

HOUSING & COMMUNITY DEVELOPMENT COMMISSION
SPECIAL MEETING ACTION MINUTES

OCTOBER 29, 2019

MEMBERS PRESENT:

Andrea Wheeler	Chair
Alex Shoor	Vice Chair
Barry Del Buono	Commissioner
Martha O’Connell	Commissioner
Roberta Moore	Commissioner
Ruben Navarro	Commissioner
Victoria Partida	Commissioner
Julie Quinn	Commissioner

MEMBERS ABSENT:

District 8 – VACANT	Commissioner
Justin Lardinois	Commissioner
Shavell Crawford	Commissioner
Ryan Jasinsky	Commissioner
Nhi Duong	Commissioner

STAFF PRESENT:

Helen Chapman	Council Liaison
Amy Chen	Housing Department
Kristen Clements	Housing Department
Selena Copeland	Housing Department
Viviane Nguyen	Housing Department
Rachel VanderVeen	Housing Department

(I) Call to Order & Orders of the Day

Chair Wheeler called the meeting to order at 5:46 PM.

(II) Introductions – Commissioners and staff introduced themselves.

(III) Consent Calendar

- A.** Approve the Minutes for the Meeting of October 10, 2019
ACTION: Approve the October 10, 2019 action minutes

Commissioner Moore made a motion to approve the minutes, with a second by Commissioner Quinn. The motion was approved unanimously (8-0).

Yes: Navarro, Quinn, Moore, Shoor, Wheeler, O’Connell, Del Buono, Partida (8)

(IV) Reports and Information Only

- A. Chair:** Chair Wheeler discussed the usage of e-mails.
- B. Director:** Ms. Kristen Clements provided an update to policy items agendized for the Housing Day on November 5, 2019.

- C. **Council Liaison:** Ms. Helen Chapman shared an event that Councilmember Jimenz is organizing on November 13th Housing Ready from 6 to 7 PM at Southside Community Center.

(V) Open Forum

Members of the Public are invited to speak on any item that does not appear on today's Agenda and that is within the subject matter jurisdiction of the Commission. Meeting attendees are usually given two (2) minutes to speak on any discussion item and/or during open forum; the time limit is in the discretion of the Chair of the meeting and may be limited when appropriate. Speakers using a translator will be given twice the time allotted to ensure non-English speakers receive the same opportunity to directly address the Commission.

(VI) Old Business

(VII) New Business

- A. **Demographic Study of Renters Living in Apartments Covered by the Apartment Rent Ordinance (V. Nguyen, Housing Department)**

ACTION: Review and discuss Economic Roundtable's 2019 update study on the demographics of renters in apartments subject to the Apartment Rent Ordinance, and possible recommendation to the City Council.

Commissioner Moore made a motion that the Commission highlight for the City Council that one of the most significant findings in the report is that the population of ARO tenants is largely Hispanic/Latinx (47%), with a second Commissioner Navarro.

With a proposed amendment by Commissioner Navarro that any changes to the Ellis Act Ordinance and Apartment Rent Ordinance should be thoughtful of disproportionate impact on the Hispanic/Latinx communities in addition to the impact on all communities, with a second by Commissioner Partida.

Motion passes 7-1.

Yes: Navarro, Quinn, Shoor, Wheeler, O'Connell, Del Buono, Partida (7)

No: Moore (1)

Commissioner Moore made a motion that the Commission highlight for the City Council that one of the most significant findings in the report is that the population of ARO tenants is largely Hispanic/Latinx (47%) and that any changes to the Ellis Act Ordinance and Apartment Rent Ordinance should be thoughtful of disproportionate impact on the Hispanic/Latinx communities in addition to the impact on all communities, with a second Commissioner Navarro. Motion passes 8-0.

Yes: Navarro, Quinn, Moore, Shoor, Wheeler, O'Connell, Del Buono, Partida (8)

No: None (0)

Commissioner Moore made the motion that Table 9 in the Ellis Act Ordinance memo submitted to City Council for the November 5, 2019 meeting to also include

the numerical population for ARO renters and all renters in San Jose, with a second by Commissioner O'Connell. Motion passes 8-0.

