



## HOUSING COMMISSION MINUTES

Regular Meeting  
February 4, 2004  
5:30 pm

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

---

### CALL TO ORDER

Elza Keet called the meeting to order at 5:30 p.m. in the Administrative Building Housing Conference Room.

### ROLL CALL

#### **Housing Commission Members Present:**

Elza Keet, Chair; Carol Louchheim, Vice-Chair; Steven Bliss, John Donald; Clarice O'Neal

**Housing Commission Member Absent:** - Kirsten Keith; Wendy McPherson

#### **Staff Present:**

Gretchen Hillard, Megan Norwood, Housing and Redevelopment; Arlinda Heineck, Community Development Director

**A. PUBLIC COMMENT:** There was no public comment.

**B. REPORTS AND ANNOUNCEMENTS:** - None

### C. BUSINESS ITEMS

- 1. Approval of January 7, 2004 Minutes.** Carol Louchheim suggested that "of their" be deleted from the fourth line of Business Item 2. John Donald suggested that the sentence, "John Donald reviewed the priorities set in September, supported finding a use for the BMR funds, then implementing the uses." be moved to Business Item 2. A motion was made to approve the minutes (M/S Bliss/Louchheim, 5-0.)
- 2. Discussion of First-time homebuyer loan program with Anne Griffin, Princeton Mortgage, and Scott Coe, San Mateo County Housing Office**

Scott Coe started out the discussion stating that one goal for the first-time homebuyer programs in San Mateo County was to obtain countywide consistency in the jurisdictions' programs, so first lenders would only have to learn one model. An additional goal is to have first-time homebuyer programs that are simple to understand for the buyer. Some success had been achieved in this direction, but there were still a large variety of programs. Scott Coe then described typical features, such a deferral and zero interest for the first five or ten

years, and some variations, such as shared appreciation or fixed rate amortization after the deferral period. Some programs have waiting lists. Scott Coe described Foster City's waiting list, which demonstrates the great demand for the loans. He described the Cal-hfa mortgages for first-time homebuyers, and said that the State assured him that there will be funds available for a long time. He answered several questions about the programs he administers.

Anne Griffin opened her presentation by describing the current market for single family homes as very competitive. There are multiple offers on houses for sale now. The lowest current price is a three bedroom, one bathroom house in Belle Haven listed for \$459,000. There are two other listings below \$777,000 that is in the lowest 10% of the market; one is in Belle Haven, the other in Lorelei Manor. She said, There also some condominiums for sale in Menlo Park. She said that the maximum Cal-hfa house price is \$568,714, so there are few homes in Menlo Park where these can be used. In this kind of market; there is often a two week escrow, no contingencies. Buyers today can obtain 103% financing, and have as high as 50% debt to income. Part of why the market is so competitive is that interest rates are so low, and there is worry that the rates will rise soon.

Anne Griffin also addressed the idea of buying points as a way of assisting first-time homebuyers. She said that buying points would bring down the mortgage payment. As an example she said that paying for four points, for \$18,000, would buy down the monthly payment by \$250 per month on a \$400,000 mortgage. In this example it would take five years to save as much as if the \$18,000 had been put into a down payment. Looking at how long homebuyers held onto their PAL loans before refinancing or selling would give an idea whether buying points would be cost effective for the program.

The Commissioners looked at the Waiting List report in BMR Annual Report in their packet and noted that the household sizes typically are smaller than the units made available through the BMR program. They noted this was information they will want to discuss further.

Scott Coe And Anne Griffin each said that they would be available if the Commissioners had more questions. The Commissioners thanked them for their time and information.

**3. Potential uses for Below Market Rate Housing Fund (Draft Memorandum to City Council)**

Gretchen Hillard stated that the information for this item had not been brought to the meeting, and that it was not urgent. The item was held over for the next meeting.

**4. Monthly Report on the Housing Rehabilitation Loan Program for December 2003**

Gretchen Hillard summarized the report, which the Commissioners accepted.

**5. Loan Advisory Calendar – fill open months.**

Commissioners volunteered for March, May, July, August and September.

**D. INFORMATION ITEM**

**New Handbook.** The Commissioners received the new handbook inserts.

**E. ADJOURNMENT** The meeting was adjourned at 7:30 p.m.

Respectfully submitted,

Gretchen Hillard  
Housing and Redevelopment Manager