



MILPITAS CITY COUNCIL, REDEVELOPMENT AGENCY  
AND HOUSING AUTHORITY  
MEETING AGENDA  
TUESDAY, NOVEMBER 1, 2011

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6:00 P.M. (CLOSED SESSION) • 7:00 P.M. (PUBLIC BUSINESS)

**SUMMARY OF CONTENTS**

- I. **CALL TO ORDER/ROLL CALL by the Mayor (6:00 p.m.)**
- II. **ADJOURN TO CLOSED SESSION OF CITY COUNCIL**  
  
**CONFERENCE WITH LABOR NEGOTIATORS - COLLECTIVE BARGAINING**  
Pursuant to CA Government Code §54957.6 City Negotiators: Bill Marion and Tom Williams  
Employee Groups: Mid-Management/Confidential Group, Milpitas Police Officers Association  
Under Negotiation: Wages, Hours, Benefits, and Working Conditions
- III. **CLOSED SESSION ANNOUNCEMENT:** Report on action taken in Closed Session if required, pursuant to CA Govt. Code §54957.1, including the vote on abstention of each member present
- IV. **PLEDGE OF ALLEGIANCE**
- V. **INVOCATION** (Mayor Esteves)
- VI. **APPROVAL OF COUNCIL MEETING MINUTES** – October 18, 2011
- VII. **SCHEDULE OF MEETINGS – COUNCIL CALENDAR** for November 2011
- VIII. **PRESENTATION**
  - Proclaim *Veterans Day* on November 11, 2011
- IX. **PUBLIC FORUM**

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Members of the audience are invited to address the Council on any subject not on tonight's agenda. Speakers must come to the podium, state their name and city of residence for the Clerk's record, and limit their remarks to three minutes. As an unagendized item, no response is required from City staff or the Council and no action can be taken; however, the Council may instruct the City Manager to agendize the item for a future meeting.

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- X. **ANNOUNCEMENTS**
- XI. **ANNOUNCEMENT OF CONFLICT OF INTEREST**
- XII. **APPROVAL OF AGENDA**
- XIII. **CONSENT CALENDAR**

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Consent calendar items are considered to be routine and will be considered for adoption by one motion. There will be no separate discussion of these items unless a member of the City Council, member of the audience, or staff requests the Council to remove an item from or be added to the consent calendar. Any person desiring to speak on any item on the consent calendar should ask to have that item removed from the consent calendar. If removed, this item will be discussed in the order in which it appears on the agenda.

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- XIV. **PUBLIC HEARINGS**

1. **Hold a Public Hearing and Adopt a Resolution Approving the Citation Residential Project Located at 1200 Piper Drive (Staff Contact: Sheldon Ah Sing, 586-3278)**
2. **Hold a Public Hearing and Adopt a Resolution Approving the Shea Residential Project Located at 1201 South Main Street (Staff Contact: Sheldon Ah Sing, 586-3278)**

**XV. UNFINISHED BUSINESS**

- \* 3. **Receive Progress Report from the Public Works Director on the Emergency Contract Work Order for the Variable Frequency Drives and Pump/Motor Assemblies for the Ayer Pump Station, Project No. 7102 (Staff Contact: Greg Armendariz, 586-3317)**
4. **Receive the October 2011 Odor Control Report and 6-Month Pilot Summary (Staff Contact: Kathleen Phalen, 586-3345)**

**XVI. JOINT REDEVELOPMENT AGENCY AND CITY COUNCIL MEETING**

- RA1. **Call to Order/Roll Call by the Mayor/Chair**
- RA2. **Approval of Minutes – October 18, 2011**
- RA3. **Approval of Agenda and Consent Calendar**
- RA4. **Receive Financial Status Report for the Three Months Ended September 30, 2011 (Staff Contact: Emma Karlen, 586-3145)**
- \*RA5. **Receive the City of Milpitas Investment Portfolio Status Report for the Quarter Ended September 30, 2011 (Staff Contact: Emma Karlen, 586-3145)**
- RA6. **Agency Adjournment**

