

HOUSING ADVISORY COMMISSION

SYNOPSIS OF MEETING AT 5:30 PM

April 13, 2006

MEMBERS PRESENT: Chair Fink, Vice Chair Moreno, Commissioners Bock, Colacicco, Roberson, and Talivaa
MEMBERS ABSENT: Ordonez
CITY STAFF: K. Clements, M. DeCastro, A. Herrera, M. Meyer, R. VanderVeen, and M. Whatley.
GUESTS: 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 5:38 p.m.

The Chair announced that Item 8b, presentation by Chris Block, Charities Housing is cancelled. This item will be re-scheduled for a future HAC meeting.

2. Introductions

Commissioners, staff, and guests introduced themselves.

3. Announcements

Ms. Whatley shared information regarding a draft Gap Analysis report. There will be a City Council study session to discuss the report on Monday, April 17 at 10am in W-119. The report is available on-line.

4. Approval of Synopsis from the March 9, 2006 meeting

The motion was made from Commissioner Talivaa to approve the March meeting synopsis and seconded by Commissioner Colacicco. The motion passed 6-0.

5. Consent Calendar

A. Mercury News article, "Report: Bay Area's Economic Growth Stunted by Housing, Education Issues," March 24, 2006

Commissioner Colacicco commented that many homeowners are selling their homes due to the market or because their adjustable rate mortgages are increasing and they can no longer afford their house payment. Commissioner Bock commented that she appreciates the article because it highlights housing as an important issue. Chair Fink pointed out that this article shows that high housing costs can have a detrimental impact on jobs.

B. Progress Report On The Strong Neighborhoods Initiative Five-Year Implementation Plan

Ms. Vanderveen explained that state law requires that the Redevelopment Agency issue reports regarding progress they have made in their redevelopment area. This report highlights the projects that have taken place in SNI areas. She pointed out the chart on p.13 which shows the City has invested over \$71 million in affordable housing in redevelopment areas. The Commissioners asked questions about the Redevelopment Agency's work with small businesses on façade improvement. The Chair requested a presentation by Agency staff regarding traffic calming and the work they do with small businesses. Saul Wachter commented that the state does not require that this Redevelopment Agency report reflect the number of ELI units that have been constructed. Sally Lieber's legislation, AB 2634, would require that

ELI housing be included in reporting requirements. Mr. Wachter recommended that the Commission endorse this legislation.

Katherine Bock made a motion to accept these items on the consent calendar, with a second from Vice Chair Moreno. The motion passed, 6-0.

6. Public Hearing

A. Consolidated Annual Action Plan 2006-2007 – Hearing on Housing Needs of the Community

Recommendation: It is recommended that the Housing Advisory Commission approve the Consolidated Annual Action Plan for 2006-2007.

Ms. Whatley introduced this item by explaining that last year, the City adopted the 5 year Consolidated Action Plan for 2005 – 2010. The item before the HAC, is the annual action plan, which provides an update on the goals laid out in the five-year plan. Ms. Whatley explained that the City is currently in the middle of the 30-day comment period. This item is scheduled to go before Council on May 9.

Commissioner Bock expressed concern about the HUD funding being used for a private parking facility that is mentioned on p.4 Staff explained that these are parking spaces that will be available to the public. Commissioner Bock also commented that there are programs to help specific groups of people, such as the Family Self-Sufficiency Program or the homeless. She commented that there is a need to create a category for people who are paying high rents, or are living in over-crowded conditions to help them before they fall through the cracks.

Saul Wachter, commented that the Annual Action Plan was not consistent with the 2005-2010 Consolidated Plan as it did not track the number of anticipated units for 2006-2007 alongside the Consolidated Plan's five-year production number goal. Mr. Wachter encouraged the City to show these side by side comparisons in order to demonstrate the numbers of extremely-low income housing needed, along with the City's plan for developing these units.

Commissioner Bock commented that the City should reconsider the policy which gives preference to Section 8 participants in ten percent of new affordable units (p. 33), because she does not think it is practical. Commissioner Bock commented that the Annual Action Plan should include a chart that is comparable to Table 2A on p. 23 of the 2005-20010 Consolidated Plan. Ms. Whatley commented that the chart on p.23 is a standard HUD template and HUD does not require a comparable chart in the 1-year plan. She also indicated that in the future HUD will have different reporting requirements.

The Chair indicated that he will work with Ms. Whatley and Ms. Herrera to incorporate the comments from the Commissioners into the Annual Action Plan. Commissioner Bock made a motion to accept the Annual Action Plan but to include the comments made at the HAC meeting on April 13, 2006, Vice Chair Moreno seconds the motion. The motion passed, 6-0.

7. Action Items

A. Construction Tax Suspension for Low-Income Housing (A. Herrera, Housing)

Recommendation: It is recommended that the Housing Advisory Commission support extending the tax suspension granted to newly-constructed very low-income housing for an additional five years.

Ms. Herrera gave an overview of the memo that was provided to the HAC. She explained that these construction taxes have been suspended since 1992 and the Housing Department has had to ask for a renewal of the suspension every five years. She indicated that the current suspension will expire on June 30, 2006. She indicated that the fiscal impact for the previous five year suspension was \$6.2 million.

Commissioner Bock made a motion to extend the construction tax suspension for an additional five years, with a second from Commission Talivvaa. The motion passed 6-0.

8. Discussion Items

A. Housing Legislation (M. Whatley, Housing)

Ms. Whatley gave an overview of the matrix that was included in the packet, which outlines key affordable housing legislation. Commissioner Fink asked that AB 2634, Sally Lieber's bill, be agendaized for the May HAC meeting as an action item.

9. Standing Reports

A. Chair's Report

The Chair indicated that he was contacted by the Almaden community newspaper, regarding the HAC's position on Coyote Valley.

B. Director's Report

No report.

C. City Council Meeting Report for March 14, 2006 – April 11, 2006 (Commissioner Moreno)

Vice Chair Moreno indicated that on 3/14 the grant application for Workforce Housing was adopted. Also, Council adopted the suspension of park fees for secondary units. On April 4, there was a proclamation for National Fair Housing Month and on April 11, Ray Tovar was appointed to the State Policy Academy on Homeless Policy. The Commissioners expressed an interest in hearing from Mr. Tovar after the conference taken place. The public hearing on the Consolidated Plan took place on April 11.

D. Task Force Reports

1. Coyote Valley Task Force

No report.

2. Secondary Units Task Force

No report.

3. ELI & Inclusionary Housing Task Force

The task force had a meeting with Housing Department staff.

10. Future Agenda Items

- Workforce Housing
- Presentation from Chris Block, Charities Housing
- Legislation
- Coyote Valley
- Staff will send information regarding Affordable Housing Week events.

11. Public Comments

Phyllis Ward asked if there was any update on secondary unit applications. Ms. Whatley indicated that she would follow-up with Ms. Ward.

12. Adjournment

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