



APPROVED MINUTES

HOUSING & HUMAN SERVICES COMMISSION

Wednesday, April 16, 2008

7:00 P.M.

West Conference Room

Sunnyvale City Hall

The Housing & Human Services Commission met in a regular session in the West Conference Room at 456 W. Olive Ave., Sunnyvale City Hall, Sunnyvale, CA 94086 on April 16, 2008 at 7:10 with Chair Patricia Plant presiding.

ROLL CALL

Director Hom advised the Chair that Commissioner Meyering and Vice Chair Tindle had left messages that they could not attend tonight's meeting.

Commission Members Present: Commissioners: Ann Andersen, Micki Falk, Jeremy Hubble, Mark Johnson, Gal Josefsberg, Charles Keeler, and Chair Patricia Plant.

Commission Members Excused Absences: Patrick Meyering and Florence Tindle

Commission Members Unexcused Absences: None

Staff Present: Hanson Hom, Community Development Director, Katrina Ardina, Housing Programs Analyst, and Edith Alanis, Housing Programs Technician.

PUBLIC ANNOUNCEMENTS

NONE

CITIZENS TO BE HEARD

NONE

CONSENT CALENDAR

1. Approval of Draft Minutes of March 26, 2007

Chair Plant asked for a motion to approve the minutes of March 26, 2007.

There were general comments by the Commission with regards to the format, content, and length of the minutes. The Commission is pleased and feels that the minutes are concise, unbiased and to the point, but if possible try to keep them short.

Commissioner Andersen moved and Commissioner Falk seconded approval of the minutes of March 26, 2008.

Motion passed 7-0-0.

GENERAL BUSINESS

1. Discussion and Recommendation of the Draft FY 2008/09 Action Plan

Director Hom opened the discussion by reminding the Commission that at the last meeting the Commission reviewed staff's preliminary recommendation to reduce Community Development Block Grant (CDBG) funds equally for all agencies, and that it was also asked to give alternatives if the staff's recommendation was not acceptable.

He acknowledged that the Commission passed a motion to recommend to Council that they maintain the same level of funding for all the organizations as they have received this year. He assured the Commission that their recommendation would be forwarded to Council concurrently with the Draft Action Plan for 2008/09.

However, Director Hom added that the Commission did not decide on how to reflect the reduction in CDBG funds on the Action Plan. During the last meeting the staff's recommendation was rejected and no other options were offered. Furthermore, Director Hom pointed out that the current staff recommendation had been modified and it now reflected a 13-1/2% reduction instead of the 11-1/2% that had been presented at the last meeting. Director Hom explained that the reason for this fluctuation was the very late execution of the contract for services with Santa Clara Valley Blind Center (SCVBC) for \$5,000.00. He also added that staff had received a letter from SCVBC declining the \$40,000.00 for the capital project that they had originally applied for.

The Commission asked when the Action Plan was due to the United States Department of Housing and Urban Development (HUD); staff replied that the deadline is no later than May 15th.

A Commissioner inquired whether the SCVBC had softened their feelings towards the City and staff or not, on account of the very negative letter to the City that they had disseminated. Director Hom replied that he felt that they had. He expressed that the SCVBC and the City had worked out all the issues pertaining to the \$5,000.00 contract and had signed it. The Commission inquired if it was possible to ask the SCVBC to write and distribute a letter that would now represent that the City was not as bad as originally represented. Director Hom replied that that was the SCVBC's prerogative.

Director Hom mentioned that the Commission should assume the worst case scenario for the agencies since there is no guarantee that the City will provide the same level of General Funds, if any, for public services. He also informed the Commission that the 30 day public notice review period on the Action Plan was published with this meeting and that this meeting should also be considered a public hearing.

Director Hom also recommended that Chair Plant attend the City Council meeting of June 10, 2008, to speak on behalf of the Commission. The Chair inquired as to whether

the Commission could do some lobbying or write a letter to the Council prior to the June 10th meeting.