**XVII. JOINT HOUSING AUTHORITY AND CITY COUNCIL MEETING**

- HA1. **Call to Order/Roll Call by the Mayor/Chair**
- HA2. **Approval of Agenda/Consent Calendar**
- \*HA3. **Adopt a Resolution Establishing the Affordable Housing Selection Process for the City of Milpitas Housing Authority (Staff Contact: Felix Reliford, 586-3071)**
- \*HA4. **Adopt a Resolution Authorizing the City to Sell Five Affordable Housing Units, Donate the Proceeds from the Sale to the Housing Authority, and Authorize the Housing Authority to Accept the Donation and Provide Down Payment Assistance to Low-Income First-Time Homebuyers (Staff Contact: Felix Reliford, 586-3071)**
- HA5. **Authority Adjournment**

**XVIII. REPORTS OF MAYOR AND COUNCILMEMBER**

- \* 5. **Consider Mayor's Recommendation for Appointments to Milpitas Arts Commission (Contact: Mayor Esteves, 586-3029)**
- \* 6. **Approve Recommendation for a \$250 Donation to Curtner Elementary School 3<sup>rd</sup> Grade Class Walk-a-Thon (Staff Contact: Emma Karlen, 586-3145)**
7. **Request of Councilmember Giordano to Hear a Report from the City Attorney on Records Retention Policy (Contact: Councilmember Giordano, 586-3032)**

8. **Request of Councilmember Giordano to Hear a Report from Staff on Policy Regarding Sister Cities Commission and Notification of Visiting Delegations (Contact: Councilmember Giordano, 586-3032)**

**XIX. NEW BUSINESS**

9. **Review Community Development Block Grant (CDBG) Funding Priorities (Staff Contacts: Felix Reliford, 586-3071, and Gloria Anaya, 586-3075)**

**XX. RESOLUTION**

- \* 10. **Adopt a Resolution Confirming the Restrictions on the Affordable Housing Unit located at 340 Celebration Drive (Staff Contact: Felix Reliford, 586-3071)**

**XXI. ADJOURNMENT**

**NEXT CITY COUNCIL MEETING:  
TUESDAY, NOVEMBER 15, 2011 AT 7:00 P.M**

**KNOW YOUR RIGHTS UNDER THE OPEN GOVERNMENT ORDINANCE**

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and the City operations are open to the people's review.

For more information on your rights under the Open Government Ordinance or to report a violation, contact the City Attorney's office at Milpitas City Hall, 455 E. Calaveras Blvd., Milpitas, CA 95035  
e-mail: [mogaz@ci.milpitas.ca.gov](mailto:mogaz@ci.milpitas.ca.gov) / Fax: 408-586-3056 / Phone: 408-586-3040

*The Open Government Ordinance is codified in the Milpitas Municipal Code as Title I Chapter 310 and is available online at the City's website [www.ci.milpitas.ca.gov](http://www.ci.milpitas.ca.gov) by selecting the Milpitas Municipal Code link.*

Materials related to an item on this agenda submitted to the City Council/Redevelopment Agency after initial distribution of the agenda packet are available for public inspection at the City Clerk's Office/Information Desk at Milpitas City Hall, 455 E. Calaveras Blvd., Milpitas, and at the Milpitas Library during normal business hours.

**APPLY TO BECOME A CITY COMMISSIONER!**

Current vacancies exist on the:

*Arts Commission*

*Emergency Preparedness Commission*

Applications are available online at [www.ci.milpitas.ca.gov](http://www.ci.milpitas.ca.gov) or at the City Hall Information Desk.  
Contact the City Clerk's office (586-3003) for more information.

