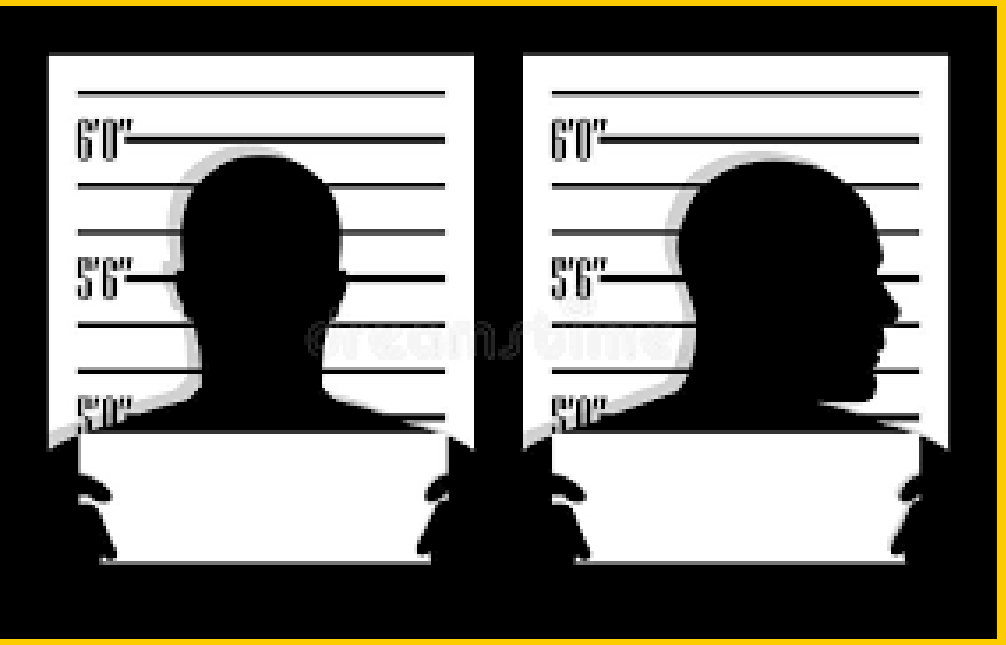
Source: Sickmund, M., Sladky, T.J., Kang, W., and Puzzanchera, C. (2013) "Easy Access to the Census of Juveniles in Residential Placement." Online. Available: http://www.ojjdp.gov/ojstatbb/ezacjrp/

Jonny

25 years old

- Arrested 8 times
- 2 felony convictions
- Gang Affiliated
- Father of 6 year old son
- Wants a job and better life.

"I have decided to change my life… I have a strong mind and no one can influence me to do wrong… anymore"



Do you believe him?

"I have decided to change my life… I have a strong mind and no one can influence me to do wrong… anymore"

City of Stockton Violence Prevention Strategy

WHERE TO FOCUS YOUR EFFORTS?

City of Stockton Violence Prevention Strategy

WHERE TO FOCUS YOUR EFFORTS?

Intervention

Violence reduction the short term, like harm reduction strategies (Ceasefire)

Investment Results

2- 3 years

Prevention

Long-term violence reduction strategies like mentoring at-risk middle school students or life skills workshops for youth

Investment Results

5-10 years

Transformation

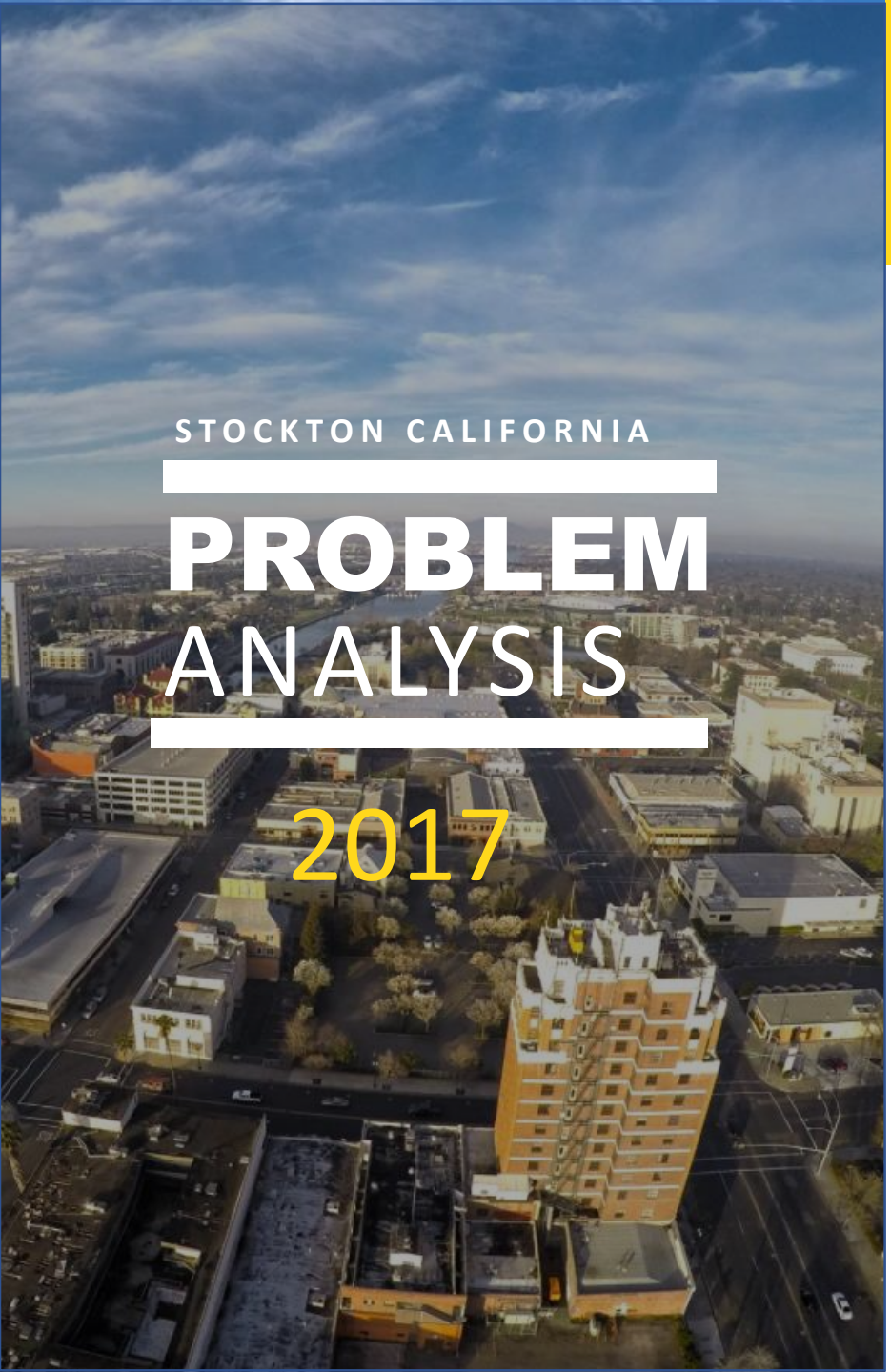
Transforming communities so that they do not induce violence:

- Education reform & investment
- Economic development
- Neighborhood revitalization

Investment Results

10- 15 years

City of Stockton Violence Prevention Strategy
ARE WE TARGETING THE RIGHT PEOPLE?
ARE WE DOING THE RIGHT WORK?
ARE WE HAVING THE RIGHT IMPACT?



Analysis of all homicides between 2014 -2016

Suspect Profile: Mainly Black and Latino young men

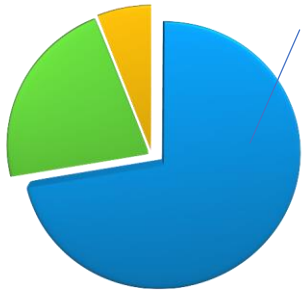
Suspect Age: **Average 26 years old**

Victim Profile: Mainly Black and Latino young men

Victim Age: **Average 33 years old**

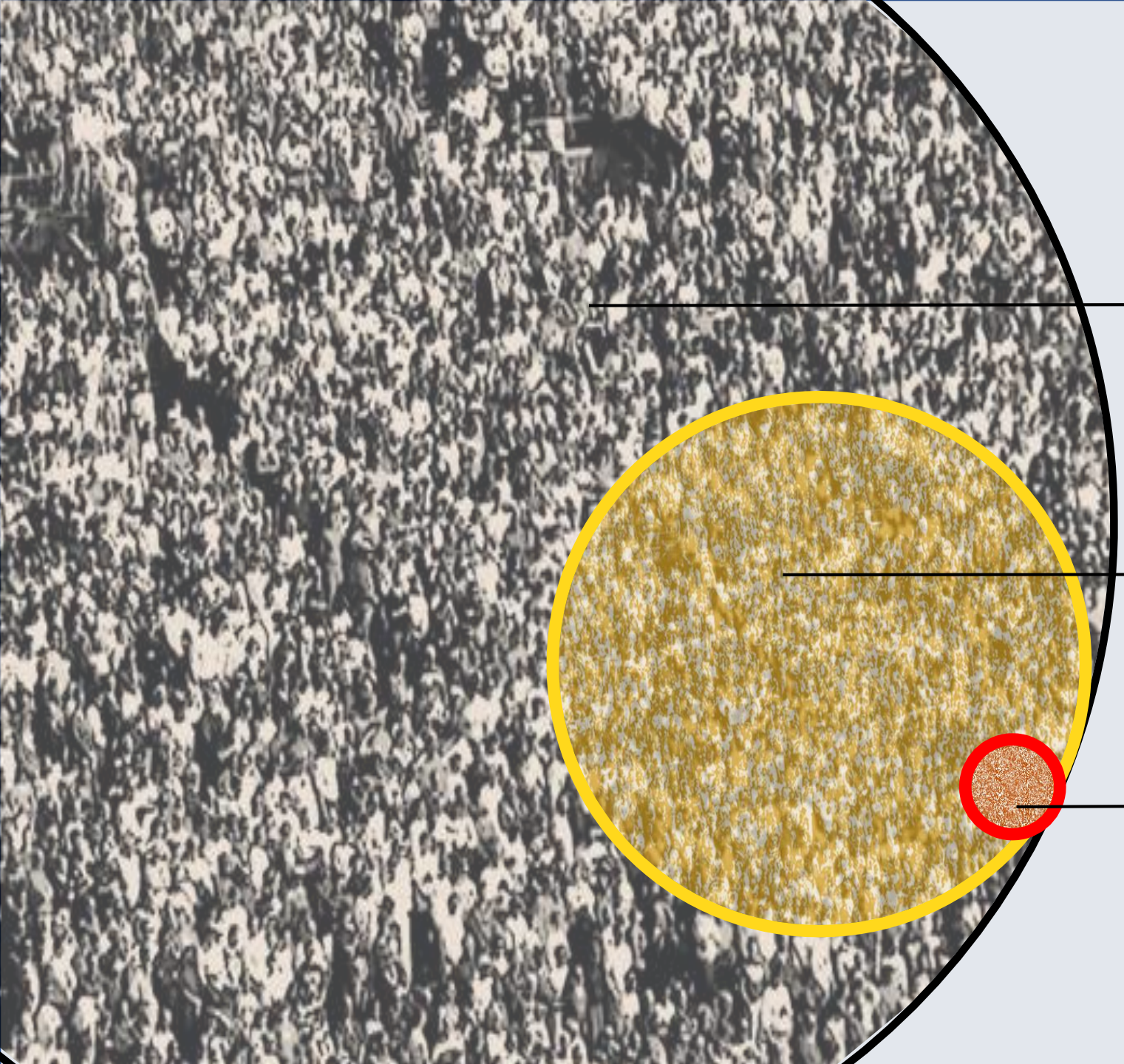
Significant Justice Involvement:

Both victims and suspects averaged **8 arrest** by the time of the homicide. **Averaging 5 felony arrest.**



75% involve gang members as victims or suspects

20% of homicides resulted from group-related robberies, drug robberies, burglaries and domestic violence



STOCKTON'S
POPULATION
320,000 people

CRIMINAL JUSTICE
POPULATION
18,000 people

VERY HIGH-RISK
POPULATION
320 people

Less Than 1%

of the criminal justice population

OFFICE OF VIOLENCE PREVENTION
PEACE KEEPERS
ARE WE TARGETING THE RIGHT PEOPLE?

STATS Report

OFFICE OF VIOLENCE PREVENTION

7.1.18
STOCKTON CA.

45 TOTAL ACTIVE CLIENTS

32 CEASEFIRE

13 NON-CEASEFIRE

178 CLIENTS SERVERD SINCE

89% HIGH RISK

7% Medium Risk

82% PREVIOUSLY

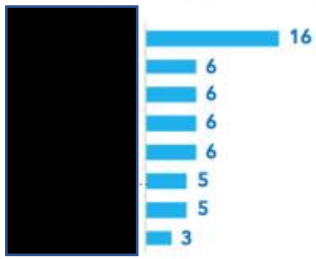
40% Injured By Gun Violence

71% GANG AFFILIATED CLIENTS

CRITICAL CLIENT NEEDS

- Have Critical SAFETY ISSUES 31%
- Currently In UNSTABLE HOUSING 11%
- Currently NON-EMPLOYED 47%
- Problems With ACCESS TO DAILY MEAL 2%
- NO High School DIPLOMA or GED 40%

TOP GANG AFFILIATIONS



2018 INCENTIVES

PEACE KEEPER ACTIVE CASELOADS

Phase 1 — 7 Clients
- Create Safety Plan
- Building the Relationship

Phase 2 — 29 Clients
- Client Engaged in Services
- Referral to Services
- Weekly Contacts

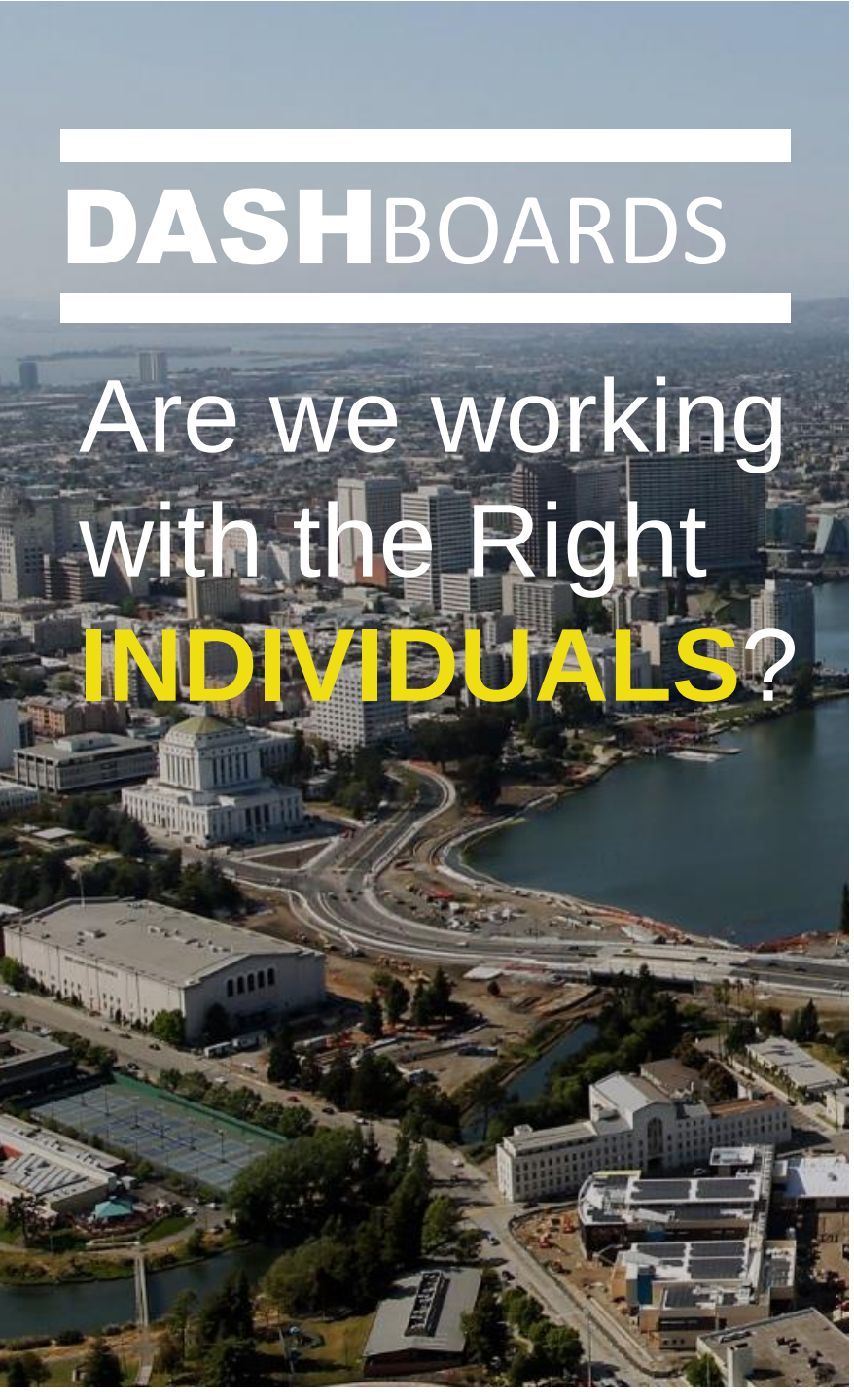
Phase 3 — 5 Clients
- Client has successful outcomes
- Safety/Employment is stable
- Bi-weekly contacts

