



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Leslye Krutko

**SUBJECT:** SEE BELOW

**DATE:** September 28, 2006

Approved

Date

10-4-06

**COUNCIL DISTRICT:** City-Wide  
**SNI AREA:** N/A

**SUBJECT: CONSOLIDATION OF THE COMMUNITY DEVELOPMENT BLOCK GRANT STEERING COMMITTEE WITH THE HOUSING ADVISORY COMMISSION**

## RECOMMENDATION

It is recommended that the City Council approve the consolidation of the Community Development Block Grant (CDBG) Steering Committee with the Housing Advisory Commission (HAC) to act as the lead citizen advisory group in advising the City Council and Housing Department on the CDBG program, housing policies and programs. To capture the expanded scope of work, it is recommended that this new committee be called the Housing and Community Development Advisory Commission (HACDAC). In addition, the Housing Department recommends that the City Council adopt an ordinance to reflect this change.

## OUTCOME

Approval of this recommendation will result in the consolidation of the HAC and CDBG Steering Committee. The scope of the HACDAC would be to advise the City Council and Housing Department on housing policies and CDBG funding awards.

## BACKGROUND

As part of the proposed FY 06-07 budget, the City Council approved the transfer of the Community Development Block Grant (CDBG) program from the Parks, Recreation, and Neighborhood Services Department to the Housing Department. With this change, ten administrative positions were transferred to the Housing Department, along with the responsibility of staffing the CDBG Steering Committee. The Housing Department is now responsible for oversight of the CDBG program, which allocates approximately \$10 million on an annual basis for activities that benefit low and moderate income persons and aid in the prevention or elimination of slums or blight.

The CDBG Steering Committee is a 9-member body that acts as the lead citizen participation group in the planning and programming of the CDBG program. Generally meeting between the months of September and April, the Committee holds public meetings in order to assess the current program and develops recommendations for the following year's program. The Committee advises the Mayor, City Council, and Administration on the development of CDBG goals and funding awards.

The Housing Department staffs the Housing Advisory Commission, a 7-member body that studies, reviews, evaluates, and makes recommendations to the City Council and the Housing Department regarding the City's housing programs and policies. Meeting throughout the year on a monthly basis, the Commission monitors the progress of the City's housing goals and considers studies and reports related to housing policies.

### **ANALYSIS**

The Housing Department is recommending the consolidation of the CDBG Steering Committee with the HAC to reflect the Department's new mission and goals related to housing and community development. Having one citizen group that can address both of these issues will also result in efficiencies of operation, as they will be able to respond to CDBG program changes, which impact the Housing Department's policies and programs. In addition, this group would be able to address the Consolidated Plan and the Consolidated Annual Performance Evaluation Report (CAPER). Currently, the HAC and CDBG Steering Committee are consulted separately regarding both reports. Commissioners' time will also be used more efficiently by asking for their input on "high-level" policy issues, rather than using meetings to provide project updates and informational items.

The Housing Department is also recommending the merger of the HAC and CDBG Steering Committee because members of the HAC have demonstrated an interest in how housing policies impact San José's low-income population. The primary objective of the CDBG program is the development of viable urban communities for low and moderate income persons through the creation of decent housing, suitable living environments, and expanded economic opportunities. This goal is met by funding capital improvement projects and funding agencies that provide a public service for low and moderate income persons such as owner-occupied housing rehabilitation, emergency housing repairs, food programs, child and adult day care facilities, and legal assistance. Since Commissioners have a solid understanding of issues facing the low-income population, they will provide valuable citizen input with regard to CDBG projects and funding awards.

As stated earlier, the CDBG program was transferred to the Housing Department in FY 06-07. The CDBG Steering Committee currently has 4 members (5 are needed for a quorum). This represents an opportune time to merge the CDBG Steering Committee. It should also be noted that in FY 05-06, the CDBG Steering Committee had to cancel meetings because they were unable to obtain a quorum. This prevented staff from being able to consult the group regarding the Consolidated Plan or CAPER. By having the HACDAC address issues related to CDBG and housing, this may result in greater participation by members.

***Composition of HAC and CDBG Steering Committee:***

The HAC has seven at-large appointments. On December 31, 2006, the terms of two HAC members will expire. Voting members of the CDBG Steering Committee are appointed as follows: two members from Council Districts, 3, 5, and 7 (these districts have a majority of low-income residents), and one member from District 6. There are also two at-large members from the other Council Districts. The City Council Liaison and a Senior Citizens Commissioner also serve as non-voting members. The CDBG Steering Committee has four vacancies and has had difficulty in recent months obtaining a quorum. As shown in the table below, upon consolidation, the make-up of the HACDAC will ensure that all of the required seats will be filled, with the exception of one seat, which is currently vacant, for District 7. This seat will be temporarily eliminated until July 2007 when one of the City-wide seats can be converted to a District 7 appointment. Staff recommends that members serve until their current terms expire. However, after their current terms expire, seats on the HACDAC would be filled using the following guidelines to achieve a 9-member body.

