

HOUSING AND COMMUNITY DEVELOPMENT ADVISORY COMMISSION (HCDC)

SYNOPSIS OF MEETING AT 5:30 PM

January 10, 2008

MEMBERS PRESENT: Chair Mace, Vice Chair Norimoto, Commissioners Bock, Muñoz, and Roberson.
MEMBERS ABSENT: None.
CITY STAFF: W. Chen (Housing Department), R. Cueto (Mayor Reed’s Office), M. DeCastro (City Attorney’s Office), A. Drummond (Councilmember Williams’ Office), B. Hoffman-Ooka (Housing Department), L. Krutko (Housing Department), R. Lopez (Housing Department), S. Murillo (Housing Department), J. Morales-Ferrand (Housing Department) and M. Whatley (Housing Department)
GUESTS: T. Fink (Past Chair), F. Jones (Seniors Citizens Commission), P. Ward (Affordable Housing Network), R. Lobbes (Trinity Cathedral)
LOCATION: 200 E. Santa Clara Street, Wing 118-119, San José, CA 95113

AGENDA ITEM

1. Call to Order

The meeting was called to order at 5:41 p.m.

2. Introductions

Commissioners, guests, and staff introduced themselves.

3. Announcements

Mr. Lopez announced that the City of San José has scheduled three upcoming dates for public outreach meetings concerning the inclusionary housing study in San José. He distributed a flyer with meeting announcement dates to the Commission and guests.

Ms. Jones announced that at the Senior Citizens Commission, one of the members of the Senior Commission who attends the Santa Clara County Housing Authority Board meetings asked why the Housing Department or the HCDC did not have a representative at its meetings. Ms. Whatley explained that the Department’s Director works closely with the County and Housing Authority to coordinate efforts.

4. Educational Presentation on Inclusionary Housing

Ms. Morales-Ferrand made a presentation to the HCDC in which an overview of inclusionary housing was given. The topics of the presentation included zoning history, the basics, key components, implementation, and design.

Commissioner Munoz asked if Denver’s inclusionary units are refurbished or new. Ms. Morales-Ferrand explained that the City tried to obtain new units rather than existing units. She added that most of her experience has been with new construction. Commissioner Munoz then asked if an inclusionary ordinance can include older units that have been remodeled. Ms. Morales-Ferrand explained that some ordinances allow an inclusionary requirement on remodeled, older units. Commissioner Munoz asked if the inclusionary ordinance has been successful in Denver. Ms. Morales-Ferrand said the ordinance has been successful, however, the main concern was with the type and quality of housing being produced. She explained that developers would often build housing developments under the inclusionary ordinance without the same amenities and external features as the market rate units. Ms. Krutko added that as the City of San José is looking toward the potential of an inclusionary ordinance, affordable acquisition rehabilitation projects might be considered as an offset to constructing new affordable units.

Mr. Fink asked what the financial practices of other jurisdictions are. Ms. Morales-Ferrand explained that other jurisdictions use fee waivers for affordable units, however, Denver chose the rebate method.

Commissioner Bock asked about clarification between preservation and acquisition rehabilitation. Ms. Krutko explained that preservation is the process of preventing affordable units from converting to market rate, while the process of acquisition rehabilitation includes the conversion of market rate units to affordable. Commissioner Bock asked if the City is considering units being produced through acquisition rehabilitation. Ms. Krutko explained that it could be used as an offset.

Vice Chair Norimoto asked if there are any existing models where extremely-low income units are part of an inclusionary housing ordinance. Ms. Morales-Ferrand explained that Montgomery County in Maryland has a model in which the Housing Authority has the option to subsidize any newly obtained units for extremely-low income.

Mr. Fink asked what is the source of funds for developments in which the developer is subsidized. Ms. Morales-Ferrand explained that in Montgomery County it is the Housing Authority, while in Denver it is the City's Housing Department. Mr. Fink then asked why Montgomery County's situation was so unique. Ms. Morales-Ferrand explained that the County was in a situation where they had high cost housing and had the foresight to see the problem. However, the County did not know that having a ten-year affordability restriction would not be long enough.

Chair Mace asked if there were any political problems in creating inclusionary housing in Denver. Ms. Morales-Ferrand explained that the development community was very concerned.

Commissioner Munoz followed by asking how much resistance the city of Denver faced and if inclusionary housing would work in San José. Ms. Morales-Ferrand stated that the process of reaching out to the public and having stakeholders involved early is important to ensure that any issues that arise are discussed

Vice Chair Norimoto asked what is not on the table right now concerning the study for an inclusionary housing ordinance in San José. Ms. Krutko explained that at this point everything is on the table until they start working more closely with the stakeholders.

Vice Chair Norimoto asked what are the current inclusionary housing policies that do not seem to be working. Ms. Morales-Ferrand explained that the success of inclusionary ordinances in redevelopment areas will be considered concurrently with the process of developing the proposal.

Vice Chair Norimoto stated that because of the early meeting times, it will be difficult for the public to attend. Ms. Whatley explained that the nature of the first two meetings are technical and aimed toward developers, so the Department felt it was beneficial to have those meetings in the afternoon. She then explained that the third meeting should be held in the evening and the public will have ample opportunity to address the issue at future Commission meetings.

5. Public Comments

Ms. Whatley stated that the HCDC needs to address the vacancies on the Task Forces at the next meeting, as well as possible dates for the HCDC annual retreat. She also stated that the hearing on housing needs for the Consolidated Plan should be placed on next month's agenda.

6. Adjournment

The meeting was adjourned at 7:26pm.