Director Hom pointed out that the Commission's recommendation will be communicated to the City Council at the May 13th meeting, and that he also encouraged Chair Plant to attend that meeting and speak on behalf of the Commission.

A commissioner inquired about \$45,000.00 that was understood had been allocated for the SCVBC. Director Hom clarified that at the April 1st Council meeting staff was asked to prepare a budget supplement that reflected the recommendation of Council to allocate \$45,000.00 at the request of the SCVBC for public services. Council accepted to consider the recommendation in the form of a budget supplement, but did not approve it at that time.

In further discussion, Director Hom brought up that there is a Study Issue in place to address the difficult issue of dealing with CDBG funds and General Funds separately, since Council had expressed their share of frustration with the current process.

Director Hom indicated that one solution could be to determine ahead of time how much General Fund money will be available.

Director Hom asked if there were anymore questions before Katrina could go on and review the Action Plan that they had received.

Katrina explained that this is the fourth year submitting the Action Plan of the five year Consolidated Plan which describes the City's five year strategy. The City is entering its fourth year of that strategy and that will be in the form of the 2008/09 Action Plan.

Katrina indicated that the 2008/09 Action Plan will be submitted to HUD for approval, appropriating funds that the City anticipates to receive from HUD. The City receives CDBG funds and HOME funds. The Action Plan describes how the City will be expending those funds and at the same time addressing the priorities, objectives, strategies, and goals that are in the five year strategic plan.

She also pointed out that the plan included information with regards to the objectives and outcomes that have to be submitted to HUD as well as information with regards to accomplishments that were completed in fiscal year 2006/07.

Katrina explained the layout of the plan and reviewed it with the Commission line by line through the Federal Funding Sources Table (exhibit 1) included in their packets.

She explained that funding support in Sunnyvale is determined by an expressed need rather than upon geographic priority.

Katrina briefly described program income and explained that it comes in the form of loan payments and loan payoffs.

She then reviewed the Program Administration allocation which includes Fair Housing, and she pointed out that Fair Housing funding has been reduced from \$30,000.00 to \$20,000.00. She also pointed out that there was a Request for Proposal (RFP) out for

Fair Housing services and that the deadline to submit a proposal was today. It was suggested that any RFP that was received be brought to the next Housing and Human Services Commission meeting for review.

Director Hom and Katrina added that the current agency providing these services also provides dispute resolution services on behalf of the City under a separate contract.

Katrina then reviewed the Housing Rehabilitation activity which includes needed repairs to homes within the City or anything that is deemed to be brought up to code to maintain the home itself. The Home Access program provides services to residents who may be disabled and need items such as lifts for mobile homes, grab bars, and anything that will assist or retrofit their home so that they can live more comfortably. The Commission asked whether this program was a loan or a grant. Katrina explained that there is a qualification process that enforces the income eligibility requirements imposed by HUD that indicate these CDBG funds should benefit low and very low income families. The application is reviewed and once approved a contractor working for the City performs the work.

A Commissioner asked if these funds are completely expended every year. Katrina replied affirmatively and added that these monies also fund the emergency repair and paint programs that are offered by the City. The Commission asked what was considered an emergency. Katrina replied that these were minor repairs that needed immediate attention such as a water heater.

There was further discussion on the different loans available under the Rehabilitation program which benefit seniors with loans of up to \$60,000.00 deferred for up to 15 years and that include repairs such as roofing, electrical, and weatherization.

There was a lengthy discussion with regards to multi-family rehabilitation and the breakdown of all the funds earmarked for rehabilitation. Director Hom explained that the breakdown is a budget and although funds are allocated to certain activities it does not always mean that there is a project already lined up to receive the funds at the beginning of the year, the funds are simply designated to the activity in order to have them available when needed throughout the year if the right project is presented to the City. Katrina added that the last multi-family project that was funded was Homestead Park last year with a loan of \$700,000.00.