- 2 appointments each for Districts 3, 5, and 7 (Total of 6 District Appointments), which are districts that have a majority of low-income residents
- 3 At Large, not from Districts 3, 5, or 7 (Total of 3 Appointments)

<b>Commission</b>	<b>Council District</b>	<b>Term Expires</b>	<b>Action When Current Term Expires</b>
HAC	1	12/31/2008	Appointment of City-wide Representative
HAC	2	12/31/2006	No reappointment
HAC	2	12/31/2008	Appointment of City-wide Representative
HAC	3	12/31/2007	Appointment of District 3 member
CDBG	3	6/30/2007	Appointment of District 3 member
CDBG	5	6/30/2007	Appointment of District 5 member
HAC	5	12/31/2007	Appointment of District 5 member
HAC	6	12/31/2008	Appointment of City-wide Representative
CDBG	7	6/30/2008	Appointment of District 7 member
HAC	10	12/31/2006	No reappointment
CDBG	City-wide	6/30/2007	Appointment of District 7 member

Councilmember Cortese is currently both the Liaison to the HAC and the CDBG Steering Committee.

***Scope of HACDAC:***

In order to merge the HAC and CDBG Steering Committee, the scope of work for both bodies must be consolidated. As demonstrated in Attachment 1, currently the HAC and CDBG Steering Committee have a wide range of topics and meetings related to their charge. To streamline the workload, the HACDAC would address “high-level” housing policies and issues related to CDBG. Examples of “high-level” policy issues include the affordable housing targets for Coyote Valley and the extension of the downtown high-rise incentive program. Commissioners would also be asked to make recommendations on the CDBG application criteria and funding awards.

The HACDAC would meet every second Thursday of the month throughout the year. In the months between November – May, the Commission would address issues related to CDBG, with a potential for two additional special meetings a year to accommodate the CDBG process. Meetings held by the CDBG Steering Committee during FY 05-06 were approximately one hour in duration.

***Proposed CDBG Schedule:***

- November – General discussion of application process and criteria for applications. Notice of funding availability (NOFA) will be released.
- January – Applications are due.
- March - (Regular Monthly Meeting) Review and discuss staff's recommendation on funding awards for Contractual Community Services applications.
- March – (Special Meeting) Review and discuss staff's recommendation on funding awards for Community Development Improvement applications.
- April – (Regular Monthly Meeting) HACDAC will make a recommendation to the City Council. The HACDAC will also approve the Consolidated Plan.
- May – City Council will adopt the Consolidated Plan.

**POLICY ALTERNATIVES**

**Alternative #1:** Defer making a decision on this item and re-evaluating the consolidation of the Housing Advisory Commission and Community Development Block Grant Steering Committee at a later date.

**Pros:**

- There was a special HAC meeting on September 27 to discuss this issue. However, deferring the consolidation will give staff more time to conduct additional community meetings.

**Cons:**

- As of October 1, the CDBG Steering Committee will have 4 members, one of whom is overseas. Since there must be 5 members present to have a quorum, it would require appointing new members. However, in the past, even when all of the vacancies have been filled, the Committee has had a problem obtaining quorum because it is a one-issue group.

**Reason for not recommending:** Since the CDBG program transferred to the Housing Department at the beginning of FY 06-07 and the CDBG application process will begin in November of 2006, this would be an opportune time to merge the HAC and CDBG Steering Committee. By deferring the consolidation of both groups, the Department misses a key opportunity to merge the two bodies.

**Alternative #2:** Maintain the current make-up of the Housing Advisory Commission and Community Development Block Grant Steering Committee.

**Pros:**

- Housing Advisory Commissioners would have the opportunity to provide detailed recommendations related to housing policy issues.
- The CDBG Steering Committee members would be able to focus on the CDBG program.

- The Office of the City Clerk has received applications for current vacancies on the CDBG Steering Committee. By maintaining the groups, the Office of the City Clerk would be able to proceed with making appointments from this pool of applicants.

**Cons:**

- The CDBG Steering Committee is a one-issue group, and as such has had problems obtaining a quorum for past meetings. This has been a challenge for staff that needed to consult this group regarding the Consolidated Plan and CAPER.

**Reason for not recommending:** It is not efficient to have two separate commissions, which both address issues related to housing and community development. Efficiencies of operation will be enhanced by creating the HACDAC.

**PUBLIC OUTREACH/INTEREST**

- Criteria 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- ✓ **Criteria 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criteria 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This item meets criteria 2: Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City.

A special Housing Advisory Commission was held on September 27 to discuss this issue. To solicit community input, members of the CDBG Steering Committee were personally invited to this meeting. In addition, an e-mail was sent to CDBG interested parties and funded agencies advising them of the special meeting. A meeting notice and staff report was also posted on the Housing website.

