



APPROVED MINUTES

SUNNYVALE HOUSING AND HUMAN SERVICES COMMISSION

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 May 28, 2008 at 7:05 with Chair Patricia Plant presiding.

ROLL CALL

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

Commission Members Absent: None

Staff Present: Hanson Hom, Community Development Director, Laura Simpson, Housing Officer, and Edith Alanis, Housing Programs Technician.

At this point Director Hanson Hom officially introduced Laura Simpson, the new Housing Officer, to the Commission. Director Hom also announced that this was his last meeting as staff liaison and that as of the next meeting Laura would be taking over that role for the Commission. Chair Plant asked that all the Commissioners introduced themselves to Laura.

There was a brief discussion on the new commissioner assignments and Director Hom advised the Commission that as of the next meeting there may be a new Commissioner replacing Commissioner Johnson in light that he did not reapply for his position.

SCHEDULED PRESENTATION - None

PUBLIC ANNOUNCEMENTS - None

CONSENT CALENDAR

Minutes of meeting of April 16, 2008, were inadvertently left out of the agenda and therefore will be voted on at the next meeting.

Commissioner Johnson voiced that since he was not going to be at the next meeting he wanted to add that he had no issues with the content of the minutes, but thought that they were still longer than necessary.

Director Hom commented that Council had a work session on Boards and Commissions and one of the outcomes was trying to promote consistency on how to record and format minutes and agendas, thus, the new format on tonight's agenda. One of the main issues was the minutes. The Council discussed the options of action, summary, and detailed minutes.

He pointed out that we will continue to condense the minutes and shared that City Clerk's office has been given the lead to develop a template for preparing minutes and other guidelines in order to promote consistency among the Boards and Commissions.

There was some discussion among the Commission as to whether commissioners care about being identified or not in the minutes for personal statements. Some of the comments were that sometimes it was nice to get credit for good ideas, but sometimes it was a negative if anyone expressed a very strong opinion on an issue and appeared to be singled out. It was also stated that there was no issue with being identified by name as long as it was in a non-judgmental fashion.

NO MOTION – deferred approval of minutes to the next meeting because item was not included in the official agenda.

1.A) Housing Mitigation RTC

Director Hom gave some historical background on the origin of the Housing Mitigation fees. Back in 1985 the City established a linkage fee for office developments or employment generating developments. It recognized that when developers create more jobs, they also create the need for more affordable housing. This fee is put in a special trust fund that is used specifically for production or preservation of affordable housing projects.

At that time the fee was set at \$7.19. In 2003, after a very detailed Nexus study was done that determined that an increase of up to \$17.63 was warranted the fee was increased to only \$8.00 stipulating that it should be reviewed in three years. The staff recommendation is to increase the fee to \$8.95.

The first issue being considered is to update the current fee based on one of the two indexes; the Consumer Price index (CPI) or the Construction Cost index (CCI). Staff recommends using the more gradual CPI index.

The second issue is whether the City wants to index the fees based on one of the two indexes for future years for an automatic more gradual and consistent increase. Staff had recommended to add an index in 2003, but Council opted to revisit the issue in the next three or four years. Staff proposes to use the CPI as the index to be used for future adjustments to the Housing Mitigation fees.

Director Hom clarified that the only projects that are required to pay this fee are high density office or industrial developments. This fee does not apply to retail or lower density type of offices or structures.

There was a discussion on the comparisons to the neighboring cities practices and the wide range of their fees and it was established that the threshold of exceeding 35% the floor area ratio (FAR) is unique to Sunnyvale.

Director Hom shared that some Council members recently voiced wanting a more aggressive approach to producing affordable housing while balancing that with keeping the fees reasonable so that it does not discourage developers from coming to the City.

The Commission mentioned that the fact that the Housing Mitigation fund is so large that it may be an argument for developers to not want to pay the fee to begin with. Director Hom explained that the fund is allowed to grow that large by design in order to be able to use them for more significant projects that would required several million dollars at a time.