A Commissioner asked if it was possible to use some of this money to make up the shortage that the public service agencies are facing. Director Hom explained that HUD imposes a cap of 15% of the CDBG allocation and last year's program income for human services.

The Commission expressed their frustration at seeing that the City will spend money rehabilitating homes that sometimes are income producing properties for private individuals and are being forced to reduce the funding for the human services agencies.

Director Hom concurred that it was a valid concern, however, there was not much that the City could do with regards to the restrictions that HUD imposes on the allocation of their grant.

Katrina went on to explain the details of the Housing Acquisition program. Director Hom also added that there are three different funding sources that can be used to assist with Housing Acquisition; CDBG, HOME, and Housing Mitigation funds.

The Commission asked for an example of a typical Housing Acquisition project. Katrina explained that typically a non-profit would approach the City if it needed assistance to purchase a property and that the City would assist to help leverage the funding of that acquisition.

The Commission inquired what funds were being used for the Fair Oaks/Garland project. Director Hom indicated that the City was using Housing Mitigation funds.

Director Hom went into some detail with regards to what a non-profit contributes to the projects and explained that although the non-profits do put some of money into the project they mostly assist via their position and ability to leverage the funding by being eligible to apply for other funding or getting Section 8 vouchers from the Santa Clara County Housing Authority. On a 20-25 million dollar project the City may provide four to five million of these funds.

Katrina went on to review the ADA sidewalks and the 3rd year of the Columbia Neighborhood Center Expansion.

Director Hom added that the ADA legislation changes constantly, making this multi million project ongoing. A couple of examples were given of the latest changes such as, the black or yellow bubbles on the ramps which are required by federal and state law, and now there must be two ramps at each corner rather than one, both increasing the cost of construction. He also pointed out that CDBG funds provided for a very small portion of the total cost.

Director Hom also added that currently the CNC Expansion project is going into its 3rd year. The City committed to fund half of the three million dollar project and that one and a half million dollars have been identified in the Consolidated Plan for this project. The other half is being provided by the school district. It is expected that this project will get under construction shortly. The Commission asked with regards to the construction taking place right now. Director Hom explained that School District bond money is being used for the current construction.

Lastly, Public Services were discussed and was clarified again that the \$206,043.00 represented the \$211,043.00 reduced by the \$5,000.00 that was reallocated to the SCVBC.

The Commission commented that the \$206,043.00 did not seem to be the 15% cap amount that was talked about earlier. Katrina explained that the revolving loan fund is dedicated to the rehabilitation and acquisition activities and could not be included in the calculation to determine the 15% cap.

At this point Katrina handed out a revised table that included the General Funds and the increased reduction for the Commission to review.

There was a lengthy discussion on the impact of General Funds and that if the worst case scenario was assumed, then the agencies receiving General Funds would be reduced well beyond the 13-1/2% that was being represented.

Katrina then reviewed with the Commission the breakdown of the Home Investment Partnership Program funds. She went over the HOME Grant Funds, Program Administration, CHDO projects, she explained why the City did not need for set aside funds for CHDO projects, and lastly the HOME projects.

Katrina reminded the Commission about Maitri, the agency that had come to the meeting of March 26, 2008, to make a presentation, and that was asking for HOME funds for a capital project that looked at acquiring a property to be used as a transitional house for victims of domestic violence.

The Commission asked if Maitri was already approved for these monies. Staff clarified that the approval of this Action Plan would be the approval to set aside the money for them but that there is still a process to be followed before they get the funds.

A Commissioner was still concerned at the fact that Maitri was targeting South Asian women only and thought that this practice was not allowed. Director Hom explained that if Maitri gets funding from all the entities and other cities that they have asked funding from that they would be required to comply with very strict fair housing laws. He added that it is acceptable for their agency to target a specific group, but that likewise it would not be acceptable that they deny the services to anyone non South Asian that would otherwise qualify.

