

HOUSING AND COMMUNITY DEVELOPMENT ADVISORY COMMISSION (HCDC)

SYNOPSIS OF REGULAR MEETING ON JUNE 9, 2011 AT 5:45 PM

**MEMBERS PRESENT:** Vice Chair Darrow, Commissioners Ellak, Mace, Norimoto, Tom  
**MEMBERS ABSENT:** Chair Cantore, Commissioner Saelee  
**CITY STAFF:** W. Chen (Housing), K. Clements (Housing), M. DeCastro (City Attorney's Office), S. Jain (Vice Mayor Nguyen Commission Liaison).  
**GUESTS:** None  
**LOCATION:** 200 E. Santa Clara Street, Wing Rooms 118-120, 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 6:02 p.m.

**(b) Introductions**

Commissioners and staff introduced themselves.

**(c) Announcements**

Staff made the following announcements:

- Reminder of the Housing Action Coalition June 10, 2011 meeting
- Reminder of the City of San Jose's Boards and Commission Recognition Event June 14, 2011.
- The Housing Commission will recess in July. The next Commission meeting will be on August 11, 2011.
- A new Housing Commissioner will begin service in August 2011.
- This June Commission meeting will be Mark DeCastro's last. Mr. DeCastro was thanked for his service and commitment to the Commission.

**(d) Approval of Action Minutes for:**

- (1) April 14, 2011 Regular Meeting
- (2) April 23, 2011 Annual Retreat

*Commissioner Ellak made the motion to approve both the April 14 and April 23 meeting minutes with corrections to two typos, with a second by Commissioner Mace. The motion passed 5-0.*

**(e) Consent Item: Housing Department Production Reports**

*Commissioner Norimoto made the motion to accept the Housing Department Production Report, with a second by Commissioner Mace. The motion passed 5-0.*

**(f) Report on Housing Department's Legislative Priorities and Efforts, and Possible Recommendation (K. Clements, Housing Department)**

Staff provided a report on the State legislative priorities followed by the Housing Department, including legislation regarding homelessness, infrastructure and financing districts, mobilehomes, and redevelopment agencies. The City has publicly taken a support position on AB 1167. No positions have been taken on any of the infrastructure and financing districts. The City is following three bills related to redevelopment agencies: SB 450, SB 286, and AB 1250.

Commissioner Mace asked how Governor Brown's priority of eliminating redevelopment agencies is affecting the Housing Department's effort. Staff responded that the City is working closely with the League of Cities and the California Redevelopment Association.

Commissioner Norimoto asked of the mobilehome park bills are related to infrastructure. Staff responded that it is related to rents, not infrastructure, and that staff is not aware of other mobilehome bills related to infrastructure.

Commissioner Mace asked how the Commission can make recommendations regarding the legislative bills. Staff responded that it is at the Commission's discretion, that it can make a recommendation on one, some, all, or none of the bills.

Vice Chair Darrow asked staff to clarify the City's support positions. Staff responded that the City has taken support on some, but not all, bills.

Commissioner Norimoto asked if the City Council is split on any of the bills and if there are any bills on which the Commission may take a position. Staff responded that there does not appear to be any bills with support positions, and that AB 312 may be a bill on which the Commission may take a position.

***Commissioner Norimoto made the motion to support the spirit of AB 312 and recommend that Council move to support the bill, with a second by Commissioner Mace. The motion passed 5-0.***

Commissioner Mace made the motion to support all bills that are non-controversial and are already supported by the Housing Department, with a second by Commissioner Ellak. During the discussion of the motion, Commissioner Norimoto expressed that the Commission would be most useful for weighing in on items that may need support, not just on items that are non-controversial. Commissioner Mace agrees but staying silent on bills that already have support may appear to be a non-support position. Commissioner Mace withdraws the motion.

***Commissioner Tamon made the motion to authorize the Chair and Vice Chair to speak on behalf of the Commission to support AB 312, with a second by Commissioner Mace. The motion passed 5-0.***

**(g) Inclusionary Housing RDA Policy Update (K. Clements, Housing Department)**

Staff reported that the City's inclusionary policy in redevelopment areas are still in effect, but that it excludes rental housing due to the Palmer case. The policy will go to City Council and the City's

Redevelopment Agency Board to include provisions that address the potential uncertainty to the policy that may arise should the rulings of the Palmer case be overturned.

In terms of San Jose's citywide inclusionary housing ordinance, there have been many residential permits issued inside the North San Jose planning area but not enough permits outside of North San Jose to trigger the ordinance into operation.

Staff also reported that the Housing Department will be handling the City's inclusionary housing program since its Redevelopment Agency is being downsized. Looking into the future, there has been increased development interest in the Hitachi site, with the plan being to build it out in the next 2-3 years. Currently, four residential lots out of ten are available for development, with future discussions on additional units to come through the Housing Department.