*If you need assistance, per the Americans with Disabilities Act, for any City of Milpitas public meeting, call the City Clerk at 586-3001 or send an email to [mlavelle@ci.milpitas.ca.gov](mailto:mlavelle@ci.milpitas.ca.gov) prior to the meeting. You may request a larger font agenda or arrange for mobility assistance. For hearing assistance, headsets are available in the Council Chambers for all meetings. TDD phone number (408) 586-3013.*

## AGENDA REPORTS

### XIV. PUBLIC HEARINGS

**1. Hold a Public Hearing and Adopt a Resolution Approving the Citation Residential Project Located at 1200 Piper Drive (Staff Contact: Sheldon Ah Sing, 586-3278)**

**Background:** The Citation Residential Project consists of a Major Tentative Map Amendment (TM11-001), a Site Development Permit Amendment (SA11-0005), and a Conditional Use Permit Amendment (UA11-0008) for a request to amend the previously approved project to allow a fifth story and to replace a “wrap” condominium building with 94 townhomes. The project proposal would increase the total number of dwelling units from 639 to 732 with density averaging. The proposal includes a vesting tentative map for condominium purposes, development plans, and architectural review for the project. The proposed project is within the Piper-Montague Sub-District of the Transit Area Specific Plan located just east of the Great Mall and across Montague Expressway from the future BART station.

A detailed description of the project can be found in the Planning Commission staff report included in the Council’s agenda packet. The Planning Commission recommended approval of the project at its October 12, 2011 meeting.

**Fiscal Impact:** None.

**Attachments:**

- A. City Council Resolution
- B. Transit Area Specific Plan Sections
- C. Applicant Letter
- D. Project Plans
- E. Union Pacific Comment Letter
- F. Richard Drury Comment Letter
- G. Regional Water Quality Board Letter
- H. Covenant and Environmental Restriction
- I. Richard Drury Comment Letter 2
- J. Silicon Valley Leadership Group Letter
- K. 10-12-11 Planning Commission Report & Unapproved Meeting Minutes

**Recommendations:**

- 1. Hold a public hearing to receive comments, and move to close the public hearing.
- 2. Adopt Resolution to approve the Citation Residential Project.

**2. Hold a Public Hearing and Adopt a Resolution Approving the Shea Residential Project Located at 1201 South Main Street (Staff Contact: Sheldon Ah Sing, 586-3278)**

**Background:** The Shea Residential Apartment project consists of a Major Tentative Map (MT11-0002), a Site Development Permit (SD11-0011), a Conditional Use Permit (UP11-0032), and a Density Bonus Permit (DB11-0001) for a request to allow 204 dwelling units in four stories wrapped around a parking garage and courtyard. The project includes a density bonus in exchange for providing affordable units. The proposal also includes a vacation of right-of-way at the intersection of Main and Abel Streets. This proposal includes development plans and architectural review for the project.

Comments were received regarding environmental issues and it was found that the CEQA determination is appropriate and adequate given the circumstances. Refer to staff’s technical memo (att. J) regarding the response to comments. A detailed description of the project can be found in the Planning Commission staff report included in the Council’s agenda packet. The Planning Commission recommended approval of the project at its October 12, 2011 meeting.

**Fiscal Impact:** None.

**Attachments:**

- A. City Council Resolution
- B. CEQA Addendum and Matteson Initial Study
- C. Project Plans
- D. Project Narrative
- E. Sun/Shadow Study
- F. Executive Summary of the Traffic Study
- G. Scott Littlehale Comment Letter
- H. Density Bonus Agreement
- I. 10-12-11 Planning Commission Report & Unapproved Meeting Minutes
- J. Staff Memo dated 10/25/2011

**Recommendations:**

1. Hold a public hearing to receive comments, and move to close the public hearing.
2. Adopt Resolution to approve the Shea Residential Project.

