

HOUSING ADVISORY COMMISSION

SYNOPSIS OF MEETING AT 5:30 PM

September 14, 2006

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

MEMBERS ABSENT: None

CITY STAFF: M. Cano, A. Herrera, P. Larko, M. Meyer, D. Mitchell, J. Mark, E. Moran, J. Scheiner, and M. Whatley.

GUESTS: Beverley Bryant, Roz Dean, David Flaughner, Kerri Hamilton, Charles Lauer, The-Vu Nguyen, Janice Rombeck, Saul Wachter, and Phyllis Ward.

LOCATION: 200 E. Santa Clara Street, W-118, San José CA 95113

MEETING

1. Call to Order/Orders of the Day

The meeting was called to order at 5:31 p.m. The Chair proposed making the following changes to the agenda: switching items 6A and 6B.

2. Introductions

Commissioners and staff introduced themselves.

3. Announcements (1 min.)

None.

4. Approval of Synopsis from the August 10, 2006 meeting

A motion was made by Commissioner Ordoñez to accept the minutes, with a second by Commissioner Talivaa. Commissioner Talivaa indicated that the minutes should be amended to reflect that the Chair was not present at the 8/10 meeting. Also, Commissioner Bock asked that her comment regarding the Evergreen/East Hills Strategy be placed in context. She amended the motion to include her comments. The motion passed 7-0.

5. Consent Calendar

(1) Monthly Housing Production Report – August 7, 2006

Saul Wachter requested that the Monthly Production Report be taken off of the consent calendar.

6. Discussion Items

(1) Monthly Housing Production Report – August 7, 2006

Saul Wachter asked how many of the units listed on p.6 under "Predevelopment: Funding Committed," are ELI units. The Assistant Director responded that at least 25% of the units will be ELI units, e.g., 100% of the Casa del Pueblo units will be ELI units. Commissioner Ordoñez made a motion to close the discussion, with a second by Commissioner Bock. The motion passed 7-0. Commissioner Bock made a motion to accept the report, with a second by Commissioner Talivaa. The motion passed 7-0.

7. Action Items (20 min.)

(1) Recommendation to advise the City Council to Reinstitute Downtown High-Rise Incentive Program (P. Larko, Redevelopment Agency)

Pete Larko indicated that he had previously made a presentation to the HAC regarding a clarification that was made to the Downtown High-Rise Incentive program, which clarified that pulling a foundation permit

by June 30, 2006 satisfied the requirements of participating in the program. At the time when this clarification was made, Council instructed staff to look at the possibility of extending or expanding the program. Mr. Larko plans to return to the HAC next month with a report. The Assistant Director also emphasized that the HAC will receive a full staff report so they can have an informed discussion next month. Commissioner Bock asked about the number of units that have been built thus far. Mr. Larko responded that 641 units have benefited from the program. Commissioner Bock also asked about how the tax increment worked under the original program. The Assistant Director indicated this would be discussed in the staff report.

(2) Recommendation to advise the City Council to Approve Consolidated Annual Performance Evaluation Report (CAPER) (J. Scheiner, Housing)

Jessica Scheiner indicated that the HAC approved the Consolidated Plan last spring. The CAPER report discusses the activities of the Housing Department over the last year. This hearing is an opportunity for Commissioners and the public to comment on the report. All comments will become part of the final report and will be incorporated into a memo to the City Council. The report is due to HUD on September 30.

Commissioner Ordoñez commended the Housing Department for its efforts in implementing the CONPLAN.

Saul Wachter also commended the Housing Department for its hard work. He also stated that the 2005-2010 CONPLAN has a 5-year goal of 1,366 units of extremely low-income housing (ELI), which comes to 273 units a year. However, p. 6 of the draft CAPER shows that only three City Council Districts had affordable housing production. He wanted to know why there was not production in the other seven Districts. Additionally, only 35 ELI units were constructed, which is only 5% of the goal. He indicated that a lot of catching up needs to be done. Also, the CAPER does not mention that there is a shortfall in ELI units. The document should state that there is a shortfall and how it will be addressed.

Commissioner Ordoñez noted that the CAPER's affordable housing production numbers reflect the number of years needed to actually get a housing development completed. It can take more than one year for a project to be completed.

The Vice Chair noted that it was ironic that the CAPER states on p. 29 that it will encourage the production of condominiums and other types of affordable ownership housing when it is providing affordable housing exemptions to high-rise buildings in the downtown core.

Rosalyn Dean supported Mr. Wachter's comments and added that the report does not discuss the shortfall in the production of ELI units. She added that the report should also address how the shortfall will be made up.

Commissioner Talivaa commented that on p. 30, the document provides the number of homeless persons who sought assistance at the City's Project Homeless Connect, however it does not indicate how many of these individuals were put into housing.

Commissioner Ordoñez recommended approval of the CAPER report, with a second by Commissioner Roberson. The motion passed 7-0.

(3) Staff report on Proposed Changes to Park Impact Ordinance (PIO), Parkland Dedication Ordinance (PDO) and the Associated Fee Resolution (M. Cano, PRNS)

The Chair opened the discussion by stating that he had requested that staff address their philosophy on parks because he wanted there to be a framework for the discussion. Julie Mark went through a PowerPoint presentation which discussed the philosophy of parks and why they are needed in the City.

Dave Mitchell shared a map with Commissioners that compared the location of affordable housing projects with parks. The map showed that affordable housing has been dispersed throughout the City. The Chair clarified that the map showed that if someone were to claim that PDO/PIO exemptions for affordable housing were depriving the community of parks they would be wrong.