SERVICE PROVIDED (JAN 2017 - JUNE 2018)

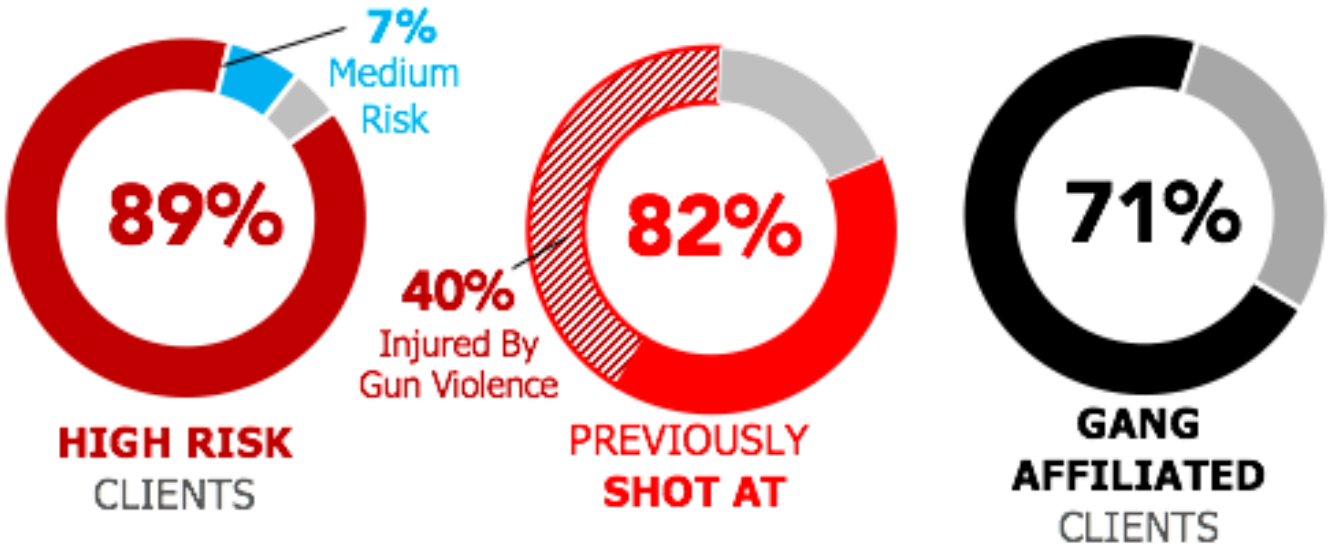
18% OF Clients RE-ARRESTED Since Jan 2017

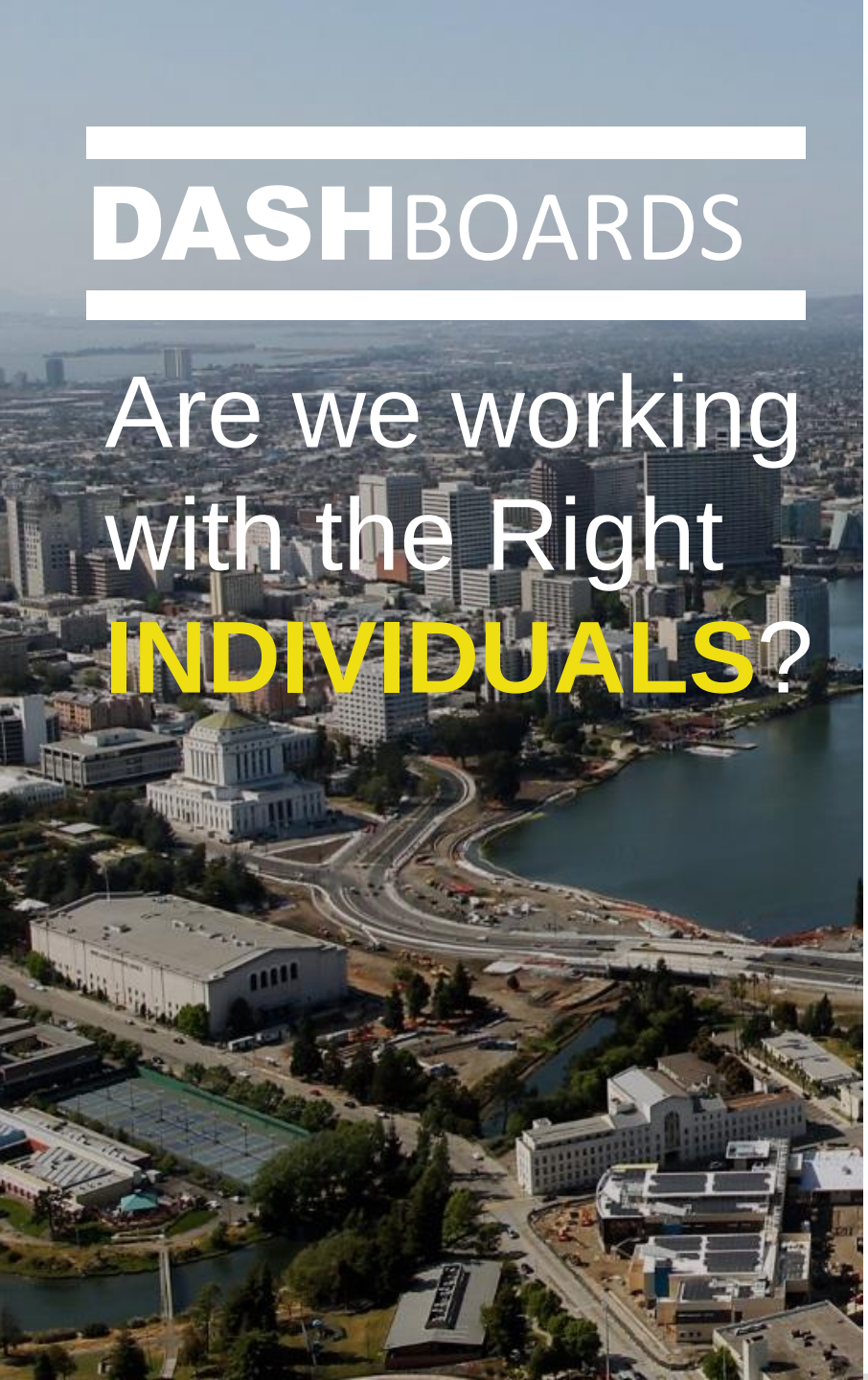
129 ASSISTED W. EMPLOYMENT PLACEMENT

- 27 Conflict Mediations
- 78 Assisted w/ID or SSC
- 25 Tattoo Removal
- 21 Relocations



CLIENT PROFILE THROUGH JUNE 30, 2018





DASHBOARDS

Are we working with the Right **INDIVIDUALS**?

TYPICAL: NEW CLIENT PROFILE:

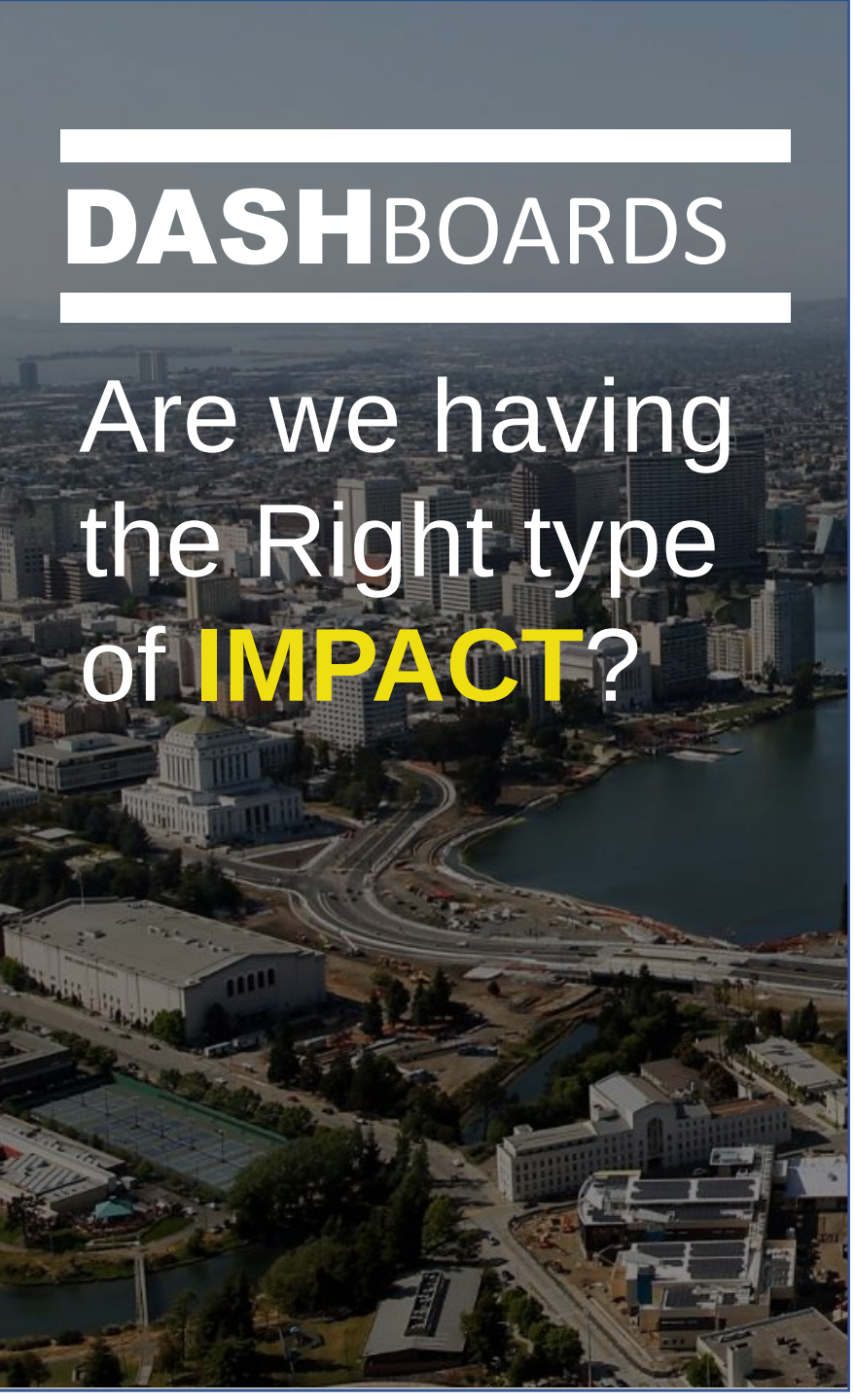
Average Age: **26-28 years old**

Education: **High School Drop Out**

- **GANG AFFILIATED**
- **HAS BEEN SHOT OR SHOT AT**
- **JUSTICE INVOLVED**
- **GUN ACTIVITY & SAFETY ISSUES**

CLIENT CRITICAL NEEDS:

CRITICAL SAFETY ISSUE	**UNEMPLOYED** CLIENTS	**UNSTABLE** HOUSING	**UNABLE** TO EAT DAILY
63%	52%	33%	32%



CLIENT SERVICES

EMPLOYMENT PLACEMENTS

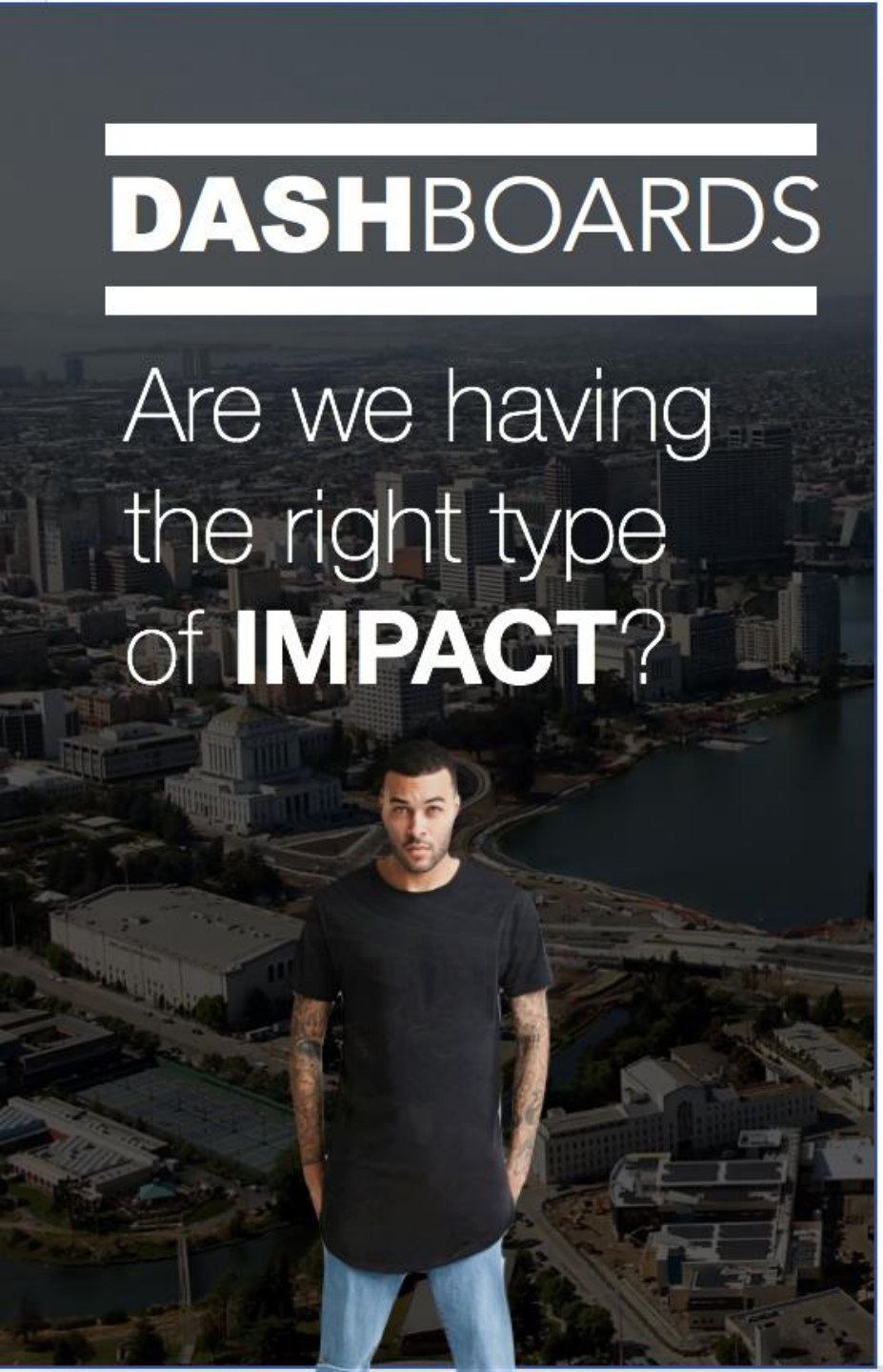
GOVERNMENT DOCUMENTS

SOCIAL SERVICES

- **LEGAL ISSUES**
- **ADDICITON COUSNELING**
- **EDUCATIONAL ADVANCMENT**
- **JOB READINESS**
- **HOUSING SUPPORT**
- **TATTOO REMOVALS**

DASHBOARDS

Are we having the right type of **IMPACT**?

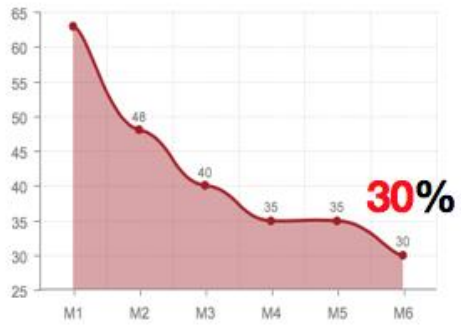


ADDRESSING CLIENT CRITICAL NEEDS

FOLLOWING SAME CASE LOAD OVER A **6 MONTH PERIOD**

CRITICAL SAFETY ISSUE

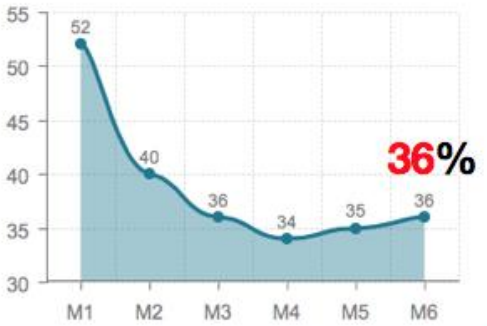
63%



30%

UNEMPLOYED CLIENTS

52%



36%

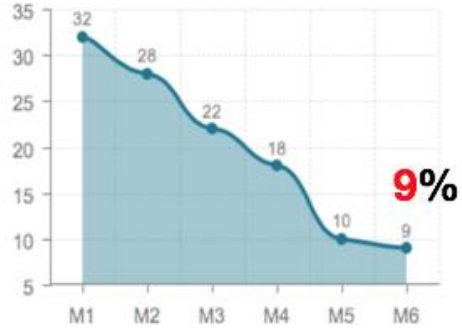
UNSTABLE HOUSING

33%

9%

UNABLE TO EAT DAILY

32%



9%

CEASEFIRE CLIENT P.P.