**XV. UNFINISHED BUSINESS**

- \* **3. Receive Progress Report from the Public Works Director on the Emergency Contract Work Order for the Variable Frequency Drives and Pump/Motor Assemblies for the Ayer Pump Station, Project No. 7102 (Staff Contact: Greg Armendariz, 586-3317)**

**Background:** On March 15, 2011, the City Council approved a budget appropriation for an emergency contract with Anderson Pacific, Inc. for replacement of a failed variable frequency drive (VFD) which controls one of three electric motor and pump assemblies. The work scope also includes emergency replacement of a second existing pump and motor assembly which has exhibited excessive wear, resulting in excessive vibration. Lastly, due to their age, and lack of available parts, the remaining two VFDs are also being replaced. These emergency actions were taken in order to maintain the reliability and serviceability of the Ayer pump station, and thus protecting the public health and safety of the community at large.

This progress report is provided pursuant to Resolution No. 7779 adopted by City Council, authorizing the Public Works Director to order emergency contract work. The following work has been performed to date:

- Contractor and Engineering staff developed a staged construction plan, which maintains the pump station operational at all times;
- All three Motor and pump assemblies have now been rebuilt, tested, re-installed, and are operating;
- Pump suction barrels were reconditioned and painted; and
- Three VFDs have been installed, programmed, tested at the pump station, and are operating.

The cost for this emergency contract work was initially estimated not to exceed \$650,000, and the work has been completed within this budget. All work is now complete and minor punch list work is underway.

**Fiscal Impact:** None. Sufficient funds are available in the project budget.

**Recommendation:** Receive a progress report from the Public Works Director on the emergency contract work order for the variable frequency drives/pump motor assemblies for the Ayer Pump Station, Project No. 7102.

- 4. Receive the October 2011 Odor Control Report and 6-Month Pilot Summary (Staff Contact: Kathleen Phalen, 586-3345)**

**Background:** From September 28, 2011 through October 25, 2011, the Bay Area Air Quality Management District (BAAQMD) received fourteen odor complaints originating in Milpitas. Four identified a garbage-related odor, four identified a sewage-related odor and six did not identify a source. As of the last Council update, the City's odor reporting website had received four reported complaints. Staff activities to coordinate with the City of San Jose on Water Pollution Control Plant odor mitigation efforts are described in the report (in Council agenda packet).

In May 2011, Council requested establishment of a City odor reporting hotline and website link for a six-months pilot period. Since the program's inception, staff recorded a total of thirty complaints. The report in the Council packet provides additional summarized information.

**Fiscal Impact:** None.

**Recommendation:** Receive the October 2011 odor report.

## **XVI. JOINT REDEVELOPMENT AGENCY AND CITY COUNCIL MEETING**

### **RA4. Receive Financial Status Report for the Three Months Ended September 30, 2011 (Staff Contact: Emma Karlen, 586-3145)**

**Background:** As of September 30, 2011, the General Fund received approximately \$7.4 million in total revenue. This amount is \$1 million more than the revenues received for the same period in FY 2010-11, primarily due to increased sales tax revenue, increased building permits and inspection fee revenue and increased Transient Occupancy Tax revenue (TOT).

Sales tax revenue increased by about \$505,000 from the same period last year due to increased sales generated from the apparel stores, automobiles, and electronic equipment economic segments. Transient Occupancy Tax revenues ("TOT") were up about \$84,000 or 11.6%, compared to the same period last year. After two years of decline, TOT has finally stabilized and it is expected that this revenue will increase gradually. Building permits and inspection fees increased by about \$177,000 from the first quarter in FY 2011 due to fees received from the Lyons development project.

Based on the revenues received to date and other information, staff revised the total General Fund revenue projection for the entire year to be about \$1.1 million more than budget. The detail of each major revenue projection will be presented to the City Council at the meeting.

The City departments' expenditures were on track with their budget. Overall expenditures were at about 25% of the operating budget which is very similar to last year. It should be noted the expenditures for several departments exceeded 25% for the first three months. However, these spending patterns are typical due to various invoices that need to be paid at the beginning of the fiscal year instead of being able to spread out throughout the year. Examples of such expenditures include workers' comp insurance premium which was paid from the Human Resources budget and software license maintenance fees which were paid from the Information Services Department budget. Non-departmental expenditures also exceeded 25% of the budget due to the timing difference for reimbursements from the CalPERS California Employers' Retiree Benefit Trust Fund for retiree medical benefit payments.