**(h) City and Redevelopment Agency Budget Update and Possible Recommendation (K. Clements, Housing Department)**

Staff reported that the City faces a \$115 million budget deficit, half of which is due to pension costs. Six hundred City positions are impacted, 300 of which are layoffs. Most of the bargaining units have agreed to a 10% pay reduction, with four unions imposed upon last week. The Police union is still under discussion. The Mayor's budget message has been posted on his website. Pension discussions will continue.

Staff also reported that the Housing Department paid the second installment (in the amount of \$12.8 million) of its SERAF payment to the State using cash on hand instead of issuing debt. By using cash instead of debt for the SERAF payment, the Housing Department will be able to save on the cost of borrowing and allow it to issue commercial paper in the future as needed to fund developments.

Staff also reported a \$1.7 million reduction in its 20% Funds, with a reduction of Housing staff from 80 to 67. While economic conditions continue to worsen, it is worsening at a slower rate, which suggest that a trough may be near. Currently, the Housing Department would be able to absorb and additional 5% drop in 20% funds.

In terms of federal dollars, CDBG and HOME both took significant hits. The Housing budget on the T-HUD line item show significant cuts for FY 2012-13. The Senate has not reached that budget item yet, and it is expected to be a mitigating element in this conversation.

Commissioner Norimoto asked about the ESG budget timeline. Staff responded that there have been no updates, and that staff will bring forward the item to the Commission when new information arises.

Staff expects cuts in all of our funding except for supporting efforts to reduce homelessness.

Commissioner Norimoto made the motion that Housing Staff keep organizations receiving funding informed and updated on any impending cuts to their organizations, with a second by Commissioner Tom. The motion passed 5-0.

**(i) Status Report on the Housing Units for Phase 1 of the North San Jose Area Development Policy (K. Clements, Housing Department)**

Staff provided a status report on the housing allocations for the North San Jose Area Development Policy. The City's Housing and Planning Departments wrote a joint memorandum for the May 17 City Council meeting recommending that existing residential allocations and entitlements be maintained. The memo also recommended that the assignments for the 20% requirement for affordable housing continue to be maintained. The City Council approved both recommendations.

Commissioner Norimoto asked how long a building permit lasts after it has been issued. Staff responded that it lasts for a long time, and probably anywhere between two to ten years. Commissioner Norimoto also asked if the City allows permanent extensions. Staff responded that the City does allow permanent extensions for planned development (PD) permits and that the City performed a blanket two-year extension last year because none of the approved projects were ready to go.

Commissioner Norimoto asked if the Housing Commission has previously supported this issue. Vice Chair Darrow responded that it has not. Staff also responded that this item has already been approved by City Council, but that it could come back with an amended recommendation.

**(j) Review and Possible Recommendation of FY 2011-12 Work Plan (W. Chen, Housing Department)**

Staff brought back the Housing Commission's draft FY 2011-12 Work Plan for review and possible recommendation. Commissioner Norimoto made the recommendation to allow the Commission to provide input on all funding recommendations, not just on CDBG.

**Commissioner Norimoto made the motion to approve the draft FY 2011-12 Work Plan with the modification to include all funding recommendations, with a second by Commissioner Mace. The motion passed 5-0.**

**(k) Discuss Housing Commission Ad Hoc Committees and Subcommittees, and Possible Recommendation (W. Chen, Housing Department)**

Staff brought back the item regarding the formation of ad hoc committees and standing subcommittees. Commissioner Norimoto stated that the Commission's current grants management ad hoc committee should become a standing subcommittee. The City's attorney stated that a subcommittee is subject to the Brown Act and that ad hoc committees do not need a quorum to meet. The City Attorney recommended that the existing ad hoc committees be agendaized in order to disband them. Commissioner Norimoto suggested that the Commission agendaize an item regarding AB 312 for the next meeting rather than as an ad hoc committee report out.

**(l) Standing Reports:**

- (1) Chair's Report
- (2) Director's Report

Staff provided an update on the City's PDO/PIO regarding park fees for affordable housing.

- (3) General Plan Report (Vice Chair Darrow/Housing Staff)

Staff reported that City planning staff is drafting the EIR for Envision 2040 and that the next Task Force meeting will be on June 27, 2011.

(4) Ad-Hoc Committees

- (a) Grants Management Ad-Hoc Committee (Commissioners Cantore and Mace)
- (b) Communications Ad-Hoc Committee (Chair Norimoto, Commissioners Ellak and Tom)

**(m) Future Agenda Items**

- Destination Home
  - Report on the progress of Destination:Home and data
  - Development of adequate long-term business plan
  - Evaluate compensation levels of the two staff position to ensure alignment with City's budget framework
- Housing Trust Fund wrap up and impact on the community and forward-looking budgeting process. Report on current year's expenditures
- Prioritization framework for new expanded homebuyer program
- Progress on NSP1 and NSP2
- Communications plan/liaison coordination with Senior Commission
- Report on homelessness and Biannual Homeless Census Count
  - Report on homeless seniors as requested by Senior Commission

**(n) Open Forum**

None.

**(o) Adjournment**

The meeting was adjourned at 7:33 pm.