

HOUSING ADVISORY COMMISSION

SYNOPSIS OF MEETING AT 5:30 PM

March 9, 2006

MEMBERS PRESENT: Chair Fink, Vice Chair Moreno, Commissioners Bock, Colacicco, Ordonez, Roberson, and Talivaa

MEMBERS ABSENT: None

CITY STAFF: R. Chaudhry, M. Haase, A. Herrera, E. Moran, J. Scheiner, M. Whatley, and K. Wing

GUESTS: Anthony Drummond, Nuemi Guzman, David Moreno, Saul Wachter, and Phyllis Ward.

LOCATION: 200 E. Santa Clara Street, T-1254, San José CA 95113

MEETING

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

The Chair called the meeting to order at 5:30 p.m.

2. **Introductions**

Commissioners, staff, and guests introduced themselves.

3. **Announcements**

Commissioner Ordonez indicated that HUD is proposing to include San Benito County as part of San José's metropolitan area. If this change takes place, the calculations for San José's median family income would remain flat, because San Benito County has lower rents and incomes. Ms. Whatley indicated that Staff submitted a letter to HUD expressing concern about this change. In addition, she shared that Project Homeless Connect will be taking place April 27 and there is a need for volunteers.

4. **Approval of Synopsis from the February 9, 2006 meeting**

The motion was made from Commissioner Talivaa to approve the February meeting synopsis and seconded by Vice Chair Moreno. The motion passed 6-0, with Commissioner Ordonez abstaining.

5. **Consent Calendar**

A. Statewide Infrastructure Bonds: Affordable Housing

The Chair indicated that the issue regarding the state infrastructure bonds is still pending. The Governor's budget proposal did not include a component for affordable housing. Saul Wachter indicated that he read an article in the Mercury News this morning, which indicated that the Governor's proposal now includes money for affordable housing. Commissioner Ordonez made a motion to approve the item on the consent calendar, with a second from Commissioner Talivaa. The motion passed 7-0.

6. **Action Item**

A. Secondary Units/Park Impact Fee Suspension (M. Whatley, Housing)

Recommendation: To approve recommendation made to the City Council to suspend the collection of Park Impact fees for secondary units.

Ms. Whatley indicated that when the Secondary Unit Pilot Program was adopted, it was the intention that park impact fees would not be assessed. However, the attorneys indicated that the park impact fees could not be suspended. A recommendation will go to the City Council on March 14, recommending that they approve an ordinance suspending the collection of Park Impact Fees for the duration of the Secondary Unit Pilot Program. This item was presented before the Parks and Recreation Commission and they voted to reduce the park impact fees for secondary units. Ms. Whatley indicated that approximately \$11,000 can be assessed in fees. The Chair indicated that given the Housing Commission's interest in promoting secondary units, the fees should be suspended.

Commissioner Colacicco indicated that the assessment should be reduced given the limited park land that is available, the budget reductions, and the rents that will be collected by the property owners. He does not believe the park impact fees will inhibit the number of units that are built. Ms. Whatley indicated that the issue of assessing park fees will be revisited at the conclusion of the pilot period. Vice Chair Moreno made a motion to support the Housing Department's recommendation to suspend park impact fees for secondary units. Commissioner Ordonez

made an amendment to the motion to include stronger language that directs City staff to study the issue of an appropriate fee for secondary units at the conclusion of the pilot program. Vice Chair Moreno accepted the amendment and Commissioner Ordonez seconds the motion. The motion passed 6-1 (Colacicco voted no).

7. Discussion Items

A. Workforce Housing Reward Program – Proposition 46 (M. Haase, Housing)

Ms. Haase made a presentation on the Workforce Housing Reward Program, which rewards jurisdictions that approve housing for low-income households and are in compliance with the State housing element law. This program provides funds for capital projects. The anticipated award is \$1.3 million, which includes a bonus award for cities that meet the Regional Housing Needs Allocation. Last year, the City received approximately \$1.3 million for the workforce housing program.

The proposed use of funds is for curb cuts and installing photovoltaic technology in affordable housing developments. Commissioner Colacicco asked if the City had conducted a study on how many years it will take for the photovoltaics to pay for themselves, since it can take many years to recover the costs. The Chair also asked about how the Housing Department determined this use of the funds. Ms. Scheiner responded that grants are designed for projects that will benefit the entire community and it's the City's intention to direct the money towards projects it would undertake if it had additional General Fund dollars. Ms. Ward expressed her concern over this, since she believes the money should be used towards affordable housing.

Commissioner Talivaa asked about how Staff determined they would install 225 curb cuts and ramps. She lives in a Strong Neighborhood area and the City has already installed many curb cuts and ramps. Staff commented that they would respond to this issue.

B. Proposed Housing Department FY 2006/07 Budget (K. Wing, Housing)

Ms. Wing provided an overview of the proposed Housing Department budget for FY 2006 – 2007. She indicated that the City Council will vote on the budget in June. Saul Wachter asked if the Housing Department has developed a budget that is based on the need to build affordable housing, rather than the resources that are available. The Chair also commented that it would be interesting to see what the budget looks like. Ms. Wing indicated that Housing staff has not prepared this type of budget.

C. Development of the April Retreat Agenda (Chair)

The Chair asked for suggestions for topics for the April retreat. After soliciting input from Commissioners on their availability, the Chair indicated that the retreat will take place on April 8 or April 29. The Chair will work with Housing staff to finalize the date. The following items are suggested for the April retreat:

- Review of last year's workplan
- Green buildings
- Projections of housing units slated along the BART corridor
- City's Homeownership programs - understanding what happens when owner sells and pays off City loan
- Redevelopment area inclusionary policy v. Citywide inclusionary
- Coyote Valley

The Chair asked for suggestions on a location for the April retreat. Staff will look into the possibility of having the retreat in the community center of an affordable housing project.

8. Standing Reports

A. Chair's Report

The Chair discussed the February 14, 2006 Mercury News article titled, "High Rise Condo Woes." The article states that Barry Swenson Builders will not be able to pull their permits in time to meet the June 30, 2006 deadline that would exempt them from having to build affordable housing units for the Fountain Alley project. In August 2004, the Council waived the rule that says 20% of the units built downtown have to be affordable. The Chair indicates that this is an item he would like to include on future agendas.

B. Director's Report

No report

C. City Council Meeting Report for February 14 – March 7, 2006

Vice Chair Moreno indicated that Council made a funding commitment for extremely low-income units for children that are aging out of foster care.

D. Task Force Reports

1. Coyote Valley Task Force

The Coyote Valley Task Force will be meeting on Monday, March 13.

2. Secondary Units Task Force

No report.

3. ELI & Inclusionary Housing Task Force

The task force will be meeting on March 24 with the Housing Director. Commissioner Bock indicated that there is room for one additional person on the task force. Commissioner Talivaa indicated she would like to join the task force.

9. Future Agenda Items

- Construction Tax Suspension for Low-income units
- Con Plan Hearing
- Presentation by Chris Block, Charities Housing, on LISC study, infrastructure bonds, and sales tax

10. Public Comments

There are no public comments.

11. Adjournment

The Chair adjourned the meeting at 7:08p.m.