**Fiscal Impact:** None.

**Recommendation:** Receive the financial status report for the three months ended September 30, 2011.

### **\*RA5. Receive the City of Milpitas Investment Portfolio Status Report for the Quarter Ended September 30, 2011 (Staff Contact: Emma Karlen, 586-3145)**

**Background:** In compliance with the State of California Government Code and the City's Investment policy, the City of Milpitas Investment Report for the quarter ended September 30, 2011 is submitted for Council review and acceptance.

The Portfolio Summary Report (included in the Council's packet) provides a summary of the City's investments by type. It lists the par value, market value, book value, percentage of portfolio, term, days to maturity and the equivalent yields for each type of investment. The Portfolio Details Report provides the same information for each individual investment in the City's portfolio as of September 30, 2011.

As of September 30, 2011, the principal cost and market value of the City's investment portfolio was \$152,417,366 and \$153,665,829 respectively. When market interest rates increase after an investment is purchased, the market value of that investment decreases. Conversely, when market interest rates decline after an investment is purchased, the market value of that investment increases. If the investments are not sold prior to the maturity date, there is no market risk. Therefore, in accordance with the City's investment policy, all investments are held until maturity to ensure the return of all invested principal.

The City's effective rate of return for the period ended September 30, 2011 was 1.29%. The comparative benchmarks for the same period were 0.38% for LAIF (Local Agency Investment Fund) and 0.48% for the 12-month average yield of the 2 year Treasury Note. The weighted average maturity of the portfolio was 328 days.

The investment portfolio is in compliance with the City's investment policy. A combination of securities maturing, new revenues, and tax receipts will adequately cover the anticipated cash flow needs for the next six months. Cash flow requirements are continually monitored and are considered paramount in the selection of maturity dates of securities.

The market values of the securities were provided by Union Bank, the safekeeping bank of the City's securities. All the securities owned by the City are held in the trust department of the Union Bank under the terms of a custody agreement.

Three charts are included with the agenda packet that show investment by maturity levels, comparison of the City's portfolio yields to other benchmark yields as well as a trend of the type of securities in the City's portfolio, weighted average maturity and average yield.

**Fiscal Impact:** None.

**Recommendation:** Receive the investment report for the quarter ended September 30, 2011.

**RA6. Agency Adjournment**

**XVII. JOINT HOUSING AUTHORITY AND CITY COUNCIL MEETING**

**\*HA3. Adopt a Resolution Establishing the Affordable Housing Selection Process for the City of Milpitas Housing Authority (Staff Contact: Felix Reliford, 586-3071)**

**Background:** At its meeting on February 15, 2011, the City Council adopted Resolution No. 8062, authorizing the establishment of the City of Milpitas Housing Authority. Pursuant to State Health and Safety Code §34322.2, a Housing Authority must adopt regulations establishing a plan for selection of affordable housing applicants. The selection process includes preference criteria for selecting qualified applicants. Staff recommends similar preference criteria used by the Milpitas Redevelopment Agency in addition to the criteria required by the Housing Authorities Law.

The recommended preference criteria are as follows:

1. Families of veterans and service persons;
2. Persons who have been displaced by public or private action;
3. People who live in Milpitas (at least 90 days);
4. People who work in Milpitas;
5. People who live in Santa Clara County (at least 90 days).

The following additional criteria are being recommended for senior housing applications:

1. Seniors who live in Milpitas (at least 90 days);
2. Senior parents of children who live in Milpitas (at least 90 days);
3. Senior who live in Santa Clara County (at least 90 days) and
4. All other seniors

**Fiscal Impact:** None.

**Recommendation:** Adopt a resolution establishing the selection process for affordable housing applicants by the City of Milpitas Housing Authority.

