

HOUSING AND COMMUNITY DEVELOPMENT ADVISORY COMMISSION (HCDC)

SYNOPSIS OF MEETING AT 5:30 PM

May 8, 2008

**MEMBERS PRESENT:** Chair Mace, Vice Chair Norimoto, Commissioners Bock, Darrow, Muñoz, and Tom  
**MEMBERS ABSENT:** Commissioner Contreras (unexcused)  
**CITY STAFF:** R. Lopez (Housing), J. Morales-Ferrand (Housing), E. Moran (City Attorney's Office), D. Murillo (Housing), S. Murillo (Housing), J. Nusbaum (Planning), M. Whatley (Housing)  
**GUESTS:** F. Jones (Seniors Citizens Commission), S. Wachter (Affordable Housing Network), P. Ward (Affordable Housing Network)  
**LOCATION:** 200 E. Santa Clara Street, Wing Rooms 118-119, San José, CA 95113

AGENDA ITEM

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

The meeting was called to order at 5:33 p.m.

Vice Chair Norimoto made the motion to move Item 6 of the agenda to Item 5. The motion was seconded by Commissioner Tom. The motion passed 7-0.

**2. Introductions**

Commissioners, guests, and staff introduced themselves.

**3. Announcements**

Mr. Lopez announced that there would be a town hall meeting on June 5 concerning the State budget and to be sponsored by Assemblymembers Jim Beall, Joe Coto, Sally Lieber, and Ira Ruskin.

Mr. Lopez also announced that Project Homeless Connect 6 would take place on May 15 and that volunteers were still needed.

Chair Mace announced that there would be an Inclusionary Zoning public meeting on May 14 at the Southside Community Center.

Chair Mace also announced that the City Council would consider the General Plan Amendments on May 20.

**4. Approval of Synopses for April 10, 2008 meeting**

Mr. Moran made the comment that Mark DeCastro's affiliation should be noted as "City Attorney's Office." Commissioner Norimoto made a motion to approve the minutes with changes. The motion was seconded by Commissioner Tom. The motion passed 6-0.

**5. Approval of Synopses for April 12, 2008 meeting**

Commissioner Norimoto made a motion to approve the minutes with a second by Commissioner Tom. The motion passed 6-0.

**6. Housing Element Report Update (W. Chen, Housing Department)**

Mr. Chen gave a presentation on the Housing Element update process. His presentation included an overview of what encompasses the Housing Element, its general requirements, and the challenges the City of San Jose faces in meeting its affordable housing goals.

Chair Mace opened the item to discussion for Commission members.

Vice Chair Norimoto said that he understood that the Housing Element was not enforceable and wanted to know why a city would follow a Housing Element as its plan. Mr. Chen replied that citizens, agencies or stakeholders could file suit against the City for not having a Housing Element and additionally without a certified Housing Element, a City would not obtain funds to provide affordable housing. Mr. Chen also said that the Housing

Element should be viewed as a vital community strategy to include the community and provide affordable housing opportunities.

Vice Chair Norimoto asked if there were any immediate repercussions for not doing a Housing Element. Ms. Whatley explained that the City would not be eligible for Proposition 1C funds if it did not have a certified Housing Element.

Vice Chair Norimoto asked if the number in the presentation include those units that are set to have affordability expiring in future years. Mr. Chen explained that those typically federally subsidized expired units would need to be replaced. Ms. Whatley added that a majority of these federally subsidized affordable units expected to expire in the next five years belong to one owner who is looking to renew their contract with the Federal Department of Housing and Urban Development. Ms. Whatley also said that other units set to expire in the next ten years are primarily owned by non-profits, which means those units will remain affordable.

Commissioner Darrow asked if there are any incentives for meeting the goals in the Housing Element. Ms. Whatley replied that the related legislation will be discussed in a later item.

Chair Mace asked whether the Housing Element required units be planned or built. Mr. Chen replied that the Housing Element only considers planned units. Ms. Whatley added that it is hard to hold a jurisdiction accountable for built units not constructed because it is beyond the City's control. She explained that the City would have the sites available, but it is up to developers to build.

Vice Chair Norimoto asked if market rate housing is part of the Housing Element. Mr. Chen replied that it is considered as above moderate housing in the Housing Element.

Chair Mace opened the item for public comment.

Mr. Wachter stated that the City is dealing with a contradiction because the numbers of needed and planned affordable units are not consistent between the Housing Element and Consolidated Plan. Mr. Wachter stated that while the City was able to meet Housing Element requirements, the City has not been able to meet the actual need of affordable housing in the Consolidated Plan.

**7. Community Development Block Grant (CDBG) Update (S. Murillo, Housing Department)**

Ms. Murillo stated that the City Council approved the CDBG funding recommendations and also undertook the search for additional funding sources for some agencies. She announced that CDBG staff is now in the contract preparation phase and a CDBG contract workshop for funded agencies is planned for May 12. Ms. Murillo expects to have all contracts executed by June 30, 2008. She also reminded the Commission that the CDBG Ad-Hoc Committee Retreat would be on May 23.

Vice Chair Norimoto asked if there would be a priority setting process for the following CDBG year for organizations and the public. Ms. Murillo replied that the process would be established at the first meeting and that CDBG staff does want to have the organizations involved.

**8. Affordable Housing Week Update (R. Lopez, Housing Department)**

Mr. Lopez referred to the Affordable Housing Week calendar of events and mentioned some of the highlights of the week. Highlights included Project Homeless Connect 6, affordable housing bus tour, and first time homebuyer workshops.

Commissioner Mace asked if the affordable housing tour is open for the public. Mr. Lopez replied that the tour is open to the public, but it requires a minimal fee.