Before Peacekeepers

- Street lifestyle
- Prison/parole/probation
- Unemployed
- Invited to Call-In

With Peacekeepers

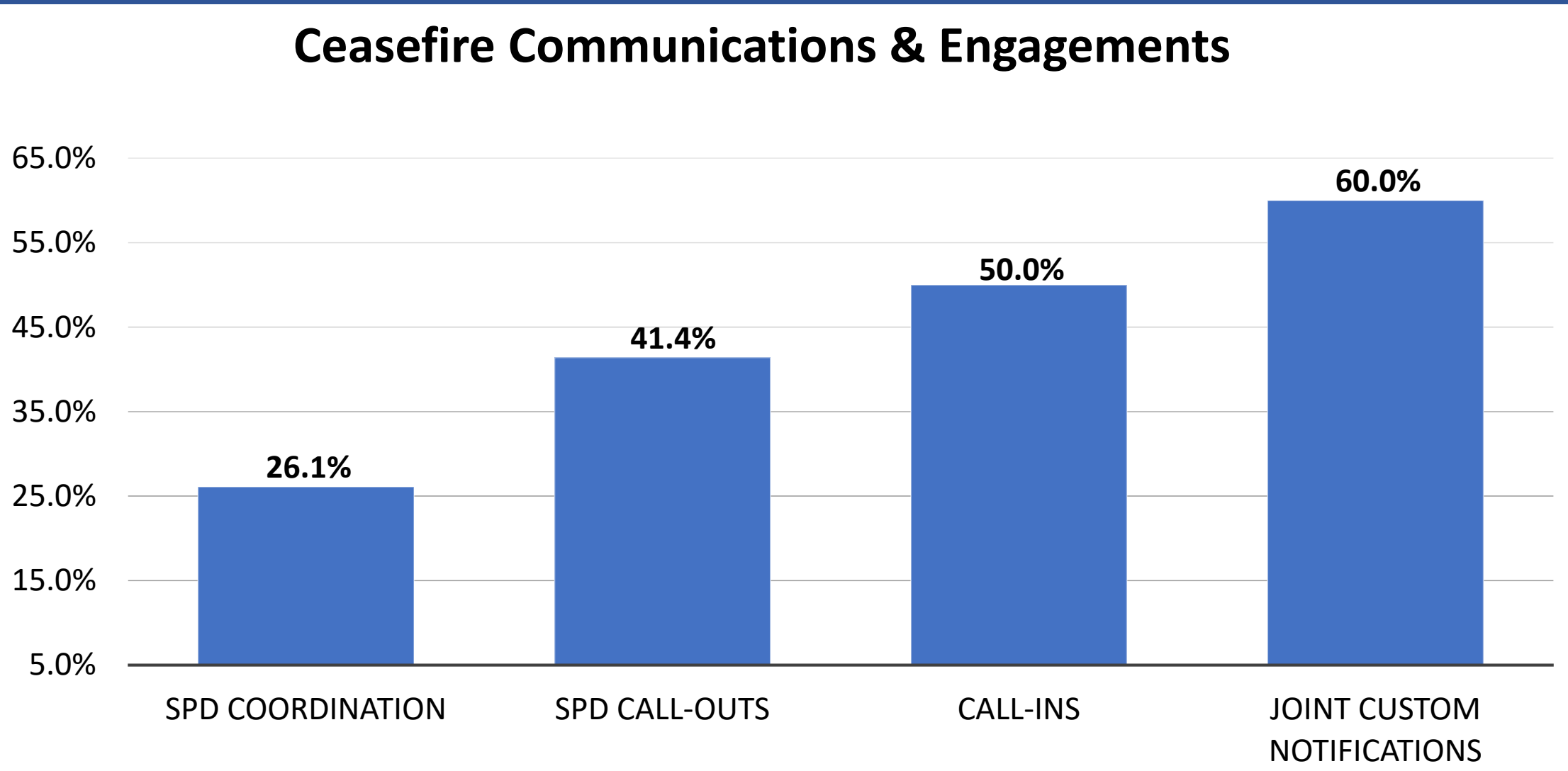
- Career training
- Relocation
- Completed parole
- Positive role model

CEASEFIRE CLIENT P.P.

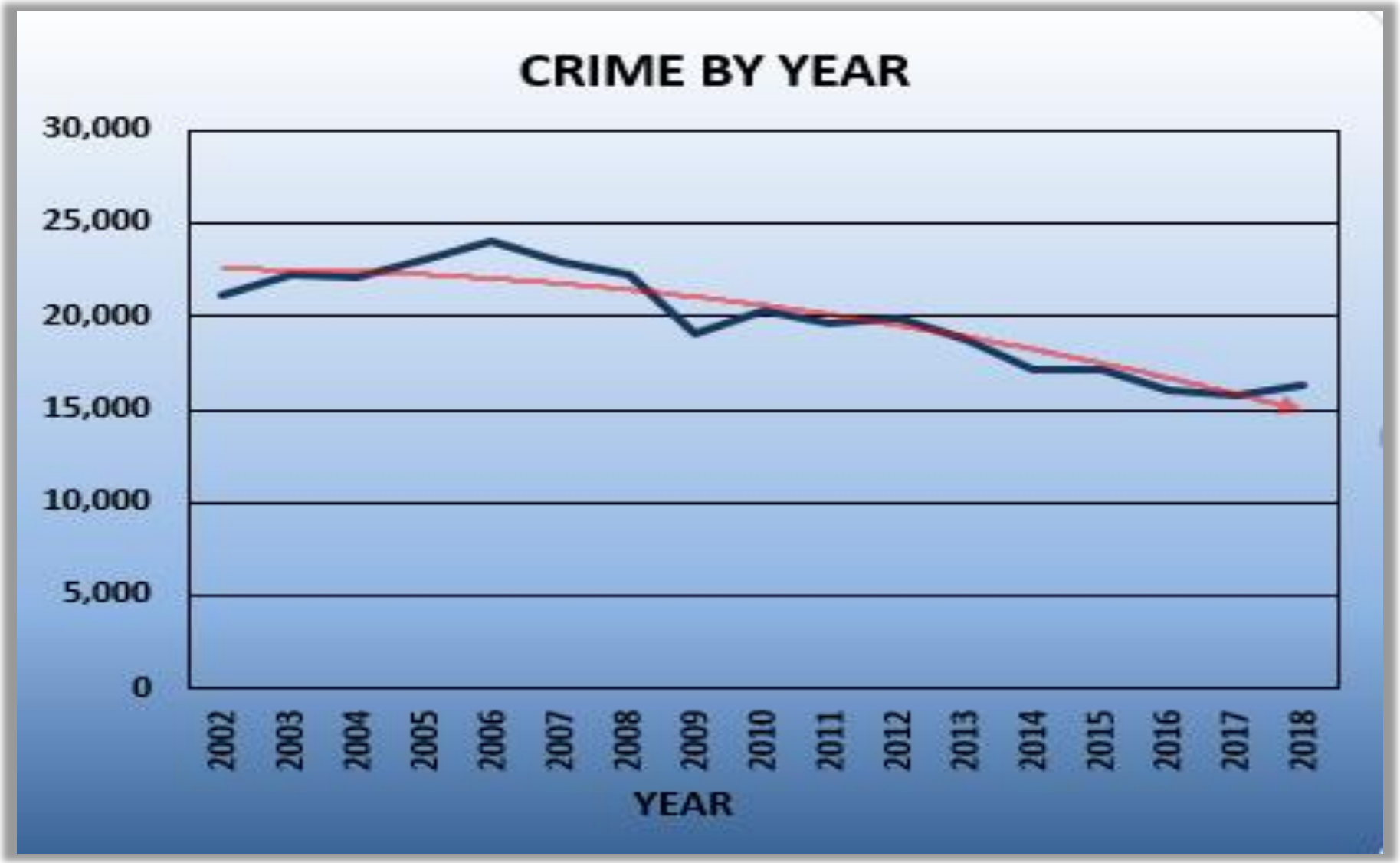
FUTURE

- Full time career
- No arrests
- Providing a new life for his family
- Set new goals to give back to the community

Client Engagement Rate by Referral Type



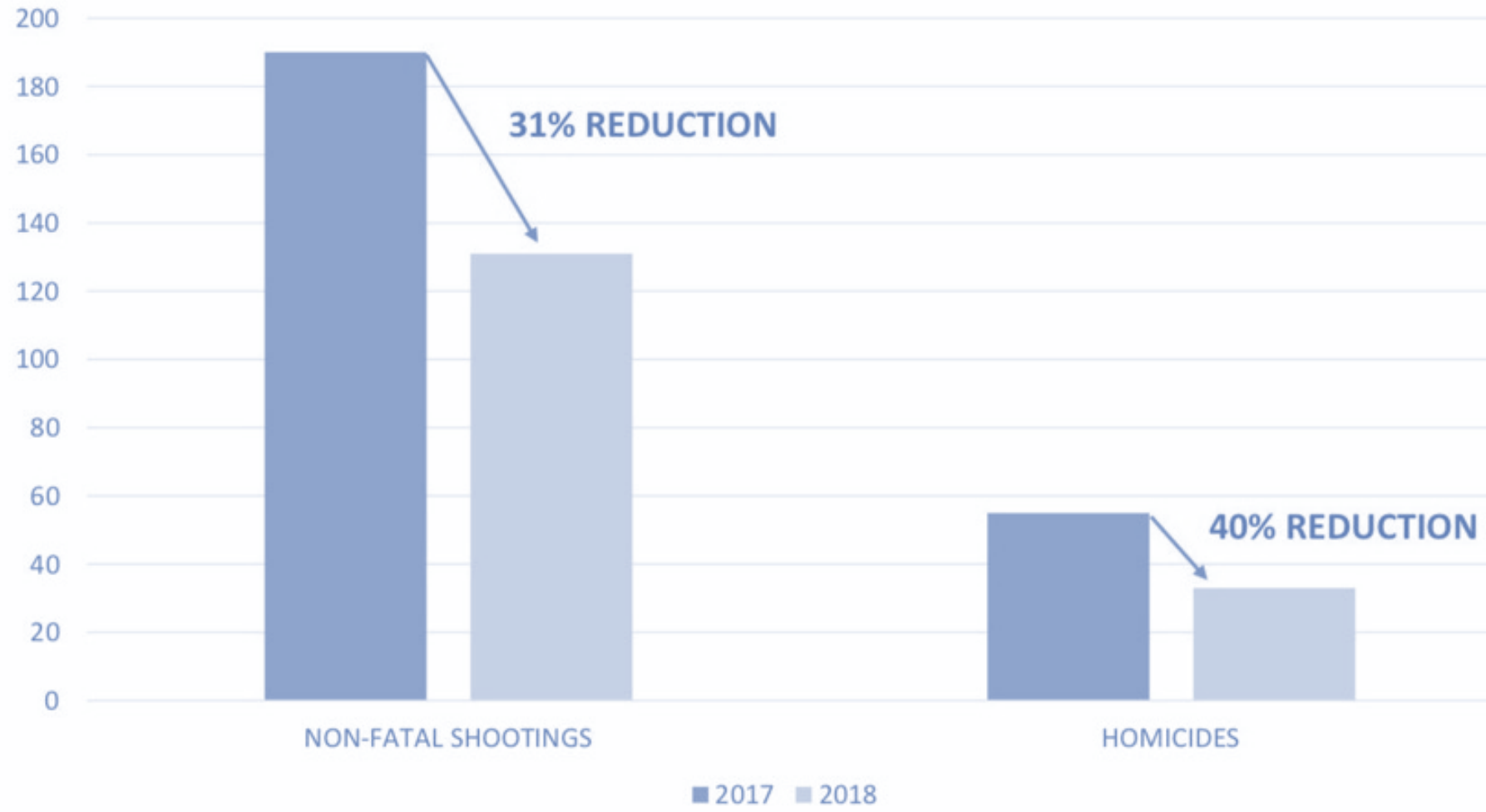
Overall Crime: 17-Year Trend

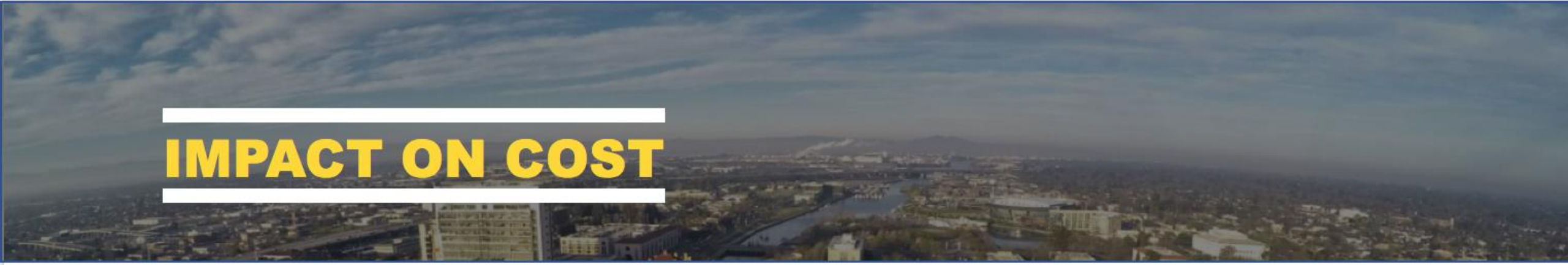


Violent Crime

Homicide and Shootings Comparison

2017 to 2018





IMPACT ON COST

WHAT IS THE COST PER SHOOTING & HOMICIDE?

CRIME SCENE	$8,000
HOSPITAL	$138,000
CRIMINAL JUSTICE	$421,000
PRE-TRIAL INCARCERATION	$350,000
VICTIM SUPPORT	$36,000
LOST TAX REVENUE	$120,000
CITY & COUNTY COST	**$1,073,000**

PEACE KEEPER STATS SINCE **JANUARY 2018**

27	30	9
CONFLICT MEDIATIONS	**SHOOTING RESPONSES**	**SAFETY RELOCATIONS**
27m Savings	**5m** Savings	**9m** Savings

FISCAL SUSTAINABILITY

Long-Range Financial Plan

February 26, 2019

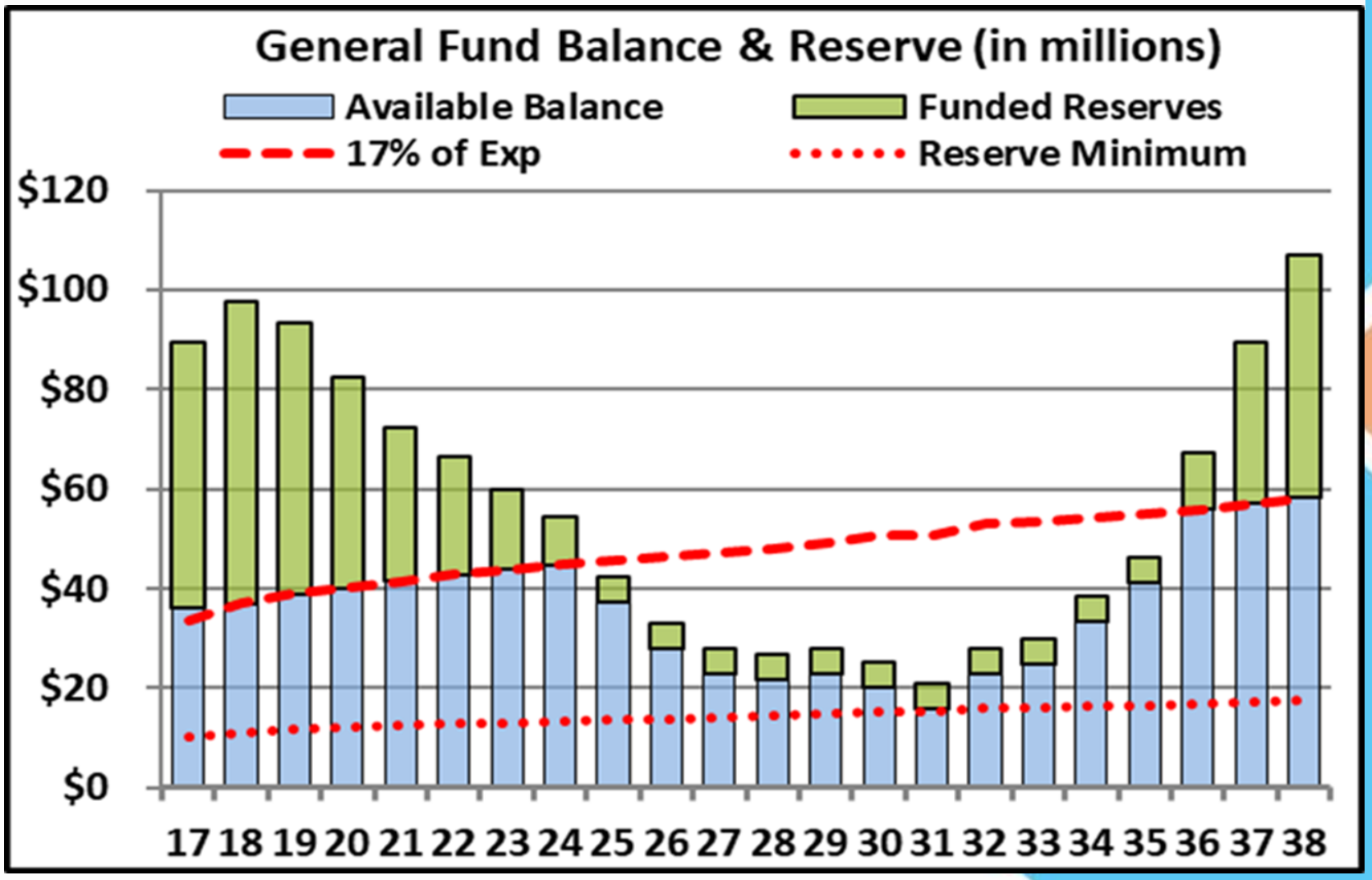
Long-Range Financial Plan Purpose

- **Transparency** - Clear assumptions with a realistic forecast, not conservative
- **Fiscal Discipline** - Precludes wishful thinking about capacity for revenue growth
- **Forward Thinking** - Avoids perils of short-term focus by identifying long-term impacts of policy decisions
- **What-if Scenarios** - Evaluates impact of alternative policies and economic outcomes
- **Early Warning** – Gives a head start on problem solving
- **Decision-making** - Tool to help staff and Council make informed, prudent and timely fiscal decisions

What is the Long-Range Financial Plan?