**\*HA4. Adopt a Resolution Authorizing the City to Sell Five Affordable Housing Units, Donate the Proceeds from the Sale to the Housing Authority, and Authorize the Housing Authority to Accept the Donation and Provide Down Payment Assistance to Low-Income First-Time Homebuyers (Staff Contact: Felix Reliford, 586-3071)**

**Background:** At its meeting on March 7, 2011, the Milpitas Redevelopment Agency conveyed certain real property to the City, including designated affordable/income restricted housing units. Five Milpitas residents have expressed interest in purchasing five of the income restricted units as first-time home buyers with down payment assistance loans. The Agency has historically provided down payment assistance loans to qualifying first-time home buyers purchasing income restricted units. However, the California Supreme Court has prohibited redevelopment agencies from new financial transactions while they are considering the state-wide RDA litigation. Therefore, staff is recommending the City sell the units to the five Milpitas residents, donate the proceeds to the Milpitas Housing Authority to further affordable housing in the City, and have the Authority provide the necessary down payment assistance with the donated funds.

The units would be sold within a price range of \$235,000 to \$275,000 and the amount of the down payment assistance loan would range from \$35,000 to \$50,000 (both amounts would be based on the applicant's income). The loan amounts are consistent with past Agency loans for first-time home buyers. These units are being designated for low-income households due to moderate-income units not selling because the prices are too close to fair market value and to help the City meet its affordable housing targets set by the State Department of Housing and Community Development.

**Fiscal Impact:** The real estate transactions will generate an operating transfer of \$1,250,000 from the General Fund to the Housing Authority and provide \$235,000 of housing loans from the Housing Authority. Sufficient funds are available in both General Fund and the Authority.

**Recommendations:** 1) Adopt a resolution authorizing the sale of five affordable housing units and donation of the sale proceeds to the Housing Authority, and authorize the Housing Authority to accept the donation and to enter into five loans not to exceed \$235,000 in total.  
2) Approve an operating transfer of \$1,250,000 from the General Fund to the Housing Authority and appropriate \$235,000 of housing loans from the Housing Authority.

**HA5. Authority Adjournment**

**XVIII. REPORTS OF MAYOR AND COUNCILMEMBER**

**\* 5. Consider Mayor's Recommendation for Appointments to Milpitas Arts Commission (Contact: Mayor Esteves, 586-3029)**

**Background:** Mayor Esteves recommends the following residents be appointed, as follows:

Arts Commission/Public Art Committee

Appoint Robert Gill (current Alternate No. 1) as a voting member to a term that expires in October 2014.

Appoint Nicole Phan (current Alternate No. 2) as Alternate No. 1 to a term that expires in October 2012.

**Recommendation:** Consider the recommendations from Mayor Esteves, and move to approve appointments to the Milpitas Arts Commission.

- \* 6. **Approve Recommendation for a \$250 Donation to Curtner Elementary School 3<sup>rd</sup> Grade Class Walk-a-Thon (Staff Contact: Emma Karlen, 586-3145)**

**Background:** Mayor Esteves recently received a request for a donation from Rachel Decker, a third grade teacher at Curtner Elementary School in Milpitas. The City Council is requested to consider a recommendation to support the class walk-a-thon event held on October 20. The Mayor referred the request to the Finance Subcommittee and the subcommittee recommended a donation in the amount of \$250. Funds are intended for student field trips, computer upgrades and other schoolroom needs.

**Fiscal Impact:** If authorized, funding would be allocated from the FY 2011-12 Community Promotions Unallocated budget line item. The budgeted amount is \$8,000 total. The Curtner School request would be the first donation funded this fiscal year.

**Recommendation:** Approve the request to the Mayor and City Council, as recommended by the Finance Subcommittee, of a \$250 donation to Curtner Elementary School 3<sup>rd</sup> grade Walk-a-thon.

7. **Request of Councilmember Giordano to Hear a Report from the City Attorney on Records Retention Policy (Contact: Councilmember Giordano, 586-3032)**

**Background:** Councilmember Giordano requested to have the City Attorney provide a report on the records retention policy for the City of Milpitas and state law.