Yes: Navarro, Quinn, Moore, Shoor, Wheeler, O'Connell, Del Buono, Partida (8)

No: None (0)

B. Inclusionary Housing Ordinance Proposed Revision (R. VanderVeen, Housing Department) ACTION:

(a) Review the staff report and provide possible recommendations to the City Council on proposed amendments to Chapter 5.08 of the Municipal Code, including the following changes as described in this staff memorandum:

(1) Apply the Inclusionary Housing Ordinance on developments with five units or more;

(2) Serve a wider range of incomes for rental housing to 5% at 100% of the Area Median Income (AMI), 5% at 60% of the AMI, and 5% at the 50% of the AMI;

(3) Restructure the in-lieu fee option to apply the fee on a square foot basis and change the amount to \$43 per square foot for rental development and \$25 per square foot for forsale development;

(4) Encourage rental developments to choose on-site compliance option by setting the in-lieu fee to \$18 per square foot where at least 5% of the units are provided onsite and allowing affordable units to be located in a separate building on-site;

(5) Update the requirement to locate offsite units within the same redevelopment area to areas of opportunity;

(6) Ensure units remain affordable as long as practical by extending the period of affordability to 99 years;

(7) Adjust affordability requirements for co-living units to 90% of studio rents; and

(8) Update program administration to allow recertification every two years.

(b) Provide recommendations to staff regarding potential amendments to the Park Fees Ordinance to define 100% AMI units as "affordable;" and,

(c) Provide recommendations to staff regarding the potential development of geographic market areas to allow the phase in of the in-lieu fee adjustments over a three-year period.

Vice Chair Shoor made a motion to approve staff recommendation to apply the Inclusionary Housing Ordinance on developments with five units or more, with a second by Commissioner Del Buono. The motion failed 4-4.

Yes: Quinn, Shoor, Wheeler, Del Buono (4)

No: Navarro, Moore, O'Connell, Partida (4)

Commissioner O'Connell made a motion to reject the staff recommendation (B-1) to expand the income tiers for rental on-site and off-site projects, with a second by Commissioner Navarro. The motion failed 4-2-2.

Yes: Partida, Del Buono, O'Connell, Navarro (4)

No: Shoor, Quinn (2)

Abstain: Wheeler, Moore (2)

Vice Chair Shoor made the motion to approve the staff recommendation (B-2) of an in-lieu of providing on-site rental units in the three specified income tiers a project can provide 10% of units affordable at 30% of the AMI, with second by Commissioner Moore. The motion passed 8-0-0.

Yes: Partida, Del Buono, O'Connell, Navarro, Shoor, Quinn, Wheeler, Moore (8)

No: None (0)

Abstain: None (0)

Vice Chair Shoor made the motion to approve the staff recommendation (B-3) to explore extending the Park Fee discount to 100% of AMI rental units, with a second by Commissioner Navarro. The motion failed 4-3-1.

Yes: Del Buono, Shoor, Quinn, Moore (4)

No: Navarro, Partida, O'Connell (3)

Abstain: Wheeler (1)

Vice Chair Shoor made the motion to approve the staff recommendation (C-1) to apply the In-Lieu Fee on a per square foot basis, with a second by Commissioner Moore. The motion passed 7-0-1.

Yes: Partida, Del Buono, O'Connell, Shoor, Wheeler, Moore, Navarro (7)

No: None (0)

Abstain: Quinn (1)

Commissioner O'Connell made the motion to approve the staff recommendation (C-2) to tie the In-Lieu Fee calculation to the per unit affordability gap, with a second by Commissioner Partida. The motion passed 7-0-1.

Yes: Partida, Del Buono, O'Connell, Navarro, Shoor, Quinn, Wheeler (7)

No: None (0)

Abstain: Moore (1)

Vice Chair Shoor made the motion to reject the staff recommendation (C-3) to set a lower fee outside of strong market areas, with a second by Commissioner Navarro.