- 20-year forecast
- Created during bankruptcy
- Forecasts revenue & expenses
- Only General Fund and related funds
  - Supported by General Fund – Library, Recreation, Marina, Entertainment Venues, Golf, etc.
  - Measure W and Measure M sales tax
- Based on a wide range of assumptions
  - New assumptions = new outcome
- Living document – regular updates
- Does not address funding deficiencies in other funds or capital needs
- No increase in service levels except with new funding sources
- Includes bankruptcy settlements

FY 2018-19 Long-Range Financial Plan



General Fund Reserves

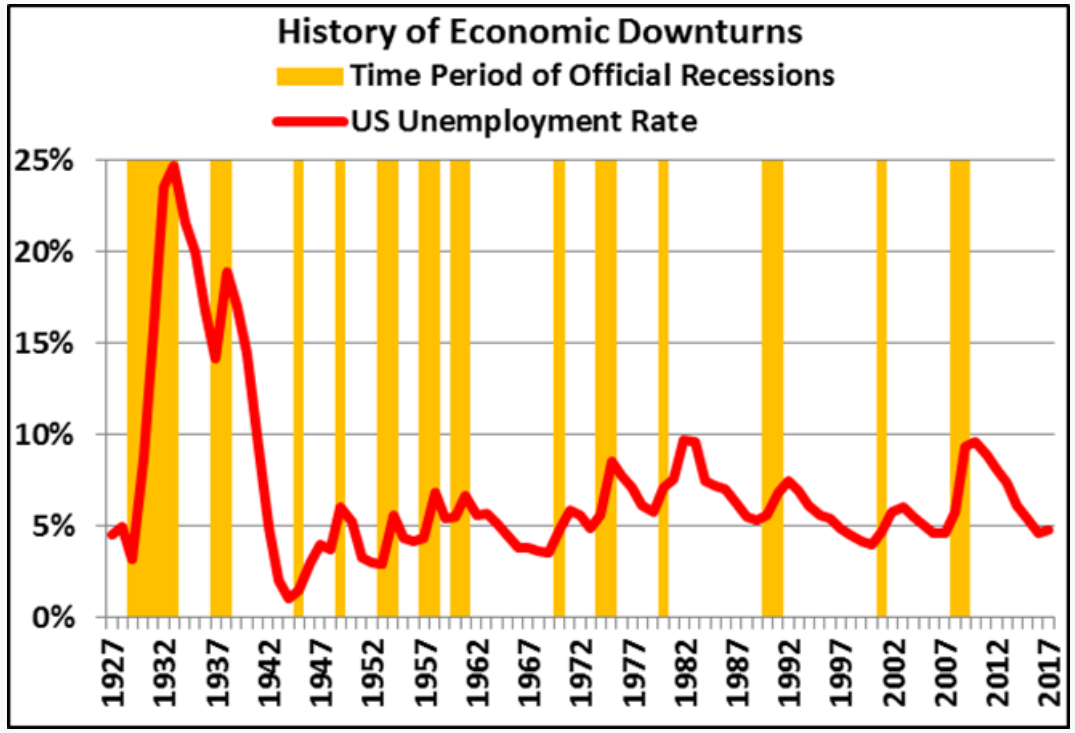
- Working Capital Reserve
  - 16.7% of expenditures
  - $36.8 million
- Known Contingency Reserves
  - Pension, Retention & Recruitment, and other large projects
  - $37.2 million
    - +$18.6 million in pension trust
- Risk-Based Reserves
  - For economic or other emergencies
  - $5.0 million

Key Revenue Assumptions

- Actual FY 2017-18 and Budgeted FY 2018-19
- General revenue growth of 2%
- Property Taxes
  - Based on consultant estimates in near term and then long-term growth estimates
  - New construction growth estimated
- Sales Taxes
  - Based on consultant estimates in near term and then long-term growth estimates

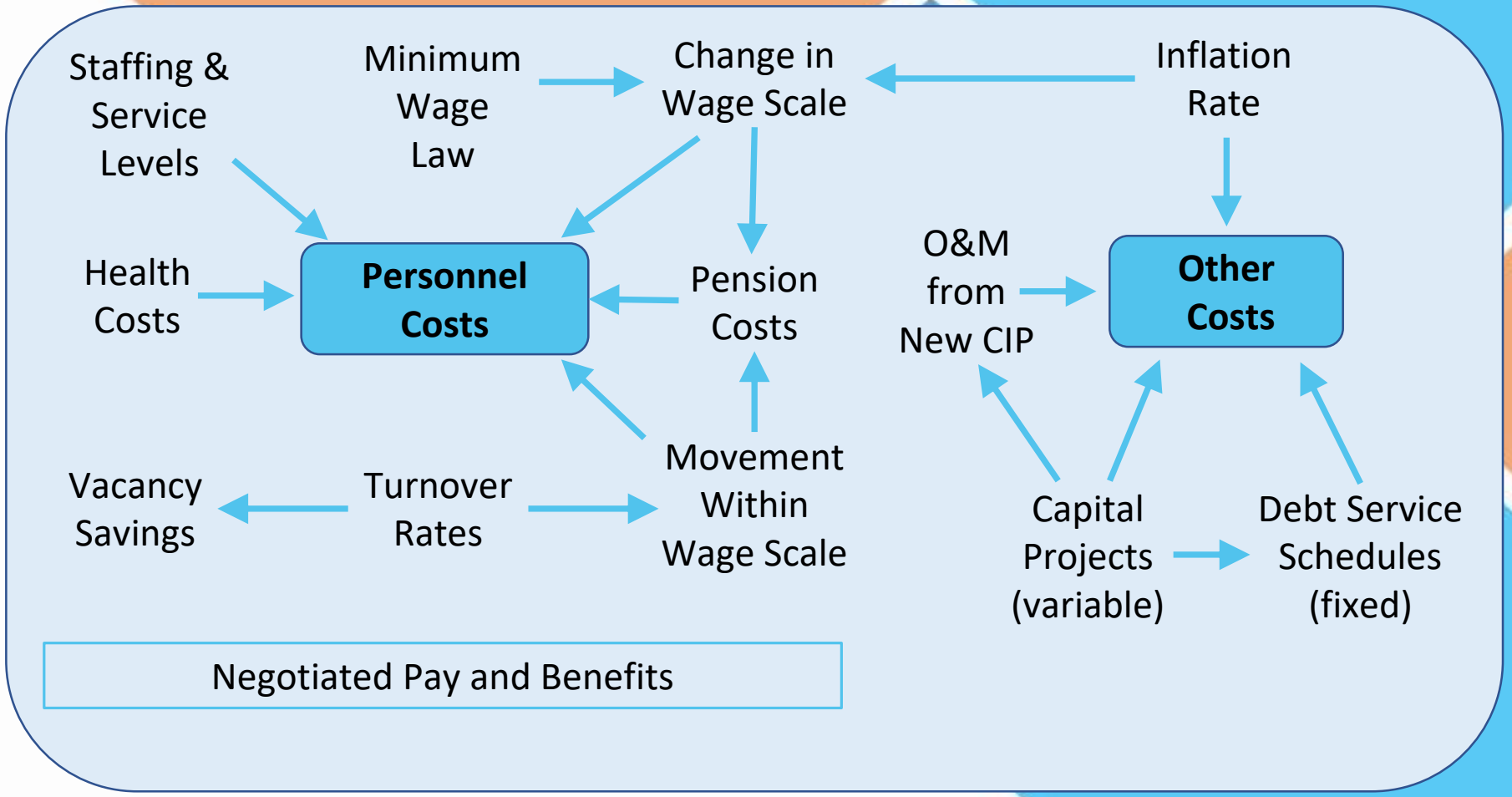
Key Revenue Assumptions

- Recessions have occurred on average:
  - every 5.7 years since 1933
  - every 6.6 years since 1961
- Last recession "officially" ended in 2009, adverse effects lingered for several years



- New forecast assumes next recession starts in **2020** and every **5 years** thereafter **(2025, 2030, 2035)**
- Recessions modeled as a 5% revenue decrease that returns over multiple years

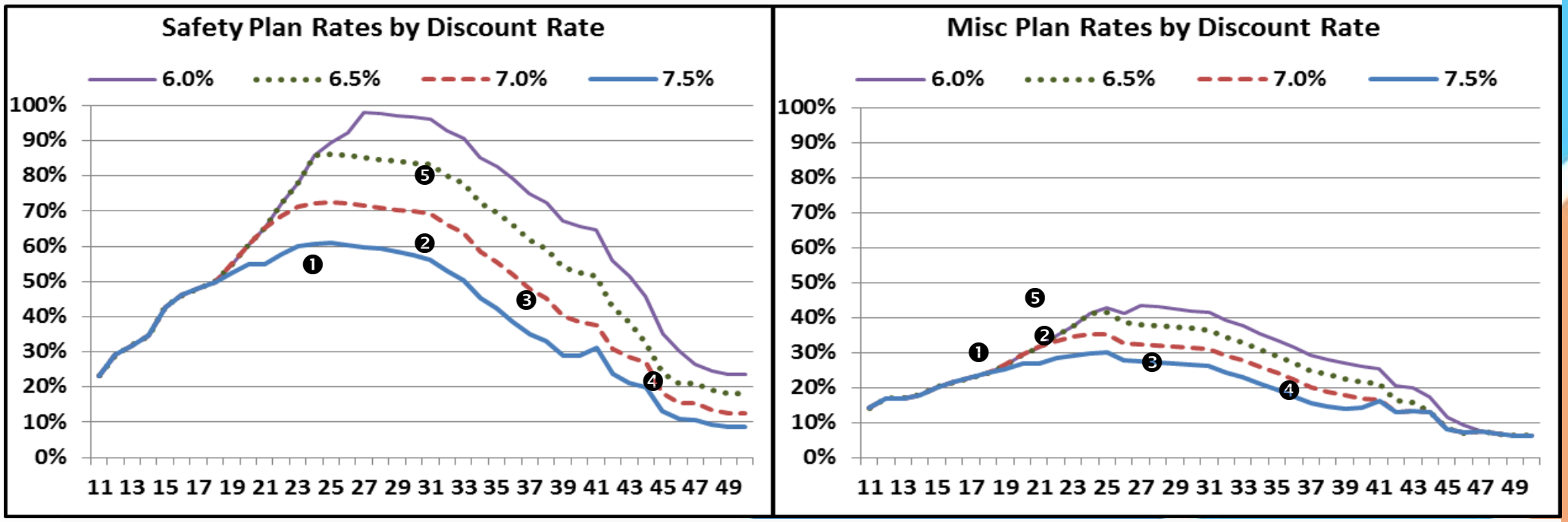
Major Factors Influencing Expenditures



Key Expenditure Assumptions

- Staffing levels: No change from current FTE
- Wage Adjustments: Current MOUs through FY 2018-19, assumes 2% growth annually thereafter
- Health: Employer contribution growth at 2%
- Pensions: Based on six-year CalPERS forecast with continued transition of employees from Classic to PEPRA benefit levels; discount rate remains at 7%
- Vacancy Savings: 5% reduces to 3% over 5 years
- Non-COLA wage growth: from step increases, turnover, and market adjustments – 0.15% annually

Pension Cost Life Cycle



1. Planned rate increases through 2023 due to phase-in of CalPERS rate structure changes
2. PEPRA savings as new employees receive lower benefits
3. Amortization of unfunded liability (most evident in 2030s and 2040s)
4. Normal costs are all that remain after unfunded liability is paid off
5. Discount rate recently reduced to 7%, total impact phased in over 7 years; forecast assumes discount rate stays at 7%

Key Expenditure Assumptions

- Contracts: 2% increase annually
- Utilities: 2% growth annually
- Maintenance & Repairs: 2% growth annually
- Other Services & Supplies: 2% annual growth
- Capital Improvement: General Fund dollars – flat at $1.1 million
- Program Support: Based on forecasts of related funds
- Debt Service: per restructured agreements
- Strong Communities Tax: expires FY 2032-33
- GF Contingency: $2 million spent annually

Financial Objectives

- Sticking to our financial plan
- Maintaining reserves
- CalPERS cost increases
- Balancing service demands with available resources
- Maintaining City's ability to recruit and retain employees

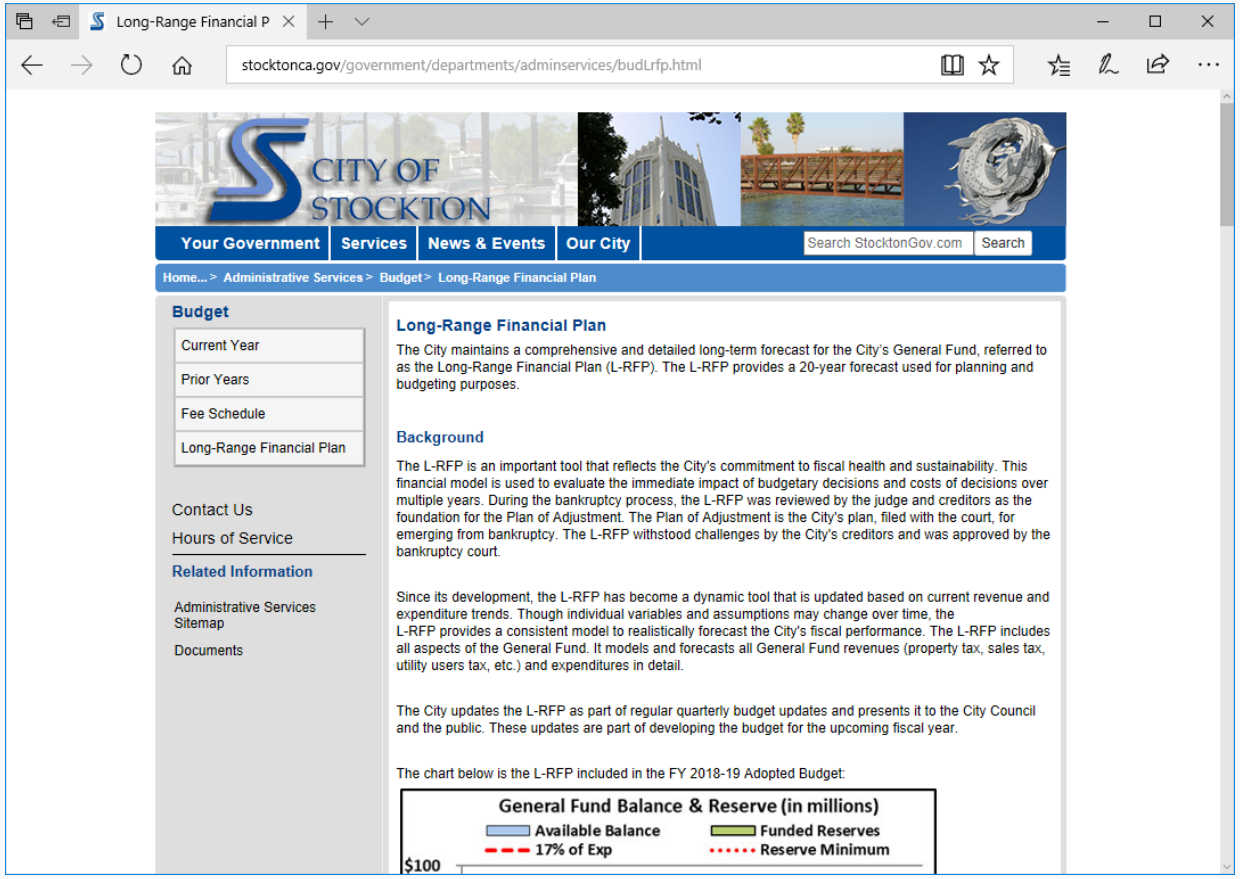
Challenges Ahead

- Needs are greater than available funds
- Labor negotiations
- Cost of doing business increasing
- CalPERS rate increases
- General liability claims increasing
- Deferred maintenance
- Infrastructure needs
- Prioritizing resources – staff time and money
- ERP implementation

