

**HOUSING ADVISORY COMMISSION**  
**SYNOPSIS OF MEETING AT 5:30 PM**

**January 12, 2006**

**MEMBERS PRESENT:** Chair Fink, Vice Chair Moreno, Commissioners Bock, Colacicco, Ordóñez and Talivaa  
**MEMBERS ABSENT:** None  
**CITY STAFF:** Councilmember Cortese, K. Clements, A. Drummond, M. Meyer, E. Moran, R. VanderVeen and M. Whatley  
**GUESTS:** Kevin Ebrahimi, Brian Boxall, Larry Hull, Steve Johnson, Jim Revels, Jennifer Richer, Saul Wachter, Phyllis Ward and Steve Wincor.  
**LOCATION:** 200 E. Santa Clara Street, 12<sup>th</sup> Floor, San Jose CA 95113

**MEETING**

**1. Call to Order/Orders of the Day**

The Chair called the meeting to order at 5:36 pm.

**2. Introductions**

Commissioners, staff, and guests introduced themselves.

**3. Announcements**

Commissioner Ordóñez pointed out that there was a recent article in the Business Journal talking about the housing prices in Santana Row and encouraged everyone to read it.

**4. Consent Calendar**

**A. Quarterly Production Report – July 1 – September 30, 2005**

Commissioner Colacicco pointed out that the goals had been exceeded. Commissioner Ordóñez asked staff if those units that were affordable for-sale were still affordable or had been lost to market. Mike Meyer, Asst. Director of Housing commented that many affordable for-sale units permit the owner to pay an equity share upon sale, permitting the release of affordability restrictions. The equity share proceeds can then be reused for other low-income or moderate-income households. Phyllis Ward, Affordable Housing Network, commented that while it was good progress, it didn't meet the entire need of affordable housing in San José. Commissioner Talivaa asked how the dispersion of these units worked in the City. Mr. Meyer said that the City had a "Dispersion Policy" which encouraged development throughout the City, but given the lack of available land the location of developments is often driven by where developers are able to find land. Vice Chair Moreno questioned why, in the report, Art Ark appeared to have a much lower ELI subsidy than overall City subsidy for the units. Mr. Meyer stipulated that the City Redevelopment Agency had put in 80% Funds for those ELI units, thus lowering the Housing Department's subsidy of those units. Commissioner Bock pointed out that the City still had the most need for more ELI housing. She said that the City should better target the ELI category. Saul Wachter, Affordable Housing Network, asked when the 25% requirement for ELI units would begin. Mr. Meyer said that requirement really applies to those projects funded through the NOFA. Commissioner Ordóñez made a motion to accept the report and the motion was seconded. The motion passed 6 -0.

**5. Approval of Synopsis from the December 8, 2005 meeting**

The motion was made and seconded to approve the December meeting synopsis. The motion passed 5 -0 with Commissioner Ordóñez abstaining.

**6. Discussion Items**

**A. Discussion with representatives from the Advisory Commission on Rents (ACR) regarding housing and rental issues anticipated in 2006**

The Chair, Steve Wincor, and the Vice Chair, Larry Hull, of the Advisory Commission on Rents provided a brief presentation to the HAC regarding items that their Commission had been following the last several years. These included 1) need for moderately priced housing, 2) the slow degradation of rent controlled property, 3) Coyote Valley, 4) interest only loans, 5) Commission terms, 6) renter's insurance, and 7) Getting Families Back to Work. The Chair pointed out that the liaison to the ACR, Councilmember Nora Campos, had encouraged the ACR to get

involved with other issues including the planning for housing over the next 20 years and working with other Commissions citywide.

Commissioner Colacicco noted that while interest only loans can be tricky, they are sometimes the only way to get people into first-time ownership situations and can be safe too. He warned that we shouldn't think of interest only loans as "bad." Commissioner Ordonez pointed out that the HAC was interested in the Condo Conversion issue and suggested there might be risk that the dilapidated house would just be resold for rehabilitation to for-sale condominiums due to the high price of lands. Councilmember Cortese also cautioned that dilapidated buildings might sit in disrepair for many years and not only be a loss of decent housing, but unsightly for neighborhoods. ACR Vice Chair Larry Hull, noted that conversions to condo wasn't something that the Commission was generally worried about because most apartments built during the 70's and 80's were built as condominiums.