Matt Cano reviewed the list of four alternatives the HAC can choose regarding their recommendations for adjustments to the in-lieu fees. He also reviewed the 16 base recommendations. The Chair indicated that he was glad to see that the exemption for low-income and very low-income units was going to continue.

Charles Lauer of the Winchester NAC, expressed concern over base recommendation #9, regarding recreational facilities/trails/schools. He indicated that in his neighborhood, they have been locked out of using fields in the Campbell Union School District.

Kerri Hamilton of Cal SJ, expressed support for Alternative #4, adjusting the fees to 100% of 2005 land values. She indicated that Alternative #1 does not make sense.

The Chair asked if staff could address the issue raised by Mr. Lauer regarding the use of school's recreational facilities. Mr. Cano responded that there have been schools that have closed use of their fields. However, if PDO was used for schools, the City would enter into joint-use agreements with the schools.

Beverley Bryant of the Homebuilders Association, indicated that before fees are increased, the HBA would like to see the following issues addressed: 1) The City needs to update the Greenprint, which was written in 2000; 2) Develop a parks annual work plan; 3) Develop a parks maintenance plan. The builders want to ensure that parks are maintained. They would also like the in-lieu fees paid at the close of escrow rather than up-front. The HBA would also like PRNS to undertake a parks utilization study.

Ms. Bryant also made the following comments regarding the four proposed alternatives and base recommendations. With regards to base recommendation #3, she is happy to see that there is a 50% reduction in fees for units in the downtown core. With regards to base recommendation #4 (pipeline projects), the builders are saying that having two years to obtain a building permit is good, but one year would not work. In response to base recommendation #7, they are already building affordable units. In response to base recommendations #15 and #16, these are credits for builders which are helpful.

In response to Ms. Bryant's comments on base recommendation #7, Commissioner Colacicco clarified that staff is currently recommending that the exemption for low and very-low income units continue. Ms. Bryant indicated that they are on board with staff's recommendation. However, there are other proposals out there which would not continue the exemption. Mr. Cano responded that at the SNI PAC there was a proposal to re-institute the voucher program. This will be discussed again at the meeting on September 27.

David Flaughter from the Parks and Recreation Commission, indicated that what the HBA is proposing are delay tactics. The fees have never been at 100% of land values, which is what was intended when the ordinance was initially passed. Mr. Flaughter indicated that the Greenprint is a plan that is supposed to guide the Department until 2020. Also, there are plans in place to update the Greenprint.

The Chair indicated that the key item for the HAC to address is base recommendation #7, regarding the exemption for low and very low-income units. Staff is recommending that the exemption continue. Commissioner Ordoñez made a motion to support Alternative #4, Implement base language changes and adjust fees to 100% of 2005 land values with base changes implemented, with a second by Commissioner Bock. The motion passed 7-0.

Commissioner Ordoñez made a motion to approve all of the base recommendations with the exception of 13, 9, 7, and 3, with a second by Commissioner Talivaa. The motion passed 7-0. The HAC proceeded to have a discussion regarding base recommendations 3, 7, 9, and 13.

With regards to base recommendation #3 (high-rises), Commissioner Colaccico commented that he did not see a reason to delay the payment of in-lieu fees. Julie Mark clarified that staff's recommendation is that there not be a discount on parkland fees for high-rise developments. She also indicated that the San Jose Downtown Association proposed an alternative that 50% of the payment be made up-front and 50% of fees would be paid at the certificate of occupancy. This alternative has been supported by the Parks and Recreation Commission, Planning Commission, SNI PAC, and Cal SJ. Commissioner Ordoñez made a motion to support the alternative proposed by the San Jose Downtown Association, with a second by Commissioner Roberson. The motion passed 6-1 (Moreno: "no").

With regards to base recommendation #7 (Low-income Units), Commissioner Ordoñez endorsed continuing the exemption for extremely low-income, low-income, and very low-income housing. He also suggested not distinguishing between for-profit developers and non-profit developers. The motion was seconded by Commissioner Bock. The motion passed 7-0.

With regards to base recommendation #9 (Recreational Facilities/Trails/Schools), Commissioner Ordoñez made a motion that base recommendation #9 be supported as stated, with a second by Commissioner Roberson. The motion passed 7-0.

With regards to base recommendation #13 (Private Recreation Credits), the Chair asked if Commissioners had an issue with this base recommendation. Commissioner Bock stated that this might not be fair because of improvements that have been made in the downtown area. Mr. Cano clarified that "high rise" will be taken out of the base recommendation. Commissioner Bock expressed concern over how this would impact the funding for parks. She thought the percentage of credit to developers should be lowered. Mr. Mitchell indicated that this base recommendation is intended to give developers an incentive to provide private recreation credits. The Vice Chair recommended that the percentage of credit be lowered to 30%, with a second by Commissioner Bock. The motion passed 7-0.

8. Standing Reports (10 min.)

(1) Chair's Report

None

(2) Director's Report

None

(3) City Council Meeting Report for August 15 – September 12, 2006 (Moreno)

The Vice Chair reported that council endorsed Proposition 1C.

(4) Task Force Reports

i. Coyote Valley Task Force (Chair Fink and Commissioners Colacicco and Ordonez) None

ii. ELI & Inclusionary Housing Task Force (Vice Chair Moreno & Commissioners Bock and Talivaa)

None

9. Future Agenda Items

None

10. Special HAC meeting on Thursday, September 20, 5:30p.m.

The Chair clarified that the special meeting will take place on Wednesday, September 27 at 6:00pm.

11. Public Comments

None

12. Adjournment

The meeting was adjourned at 8:00pm.