Looking Forward to FY 2019-20

- No change in service level does not mean no change in how dollars are spent
- Efficiencies – still need to do more with less
- Are we making the most of each dollar?
- Always consider financial impact of a decision
- Consider full cost of service in fee development

Find out more…



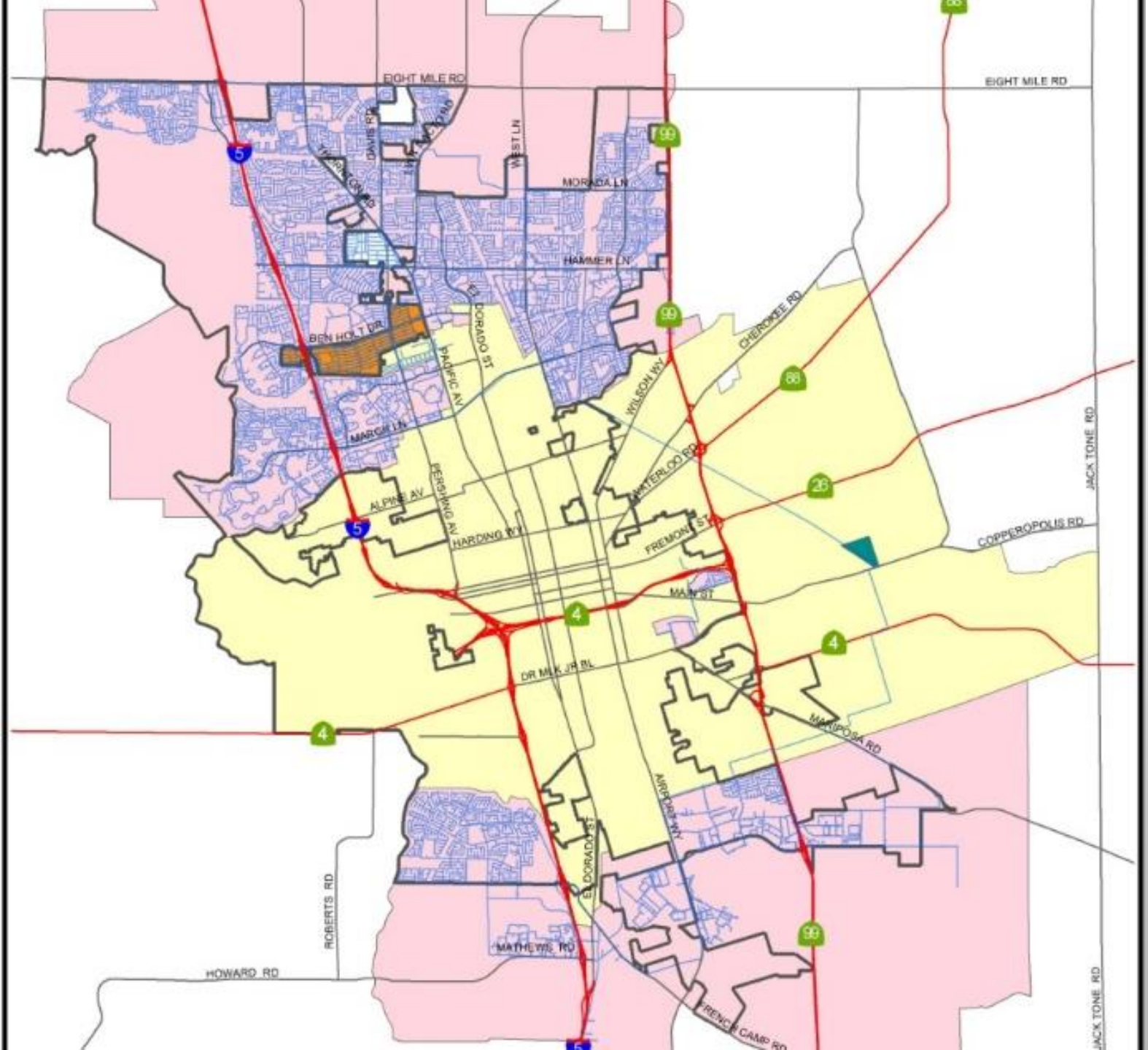
Questions?

WATER POLICY

CITY OF STOCKTON
WATER, DELTA & FLOOD UPDATE

STOCKTON CITY COUNCIL

FEBRUARY 26, 2019

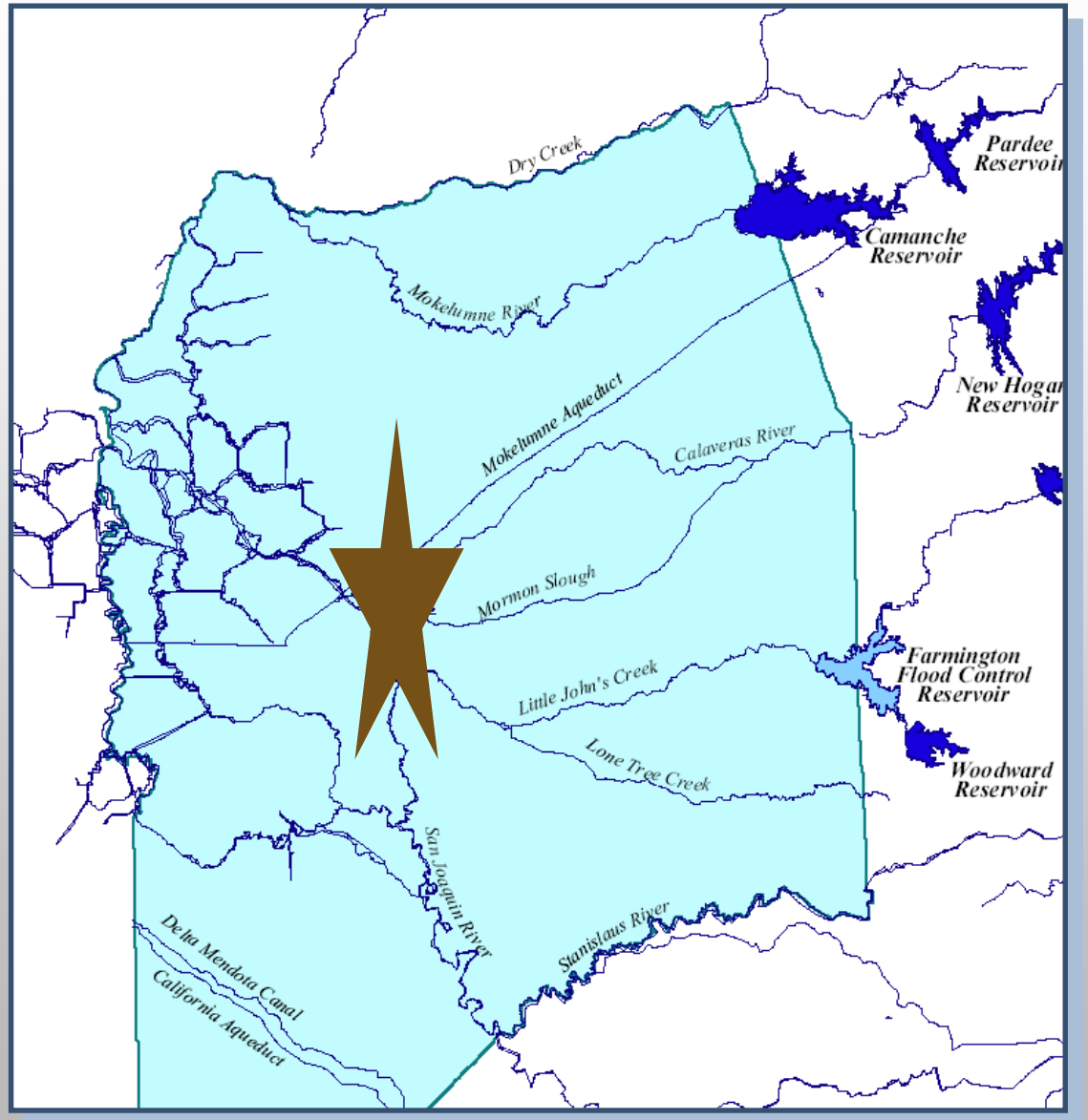


STOCKTON METROPOLITAN WATER SERVICE AREA

- Municipal Utilities Department – North & South Areas
- California Water Service Company - Center Area

STOCKTON WATER SUPPLY PORTFOLIO

- Delta Water Supply Project (40%)
  - Delta
  - Mokelumne River (Woodbridge ID)
- Stockton East Water District (50%)
  - Calaveras River (New Hogan)
  - Stanislaus River (New Melones)
- Groundwater Pumping
  - 1970s (100%)
  - 1990s (40%)
  - 2019 (10%)
- Groundwater = Drought Reserve

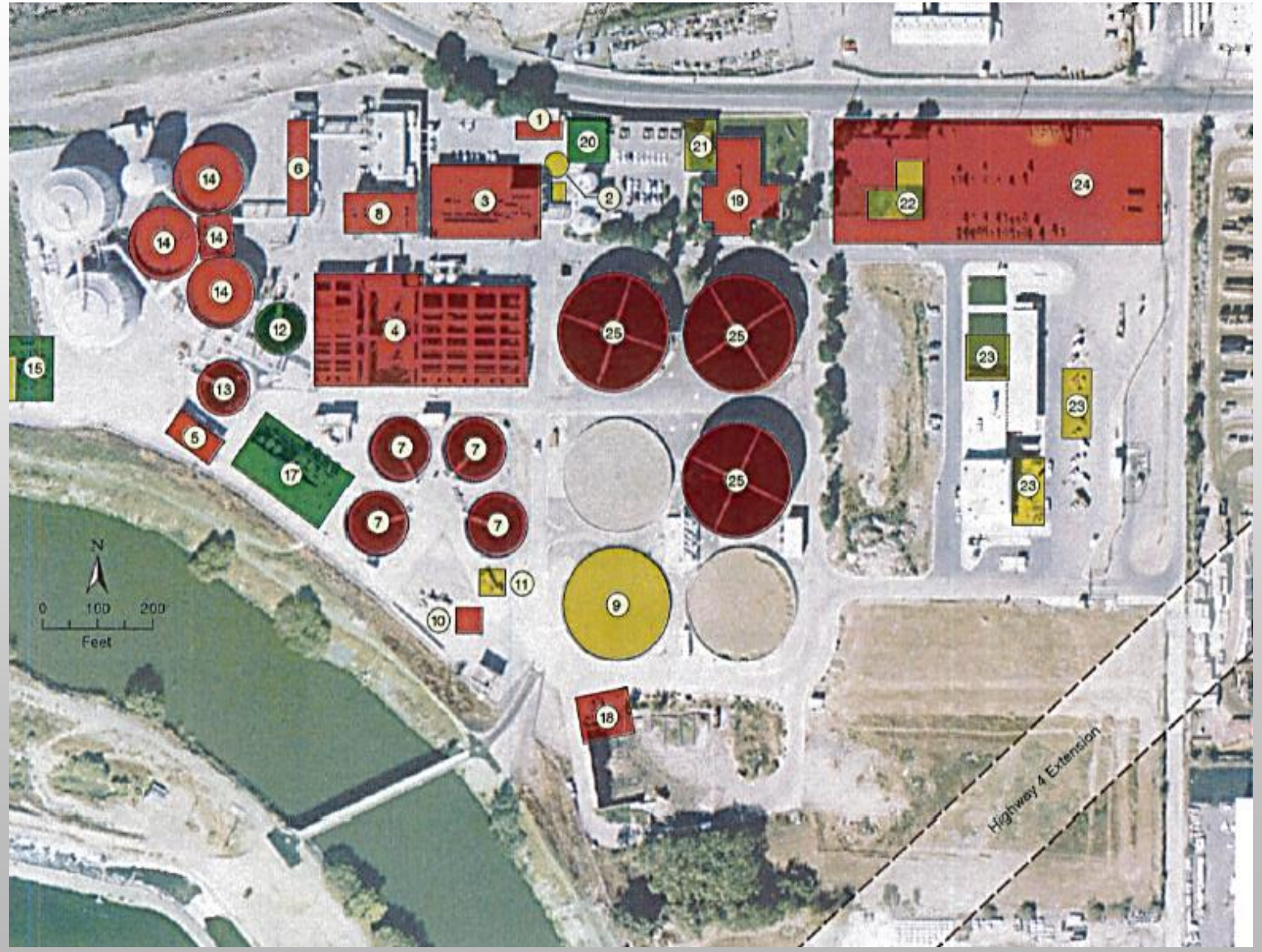


DELTA WATER SUPPLY PROJECT

- Water Right Permit
- Dedicated 2012
- $230M Project Cost
- Advanced Treatment
- 30 mgd Capacity
- Full Build Out = 160 mgd

WASTEWATER PLANT MODIFICATIONS PROJECT

- State Permit Requirements
- Treatment Plant Upgrade
- Eng. Design Nearly Complete
- Final EIR Complete
- Wastewater Rate Study
- City Council Meeting: March 26, 2019

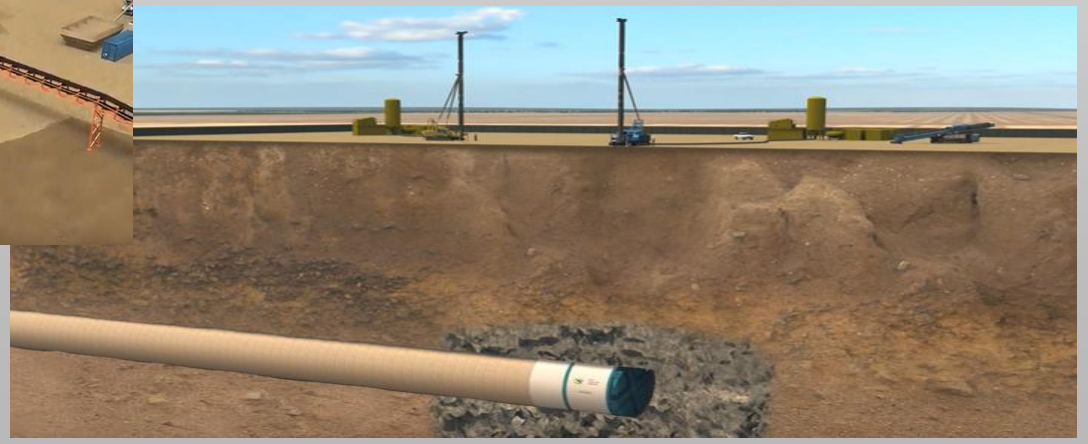


SACRAMENTO SAN JOAQUIN DELTA

CALIFORNIA WATERFIX

- Potential Negative Impacts:

1. Water Quality
2. Supply/Discharge
3. Operations
4. Increased Costs
5. Redirected Impacts



PENDING DELTA ACTIONS

- SWRCB Waterfix Hearing Postponed
- Waterfix Delta Stewardship Consistency Denied (Co-equal Goals)
- Other Legal Challenges - Stockton
- Governor's State of the State - Reconfigured/Renamed Project?
- One Tunnel or Two?
- Other Solutions

