

Department of Housing

HOUSING & COMMUNITY DEVELOPMENT
ADVISORY COMMISSION

December 15, 2009

The Honorable Mayor and City Council
City of San Jose
200 E. Santa Clara Street, 18th Floor
San Jose, CA 95113

**RE: PROPOSED REDEVELOPMENT AGENCY BUDGET – 12/15/09
REDEVELOPMENT/COUNCIL AGENDA**

Dear Mayor and City Council:

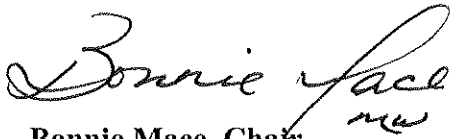
On December 10, 2009, the Housing and Community Development Advisory Commission (HCDC) held its regular meeting and discussed the redevelopment agency's proposed budget and Mayor's budget message dated November 20, 2009. The Commission unanimously voted to recommend to the Mayor and City Council the following actions for the December 15, 2009, discussion of this topic:

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.

Thank you for considering the recommendation made by the Housing and Community Development Advisory Commission. Please do not hesitate to contact me at (408) 406-4974 if you have any further questions or concerns.

Sincerely,

A handwritten signature in cursive script that reads "Bonnie Mace". The signature is written in black ink and is positioned above the printed name.

Bonnie Mace, Chair
Housing & Community Development Advisory Commission