



**CITY OF SAN JOSE  
SPECIAL MEETING OF THE  
HOUSING ADVISORY COMMISSION  
WEDNESDAY, September 27, 2006  
AT 6:00 PM  
SAN JOSE CITY HALL  
200 E. SANTA CLARA ST.  
PLEASE NOTE LOCATION: W-120  
SAN JOSE, CA 95113**

Members of the public who wish to make comments on any item on the Agenda, or any other item related to the Commission's purview, may be given two (2) minutes. Times next to items on the agenda are approximate times for discussion. Please note that the Commission will only be able to discuss comments to items on the Agenda.

**AGENDA ITEM**

1. Call to Order/Orders of the Day
2. Introductions
3. Announcements (1 min.)
4. Action Items (60 min.)
  - A. Recommendation to advise the City Council to consolidate the Community Development Block Grant Steering Committee with the Housing Advisory Commission (L. Krutko, Housing)
5. Public Comments
6. Adjournment

*To arrange an accommodation under the Americans With Disabilities Act to participate in this public meeting, please call 975-4418 at least 48 hours before this meeting.*



## Memorandum

**TO:** THE HOUSING ADVISORY  
COMMISSIONERS

**FROM:** Leslye Krutko

**SUBJECT:** SEE BELOW

**DATE:** September 21, 2006

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**SUBJECT: CONSOLIDATION OF THE COMMUNITY DEVELOPMENT BLOCK GRANT  
STEERING COMMITTEE WITH THE HOUSING ADVISORY COMMISSION**

### **BACKGROUND**

As part of the proposed FY 06-07 budget, the City Council approved the transfer of the Community Development Block Grant (CDBG) program from the Parks, Recreation, and Neighborhood Services Department to the Housing Department. With this change, ten administrative positions were transferred to the Housing Department, along with the responsibility of staffing the CDBG Steering Committee. The Housing Department is now responsible for oversight of the CDBG program, which allocates approximately \$10 million on an annual basis for activities that benefit low and moderate income persons and aid in the prevention or elimination of slums or blight.

The CDBG Steering Committee is a 9-member body that acts as the lead citizen participation group in the planning and programming of the CDBG program. Generally meeting between the months of September and April, the Committee holds public meetings in order to assess the current program and develops recommendations for the following year's program. The Committee advises the Mayor, City Council, and Administration on the development of CDBG goals and funding awards.

The Housing Department will be recommending to the Mayor and City Council that the Housing Advisory Commission and CDBG Steering Committee be consolidated to form the Housing and Community Development Advisory Commission (HACDAC). At the special meeting on Wednesday, September 27, staff will be asking the HAC to support staff's recommendation and to provide input on the information presented in this memorandum.

### **ANALYSIS**

The Housing Department is recommending the consolidation of the CDBG Steering Committee and HAC to reflect the Department's new mission and goals related to housing and community development. Having one citizen group that can address both of these issues will result in efficiencies of operation, since the HACDAC will be able to respond to CDBG program changes, which impact the Housing Department's policies and programs. In addition, the HACDAC will be able to address the Consolidated Plan and the Consolidated Annual Performance Evaluation Report (CAPER). Currently, the HAC and CDBG Steering Committee are consulted separately regarding both reports. As you know, the function of the HAC is to study, evaluate, and make recommendations to the City Council and the Housing Department regarding the City's existing housing programs and policies. This function would not change

HOUSING ADVISORY COMMISSION

September 21, 2006

**Subject:** Consolidation of HAC & CDBG Steering Committee

Page 2

as a result of the consolidation with the CDBG Steering Committee. The HACDAC would be consulted regarding high-level policy issues such as the downtown high-rise incentive program, affordable housing targets for Coyote Valley, and the Parkland Dedication/Impact Ordinance. However, there would be less time during meetings devoted to project updates, informational or consent items.

The Housing Department is also recommending the merger of the HAC and CDBG Steering Committee because members of the HAC have demonstrated an interest in how housing policies impact San José's low-income population. The primary objective of the CDBG program is the development of viable urban communities for low and moderate income persons through the creation of decent housing, suitable living environments, and expanded economic opportunities. This goal is met by funding capital improvement projects and funding agencies that provide a public service for low and moderate income persons such as owner-occupied housing rehabilitation, emergency housing repairs, food programs, child and adult day care facilities, and legal assistance. Since Commissioners have a solid understanding of issues facing the low-income population, they will provide valuable citizen input with regard to CDBG projects and funding awards.