Mr. Wachter stated that the Affordable Housing Network is supporting Affordable Housing Week and asked the Commission to sign a postcard that would be sent to Senator Feinstein to urge her to become a co-sponsor of the National Housing Trust Fund bill.

**9. City Sponsored Legislation Update: AB 2097 (Coto), AB 2513 (Caballero) & SB 1226 (Alquist) (M. Whatley, Housing Department)**

Ms. Whatley explained that AB 2097 seeks to do four things: (1) allow jurisdictions to use part of the 20% housing set-aside funds to pay for supportive sources related to the construction of ELI units, (2) puts a 5% cap on the amount a jurisdiction can use from its 20% fund, (3) require a tie between the production of ELI housing and supportive services, and (4) sunsets in five years.

Chair Mace asked how the 5% usage of funds would affect the construction of ELI units. Ms. Whatley replied that the City ends up in a cycle where they cannot construct an ELI unit without having a source of funding for the supportive services. She explained that the City met with the County to create a way to use existing funds to support the development and services of the units.

Chair Mace wanted to clarify that the City cannot build a unit without the services. Ms. Morales-Ferrand replied that it is necessary because the ELI housing is being built for chronically homeless per the City's Housing First plan. She explained that the services would help people who are ELI remain in permanent housing.

Vice Chair Norimoto asked how much money annually would be allowed to be spent, in San Jose, under the bill. Ms. Whatley explained that a general estimation would be \$2 million, which is 5% of \$40 million currently in the Low and Moderate Income Housing Fund.

Commissioner Bock asked if there was a way to put pressure on another entity to provide funds for supportive services. Ms. Whatley replied that the City is also trying that option by applying for monies under the Proposition 63 and Proposition 1C funds. However, she stipulated these dollars were primarily for mental illness and/or emancipated foster youth.

Chair Mace asked if the use of 20% funds can only be used as an extenuating circumstance and not a permanent source of funding for the services. Ms. Whatley replied that the 20% funds should not be a permanent source, which is why the five year sunset was included to re-address the issue.

Vice Chair Norimoto commented that he would like to know more about the allocation of funding if the bill passes and the use of 20% funding is permitted.

Commissioner Munoz asked how the funding for the 10-year homeless strategy was estimated. Ms. Whatley explained that the city conducted a survey of the homeless population and estimated the need.

Ms. Whatley added that the bill will go to the floor of the State Assembly and would not get to the Governor's desk until September.

Ms. Ward asked if the 5% would be annual or over the five years. Ms. Whatley explained that it would be annual.

Ms. Whatley explained that AB 2513 would give extra priority points under Proposition 1C to those jurisdictions who received an increase in their allocation over the previous cycle. She also explained that there was a lot of concern by the Assembly Housing and Community Development committee. The bill was edited to address how jurisdictions have done in the past, rather than the demonstrated need.

Ms. Whatley said that SB1226 would expand the CalHome program to allow mobile home park owners and mobile home unit owners to apply for funding to repair mobile home units and park infrastructure.

Vice Chair Norimoto asked if the expected money would be enough to meet the needs in the City of San Jose's mobile home parks. Ms. Whatley replied that there is not a good indication on who would apply, but are hoping to work with mobile home park owners. Ms. Morales-Ferrand added that the City is doing a pilot infrastructure assessment on a few mobile home parks.

Chair Mace asked if the City would prioritize which mobile home parks depending on need. Ms. Morales-Ferrand said yes, the City would set restrictions.

**10. Citywide Inclusionary Housing Update (M. Whatley, Housing Department)**

Ms. Whatley explained that the last Inclusionary Housing public meeting at the Almaden Community Center was poorly attended.

Chair Mace asked how much outreach was being done for these meetings. Ms. Whatley replied that the Department utilizes a list serve that includes 700 contacts and sent out a press release. She added that the next meeting will be on May 14 at the Southside Community Center.

Commissioner Bock asked about the general concerns from the audience. Ms. Whatley explained that there were questions on offsets, the timeline, and affordability set aside.

Ms. Whatley referred to the memorandum in the packet that outlined the process for bringing forward the results of the study. She added that the results of the study would be discussed at the May 20 City Council meeting.

Commissioner Darrow asked if the HCDC will see the final staff recommendations. Ms. Whatley replied that the HCDC may see the recommendations in August.

**12. Standing Reports**

- A. Chair's Report – No Report
- B. Director's Report – No Report
- C. City Council Meeting Report for March 19 – April 8, 2008 (Chair Mace)

Chair Mace announced that the City Council approved the Consolidated Annual Action Plan.

Chair Mace asked Ms. Nusbaum whether Planning took into account the recommendations made by staff and the HCDC concerning the General Plan Amendments, which would be discussed at the May 20 City Council meeting. Ms. Nusbaum explained that the density bonus was being recommended to be deferred until the fall and the addition of 50% to the two side text amendment should be included in the staff report.

D. Ad-Hoc Committee Reports

- (1) Community Development Block Grant Ad-Hoc Committee (Chair Mace and Commissioners Munoz & Contreras) – No Report
- (2) ELI & Inclusionary Zoning Ad-Hoc Committee (Chair Mace, Vice Chair Norimoto, and Commissioners Bock & Tom) – No Report

**10. Future Agenda Items**

Vice Chair Norimoto stated that he would like to hear a presentation on the disbursement of 20% funds for supportive services.

**11. Public Comments**

Ms. Ward commented that she is waiting for follow-up on the living wage issue. Ms. Whatley explained that prevailing wage is tracked by the City's Office of Equality Assurance.

**12. Adjournment**

The meeting was adjourned at 7:25pm.