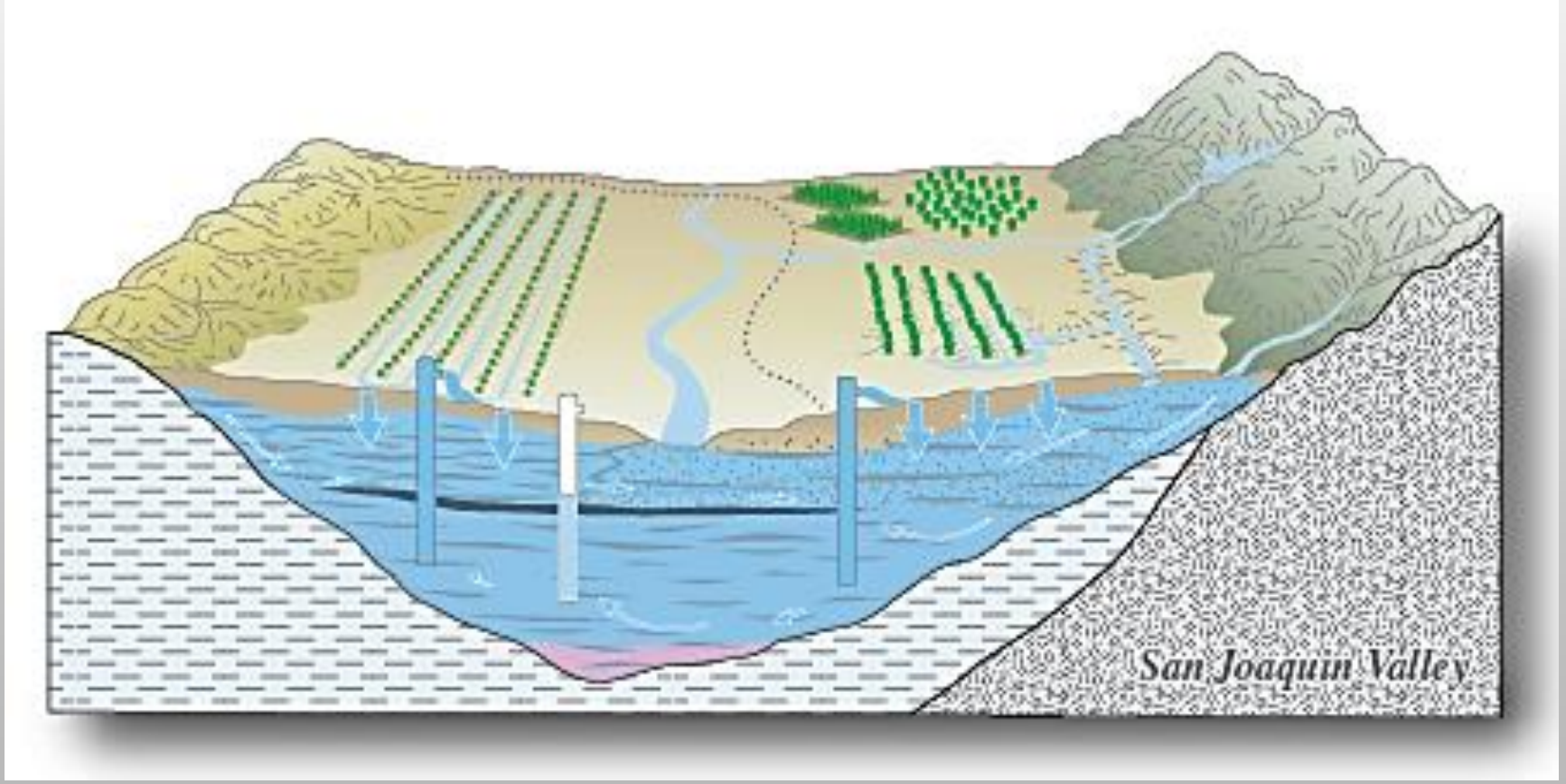
SUSTAINABLE GROUNDWATER MANAGEMENT ACT 2014

PAST GROUNDWATER BASIN CONDITIONS

- Excessive Groundwater Pumping

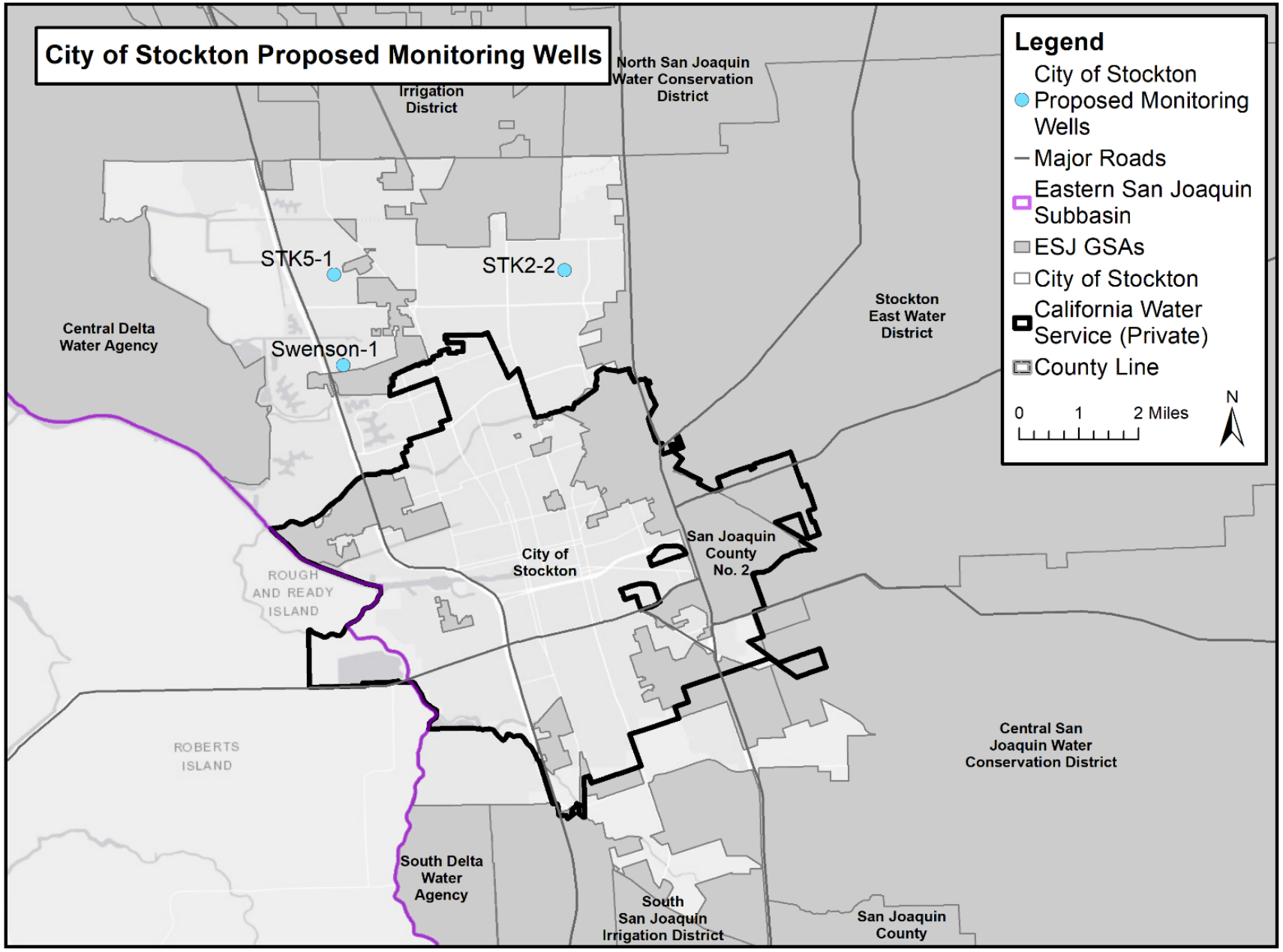
  Agricultural Use, Municipal & Industrial Uses

- Basin Overdraft
- Saline Water Intrusion
- Well Contamination



Stockton Groundwater Sustainability Area (GSA)

- New JPA (GWA)
- Develop Groundwater Sustainability Plan (GSP)
- Solve Critical Groundwater Basin Overdraft



GS PLAN - 6 SUSTAINABILITY INDICATORS TO BE ADDRESSED

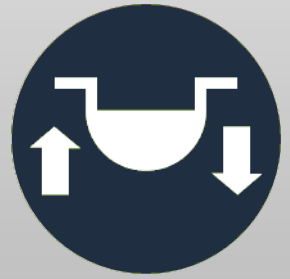
Chronic lowering of groundwater levels indicating a significant and unreasonable depletion of supply

Significant and unreasonable degraded water quality

Significant and unreasonable reduction of groundwater storage

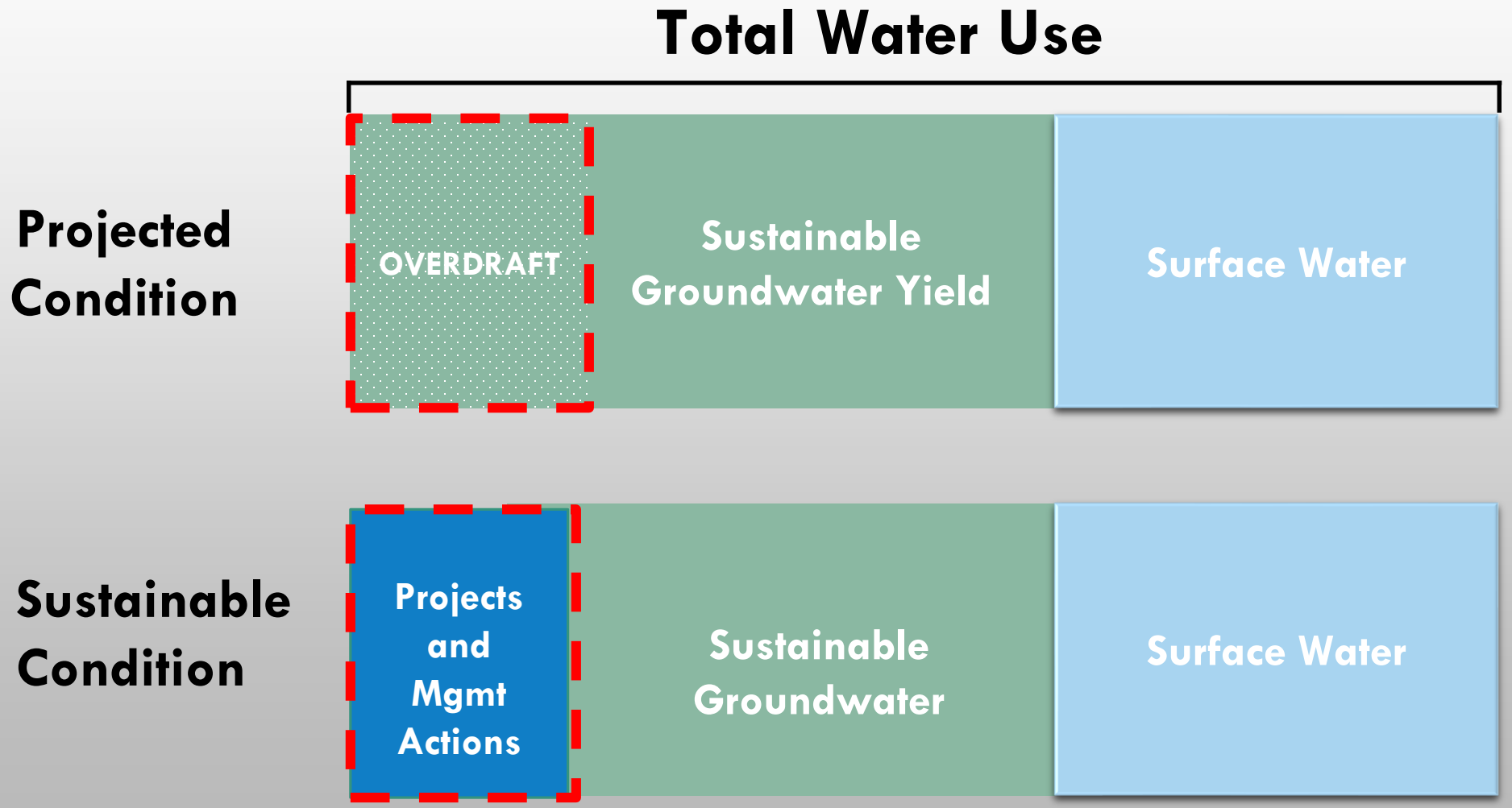
Significant and unreasonable land subsidence

Significant and unreasonable seawater intrusion

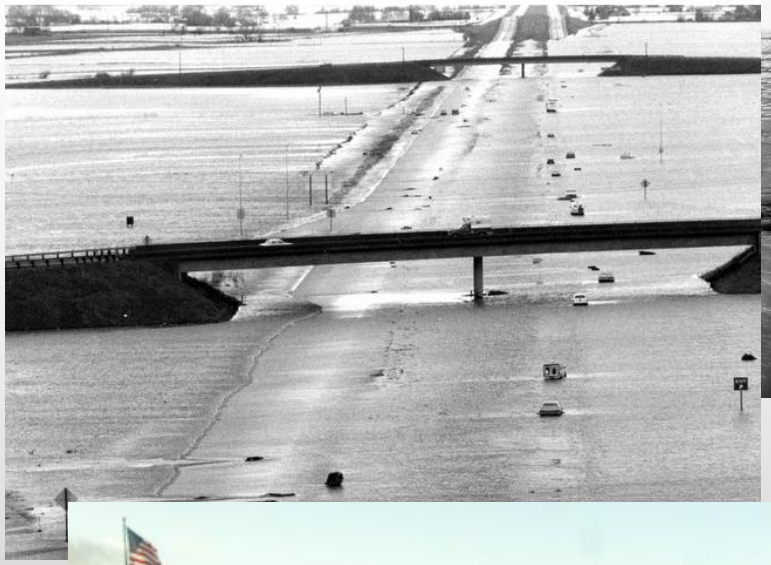


Depletions of interconnected surface water that have significant and unreasonable adverse impacts on beneficial uses of the surface water

Projects and Management Actions Will Be Used to Solve Overdraft



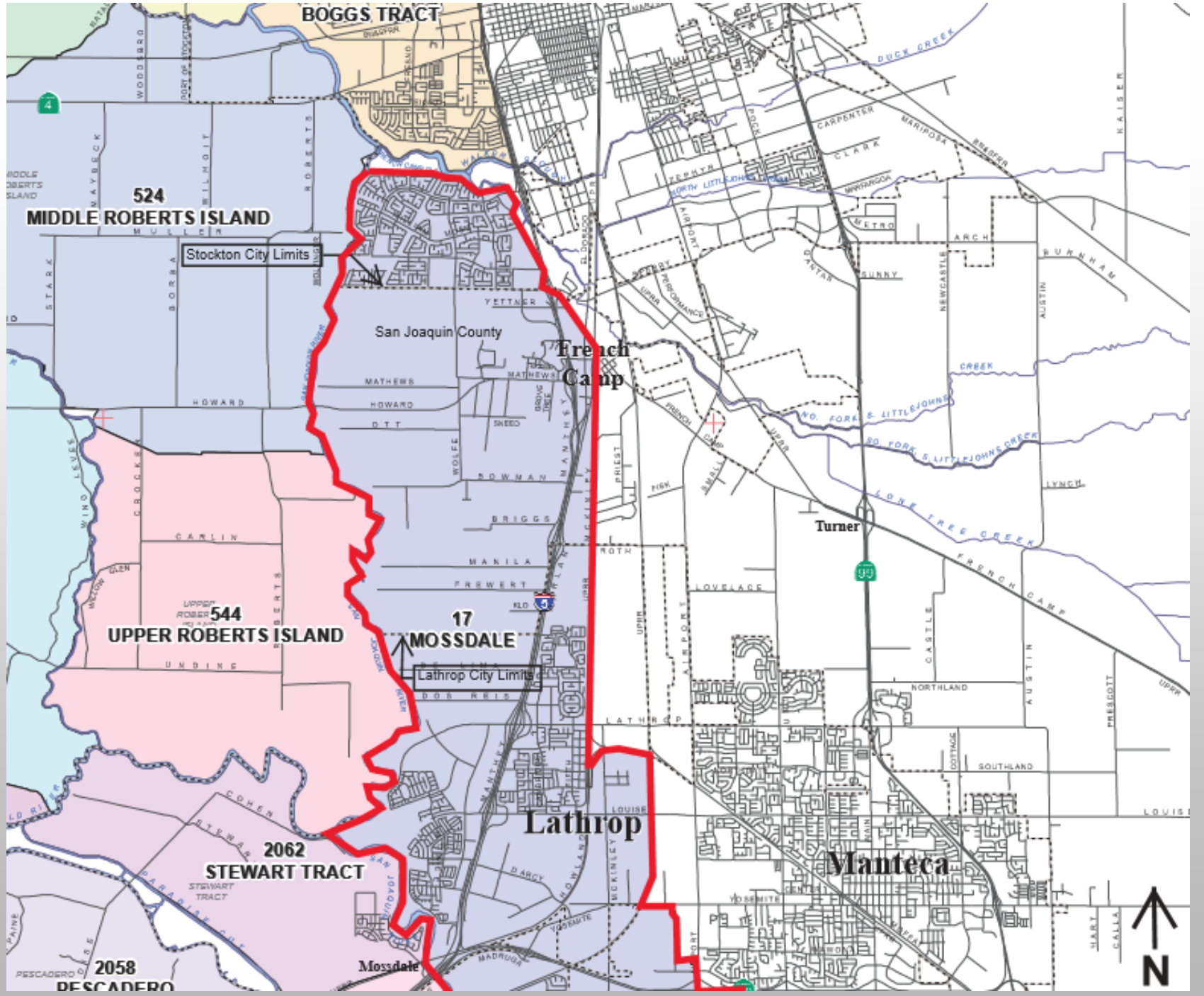
SJAFCA – NEW REGIONAL FLOOD CONTROL



- SB5 200-year Flood Protection
- SJAFCA JPA (Stockton , Lathrop & Manteca & County)
- Mossdale Tract APR
- Lower San Joaquin River Feasibility Study
- Smith Canal Project
- Zone 9 Assessment Outreach