***Impact on HAC and CDBG Steering Committee Members:***

Voting members of the CDBG Steering Committee are appointed as follows: two members from Council Districts, 3, 5, and 7 (these districts have a majority of low-income residents), and one member from District 6. There are also two at-large members from the other Council Districts. The City Council Liaison and a Senior Citizens Commissioner also serve as non-voting members. As shown in the table below, upon consolidation, the make-up of the HACDAC will ensure that all of the required seats will be filled, with the exception of one seat, which is currently vacant, for District 7. This seat will be temporarily eliminated until July 2007 when one of the City-wide seats can be converted to a District 7 appointment.

Staff will be recommending to the Mayor and City Council that current members of the HAC and CDBG Steering Committee be allowed to serve until their current terms expire. However, after current terms expire, seats on the HACDAC would be filled using the following guidelines to achieve a 9-member body.

- 2 appointments each for Districts 3, 5, and 7 (Total of 6 District Appointments), which are districts that have a majority of low-income residents
- 3 At Large, not from Districts 3, 5, or 7 (Total of 3 Appointments)

The table below shows the terms of current members and the action that will take place when their term expires.

<b>Commission</b>	<b>Council District</b>	<b>Term Expires</b>	<b>Action When Current Term Expires</b>
HAC	1	12/31/2008	Appointment of City-wide Representative
HAC	2	12/31/2006	No reappointment
HAC	2	12/31/2008	Appointment of City-wide Representative
HAC	3	12/31/2007	Appointment of District 3 member
CDBG	3	6/30/2007	Appointment of District 3 member
CDBG	5	6/30/2007	Appointment of District 5 member
HAC	5	12/31/2007	Appointment of District 5 member

HOUSING ADVISORY COMMISSION

September 21, 2006

**Subject:** Consolidation of HAC & CDBG Steering Committee

Page 3

HAC	6	12/31/2008	Appointment of City-wide Representative
CDBG	7	6/30/2008	Appointment of District 7 member
HAC	10	12/31/2006	No reappointment
CDBG	City-wide	6/30/2007	Appointment of District 7 member

***Scope of HACDAC:***

In order to merge the HAC and CDBG Steering Committee, the scope of work for both bodies must be consolidated. As demonstrated in Attachment 1, currently the HAC and CDBG Steering Committee have a wide range of topics and meetings related to their charge. To streamline the workload, the HACDAC would address high-level housing policies and issues related to CDBG. Commissioners would also be asked to make recommendations on the CDBG application criteria and funding awards.

The HACDAC would meet every second Thursday of the month throughout the year. Staff anticipates that meetings would continue to be approximately two hours in duration. Meetings held by the CDBG Steering Committee during FY 05-06 were approximately one hour in duration. During the CDBG cycle (November thru May), the Commission would spend the first hour addressing housing policies and the second hour addressing CDBG issues. In addition, there may be a need to have two additional special meetings a year to accommodate the CDBG process. A proposed schedule is attached to this memo (Attachment 2) and shows how the HACDAC might address items on the 2006 Adopted HAC workplan, high-level housing policies, as well as CDBG business.

**NEXT STEPS**

<b>Date</b>	<b>Action</b>
September 27, 2006	Special HAC meeting, Commissioners and CDBG Steering Committee members will provide input on staff's recommendation to the Mayor and City Council
October 17, 2006	The Mayor and City Council will vote on staff's recommendation to consolidate the HAC and CDBG Steering Committee
November 17, 2006	If staff's recommendation is adopted by the Mayor and City Council, the HACDAC would become effective on this date