After further review and discussion it was also agreed that the Commission would make recommendations on when the new fees should be applied if approved, and on whether the Commission thought a study issue was necessary to reevaluate the calculation method.

Chair Plant asked for motions.

Commissioner Josefsberg moved and Commissioner Andersen seconded to accept the staff recommendation to increase the current Housing Mitigation fee from \$8.00 to \$8.95 and that it be based on the CPI index.

Motion passed 5-3 with commissioners Plant, Hubble, and Johnson dissenting because they would prefer a more aggressive approach and a higher fee.

Commissioner Johnson moved and Vice Chair Tindle seconded to accept staff recommendation to tie the Housing Mitigation fees to the CPI index.

Motion passed 8-1 with Commissioner Meyering dissenting because he thinks that a study issue is needed.

Director Hom shared that many of the City's fees are tied to an indexing system, but that City Council still needs to approve the fee increase by adopting the fee schedule through the budget adoption process.

Commissioner Josefsberg moved and Commissioner Hubble seconded to accept staff recommendation on grandfathering projects by allowing projects that have been approved prior to July 1, 2008, then the developer has up to December 31, 2008, to pay the fee at the \$8.00 rate.

Motion passed unanimously 9-0

Commissioner Josefsberg moved and Commissioner Andersen seconded to have a study issue that addresses if the City should keep the current 35% FAR as a break point in the fee structure which seems to discourage high density development; and to explore if the fees could be even higher than they are today to generate the City of Sunnyvale more revenue while still not discouraging development.

Motion passed unanimously 9-0

1.B) Housing Budget Review

Director Hom reminded the Commission that one of the roles of Boards and Commissions is to provide input on the proposed budget in the areas that are within the purview of the Commission. He also pointed out that a great portion of this was already done when working on the recommendations for the HUD Action Plan.

Director Hom informed that Council endorsed the Action Plan with the Commission's recommendations.

Director Hom reviewed the excerpts that were provided in their packets and advised that the entire City budget consists of four volumes and was available on the City's website.

The Commission's packet included the following excerpts and each one was reviewed and discussed.

- Housing Mitigation Fund
- Budget Supplement No. 19 - SCVBC Funding Request

There was a lengthy discussion on the merits of this request.

Commissioner Meyering spoke to his understanding of what transpired between the City and the Santa Clara Valley Blind Center and gave some comments for the record.

The Blind Center, in the spring of 2007, had actually gone through the competitive process along with other social service agencies and pursuant to that process the City Council had stated that the Blind Center would get \$45,000 dollars. Because of the City's mistake, that didn't take place. The City was required to produce a written project agreement which identified exactly what the money was going to be used for. The draft of that agreement stated that the Blind Center was going to undertake certain activities, which in fact the Blind Center never does, and was not in the Blind Center's proposal. The wording of that written project agreement also contained, for instance, on one page a sentence that was half the page in length and was unclear exactly what the sentence was even saying so the Blind Center wasn't able to sign that written project

agreement. The report that came to us dated May 23, actually is misleading in stating that the Blind Center was trying to go outside the normal process and there is a bad precedent in stating, in misstating the facts. The facts are that the Blind Center did go through the competitive process, was not seeking new money in 2008, it was seeking to have the mistake that was made earlier corrected, it had submitted an application and gotten the approval and the money hadn't come. So it was the City that did not follow through with the actual production of a written project agreement that mirrored the activities that the Blind Center did and had been approved.

- Fee Schedule
- Priority Ranking Criteria
- Community Development – Operating Budget Spreadsheet
- Program Performance Budget
- Project Information Sheets

The Commission was advised that their input would be forwarded to Council.

There was further review of how the operating budget is set and how staff time is tracked and recorded to coincide with the activities described in the program performance budget sheets. Director Hom also pointed out that the 20 year projection or financial planning is unique to the City of Sunnyvale and is a good planning and monitoring tool.

Director Hom clarified that there was no need to take action during this meeting, but the Commission was welcome to give any input.

