



HOUSING COMMISSION MINUTES

Regular Meeting

March 5, 2003

5:30 pm

Administrative Building Conference Room, First Floor
701 Laurel Street, Menlo Park, CA 94025-3483

CALL TO ORDER

Steve Bliss called the meeting to order at 5:30 p.m. in the Administrative Building Main Conference Room.

ROLL CALL

Members Present: Steve Bliss, Chairperson; John Donald; Elza Keet;
Carol Louchheim; Wendy McPherson; Jane West,
Vice-Chairperson

Members Absent: Clarice O'Neal

Staff Present: Gretchen Hillard, Housing and Redevelopment Manager;
Justin Murphy, Principal Planner

A. PUBLIC COMMENTS Margaret Petitjean introduced herself and stated that she was present to observe.

B. REPORTS AND ANNOUNCEMENTS

Staff reported that the Menlo Square one-bedroom unit had not sold because the lender required that 70% of the units in a condominium development have sold as a condition of loan approval. The City is developing a lease proposal so the BMR purchaser can move in until the percent sold requirement is met. She also reported that a public hearing on the BMR in lieu fee schedule was on the City Council agenda for Tuesday, March 11.

C. BUSINESS ITEMS

1. Approval of February 5, 2003 Minutes

Elza Keet suggested the following additions to the February 6, 2003 Minutes.

(1) Section C.1. Housing Commission Priorities for 2003 – Potential sites and other options: Add at the end of the paragraph, “The Commissioners also discussed the Gaylord site as an opportunity for housing development, and requested additional information about its availability.”

(2) Section, C.2. Peninsula Habitat for Humanity EIR Requirement, third paragraph, third sentence, delete “supporting Habitat’s request,” and insert, after “including”, “to contribute to the cost of the EIR to the extent that the City Council

deems feasible and.” The February 5, 2003 Minutes were approved with the proposed changes. (M/S Louchheim/West 6-0)

2. Proposed BMR contribution, Olive Hill Development & Taylor Woodrow Homes/110 Linfield Drive and 175 Linfield Drive (Discussion and possible recommendation)

Staff summarized the Below Market Rate Housing Program requirements, which the Housing Commission’s recommendation will address, and distributed a summary of the 110 & 175 Linfield Oaks BMR Proposal, with a comparison of the requirements and the proposal.

Ken Holland and Duke Rohlen of Olive Hill Development, Brian Berry of Taylor Woodrow Homes, and Mark Rutherford of Dahlen Architect, associated with Taylor Woodrow Homes, represented the development team. Ken Holland described the history of the proposal, stating that the proposal was originally 62 townhomes on one parcel. They held four meetings with neighborhood residents, and heard strong opposition to the density. They reduced the number of units to 50, then 40, then 35 on 175 Linfield Drive. Then they added 110 Linfield Drive, and proposed 59 units on both properties. Mark Rutherford then showed an animation of a walk through the proposed development. They described an entry feature, and the path that varies from 14 feet to 29 feet in width. The homes are craftsman style, with a variety of materials. They described the proposed BMR housing units.

One Commissioner asked the developers to consider 12 units to the acre, which would produce up to 70 units. Ken Holland said that the proposed R-3 zoning limits the Floor Area Ratio, so additional units would exceed the FAR. It was pointed out that if they provided more BMR units they could get more density. The developers pointed out that there was the political consideration of the neighborhood that previously wouldn’t support more units. Another Commissioner suggested that the City could buy a couple of additional BMR units. The developers described the developer controlled “BMR” units. They would consider a fund-raising effort to subsidize those units. They’d like to see the City matching for City employees. The funding source would pick the beneficiary. A Commissioner asked what the percentage of subsidy needed would be. The developers said that they didn’t know. A third Commissioner asked what were the potential funding sources, businesses or non-profits? Ken Holland said that the beneficiaries could be restricted to non-profits if the City wanted. Another Commissioner asked if there would be a problem with protected classes, or one group benefiting over another. A Commissioner asked why the developers didn’t propose to provide the nine required by the BMR Program, and ask the City to match for the remaining three. Another Commissioner stated that the Gaylord’s site has the possibility for more units, so the City may have another choice. Another Commissioner suggested that they provide nine BMR units, and the City provide some BMR funds for the remaining three, or five, with a guaranteed price, upfront. She asked if including 20 BMR units would impact the market value of the other units. Duke Rohlen said no, because those would be subsidized for the additional cost. But it would matter who the purchasers were. The neighborhood is OK if they are teachers,

firefighter, or police. They are open to talking about City purchase. Staff offered to provide a list of the occupations of the BMR Waiting List.

Duke Rohlen said that the BMR units were modeled after the Vintage Oaks project. They are smaller than the market rate units, but of similar quality. If they were the same size, it would be \$1 million subsidy per unit, which is financially impossible. A Commissioner said it was desirable that they be well done and look like the other units from the exterior. Another Commissioner asked how the developers would like to change the BMR ordinance. Ken Holland responded that they would like the Guidelines to take into consideration land prices and density. A Commissioner said that every few years we do need to review the BMR Program criteria. She said that it is needed to compare the density and costs with other projects. A third Commissioner asked the Commission whether they wanted to hold the developers to the rules in the BMR Guidelines.

Ken Holland said that the 15% requirement was financially impossible because of the price of the land and the density. The aesthetic is possible, but the compromise is needed on size. A Commissioner said it was obvious that they had worked with the neighborhood. Another Commissioner wondered about the precedent of allowing a reduced BMR contribution here. When asked about the BMR units' location, Ken Holland said that it was a result of the feedback that the neighbors didn't want to look at the garages. The developers left at this point to attend the Environmental Quality Commission meeting.

A Commissioner asked what is the current status of the Gaylord's property. Two Commissioners made comments about the difficulty of tandem parking. A third Commissioner stated that the burden of proof is on the developers to show that they cannot meet the BMR guidelines requirements. A Commissioner stated that they need to give a financial explanation why they cannot give BMR homes the same size and distribution. Another Commissioner asked, if not, there is a way to distribute the duets. The developer should be looking into how to provide nine units, with the possibility of the City subsidizing three, with the City to stipulate the categories the units meet.

The discussion was closed with the understanding that it would be continued at the next meeting. The Commissioner requested that the developers be available by telephone.

3. Minutes of Loan Advisory Meetings of February 11, 2003 and February 18, 2003

This item was tabled until the next meeting.

D. INFORMATION ITEMS Possible discussion of the following information items was tabled until the next meeting.

1. Discussion of Meeting with Mayor and Chairs of Boards and Commissions
2. Briefing from Bay Area Economic Forum on State Housing Element Law
3. Passive Solar Hearting for Office Buildings – Elza Keet memo

E. ADJOURNMENT The meeting was adjourned at 8:00 p.m.

Respectfully submitted,

Gretchen Hillard
Housing and Redevelopment Manger

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