Commissioner Bock asked what the percentage of owners and renters were on the ACR. Chair Wincor said that it was set in ordinance to be made up equally of tenants and landlords (2 landlords, 2 tenants, and 3 neutral). Chair Fink noted that the idea of the dilapidated, rent controlled housing was an interesting topic and recommended further discussion and coordination between the two groups. Commissioner Ordonez recommended a study session during the HAC's April Retreat. The Commissioner agreed to discuss these topics in more detail in April and requested that the Chairs of both Commissions met and set a study session agenda.

## **B. Department of Housing and Community Development Annual Performance Report**

### **C. Annual Housing Element Update Report**

The Commission decided to take both items 6A and 6B together. Commissioner Ordonez asked if the funds listed were also Redevelopment 80% funds. Rachel VanderVeen, Housing Department, noted that some are but not all. Vice Chair Moreno questioned what the term "private funds" meant. Ms. VanderVeen stipulated that these are funds other than government funds. Commissioner Colacicco asked why in the Housing Element Update report BART to San Jose was still discussed. Was this project still feasible and if not, why would the City still plan around it? Ms. VanderVeen noted that the project could still be built and it was necessary for the City to plan for this scenario and was the City's long-term vision. In the event that it wasn't truly feasible, the City would make plans accordingly. Saul Wachter, Affordable Housing Network, asked why it appeared there was \$434,536 in the unencumbered balances. Ms. VanderVeen said that it was based on a very complicated computer program, which the City updates online. Therefore, it is just a different type of accounting system that what the City uses. Mr. Wachter further noted that under Table 1 of the Housing Element Update Report, the City says that it has demonstrated success meeting the needs of ELI households; however, the numbers indicated in Table 2 show that only 835 ELI units were built. Mr. Wachter felt that this was not an accurate statement. Commissioner Bock offered a story of people in San Jose struggling to make ends meet. She said that those ELI households in the City were those suffering the most in our high-cost areas. She urged the City to do more to build ELI housing.

## **7. Action Items**

### **A. Recommendation regarding the Closure of the Agnews Developmental Center and possible future use of the site for housing**

Chair Fink lead the discussion by stating that he and Vice Chair Moreno had taken a tour of the current Agnews facility and met with the San Andreas Regional Center and Bay Area Housing Corporation regarding its plans. Chair Fink stipulated that he could find nothing in the State's approved Housing Plan which would lead him to believe that the best interests of the Agnews consumers were not being considered. Vice Chair Moreno noted that the inclusion of some of the Agnews population into the community would be a good and important aspect of the State's Plan. Chair Fink further recommended that the Commission take no action or recommendation regarding KOFT's proposal given that the issue seemed to be largely driven by the State and was already substantially implemented. The Chair thought the role of the HAC was limited in regard to making a recommendation of one housing plan over another.

Commissioner Ordonez suggested that the HAC's role should not be too limited in this discuss. He urged the Commission to consider the land use issues. He noted that the City would be determining how best to use this land and that housing should be discussed as a possible alternative to Cisco's sole use.

Staff noted that the Department was still working on drafting an Information Memo to City Council reporting all aspects of the Agnews sale, potential uses, and KOFT's proposal. Staff noted that this memo would not be

available until February 2006, in time for the February HAC meeting. Steve Johnson, KOFT, noted that their Plan had the support of a majority of families and that the State's Plan had not considered the needs and desires of these families before adopting. Commissioner Ordonez recommended placing the item on the February HAC agenda as an action item.

**B. Future Agenda Items**

- Action Item – Agnews Closure and Housing on the Site
- PDO/PIO Policy Changes
- The creation of the a new task force for ELI housing
- Public hearing on “housing needs” for Consolidated Plan – Annual Action Plan 2006-2007

**8. Standing Reports**

**A. Chair's Report**

None

**B. Director's Report**

None

**C. City Council Meeting Report**

Vice Chair Moreno left the meeting prior to the report.

**D. Task Force Reports**

**(1) Coyote Valley/Industrial Conversion Task Force**

No Report

**(2) Secondary Units Task Force**

No Report

**9. Public Comments**

Phyllis Ward asked staff to comment on the progress of secondary units applications. Melissa Whatley, Housing Department, said that at last report from the Planning Department only 5 appointments had been scheduled for permits.

**10. Adjournment**

The meeting was adjourned at 8:00 p.m.