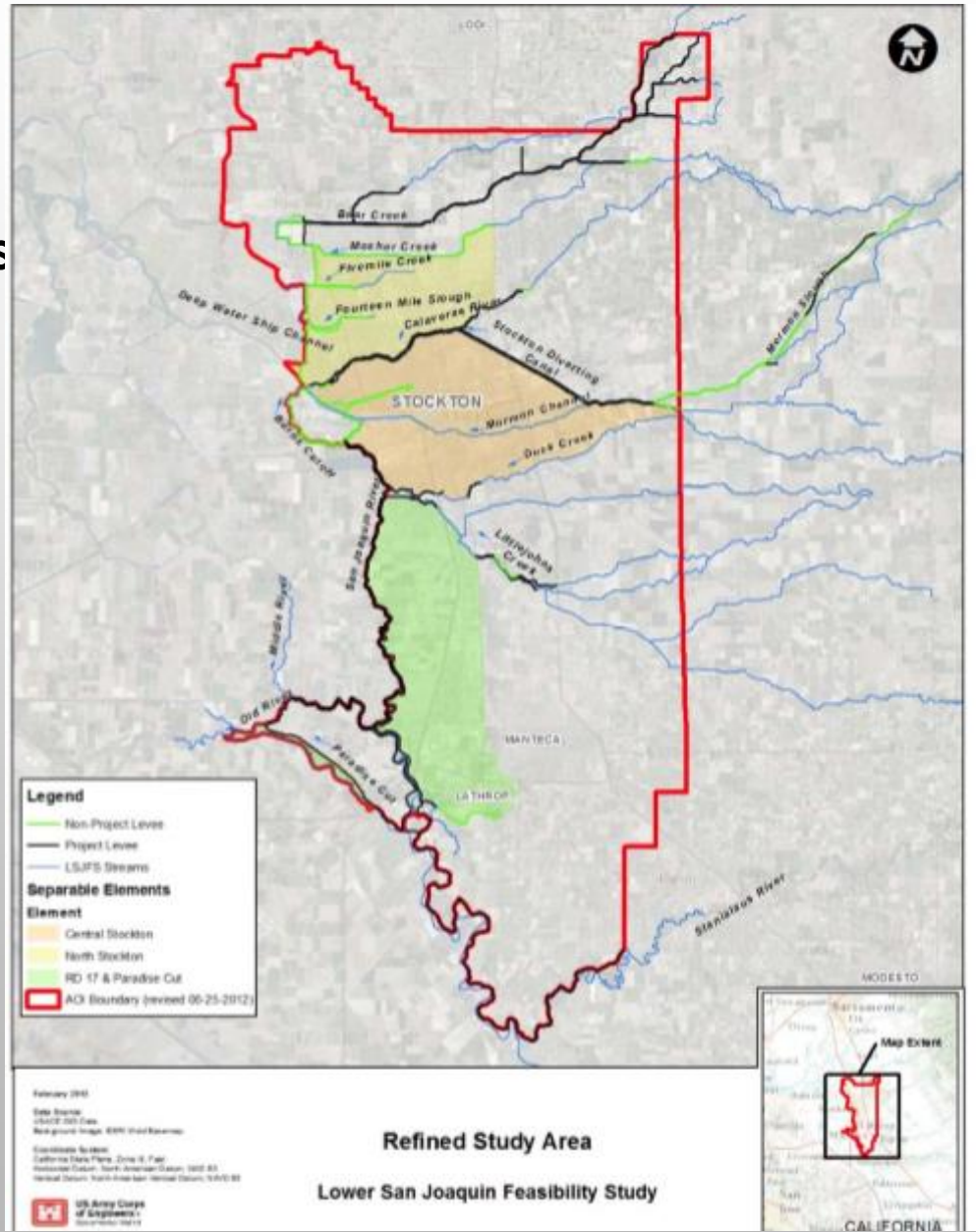
MOSSDALE TRACT

- 2018 Adequate Progress Finding
- New Development Impact Fee
- Other Financing
- Complete Levee Improvement Design
- Project Costs Est. $200M
- Construction Complete by 2025



LOWER SAN JOAQUIN FEASIBILITY STUDY

- 2009 USACE Study
- Flood Reduction for City's Western Front
- 2018 Final EIR/EIS
- 2018 WRDA Federal Authorization
- 2019 Initial Phase I Design Funding ($9M)



Study Area

North and Central Stockton

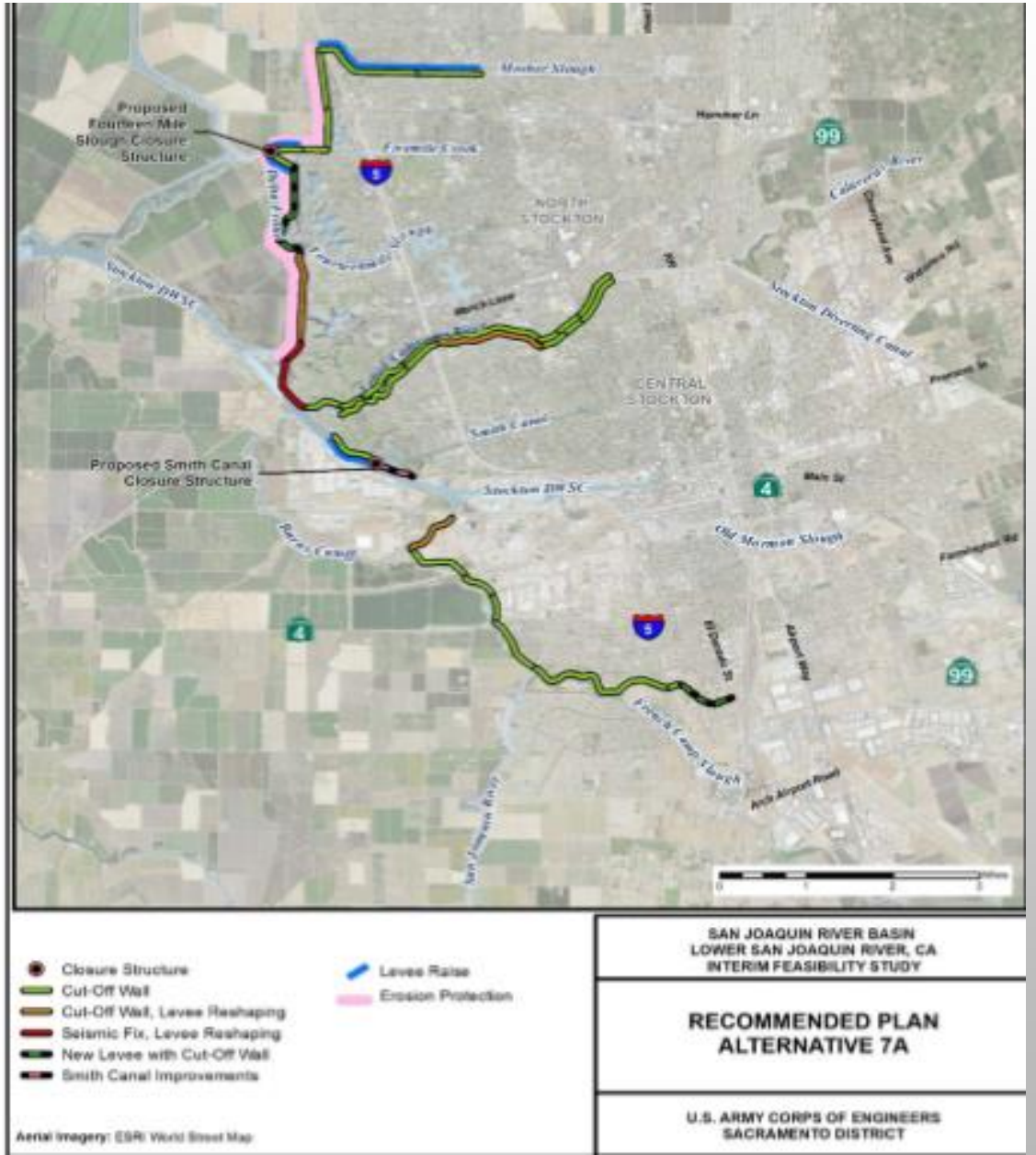
- Urbanized
- Some areas below sea level
- Primary sources of flooding:
  - Delta Front (up to 10 ft)
  - Tributaries (up to 10 ft)

RD 17

- Protected Area:
  - 60% Urban
  - 40%Undeveloped
- Primary Sources of Flooding:
  - San Joaquin River (up to 20 ft)

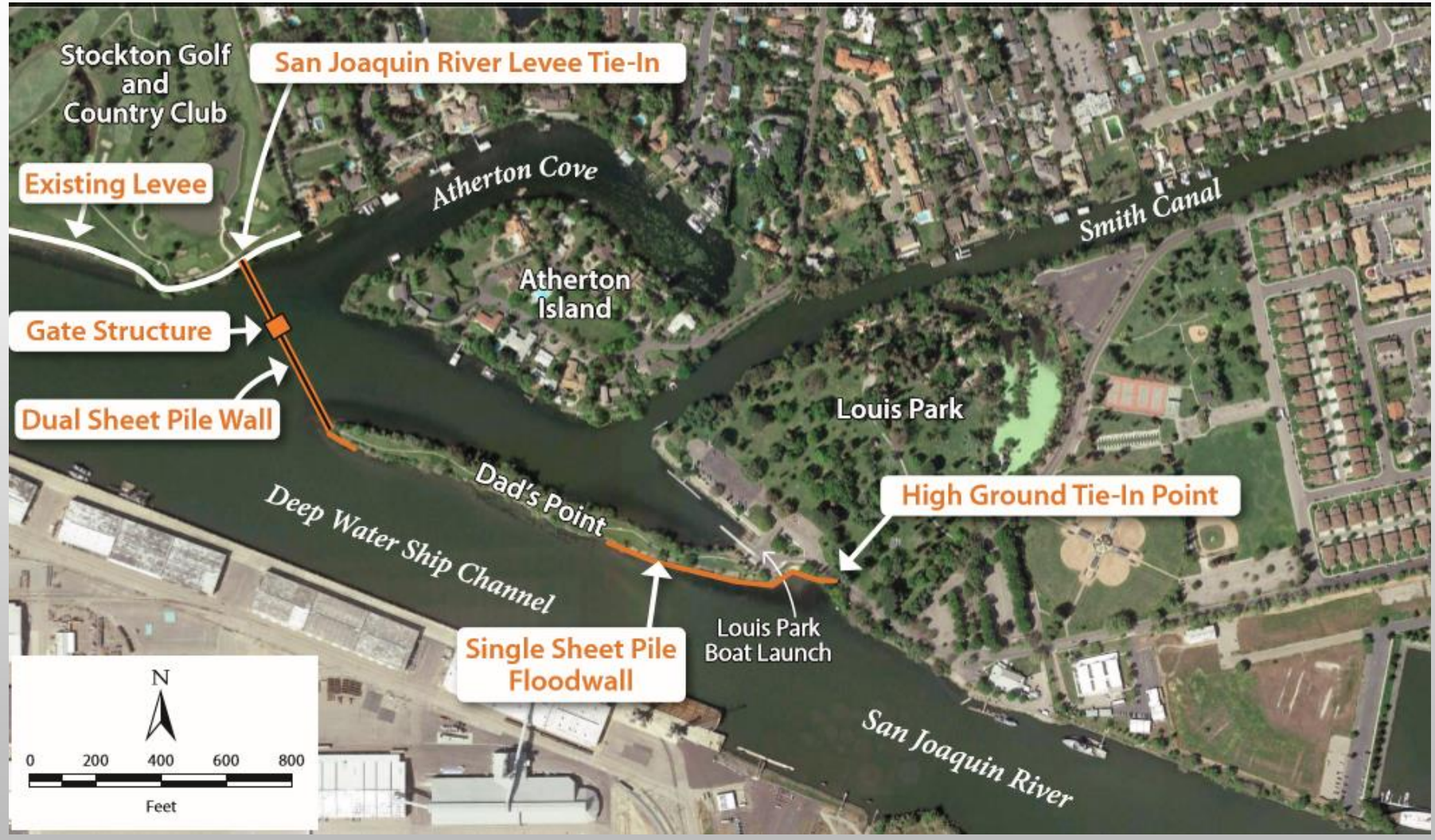
PREFERRED PROJECT ALTERNATIVE

- 23 Miles of Levee Improvements with 2 Gate Structures
- Flood Reduction for 162,000 and Over 486 Critical Infrastructure Sites
- 83% Reduction in Expected Annual Damages
- Reduced Annual Chance of Flooding
- Will not Meet ULOP
- Project Cost Est. $1.07B
- Local share Est. $374M
- Mossdale Tract (Phase II)



SMITH CANAL PROJECT

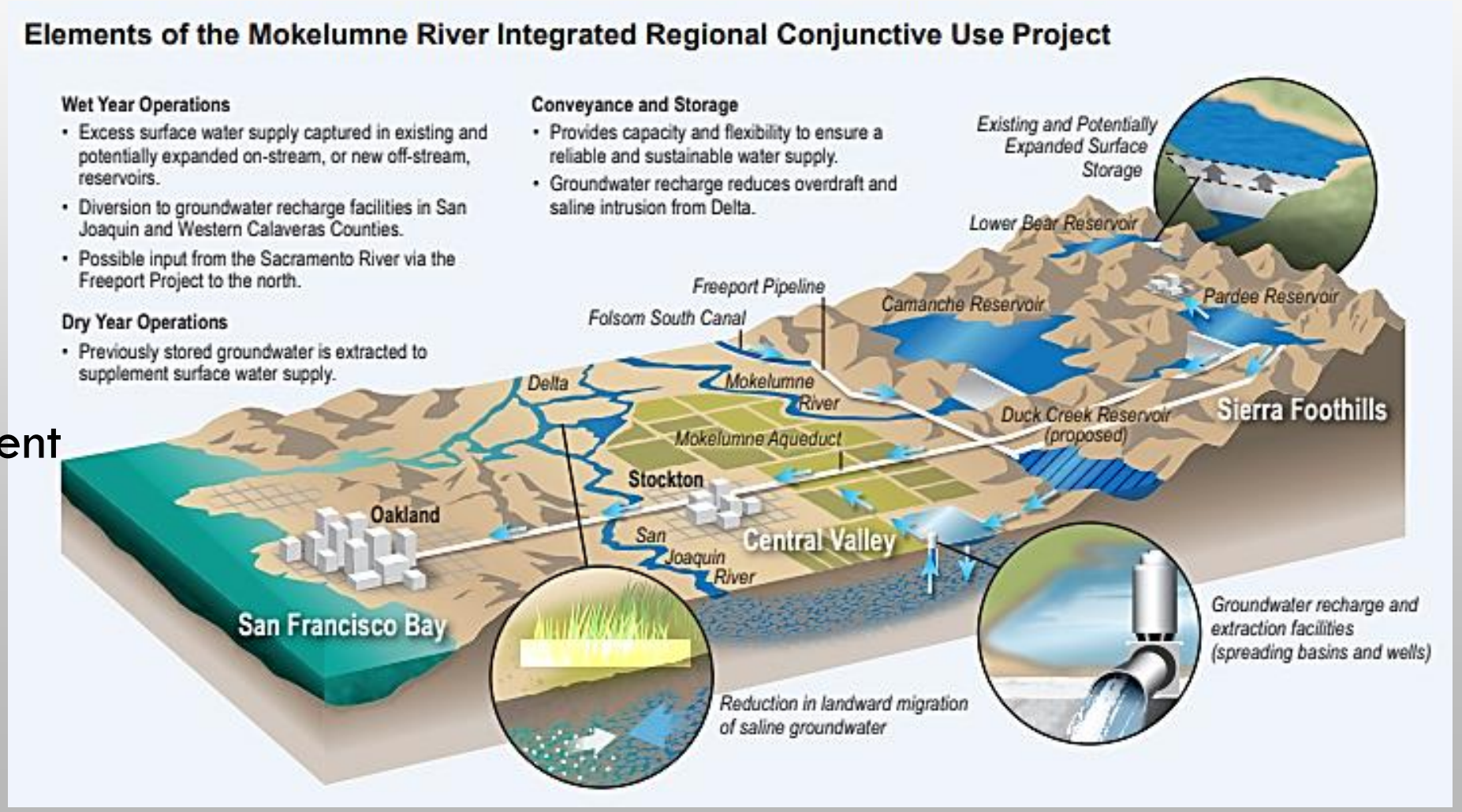
- 2005 - FEMA No PAL
- 2013 - Design Contract
- 2015 - Final EIR
- Present Status:
- 90%+ Design
- Independent Review complete
- Litigation Pending
- Funding Available
- Project $37M



