



ATTACHMENT E

**HOUSING COMMISSION
MINUTES**

**Regular Meeting
October 14, 2003
5:30 pm**

**Administrative Building Conference Room, Second 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 Second Floor Conference Room.

ROLL CALL

Housing Commission Members Present:

Steven Bliss, Chair; John Donald; Kirsten Keith; Carol Louchheim, Wendy McPherson; Clarice O'Neal (arrived 6:00 pm).

Housing Commission Member Absent:

Elza Keet, Vice-Chair

Staff Present:

Gretchen Hillard, Housing and Redevelopment Manager; Don de la Pena, Director, Housing and Redevelopment

PUBLIC COMMENT: There was no public comment.

REPORTS AND ANNOUNCEMENTS: There were no reports or announcements.

BUSINESS ITEMS

1. **Approval of September 3, 2003 Minutes.** Carol Louchheim made the motion and Wendy McPherson seconded, to approve the September 3, 2003 Minutes with three changes: (1) Change "They" to "The Commissioners" in **REPORTS AND ANNOUNCEMENTS, 1. Housing Element Update**, beginning of the second sentence. (2) Change "Turst" to "Trust" in **BUSINESS ITEM 4. Housing Commission priorities, c.**, third line and, (3) Substitute "Continue to seek opportunities for development of new project site (i.e. Oak Grove or other)" for "Initiate work program for the Oak Grove site or a similar site" in **BUSINESS ITEM 4. Housing Commission priorities, g.** (M/S Louchheim/McPherson, 5-0) with changes. (Clarice O'Neal arrived at 6:00 PM.)
2. **Consideration of impact of delay in developing a certified Housing Element on the availability of funds to the City of Menlo Park.**

Gretchen Hillard gave an overview of the Housing Element review process, stating that the Housing Element had been incorporated into the General Plan

review. Both were expected to be adopted in 2005. She distributed a Memorandum titled "State Programs Requiring a Certified Housing Element". The Commissioners discussed the possibility that the City of Menlo Park would be interested in funds from the seven funding sources listed. They identified the possibility that Cal-HFA HELP funds could be a source of rehabilitation loans in the Pierce Road Area work, that BEGIN funds might be usable for potential first-time homebuyers and local Housing Trust Fund matching funds could be a source of assistance for a housing program. They requested staff to return to the next meeting with more information about these programs.

The Commissioners discussed preparing a memorandum to the City Council to advise them of the lost potential of the funds listed above, after next month's review, as well as the requirement that Housing Endowment and Trust Fund money would be available only with a certified Housing Element. It will also be important to point out that every year new legislation is proposed at the State level to put real teeth into the Housing Element law. For this reason it is also important for the Housing Commission to take another look in six months at the funding sources and other requirements tied to a certified Housing Element.

3. Redevelopment Agency

- **Past and planned efforts of the redevelopment agency with respect to housing**

Gretchen Hilliard distributed a list of past and planned housing programs and projects, which the Commissioners discussed.

- **Budget, why balance is down by half**

Gretchen Hillard distributed a table entitled "BUDGET Why Down by Half?" showing the budgeted amounts in FY 2002-03 and FY 2003-04 for redevelopment funds, and bond 1992 and bond 2000 funds. It showed a difference of approximately \$15 million. \$13 million of the difference was spent out of bond funds for bond projects, and \$2 million out of tax increment funds. She read a list of the projects for which the funds were spent. As a part of this discussion Don de la Pena described how tax increment funds are calculated.

- **Low and Moderate Income Housing Fund, will the required 20% of tax increment be spent**

Gretchen Hillard distributed a Memo entitled "Redevelopment Low and Moderate Income Housing Fund Income Targeting", which describes briefly the requirement for a ten year plan covering the years 2002 through 2014, and requires that funds in the Low and Moderate Income Housing Fund be spent for housing in proportion to the Regional Fair Share Allocation. She gave an example showing that for Menlo Park's redevelopment project, 36% of funds are required to be spent on very low income housing, 17% on low income housing and the remaining 47% on moderate income housing. If 20 units of moderate income BMR housing were built at the Hamilton Avenue park and housing site

and 22 units of very low income Habitat housing were built at the Terminal Avenue site, and those units cost the same per unit to the Redevelopment Low and Moderate Income Housing Fund, then the new requirement would be met, assuming all the available housing funds were used.

4. Adoption of a new index for calculating the annual change in the BMR commercial in lieu fee (amend Ord. No. 905, recommendation to City Council)

Gretchen Hillard distributed a memo on the subject, "New Index Proposed for Calculating the BMR Commercial In Lieu Fee." She explained that when the ordinance was adopted, the Construction Industry Research Board index had been adopted as the index for annually increasing the fee to reflect the increased cost of producing new homes. It was selected based on an evaluation of existing indexes. In 2003 the Construction Industry Research Board ceased publishing its index. The City had a new study conducted on currently existing indexes, including Marshall and Swift, the Consumer Price Index All Urban Consumers for San Francisco-Oakland-San Jose, and the Consumer Price Index for Shelter only for San Francisco-Oakland-San Jose (CPI, Shelter). The consultant had determined that the index closest to the actual increase in costs is the CPI, Shelter.

The Planning Commission will hold a Public Hearing on this proposed ordinance change on November 17, and the City Council will hold a Public Hearing after that. It is important to establish a new index and update the fee before a developer is ready to pay the required in lieu fee.

After discussion, Wendy McPherson made the motion and Clarice O'Neal seconded to recommend the change to Ordinance No. 905 as proposed. (M/S McPherson/O'Neal 5-0) (Carol Louchheim left at 6:45 PM.)

5. Review of Loan Advisory Committee Minutes for September 16, 2003. The Housing Commission reviewed the Minutes.

D. INFORMATION ITEM

1. Update on the Hamilton Avenue Park and Housing Development

Gretchen Hillard reported that because of the schedule for the adoption of changes to the Traffic Impact Analysis Guidelines, review of the complete application for the Hamilton Avenue Park and Housing development would be delayed until winter.

E. ADJOURNMENT The meeting was adjourned at 7:20 p.m.

Respectfully submitted,

Gretchen Hillard
Housing and Redevelopment Manager