



## HOUSING COMMISSION MINUTES

Regular Meeting  
July 27, 2004  
5:30 pm

City Council Conference Room, First Floor  
701 Laurel Street, Menlo Park, CA 94025-3483

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### CALL TO ORDER

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

### ROLL CALL

#### Housing Commission Members Present:

Elza Keet, Chair; Carol Louchheim, Vice-Chair; John Donald; Kirsten Keith; Anne Moser; Clarice O'Neal

#### Housing Commission Member Absent: - None

**Staff Present:** Tracy Cramer, Senior Planner; Arlinda Heineck, Community Development Director; Gretchen Hillard, Housing and Redevelopment

#### A. PUBLIC COMMENT: None

### B. REPORTS AND ANNOUNCEMENTS

1. **Welcome new member, Anne Moser** The Commissioners welcomed Anne Moser to the Housing Commission.
2. **Setting a date for a second meeting in September.** The Commissioners discussed alternative dates for a second meeting in September, and selected Thursday, September 2 as their preferred date, and Wednesday, September 8 as their second choice, if for some reason September 2 is not available.
3. **BMR Agreements** Staff distributed site plans and a table of information on the five more recent BMR Agreements with developers.

### C. BUSINESS ITEMS

#### 1. Recommendation to City Council to adopt State Density Bonus Ordinance

Arlinda Heineck, Community Development Director, introduced Tracy Cramer, Senior Planner. Tracy Cramer summarized the requirements of the State Density Bonus Ordinance, and the need for a Housing Commission recommendation at this meeting. The Ordinance will then be reviewed in Planning Commission and City Council public hearings. The City is required to adopt the Ordinance in some form. Tracy Cramer said that the Ordinance gives developers who meet the affordable housing production threshold two options. They can request a density bonus plus one incentive, or no density bonus and an unlimited number of incentives. Incentives are defined as

reductions to development regulations contained zoning requirements, except those governing density.

Elza Keet asked what the developers' incentives are compared to the Below Market Rate Housing Program incentive, and compared the incentives of the two programs. She expressed concern that the incentives could cause undesirable impacts on the neighborhood like increased parking in the streets. Or a developer could build many denser, lower cost units, with lower quality architecture. Clarice O'Neal asked who supported this legislation. Arlinda Heineck explained that there is a lot of State legislation that overrides local programs because there is a great unmet need for affordable housing.

Tracy Cramer explained that the findings in the ordinance are the way that the City can obtain latitude in enforcing the ordinance. The City can establish thresholds for impacts but cannot undermine the intent of the State law. One proposed finding requires proof that the project requires the concessions to make the affordable housing economically feasible. Another addresses environmental impacts. A third requires conformance with the City's Below Market Rate Housing Program. Carol Louchheim said that the environmental finding would address additional traffic impacts.

Tracy Cramer also said that there are two proposed developments that want to use the provision of the State Density bonus Ordinance: 996 – 1002 Willow Road and Derry Lane. The Willow Road project developer wants the flexibility of the –x zoning designation to be able to build a townhouse style development. The –x designation would allow smaller lots, smaller setbacks and greater structure height. Arlinda Heineck added that most developers want incentives that will make their projects more marketable. For this reason they are not likely to build less than two parking spaces per unit or to allow no space between buildings.

Carol Louchheim asked if this Ordinance could abrogate the overnight parking law. Tracy Cramer explained that is not a development regulation, so would not be an incentive.

Arlinda Heineck and Tracy Cramer explained the history of the current, City of Menlo Park Housing Element, which the City Council approved, but the State did not certify. They explained that certification helps to prevent lawsuits over compliance with the State's affordable housing rules. The current Regional Housing Needs number for Menlo Park is 982 housing units, a little more than half of those to be affordable units, in designated categories by income. The deadline for the next Housing Element is 2006. Enforcement is accomplished only by someone bringing a lawsuit against the City for non-compliance with the Housing Element. Housing advocates are the ones who usually sue. They usually target cities that are not making an effort. It could result in the loss of certain sources of funding. Legislation is frequently proposed to increase the impacts.

The Commissioners discussed the options they had for a motion. Arlinda Heineck stated that the Ordinance is a very basic form of enabling legislation. The City could also adopt an implementation program. John Donald said he did not see where in the State law the findings are allowed. Elza Keet stated that the Ordinance is exempt from CEQA, but that CEQA applies to individual projects. Carol Louchheim stated that the developer pays for the studies; so the results could be biased in favor of the developers. Tracy Cramer stated that the City requires independent peer review. Anne Moser asked if other cities had adopted the Ordinance. Tracy Cramer said yes, some of the wording was from other cities. If they didn't have BMR Programs, their ordinances are much

longer. Kirsten Keith asked that the Housing Commission see a draft of the incentives program. John Donald said that the Commission had the choice to recommend an ordinance that does not have findings; but he supports having findings to give the City more discretion. Without the Ordinance the City will be open to liability. He made the motion to recommend that the State Density Bonus Ordinance be approved as written. (M/S Donald/O'Neal 5-0-1, Moser abstained). In response to a question, Arlinda Heineck explained that the State law has been in existence since 1989, but the City has just had its first request by a developer to use its provisions. The developer request triggers the requirement that the City adopt an Ordinance addressing the State's requirements.

## **2. Approval of July 7, 2004 Minutes**

Elza Keet made the motion to approve the Minutes of July 7, 2004 with the addition of the word "some" to the follow "reserving" in the third line of the third paragraph under Business Item 2 on page 2. (M/S Keet/Donald 4 - 0 -1, Moser abstained)

## **3. Recommendation to raise the preference for households already on the BMR Waiting List to a higher priority for BMR housing at the Hamilton Avenue Park and Housing development**

John Donald said that the purpose of the memorandum is to tell the City Council that the Housing Commission does not support the people on the list being passed by. For language he suggested that it be expressed as a note of concern to the City Council that, in reviewing the priorities contemplated by the City Council for BMR units at the Hamilton Avenue park and housing development, given that there are a large number of preferences, the Housing Commission is concerned that the families that have waited many, many years will not have an opportunity to buy a house there. Because there are 401 households on the Waiting List and 45 percent of them have been on the list for more than five years, the Housing Commission proposes first priority to applicants on the Below Market Rate Waiting List for more than five years. (M/S O'Neal/Keet 6-0) They also directed that the memorandums with the percentage of applicants and how long they'd waiting be attached.

## **D. INFORMATION ITEM**

- 1. Monthly Report on the Housing Rehabilitation Loan Program for June 2004.** The monthly report was accepted.

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

Respectfully submitted,

Gretchen Hillard  
Housing and Redevelopment Manager