Commissioner Keeler moved and Commissioner Meyering seconded to recommend that budget supplement no. 19 for funding request by the Santa Clara Valley Blind Center be awarded from General Funds as an exception with the stipulation that it is on a one time basis and will not be repeated, in consideration that the agency may not have been aware that the monies could not be moved from fund to fund

Motion passed 5-4 with Commissioners Johnson, Plant, Hubble, and Andersen dissenting

The dissenting Commissioners stated they were not able to justify awarding the amount of \$45,000.00 considering that the other Outside Group agencies who have complied with all the CDBG requirements were experiencing reductions and most importantly not wanting to set a precedent that would make it appear that an agency could get funding outside of the established process.

In further discussion it was clarified that this request would be in addition to the General Funds already being requested to backfill the CDBG reduction, and in addition to the

funds allocated to the other service agencies such as Junior Achievement and Leadership Sunnyvale, that are not CDBG eligible, but still go through a competitive application and qualification process to get those General Funds.

Director Hom clarified that all these funding requests will be considered by the Council during their budget meeting on June 3.

1.C) Revision of 2008 Work Plan

The Commission was advised that there were some additions to the work plan and that revised copies would be available at the June meeting.

1.D) Discussion of Possible Study Issues

Director Hom reminded the Commission that study issues can be recommended any time during the year, but as they were reminded at the April meeting, tonight was a scheduled opportunity to bring study issue ideas.

Chair Plant asked to bring back her suggestion for a study issue on a multi-service facility. Director Hom advised that the issue did not need to be rewritten and that staff would make it available for input in order for her to review and modify if needed.

Commissioner Hubble suggested a study issue that addresses a more community based zoning encouraging that new developments actually integrate with the City, rather than create isolated areas that do not have access to public transit or seem disconnected from the community.

In further discussion, it was narrowed down to a study issue to lower zoning restrictions for low income housing/affordable housing, such as parking restrictions, and to locate more opportunities to develop such housing near transit oriented areas. Furthermore, he suggested adding a fee to developers who insist in developing isolated areas and using that money in the same way as the Housing Mitigation fee.

Commissioner Josefsberg suggested a study issue on the how or if foreclosures will affect the housing situation in Sunnyvale and how the City could respond.. Furthermore, he suggested exploring the possibility of setting up a fund to help residents having to foreclose.

Commissioner Josefsberg also suggested a study that evaluated adult education being provided to working age, low income population. Are current services meeting the current needs?

Commissioner Hubble inquired if there are any regionalization efforts for people interested in living in BMR homes or if applicants need to be qualified at each individual city. If so, could there be some partnership among the surrounding cities to standardize the process and have individuals go through the tedious process less times.

Director Hom pointed out that the policies and preferences of each city make affordable housing a very sensitive issue and it is difficult to accomplish, but it can be tried.

Director Hom also pointed out that Sunnyvale does contribute to a regional effort through the Santa Clara Housing Trust Fund. The Trust Fund receives funding from many sources and provides a lot of services on a regional level that also directly benefits Sunnyvale.

Commissioner Johnson added that he felt it was worth writing up the study to streamline the BMR qualification process on a regional level.

Laura Simpson shared an example of a non-profit that was attempting to maintain an inventory of BMR units for a region and she offered to check how far they have gotten on that effort.

Hom added that BMR qualification also involves some training for the applicants and that sometimes surrounding cities are willing to accept that certification in lieu of the one offered by their own city while others insist that the applicant must attend the training offered by the specific jurisdiction.

CITIZENS TO BE HEARD None

PUBLIC HEARINGS/GENERAL BUSINESS - None

NON-AGENDA ITEMS AND COMMENTS

• **BOARDMEMBERS OR COMMISSIONERS ORAL COMMENTS**

This is Commissioner Mark Johnson's last meeting and he wanted to say thanks to the commission for the opportunity to serve and the experience as a whole.

• **STAFF ORAL COMMENTS**

None

INFORMATION ONLY ITEMS - None

ADJOURNMENT

Meeting adjourned at 9:15 p.m.
Respectfully submitted,

Hanson Hom
Director of Community Development