INTEGRATED REGIONAL WATER RESOURCES MANAGEMENT

California Water Plan Update 2009

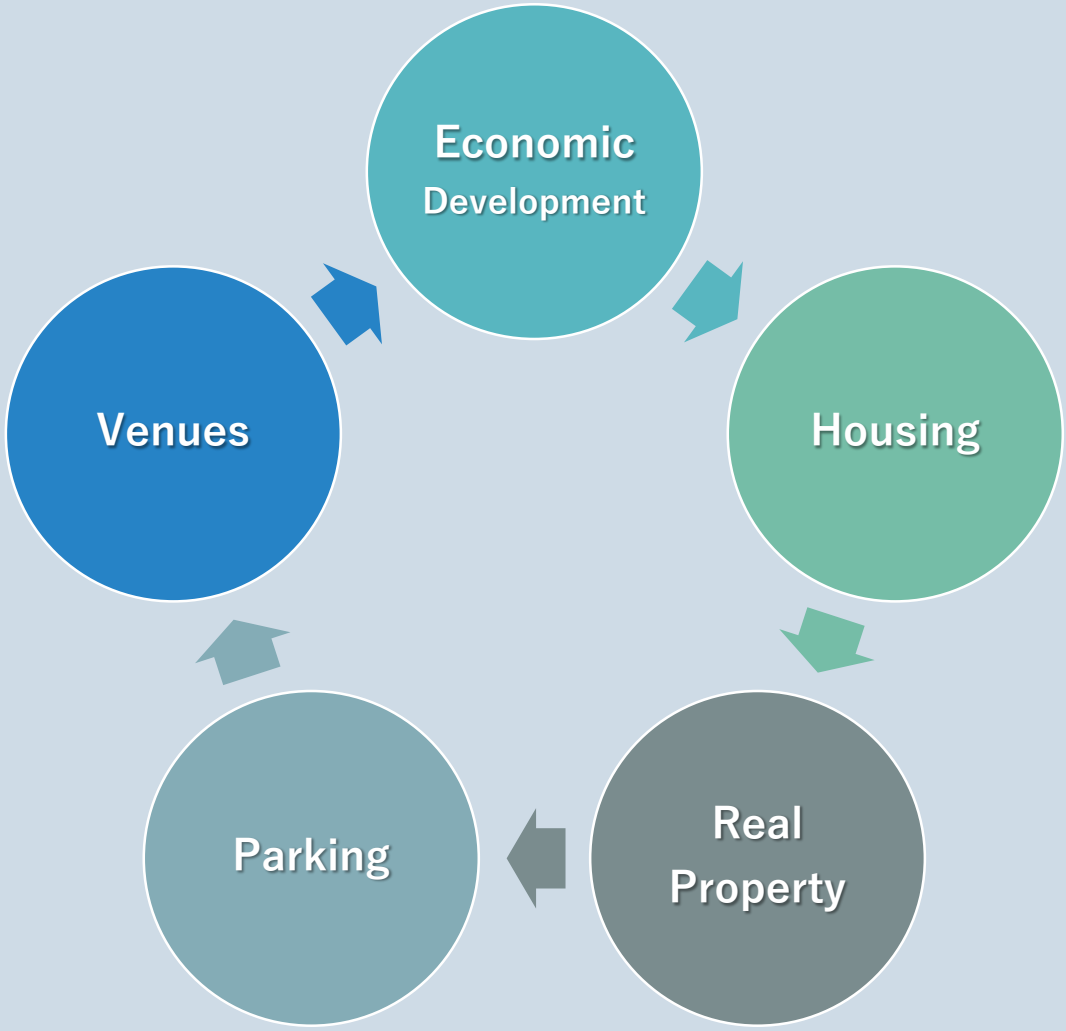
- Future Statewide Solutions Available:
- Flood
- Water
- Groundwater
- Stormwater
- Resources Management



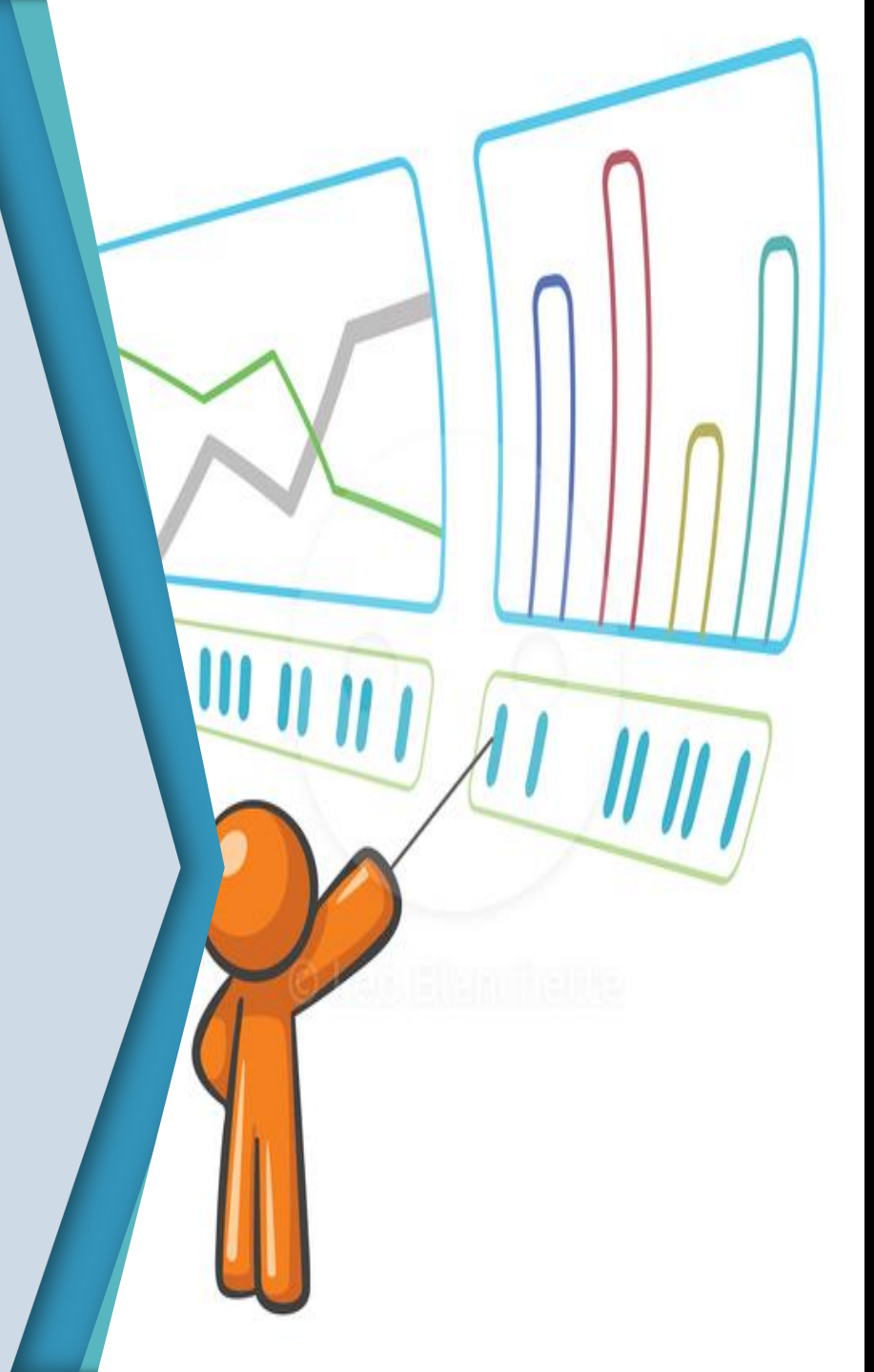
QUESTIONS OR COMMENTS

ECONOMIC DEVELOPMENT

Economic Development Department - Functions



Economic Indicators



Stockton Statistics

Unemployment Rates			
	2018 (Dec)	2015 (Dec)	2010 (Dec)
Stockton	6.9%	9.2%	18.6%
San Joaquin	5.5%	8.5%	17.4%
California	4.1%	5.7%	12.1%

Median Household Income (US Census)			
	2017	2010	2000
Stockton	$48,396	$47,946	$35,453
San Joaquin	$57,813	$54,341	$41,216
California	$71,805	$59,540	$47,983

Industrial/Commercial Development

Historical Permit Valuation	
FY 2013-14	$153 Million
FY 2014-15	$212 Million
FY 2015-16	$306 Million
FY 2016-17	$334 Million
FY 2017-18	$497 Million

- More than **4 million s.f.** of new industrial building permits were approved in 2018
- Facilitated over **66** ERC meetings in 2018

Housing Trends

Median Home Prices			
	2016	**2017**	**2018**
Stockton	$234,675	$258,712	$286,107
San Joaquin	$305,000	$340,225	$378,704

- Stockton's homeownership rate is aprx 48%, compared to the state average of 55% and national average of 64%.
- The average monthly rent in Stockton was $1,070 for a one-bedroom & $1,301 for a two-bedroom apartment (March 2018). As the demand for housing increases, it's anticipated that rents will continue to climb.

Economic Development

Economic Development Programs

- Hire Stockton (New)
- Storefront Beautification Micro Grant (New)
- Commercial Facade Improvement Grant
- Small Business Micro Loan
- Downtown Financial Incentive
- Commercial Emergency Grant
- Commercial Lien Forgiveness
- Nonresidential Fee Deferral (PFFs)
- Short-term Fee Deferral (PFFs)
- Temporary Fee Reductions (PFFs)
- Local Bid Preference Ordinance
- SCIP and PACE Financing

Economic Development Program Activity (2018)

- 3 Storefront Beautification Micro Grant Applications Received
- 8 Commercial Facade Improvement Applications Received
- 6 Small Business Micro Loan Applications Received
- 4 Downtown Financial Incentive Applications Received
- 1 Commercial Emergency Grant Application Received
- 4 Commercial Lien Forgiveness Applications Received
- 7 Residential Lien Forgiveness Applications Received
- Developed a social media plan and launched the Economic Development Twitter and Instagram accounts. Began using the City's LinkedIn page to share business and development-focused stories.

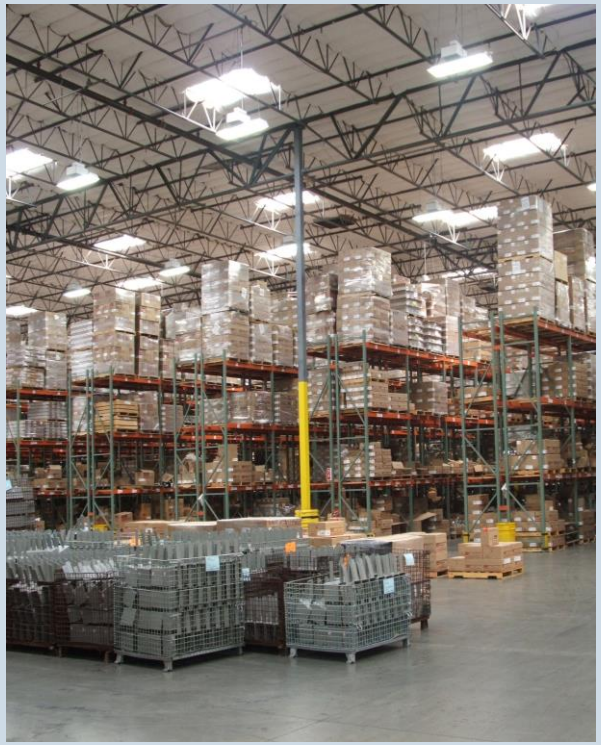
Downtown Development

- **Bearpaw Equities –**Tretheway, Mansion House, 500 E Main
  - 70 market-rate housing units
  - Commercial tenants, including The Freckled Moon gift shop
- **Open Window Project** – Phase I
  - 225 market-rate housing units
  - 90,000 sf of commercial/retail space
- **Charter Schools expanding** - Stockton Collegiate & Team Charter
- **Commercial Activity**
  - Services: D'lilah's Cakery, Uniqo Salon, Golden Rose Barber
  - Coffee: Empresso, Trail, Terra, Starbucks
  - Restaurants: Downtowner Cafe, Dobo, Cast Iron, Deliberation Room, Sunshine Hawaiian BBQ, Mimosas Gourmet, Channel Brewing
  - Former Greyhound Station to house new retail (Dutch Bros/7-11)
  - Huddle, Café Coop, Hatch, Most Modest & J. Rusten Furniture Studio

Industrial Development

A total of more than 4 million s.f. of new industrial development and approximately 2,500 jobs in 2018, including:

- CT Realty
- Amazon
- Buzz Oates
- JL Precision
- Yosemite Foods
- Whirlpool
- Sioneer
- Pacific Paper Tube
- Lamar Tool & Die Casting



Quality of Life

- Welcomed the Stockton Kings G League team to the Stockton arena for the 2018-19 season.

Retail/Commercial Development

- WelbeHealth Senior Care – University Park
- Granite Expo – West Lane
- Sportsman Warehouse – Trinity Parkway
- Ashley Home Store – Trinity Parkway
- Family Dollar – Airport Way
- Ross Stores – Hammer Lane

Food & Ag Action Plan

- Plan completed July 2017 - created a roadmap for addressing topics such as:
  - Fostering a supportive agricultural enterprise ecosystem
  - Promoting food and beverage manufacturing
  - Agricultural workforce development
  - Addressing food insecurity
  - Leveraging region's agricultural bounty & entrepreneurial spirit

Food & Ag Action Plan

- Currently underway:
  - Co-hosted first Feast at the Fox farm-to-table event with Visit Stockton in May 2018; next event planned for May 10, 2019
  - Developed “Stocked Full of Produce” program that provides up to $10k in grant funding for retrofits to neighborhood stores located in food deserts to offer fresh produce
  - In the process of developing an Urban Ag Ordinance

Current Real Property Projects

- Acquisition of Waterfront Towers for future City Hall (January 2018). Space planning underway.
- Option Agreements
  - Ten Space – various downtown properties
  - STAND – Airport Way and 8th Street
  - 1501 S Airport LLC – Airport Way and 2nd Street
- RFI's underway:
  - Historic City Hall
  - Downtown Waterfront Properties – South Shore
- Assisting with utility easements for the Veteran's Medical Facility and Smith Canal Flood Gate.
- Received $600,000 Brownfields grant from EPA for property assessments in downtown.

Stockton Opportunity Zone

Opportunity Zones Tax Incentives

The Opportunity Zones program offers three tax incentives in low-income communities through a qualified Opportunity Fund:

Temporary Deferral

Investors can defer tax on any prior gains invested in a Qualified Opportunity Fund (QOF) until the earlier of the date on which the investment in a QOF is sold or exchanged, or December 31, 2026.

Reduction

If the QOF investment is held for longer than 5 years, there is a 10% exclusion of the deferred gain.

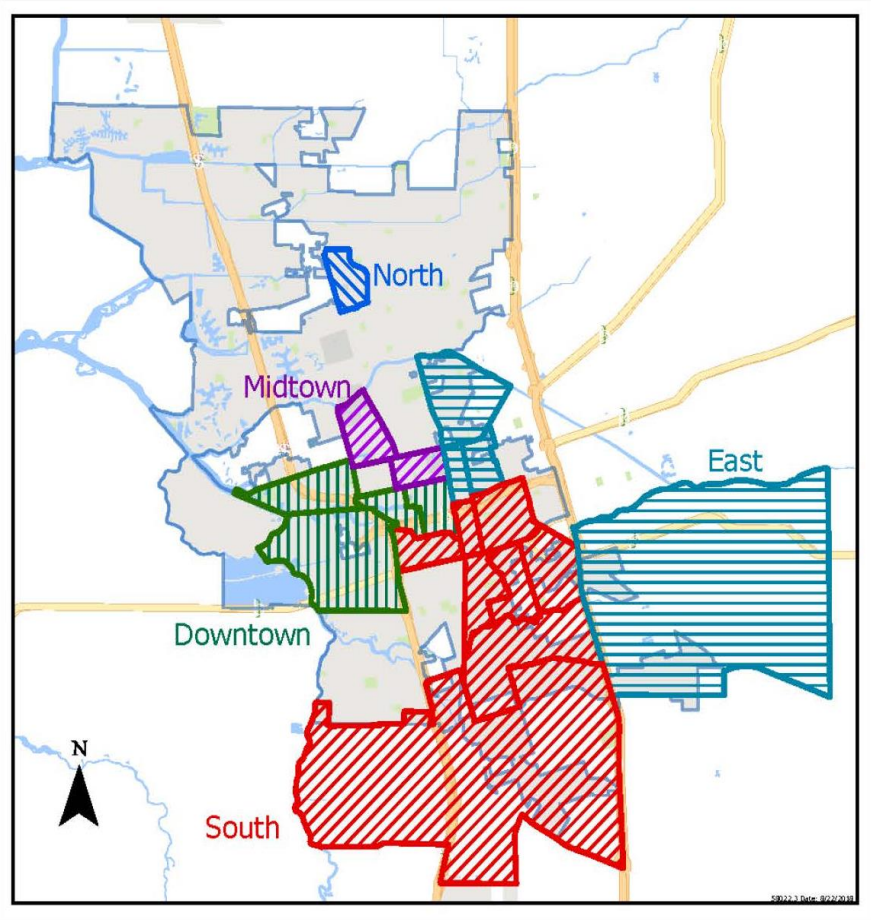
If held for more than 7 years, the 10% becomes 15%.

Permanent Exclusion

A permanent exclusion from taxable income of capital gains from the sale or exchange of an investment in an Opportunity Fund if the investment is held for at least 10 years.

Source: IRS, Economic Innovation Group

Stockton Opportunity Zone



Opportunity Zone Regions

Stockton has **19** Opportunity Zones that are located in **five** different regions throughout the city.

Each region has its own characteristics, anchor institutions, and competitive advantages.

Nationally Recognized Prospectus

Micah Runner,
Director

Economic
Development
Department

City of Stockton

www.stockonca.gov

209-937-8539