  
LESBYE KRUTKO  
Director of Housing

CC: Councilmember David Cortese

EXISTING COMMITTEE & COMMISSION MAKE-UP

Board/Commission	Membership	Vacancies	Membership Criteria	Bylaws/Municipal Code	Scope of Work	Meeting Dates	City Council Liaison
CDBG Steering Committee	9 Appointed Voting – 2 Non Voting Members	5 vacancies as of 6/30/06 (of the 4 members, 1 is stationed overseas on military leave).	<u>Voting Members:</u> 2 each from Districts 3, 5, and 7. 1 from District 6. 2 at large not from 3, 5, 6 or 7. <u>Non-Voting members:</u> Council Liaison (also serves as Chair) and Senior Citizens Commission	No Bylaws, Governed by Municipal Code Section 2.08.2200 – Ruled by Citizen Participation Plan adopted 1988.	Lead citizen participation group in the planning and programming of the Community Development Block Grant. The Committee holds numerous public meetings in order to assess the current program and to develop proposals for the following year's program. Committee advises the Council and the Administration on the development of the Community Development Plan and Program, provides a forum for community concerns, and presents citizen perspectives to the Council.	From mid-September to mid-March and less frequently during the rest of the year. Ex: <u>August/Sept.</u> - Development of criteria and application process for next cycle (2 meetings); <u>February/March</u> - Hearings held regarding proposed projects (2 meetings) and review by Committee of applications including discussion about allocation of funds (2 meetings); <u>April</u> - Recommendations by Committee (1 meeting) and de-briefing (1 meeting). Total of between 4 -6 meetings held in a 6-7 month period.	Councilmember Cortese Chair (Non-Voting Member) of the Committee
Housing Advisory Commission	7 Appointed Voting members	1 vacancy as of 12/31/06	At large appointments	Bylaws adopted. Also under Municipal Code Section 2.08.2800	This group studies, reviews, evaluates, and makes recommendations to the City Council and the Housing Department regarding the City's existing housing programs and policies. The HAC also monitors the progress of the City's housing goals and considers studies and reports related to housing policies.	Commission meets on the second Thursday of each month at 5:30 P.M., City Hall, Room W119. On average, Commissioners spend 2.5 hours attending monthly meetings and an additional six hours per month on Commission business.	Councilmember Cortese (non-voting)

COMMISSION MAKE-UP UPON MERGER

Board/Commission	Membership	Vacancies	Membership Criteria	Bylaws/Municipal Code	Scope of Work	Meeting Dates	City Council Liaison
Housing and Community Development Advisory Commission	9 Voting Members - 5 for Quorum	With merger, there would be no vacancies. Recommended that the current members serve out their terms.	Recommend having members selected as follows: 2 each from Districts 3, 5, and 7 (representing those Council Districts with majority low-income residents) and 3 at large not from 3, 5, or 7. <u>City Council Liaison &amp; member of Senior Citizens Commission:</u> Non-Voting Members	Adopt new bylaws using HAC as a basis and amending the Citizen Participation Plan.	The group will become the <b>Housing and Community Development Advisory Commission</b> , which will be responsible for reviewing, evaluating and making recommendations to City Council and the Housing Department on "high-level" housing policies and programs and become the lead citizen participation group for the CDBG block grant, providing a forum for community concerns and presenting citizen's perspectives to the City Council and recommendation to City Council regarding staff's recommended expenditure of CDBG funds.	Every second Thursday of each Month with two additional special meetings a year to help accommodate the CDBG application process. The CDBG participation would be narrowed from 6 -8 meetings to 4 meetings between September and April. <u>CDBG ROLE:</u> - November – (Regular Monthly Meeting) would be a discussion of application process during a regular meeting. March - (Regular Monthly Meeting) Receive staff's recommendations for Contractual Community Services applications. March – (A Special Meeting) Receive staff's recommendations for Community Development Improvement applications. April – (Regular Monthly Meeting) Commission will make a recommendation to the City Council and approve the City's Consolidated Plan and CAPER. During each regular meeting, the Housing and Community Development Commission will hear about housing policies making their way to the City Council. There will be less "Information Only" and "Discussion Items" related to housing issues. The scope will be narrowed to pending housing policy in order to allow for the broadening of the scope.	Councilmember Cortese (no change)

***Proposed HACDAC Schedule:***

Meeting	Item
October	<ul style="list-style-type: none"> <li>▪ Downtown High-Rise Incentive Program</li> <li>▪ Affordable Housing Targets for Evergreen</li> </ul>
November November (Special Mtg.) Wk. of Nov. 27	<ul style="list-style-type: none"> <li>▪ Increased Activism for Commission</li> <li>▪ General discussion of CDBG application process and criteria for applications</li> </ul>
December	<ul style="list-style-type: none"> <li>▪ Housing &amp; Community Development Report (HCD)</li> <li>▪ Housing Element Update</li> </ul>
January	<ul style="list-style-type: none"> <li>▪ ELI &amp; Inclusionary Zoning Task Force: Inclusionary Zoning, Ability for City to accept land dedications</li> </ul>
February	<ul style="list-style-type: none"> <li>▪ Public Hearing on Housing and Community Development Needs for the Consolidated Plan</li> <li>▪ Condominium Conversions</li> <li>▪ Industrial Conversions (discussion of community benefits)</li> </ul>
March	<ul style="list-style-type: none"> <li>▪ Review and discuss staff's recommendation on CDBG funding awards for Contractual Community Services applications</li> </ul>
March (Special Mtg.)	<ul style="list-style-type: none"> <li>▪ Review and discuss staff's recommendation on CDBG funding awards for Community Development Improvement applications</li> </ul>
April	<ul style="list-style-type: none"> <li>▪ The HACDAC will also approve the Consolidated Plan and make a recommendation to the Mayor and City Council</li> </ul>