At the special meeting, the Housing Advisory Commission accepted staff's recommendation to advise the City Council to consolidate the HAC and CDBG Steering Committee. In addition, the current CDBG Steering Committee member who attended the meeting voiced his support for staff's recommendation. As part of the HAC's recommendation, they asked that the scope of both respective commissions become part of the scope of the new HACDAC. In addition, they asked that staff provide briefing sessions so that all Commissioners can be versed on the functions of the HAC and CDBG. Lastly, The HAC also recommended that the merger of both Commissions be re-evaluated in one year and, if need be, to modify and improve the process.

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**COORDINATION**

This memo has been coordinated with the Office of the City Clerk, the City Attorney's Office, and the Housing Advisory Commission.

**CEQA**

Not a project.

  
LESLYE KRUTKO  
Director of Housing

For questions please contact Leslye Krutko, Director, at 408-535-3851.

EXISTING COMMITTEE & COMMISSION MAKE-UP

Board/Commission	Membership	Vacancies	Membership Criteria	Bylaws/Municipal Code	Scope of Work	Meeting Dates	City Council Liaison
CDBG Steering Committee	9 Appointed Voting – 2 Non Voting Members	5 vacancies as of 6/30/06 (of the 4 members, 1 is stationed overseas on military leave).	<u>Voting Members:</u> 2 each from Districts 3, 5, and 7. 1 from District 6. 2 at large not from 3, 5, 6 or 7. <u>Non-Voting members:</u> Council Liaison (also serves as Chair) and Senior Citizens Commission	No Bylaws, Governed by Municipal Code Section 2.08.2200 – Ruled by Citizen Participation Plan adopted 1988.	Lead citizen participation group in the planning and programming of the Community Development Block Grant. The Committee holds numerous public meetings in order to assess the current program and to develop proposals for the following year's program. Committee advises the Council and the Administration on the development of the Community Development Plan and Program, provides a forum for community concerns, and presents citizen perspectives to the Council.	From mid-September to mid-March and less frequently during the rest of the year. Ex: <u>August/Sept.</u> - Development of criteria and application process for next cycle (2 meetings); <u>February/March</u> - Hearings held regarding proposed projects (2 meetings) and review by Committee of applications including discussion about allocation of funds (2 meetings); <u>April</u> - Recommendations by Committee (1 meeting) and de-briefing (1 meeting). Total of between 4 -6 meetings held in a 6-7 month period.	Councilmember Cortese Chair (Non-Voting Member) of the Committee
Housing Advisory Commission	7 Appointed Voting members	1 vacancy as of 12/31/06	At large appointments	Bylaws adopted. Also under Municipal Code Section 2.08.2800	This group studies, reviews, evaluates, and makes recommendations to the City Council and the Housing Department regarding the City's existing housing programs and policies. The HAC also monitors the progress of the City's housing goals and considers studies and reports related to housing policies.	Commission meets on the second Thursday of each month at 5:30 P.M., City Hall, Room W119. On average, Commissioners spend 2.5 hours attending monthly meetings and an additional six hours per month on Commission business.	Councilmember Cortese (non-voting)

COMMISSION MAKE-UP UPON MERGER

Board/Commission	Membership	Vacancies	Membership Criteria	Bylaws/Municipal Code	Scope of Work	Meeting Dates	City Council Liaison
Housing and Community Development Advisory Commission	9 Voting Members - 5 for Quorum	With merger, there would be no vacancies. Recommended that the current members serve out their terms.	Recommend having members selected as follows: 2 each from Districts 3, 5, and 7 (representing those Council Districts with majority low-income residents) and 3 at large not from 3, 5, or 7. <u>City Council Liaison &amp; member of Senior Citizens Commission:</u> Non-Voting Members	Adopt new bylaws using HAC as a basis and amending the Citizen Participation Plan.	The group will become the <u>Housing and Community Development Advisory Commission</u> , which will be responsible for reviewing, evaluating and making recommendations to City Council and the Housing Department on "high-level" housing policies and programs and become the lead citizen participation group for the CDBG block grant, providing a forum for community concerns and presenting citizen's perspectives to the City Council and recommendation to City Council regarding staff's recommended expenditure of CDBG funds.	Every second Thursday of each Month with two additional special meetings a year to help accommodate the CDBG application process. The CDBG participation would be narrowed from 6 -8 meetings to 4 meetings between September and April. <u>CDBG ROLE:</u> • November – (Regular Monthly Meeting) would be a discussion of application process during a regular meeting. March - (Regular Monthly Meeting) Receive staff's recommendations for Contractual Community Services applications. March – (A Special Meeting) Receive staff's recommendations for Community Development Improvement applications. April – (Regular Monthly Meeting) Commission will make a recommendation to the City Council and approve the City's Consolidated Plan and CAPER. During each regular meeting, the Housing and Community Development Commission will hear about housing policies making their way to the City Council. There will be less "Information Only" and "Discussion Items" related to housing issues. The scope will be narrowed to pending housing policy in order to allow for the broadening of the scope.	Councilmember Cortese (no change)