

HOUSING AND COMMUNITY DEVELOPMENT ADVISORY COMMISSION (HCDC)

SYNOPSIS OF MEETING AT 5:45 PM

December 10, 2009

MEMBERS PRESENT: Chair Mace, Vice Chair Norimoto, Commissioners Cantore, Darrow, Ellak, and Tom (arrived at 6:07 p.m.)

MEMBERS ABSENT: Commissioners Contreras (excused) and Munoz (excused)

CITY STAFF: M. DeCastro (City Attorney's Office), J. Lang (Office of Economic Development), J. Morales-Ferrand (Housing), D. Murillo (Housing), S. Murillo (Housing), M. Whatley (Housing)

GUESTS: P. Ward (Affordable Housing Network)

LOCATION: 200 E. Santa Clara Street, Wing Room 118 & 119, San José, CA 95113

Digital Recording of the meeting can be obtained from the City of San Jose Housing Department

AGENDA ITEM

(a) Call to Order/Orders of the Day

The meeting was called to order at 5:55 p.m.

(b) Introductions

Commissioners, guests, and staff introduced themselves.

(c) Announcements

Staff thanked the Commissioners for their dedication and service to the community by serving on the HCDC over the last year.

(d) Approval of Action Minutes for:

November 12, 2009 action minutes were approved by a vote of 5-0.

(e) Consent Item: Housing Department Production Reports

Vice Chair Norimoto made the motion to remove the Housing Department production report from the consent calendar. Vice Chair Norimoto confirmed with Housing staff that in the future the report would contain a comparison of the City's production to its Regional Housing Needs Allocation (RHNA) and an addition of all potential at-risk housing projects based on the Redevelopment Agency Budget decisions. J. Morales-Ferrand confirmed it would contain these items. Vice Chair Norimoto made a motion to approve the report. It was seconded by Commission Cantore. The motion was approved 5-0.

(f) Discussion and Recommendation to Approve a Substantial Amendment to the 2009-05 Consolidated Annual Action Plan regarding the Section 108 Loan to the City for a Change of Use of a 14-acre Site Formerly Owned by FMC.

John Lang with the City's Office of Economic Development made a presentation regarding the purpose and timeline for a substantial amendment to the Consolidated Plan to amend provisions of a 2005 Section 108 loan. Commissioner Darrow made a motion to recommend that City Council adopt the proposed amendment to the 2004-2005 Consolidated Plan and furthermore consider, to the extent possible, not using the Biblioteca Latino Americana as collateral under

the Section 108 loan. The motion was seconded by Vice Chair Norimoto. Vice Chair Norimoto offered a friendly amendment to also encourage the City Council to consider using the City's General Fund for servicing any unpaid future debt, instead of the Community Development Block Grant (CDBG) funds, and naming the Housing Department as the lead agency coordinating any existing and future Section 108 loans and amendments for the City. The friendly amendment was accepted by Commissioner Darrow and the motion was passed 6-0.

(g) Update on the Community Development Block Grant Application Process

Sandra Murillo provided an update about the extended CDBG Application Process and workshops held with community-based organizations. No action was taken.

(h) Update and Possible Recommendation on the San Jose Redevelopment Agency's Budget and Potential Impact On Low- and Moderate-Income Housing Funds.

Jacky Morales-Ferrand (Housing Department) updated the Commission on the revised timeframe for the Redevelopment Agency's budget and highlights of Mayor's November 20th budget memorandum.

Vice Chair Norimoto made a motion to (1) support the basic guiding principles outlined by the Housing Department and preserve all the current commitments made to affordable housing developments, especially for Markham Terrace, and ensure that essential housing services like single-family rehabilitation, mobilehome rehabilitation, and the Teacher Homebuyer Program remain funded. (2) Explore all other options for funding the SERAF "take" and certainly no more than the first year takeaway originally proposed in the San Jose Redevelopment Agency budget of \$40 million. (3) Reconsider whether an additional audit by the City Auditor is needed or cost-effective given that the Housing Department is annually audited by federal, State, and local entities. (4) Ensure that the City Council takes into consideration the community input and studies already completed by the Housing Department in its process of priority setting. (5) Encourage the Housing Department to move forward with a variable rate loan for housing projects with Wells Fargo. (6) Discuss with the Housing Department financing and programmatic strategies of shifting \$250,000 from the Housing Department to the Housing Trust of Silicon Valley and ensure that it will not adversely impact the City's current homebuyer or development programs. (7) Ensure that the total cost of borrowing, including principal, interest, and fees, are covered in the repayment to the Housing Department for the SERAF.

Commissioner Ellak seconded the motion. The motion passed by a vote of 6-0.

(i) Discussion and Possible Recommendation on Citywide Inclusionary Housing Ordinance

Jacky Morales-Ferrand informed the Commission that the Inclusionary Housing Ordinance would be going to the City Council for consideration on January 12, 2010. She noted that the ordinance language would be posted on the city's website on December 18th.

The Commission decided it would not to hold a special meeting in order to discuss the ordinance language, unless there were any changes being considered by staff that would fundamentally change the provisions of the policy they voted to approval on November 12, 2009. Staff confirmed that the policy approved by the Commission was essentially the same in the ordinance going before the City Council January 12, 2010.

(j) Update the Status of the Policy Alternatives for the Affordable Housing Exemption Under the Parkland Dedication Ordinance/Park Impact Ordinance (M. Whatley, Housing Department)

Ms. Whatley stated that the item has been deferred by the City Council until and is currently working on a recommendation letter with Chair Mace and Park Chair Flaughter.

(k) Standing Reports

(1) Chair's Report – no report

(2) Director's Report – no report

(3) City Council Meeting Report for: none (Chair Mace) – no report

(4) Ad-Hoc Committees

(a) CDBG Ad-Hoc Committee – no report

(l) Future Agenda Items

(m) Open Forum

No public comment.

(n) Adjournment

The meeting was adjourned at 7:50 p.m.