Yes: Partida, Del Buono, O'Connell, Navarro, Shoor, Quinn, Wheeler (7)

No: Moore (1)

Abstain: None (0)

Vice Chair Shoor made the motion to reject the staff recommendation (C-4) cap the annual fee adjustment, with a second by Commissioner Navarro. The motion passed 6-1-1.

Yes: Partida, Del Buono, O'Connell, Navarro, Shoor, Quinn (6)

No: Moore (1)

Abstain: Wheeler (1)

Vice Chair Shoor made the motion to approve the staff recommendation (C-5) to provide advance notice of fee increases, with a second by Commissioner Quinn. The motion passed 8-0.

Yes: Partida, Del Buono, O'Connell, Navarro, Shoor, Quinn, Wheeler, Moore (8)

No: None (0)

Abstain: None (0)

Commissioner O'Connell made the motion to reject the staff recommendation (D-1) to offer an adjusted schedule of In-Lieu Fees for mixed compliance projects and (D-2) to adjust the mixed compliance fees as the market changes, with a second by Navarro. The motion passed 6-2-0.

Yes: Partida, Del Buono, O'Connell, Navarro, Shoor, Wheeler (6)

No: Moore, Quinn (2)

Abstain: None (0)

Commissioner O'Connell made the motion to reject the staff recommendation (D-3) to allow affordable project immediately adjacent to market-rate project, with a second by Commissioner Moore. The motion passed (5-1-2).

Yes: Partida, Del Buono, O'Connell, Navarro, Moore (5)

No: Quinn (1)

Abstain: Wheeler, Shoor (2)

Chair Wheeler made a motion to request City Council to direct staff to evaluate the community impact due to clustering of low income housing units, with a second by Commissioner Navarro. The motion passed 6-0-2.

Yes: Partida, Del Buono, O'Connell, Navarro, Shoor, Wheeler (6)

No: None (0)

Abstain: Quinn, Moore (2)

Vice Chair Shoor made the motion to approve the staff recommendation (F-1) to extend the period of affordability to 99 years, with a second by Commissioner Quinn. The motion passed (7-1-0).

Yes: Partida, Del Buono, O'Connell, Navarro, Shoor, Quinn, Wheeler (7)

No: Moore (1)

Abstain: None (0)

(VIII) Open Forum

Members of the Public are invited to speak on any item that does not appear on today's Agenda and that is within the subject matter jurisdiction of the Commission. Meeting attendees are usually given two (2) minutes to speak on any discussion item and/or during open forum; the time limit is in the discretion of the Chair of the meeting and may be limited when appropriate. Speakers using a translator will be given twice the time allotted to ensure non-English speakers receive the same opportunity to directly address the Commission.

(IX) Meeting Schedule

The next regular Commission meeting is scheduled to be held on Thursday, November 14, 2019, at 5:45 p.m. in Wing Rooms 118-120 at San José City Hall, 200 E. Santa Clara St., San José, CA 95113.

Potential items for November (subject to change): Rent Stabilization Program Quarterly Report for the Apartment Rent Ordinance, Tenant Protection Ordinance, Ellis Act Ordinance, and Mobilehome Rent Ordinance

The Commission set its special December meeting for December 5, 2019, at 5:45 p.m. at San José City Hall, 200 E. Santa Clara St, Tower Room 334.

(X) Adjournment

Chair Wheeler adjourned the meeting at 10:28 PM.

The City of San José is committed to open and honest government and strives to consistently meet the community's expectations by providing excellent service, in a positive and timely manner, and in the full view of the public.

You may speak to the Commission about any discussion item that is on the agenda, and you may also speak during Open Forum on items that are not on the agenda and are within the subject matter jurisdiction of the Commission. Please be advised that, by law, the Commission is unable to discuss or take action on issues presented during Open Forum. Pursuant to Government Code Section 54954.2, no matter shall be acted upon by the Commission unless listed on the agenda, which has been posted not less than 72 hours prior to meeting.