**Recommendation:** Hear report of Councilmember Giordano and receive information from the City Attorney.

8. **Request of Councilmember Giordano to Hear a Report from Staff on Policy Regarding Sister Cities Commission and Notification of Visiting Delegations (Contact: Councilmember Giordano, 586-3032)**

**Background:** Councilmember Giordano requested to receive a report regarding the policies of the Sister Cities Commission, specifically regarding visiting delegations to the City of Milpitas.

**Recommendation:** Hear report of Councilmember Giordano and receive information.

**XIX. NEW BUSINESS**

9. **Review Community Development Block Grant (CDBG) Funding Priorities (Staff Contacts: Felix Reliford, 586-3071, and Gloria Anaya, 586-3075)**

**Background:** At its meeting on September 20, 2011, the City Council directed staff to return at a future meeting to discuss the Community Development Block Grant (CDBG) priorities. The

Council previously approved the two-year CDBG Funding Priorities in November of 2010 for Fiscal Years 2011-13. At that time, the Council approved the following priorities:

Public Services

1. Senior Services
2. Youth/Teen Services
3. Homeless Services/Sheltering
4. Battered Women Services/Sheltering
5. Child Care

Non-Public Services

1. Home Repairs/Rehabilitation
2. Affordable Housing
3. Rental/Apartment Rehabilitation

Over the last few years, the Council also adopted the following policies for use of CDBG funds:

1. 25% of all Public Services funds shall be allocated to the City of Milpitas public service programs;
2. A minimum funding level of \$5,000 shall be allocated for any programs; and
3. \$10,000 from CDBG program administration and the balance of \$15,000 from the Redevelopment Agency for Fair Housing Services (Total: \$25,000).

If the Council desires to fund any future eligible CDBG activities that are not part of the adopted two-year funding priorities, the CDBG Program objectives and national objectives noted below will have to be met:

Program Objectives: Decent housing, a suitable living environment, and economic opportunity.

National Objectives (meet at least one): benefit low and moderate income persons; aid in the prevention of slum and blight; urgent need

**Review of Potential CDBG CIP Activities**

City staff reviewed potential eligible CDBG activities (including infrastructure and park improvement projects) in the adopted Capital Improvement Program (CIP). Included in the Council agenda packet is a list of CDBG eligible activities and CIP projects that the Council may wish to consider for future funding.

Federal regulations only allow 65% of the CDBG grant to be used for capital projects. During the past fiscal year, the City received \$532,770 in CDBG funding, 65% of the total would be \$346,300. Staff will not know the amount of CDBG funding available for the Fiscal Year 2012-13 until the next funding cycle in the spring of 2012.

Fiscal Impact: None.

Recommendation: Consider the funding priorities for the federal Community Development Block Grant program funds and direct staff accordingly.

**XX. RESOLUTION**

- \* 10. **Adopt a Resolution Confirming the Restrictions on the Affordable Housing Unit located at 340 Celebration Drive (Staff Contact: Felix Reliford, 586-3071)**

**Background:** On June 16, 2009, the Redevelopment Agency adopted Resolution No. RA334 authorizing the purchase of the deed restricted affordable housing unit at 340 Celebration Dr. to preserve it for future low-income purchasers. The owner wanted to sell the unit and no other qualified buyers were available to purchase the unit at that time. The grant deed for the property was inadvertently recorded with the City of Milpitas, rather than the Agency, as the new owner. The purpose of the resolution is for the City to affirm ownership of the unit and affirm it is restricted as an affordable unit to be administered for the public benefit and further the goals of providing affordable housing to Milpitas residents.

**Fiscal Impact:** None.

**Recommendation:** Adopt a resolution confirming the restrictions on the affordable housing unit located at 340 Celebration Drive.

**XXI. ADJOURNMENT**

**NEXT CITY COUNCIL MEETING:  
TUESDAY, NOVEMBER 15, 2011 AT 7:00 P.M**