The Commission asked for more details on how the HOME program funds are spent. Katrina explained that the HOME program is geared more towards the creation of affordable housing.

Director Hom clarified that the actual amount in HOME funds is much larger and that the amount shown represent only what is being budgeted for this year. He also, explained that strategically, and although the City is required to spend a portion of these funds every 5 years, cities traditionally let their HOME funds build up in order to fund much more significant projects. He also added that these funds can be accessed though a budget modification.

The Commission asked for some examples of projects, other than the proposed Maitri project, funded with HOME funds. Katrina added that last year the City used Community Housing Development (CHDO) set-aside funds and some reserve funds to assist Senior Housing Solutions with the acquisition of a property. Katrina also named Stoney Pine Apartments for the developmentally disabled, Moulton Plaza, Senior Housing Solutions, and other projects such as Emergency Housing Consortium's 24 unit rental complex for low income individuals and another one on Borregas Court. Director Hom offered a few more examples, there are various sites being looked at as possible sites for affordable housing such as Onizuka and the Armory. Katrina and Director Hom indicated that these monies can be used to fund new construction, acquisition, land acquisition, etc.

There was a brief discussion with regards to the housing prices in Sunnyvale and whether they are going up or down.

PUBLIC HEARINGS

Nancy Tivol from Sunnyvale Community Services spoke to a recommendation that will be presented later in the meeting by a Commissioner.

The recommendation is to take away the CDBG funds that are currently allocated to Sunnyvale Community Services and use them to cover the shortfall for all the other agencies, and to ask Council that they fund Sunnyvale Community Services exclusively with General Funds.

Nancy spoke against the proposal because she feels that it destroys the integrity of the process. She expressed that if the City had made a two-year contractual commitment it should have included a two-year financial commitment up front.

She cited a couple of examples where she feels that the process has failed. Most importantly, she pointed out that it seemed to undermine the Housing and Human Services Commission purpose.

She expressed that although this tactic has been used in the past, and she does not foresee not getting funded, she felt that lobbying should not be the basis for funding an agency and that everyone should follow the process to maintain its integrity.

There was a small period of questions and answers with the Commission and Nancy was thanked for attending the meeting.

Public Hearing closed.

The Commission discussed the need to clarify some issues, reconsider last meeting's motion, and reiterate to Council that the overpowering feeling is that funding to the public services agencies should remain the same level no matter where the funds come from.

The Commission asked if last meeting's motion could be amended. Director Hom indicated that the Commission needed to vote and that by a majority of the votes they could reopen any motion for reconsideration and then make a separate motion for a new or amended recommendation.

Chair Plant asked for a motion.

Commissioner Josefsberg moved and Commissioner Hubble seconded to reconsider the motion that was made at the March 26, 2008 with regards to the CDBG funds allocation.

Motion passes 7-0-0

A Commissioner added that it was a good idea in order to clarify all the issues because there seemed to be a lot of confusion.

Chair Plant asked for a new or amended motion with regards to CDBG funds allocation.

Commissioner Josefsberg moved and Commissioner Keeler seconded to recommend to Council that in order to fulfill the City's contractual and moral obligation, overall funding of public services remain the same by using increased General Fund contributions to compensate for CDBG shortfall.

Motion passes 7-0-0

There was some general discussion about the difference in workload for agencies that receive CDBG versus General Funds exclusively. Staff explained that since a lot of these agencies are also funded by CDBG funds from other cities they are already having to comply with all the performance and monitoring requirements and would need to do all the reporting that goes along with CDBG funds.

However, Director Hom reiterated that as frustrating as it was, the commission has no purview on the allocation of General Funds.

A Commissioner reviewed the two possible and practical options to address the reduction of CDBG funds. The first option is to cut across the board at 13.5% without taking into account the allocated general funds, and the second is to cut across proportionately accounting the allocated general funds.

