

**MEETING MINUTES
CITY OF MILPITAS**

Minutes of:	Special Meeting of Milpitas City Council
Date:	Monday, May 22, 2017
Time:	5:30 PM
Location:	Council Chambers, Milpitas City Hall, 455 E Calaveras Blvd., Milpitas CA

**CALL TO ORDER
& ROLL CALL**

Vice Mayor Grilli called the meeting to order at 5:30 PM. Deputy City Clerk Pam Caronongan called the roll.

PRESENT: Vice Mayor Grilli, Councilmember Nuñez, Councilmember Barbadillo (left meeting at 7:13 PM), and Councilmember Phan

ABSENT: Mayor Tran

Deputy City Attorney Katy Wisinski was present to fill in for City Attorney Christopher Diaz.

The Pledge of Allegiance was led by Vice Mayor Grilli.

APPROVAL OF AGENDA

Motion: To approve the agenda

Motion/Second: Councilmember Nuñez / Councilmember Phan

Motion carried by a vote of:

AYES:	4
NOES:	0
ABSENT:	1 (Tran)

CLOSED SESSION

City Council immediately convened in Closed Session to discuss three items as listed on the agenda. No announcements were made after Closed Session.

PUBLIC FORUM

Vice Mayor Grilli opened the floor for Public Forum and announced that there will be two interpreters available during the Study Session. Since no one wished to speak, Vice Mayor Grilli closed the Public Forum.

STUDY SESSION

Vice Mayor Grilli opened the Study Session. She announced that at the delegated time, members of the audience would be given an opportunity to speak for one minute.

Deputy City Attorney Wisinski announced that the Study Session was intended to provide information on affordable housing as well as the Housing Authority budget. She further advised that the City Council

could not engage in any discussion pertaining to a particular project, and that the discussion would be more on the broader subject as mentioned in the agenda.

Vice Mayor Grilli then opened the floor for Planning Director Bradley Misner to lead the discussion on affordable housing.

Planning Director Misner gave a presentation on the current affordable housing situation citywide by providing a brief overview of the issue, the Redevelopment Agency (RDA) and its profound impact on the City's former and current housing situation when RDA funds were eliminated, the City's current affordable housing inventory, and the Housing Authority and its budget.

Planning Director Misner then gave the floor to Assistant Finance Director Jane Corpus, who then gave a presentation regarding the Housing Authority (HA) budget, assets, liabilities, reserves, income streams, and expenditures.

In response to Councilmember Nuñez's request to clarify the activities pertaining to specific line items regarding interest income and expenditures, Assistant Finance Director Corpus provided a breakdown of these categories as well as an explanation on the nature of these income, expenditure, and liability accounts.

Vice Mayor Grilli then inquired about the scope of work performed by the staff who were currently being paid through the HA funds. Planning Director Misner replied that Housing Division staff (which is composed of one full-time Housing Manager and one full-time Assistant Housing Planner) handle the administration of the 1,200 affordable housing units currently owned by the City as well as the day-to-day responsibilities involving the City's affordable housing program such as Below Market Rate (BMR) program.

Planning Director Misner continued his presentation by discussing Measure A and its impact on the current Citywide affordable housing program. In response to Vice Mayor Grilli's and Councilmember Nuñez's respective inquiries, Planning Director Misner explained that the City had been actively engaged in dialogues on the County level to ensure that the City would be able to explore and gain opportunities for additional affordable housing units.

Councilmember Barbadillo and Councilmember Nuñez respectively asked for clarification regarding Measure A funds, in-lieu fees, the City's HA funds, and how Measure A funds could benefit low-income families. Planning Director Misner and Housing Manager Tim Wong explained as to how developers could currently make units more affordable for families that qualify for City-sponsored programs – either through affordable rents or feasible pricing for purchase.

Councilmember Phan inquired regarding the City's down-payment assistance program and the availability of rental subsidies. Housing Manager Wong and Planning Manager Misner provided general information regarding the down-payment assistance program and homebuyer education seminars, and explained that the City currently did not have a rental assistance program.

Councilmember Phan requested staff to explore avenues and report back to City Council with more information and recommendations on how to alleviate the City's current affordable housing crisis.

The discussion then led to Planning Director Misner explaining how state and local regulations could affect the City's affordable housing production such as updates to the City's Zoning Ordinance. Planning Director Misner further explained the nature of in-lieu fees (established in June 2015 via City Council Resolution No. 8451), which mandated for developers to either allocate five percent of total units within a new housing development as low income housing or pay the City an in-lieu fee of five percent of the total

construction cost of the housing development project. Planning Director Misner briefly mentioned the benefit of adopting an affordable housing ordinance as a counter-balance to Resolution No. 8451.

In addition, Planning Director Misner discussed the State Density Bonus Law as well as the Housing Element (which is contained within the City's General Plan). Councilmember Nuñez inquired about whether the City was able to gain affordable housing units from recent development projects, in which Planning Director Misner replied that developers have been opting to pay the in-lieu fees instead of allocating units for low-income and very-low-income families.

Councilmember Phan asked about the City exploring opportunities via building or adding affordable "green" or "environmentally-friendly" housing projects. Councilmember Phan's and Councilmember Nuñez's respective inquiries led to a discussion and a consensus that more information and clarification would be helpful in exploring avenues for increasing additional affordable housing. Planning Director Misner replied that these options could be studied through the City's Housing Element and General Plan.

Planning Director Misner then continued his presentation by discussing the Community Development Block Grant (CDBG) and other Citywide programs, as well as opportunity sites that City staff has currently identified.

