

HOUSING AND COMMUNITY DEVELOPMENT ADVISORY COMMISSION (HCDC)

SYNOPSIS OF SPECIAL MEETING AT 5:45 PM

February 22, 2011

**MEMBERS PRESENT:** Vice Chair Darrow, Commissioners Cantore, Saelee, Ellak, Mace, and Tom.  
**MEMBERS ABSENT:** Chair Norimoto.  
**CITY STAFF:** W. Chen (Housing), S. Murillo (Housing), J. Stagi (Housing), M. Castro (City Attorney's Office), S. Jain (Vice Mayor Nguyen Commission Liaison).  
**GUESTS:** None  
**LOCATION:** 200 E. Santa Clara Street, Wing Room 118, San José, CA 95113

\*\*\*Digital Recording of the meeting can be obtained from the City of San Jose Housing Department\*\*\*

AGENDA ITEM

**(a) Call to Order/Orders of the Day**

The meeting was called to order at 5:55 p.m.

**(b) Introductions**

Commissioners and staff introduced themselves.

**(c) Announcements**

None.

**(d) Public hearing on housing and community development needs for the 2011-12 Consolidated Plan (S. Murillo, Housing Department)**

Staff provided a report on the FY 2011-12 Consolidated Plan process. Staff anticipates few changes in Consolidated Plan funding recommendations because this is the 2<sup>nd</sup> year of a 2-year funding cycle, and the City has already committed funding to the agencies based on this cycle. However, there is a lot of uncertainty and Staff continues to monitor the federal budget proposals. The House recently approved HR 1 to cut the Community Development Block Grant program from \$4 billion to \$1.5 billion, with the Senate scheduled to deliberate on the proposal next. If the cut is approved, there could be a significant hit to organizations. It is unlikely that the federal budget will be approved by the March 4 deadline, which would require that the deadline be extended again. Staff anticipates some cuts in CDBG funding, which would require amendments to Plan, may be likely. Should this occur, the amendments would be made in May. Anticipated impacts include impacts to agencies, service levels, and staffing contingent on the type and the amount of funding cuts, if any. While there is much uncertainty in the budget process and therefore funding levels, staff is currently proceeding as if next year's funding level for 2011-12 will be the same based on the most available information at the time.

Commissioner Mace asked: Is the CDBG funding cycle a 2-year cycle? Are we in the first year of that cycle?

Staff response: Yes, it is a 2 year cycle. No, we are currently in the 2<sup>nd</sup> year of that 2-year cycle.

Commissioner Mace asked: So everything continue the way it is with no corrections?

Staff response: Yes. Additionally, the 2-year cycle is designed to reduce administrative burden.

Vice Chair Darrow asked: What is the March 4 deadline as mentioned in Staff's presentation?

Staff response: The March 4 deadline refers to the continuing resolution regarding the FY 2010-11 budget, which has not yet been approved but which began October 2010. There is currently an extension to the budget approval deadline to March 4. If the budget is not approved by March 4, another extension will be required to approve the current year's budget. There are actually two simultaneous budget processes occurring: one for FY 2010-11 and one for FY 2011-12. The focus of this special Housing Commission meeting is on the FY 2010-11 because what is decided for FY 2011 budget will impact the current Consolidated Plan process.

Vice Chair Darrow asked: Are the community-based organizations aware of the potential impacts should CDBG funding levels be reduced in the federal budget?

Staff response: Staff is currently drafting a notification letter that will be sent out to the organizations in order to inform them of the current status.

Commissioner Mace asked: Is it staff's recommendation that any potential cuts to funding be made across the board for recipient organizations?

Staff response: Yes, that is staff's recommendation.

Vice Chair Darrow asked: What is the President's proposal regarding CDBG funding levels?

Staff response: The President's budget proposal is to keep CDBG at FY 2010 funding levels for the next five years.

**(e) Open Forum**

No comments

**(f) Adjournment**

The meeting was adjourned at 6:14 pm.