The Commission expressed a lot of frustration with regards to how arbitrary the Council's decision appeared to be when deciding how to allocate the General Funds.

Chair Plant asked for a motion to address the CDBG funds allocation as it pertains to the Action Plan to be submitted to HUD.

Commissioner Keeler moved and Commissioner Andersen seconded to recommend that with cognizance of our previous motion that all funding for the agencies remain at its present level and that the Commission accepts the staff recommendation for the general cut across the CDBG funding and recommend acceptance of the 2008/09 Action Plan.

Motion passes 5-2-0

A Commissioner expressed concern as to the precedent that would be set for Council by continuing to allow the reduction of funds to the public service agencies. The Commissioner also indicated that taking away funding from one agency sounded better than reducing funding to all.

Another Commissioner expressed concern that the Commission's recommendations would not be presented to Council as it had happened in the past. Director Hom reassured the Commission that this would not be the case this year.

There was further discussion about whether it is practical to fund many agencies with little amounts of money or would it be better to fund fewer agencies and give them a more significant amount. Director Hom indicated that these should be some of the issues that will be addressed by the current study issue on CDBG funding allocation.

NON-AGENDA ITEMS AND COMMENTS

- COMMISSIONERS ORAL COMMENTS

- ✓ A Commissioner thanked staff for the work that they do gathering information and putting the reports together and answering the Commissions questions.
- ✓ Another Commissioner expressed that the Commissioners take more initiative driving the Commission where the Commission wants it to go. It was indicated that some members came into the Commission with some very innovative ideas and that there should be more of that and not be passive, and to not let the system drive the course of the Commission.

- STAFF ORAL COMMENTS

- ✓ Director Hom gave the Commission a heads up that one of the agenda items at the next meeting will be the opportunity for the Commission to recommend any new study issues to be recommended to the City Council.

A Commissioner asked if it was possible to bring back issues that had been dropped. Director Hom replied affirmatively. Director Hom briefly reviewed the process of putting the study issues together.

- ✓ Director Hom also announced that at the next meeting the Commission will have an opportunity to consider the actual proposed General Fund budget for the portion that is within the purview of the Commission. There will be an opportunity to review staff's hour allocation by activity. It is mainly the operating budget and staffing hours. The Commissions comments and recommendations on the budget will be gathered and passed on to the City Council.
- ✓ A Commissioner asked about a question that had been posed to Director Hom with regards to a \$35,000.00 contract for assisting first time home buyers in the Below Market Rate (BMR) program. Director Hom went on to explain that this contract is for an agency to provide assistance and workshops to the BMR applicants. The Commissioner expressed that the amount seemed high for the services that were being provided. Director Hom reassured the Commission that the services were more involved than it seemed at first glance.
- ✓ Director Hom also advised that the Housing Strategy for the next 20 years should be presented at the next meeting and that this was another very important opportunity to have input and set priorities on how funds get spent or allocated for the next 20 years.
- ✓ Director Hom also announced that the Housing Officer position is almost filled and that he hopes that the new Housing Officer will be hired before the next Housing and Human Services meeting.
- ✓ Director Hom's final item is a Satisfaction Survey for the Housing and Human Services Commissioners to provide feedback to the Housing staff. The Commission was provided with the questionnaire and a self stamped envelope; and was asked to return the survey as soon as possible.

A Commissioner asked if there was a follow up answer to the motion made at the last meeting to address the Mayor with regards to the letter sent to Chair Plant. Director Hom indicated that he had forwarded a message, but had not heard anything back yet; he also indicated that he would follow up at the next meeting.

INFORMATION ONLY ITEMS

NONE

ADJOURNMENT

Chair Plant asked for a motion to adjourn.

Commissioner Johnson moved and Commissioner Andersen seconded that the meeting be adjourned.

Motion passed 7-0-0.

Meeting adjourned at 9:23 p.m.

Respectfully submitted,

Hanson Hom
Director of Community Development