Councilmember Nuñez inquired as to what makes the Housing Authority and City government different from each other. Deputy City Attorney Wisinski stated that there are technical and legal differences between the Housing Authority and City government. She proposed that these differences could be discussed at a future meeting in order to be explored in greater depth. Assistant Finance Director Corpus added that the Housing Authority is distinct from the City since the former is governed by a specific set of laws and regulations and that its funds are restricted.

Planning Director Misner identified two opportunity sites, namely: 1432 South Main Street which is owned by the Housing Authority and 1452 South Main Street which is owned by the City. These addresses can potentially have units available for affordable housing in the future.

Vice Mayor Grilli then opened the floor for the public to speak, allocating one minute per speaker:

1. A female resident from the Sunnyhills community shared her sentiments regarding her family being forced to move out of her apartment.
2. A male resident from the Sunnyhills community requested the City Council to help the families who are now affected by being forcibly moved out of the Sunnyhills community
3. Jennifer Bailey, a resident from the Sunnyhills community, spoke about the many families who would now be displaced after being asked to move out by the owner.
4. A female resident from the Sunnyhills community expressed her family's anxiety of now being forced to leave the place she has considered as home for many years.
5. A female resident from the Sunnyhills community asked the City Council if there are options that exist to help the residents with their current situation.
6. A female resident from the Sunnyhills community shared as to how her family and her elderly mother would be displaced from their home.
7. A male resident from the Sunnyhills community asked the City Council to help the residents since the property owner was kicking them out.

8. A female resident from the Sunnyhills community shared how upset she was over the current situation, and how she would have a problem seeking affordable housing.
9. A female resident from the Sunnyhills community expressed her sadness over losing the affordable and safe place that she called home for 28 years.
10. A male resident from the Sunnyhills community stated that the allotted time given by the property owner was not enough to find another place to move.
11. A female resident whose family resided in the Sunnyhills community for many decades expressed her sadness on how many people would be impacted, most especially elderly and children who would now be displaced.
12. A male resident spoke in support of the Sunnyhills community asked the City Council to help the residents find a solution either to keep their current housing or to find alternative affordable housing.
13. Natalie and Veronica, Sunnyhills community residents, said that their respective families are affected because their young children will be displaced from their homes and school if they are forced to move.
14. A male spoke in support of Sunnyhills community residents.
15. A male resident from the Sunnyhills community said that many elderly, disabled, and low income families would be displaced from their homes and would have nowhere to go if there would be no extension given to the residents to find alternative housing.
16. A female resident from the Sunnyhills community shared her distress over their current situation. She told the story of an 83-year-old male resident who moved back to Vietnam because he had nowhere to move. She asked the City Council to help the residents.

Vice Mayor Grilli thanked the public for attending and sharing their thoughts tonight.

Planning Director Misner then led the discussion on policy considerations that the City could take to address the lack of affordable housing solutions which included but were not limited to: building more affordable housing units, establishing a target affordability level, engaging in an affordable housing impact fee nexus study, adopting an affordable housing ordinance.

To respond to Vice Mayor Grilli's inquiry, Planning Director Misner explained the purpose of the nexus study and that staff would share the information with City Council once it is available in the near future.

Councilmember Nuñez requested clarification so that he could differentiate the role of City Council and the Housing Authority – specifically on how the two entities are different and yet intertwine as it pertains to exploring solutions to resolve the current housing crisis. In response to Councilmember Nuñez for clarification, Deputy City Attorney Wisinski advised the City Council that the Housing Authority has to be a separate legal entity in terms of managing funding coming from various sources such as Section 8 Funding.

Assistant Finance Director Corpus replied that the Housing Authority is distinct from the City Council since the former complies with a specific set of governing laws and has funding restricted specifically for particular uses.

In response to Councilmember Nuñez's question, Deputy City Attorney Wisinski explained that City Council previously authorized staff to develop legal mechanisms to preserve existing affordable housing citywide. She clarified that the affordable housing ordinance (or ordinances) that Planning Director Misner was referring to would take steps beyond the protection of existing affordable housing since these would provide incentives and avenues in creating new affordable housing opportunities Citywide.

Councilmember Nuñez then inquired about the five percent housing allocation that developers earmark for affordable housing in compliance with current City ordinances. Planning Director Misner replied that the currently-existing ordinance does not represent the upper limit of possibilities of Citywide affordable housing.

Councilmember Phan and Councilmember Nuñez requested clarification if the Housing Authority funds can be used for rental assistance. Assistant Finance Director Corpus and Housing Manager Wong replied that the current City programs are not designed to provide rental assistance similar to what Section 8 vouchers do for low-income families. Housing Manager Wong clarified that the Housing Authority funds cannot be used for rental assistance per state requirements.

Councilmember Phan then asked the Deputy City Attorney to inquire on whether there would be applicable state laws that would define proper ample notice to soon-to-be-displaced residents of affordable housing units. Deputy City Attorney Wisinski replied that further research would be required and that staff would report back to the City Council.

In response to Councilmember Nuñez's and Councilmember Phan's respective comments and inquiries regarding the nexus study, Planning Director Misner stated that the report would include a per-square-footage rate as well as other analytical data which would compare the City against other neighboring cities.

After joining Councilmembers Nuñez and Phan in thanking staff and the public for the study session, Vice Mayor Grilli adjourned the Special City Council meeting at 9:22 PM.

The foregoing minutes were approved by Milpitas City Council on June 20, 2017.

Pam Caronongan
Milpitas Deputy City Clerk