



HOUSING COMMISSION MINUTES

Regular Meeting
August 4, 2004
5:30 pm

City Council 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 City Council Conference Room.

ROLL CALL

Housing Commission Members Present:

Elza Keet, Chair; Carol Louchheim, Vice-Chair; John Donald; Kirsten Keith; Anne Moser

Housing Commission Member Absent: - Clarice O'Neal

Staff Present: Justin Murphy, Development Services Director; Gretchen Hillard,
Housing and Redevelopment

A. PUBLIC COMMENT: None

B. REPORTS AND ANNOUNCEMENTS - None

C. BUSINESS ITEMS

1. Consideration of recommendation for Below Market Rate Housing Agreement for 110 and 175 Linfield Drive – Study Session

Duke Rohlen, representing 110 Linfield Drive property owners, Bo Rodanovich, Kevin Fryer, of Mission Valley, Consultants for Consolidated Freightways, and Todd Adair from Brian Kangas Faulk Civil Engineers, staff and the Housing Commissioners introduced themselves. Staff summarized the items that the Housing Commissioners would be commenting on. Bo Rodanovich introduced the project as having a total of 58 units, and originally proposed about a year ago. The BMR units are all smaller, and in duettes with common walls, all one product type. The development has eight product types. The BMR units are 17 percent of the units, more than the required 15 percent, at ten out of the 58 total units. They are three bedroom, two bathroom units with 1200 square feet. The market rate units are 1600 square feet to 2300 square feet. The BMR units will have the same materials and finishes as the other units, though some substitutions might be made, like tile for high end granite. It is a tight development, and hard to meet the spirit of the BMR program and the keep the development economically viable. This is the first development to come in under the 15 percent BMR requirement for developments of over 20 units.

In answer to Commissioners' questions, the team gave the following information: The BMR units are designed in the craftsman style because neighbors like it in community meetings. They started with many more units, but the neighbors wanted the proposed density. He estimated that the BMR units would cost \$700,000 today as market rate units. He estimated

that the market is at \$600 per square foot. Menlo Square sold at \$600 to \$900 per square foot for condominiums. Three bedroom units were chosen for the BMR units to be as close to the demographic of the neighborhood as possible. Kirsten Keith said that three bedrooms is appropriate if it is for families. Elza Keet said that the number of people on the Waiting List that need two bedroom units is great, because most of the BMR units that have been produced have been three bedroom units. She cited the employee survey and the two teacher surveys as evidence. Bo Rodanovich said that one and two bedroom units don't fit the neighborhood. Other commissioners said that smaller units are not typical of the development, which BMR units are required to be. Bo Rodanovich said that they didn't spread the BMR units evenly throughout the development because it is not as efficient. The duette design is on a different shape lot which only fits where they were located. The neighbors did not want garages in front. Also all the BMR units have garages in front. So locating the BMR units in back keeps the garages from being seen from the front of the development.

Carol Louchheim stated that all other developments have met the requirements of the BMR Program. Bo Rodanovich said that none of the others had to provide 15 percent BMR units. She said that the pattern at 175 is less disturbing than the pattern at 110. Kirsten Keith said why not spread the BMR units out among the units of its plan type. Elza Keet pointed out that you cannot move the product types around. She suggested moving more BMR units to 175 Linfield Drive. The applicants stated that that could not be done because they have separate property owners.

Kirsten Keith suggested moving the units around to more evenly distribute the BMR units among the market rate units and presenting it to the Housing Commission with the new layout. Elza Keet said that they could change their design. The applicants said that they could think about design change only with fewer units with uniform lots. Then there would be BMRs distributed throughout. However there would be fewer BMR units. Kirsten Keith and Anne Moser said that they prefer to keep the higher number of BMR units, rather than have one or two BMR units lost to get the distribution, if there had to be a choice.

Carol Louchheim said that duettes would sell for less than the larger houses with yards. She also said that the distribution affects the social interaction in the development. John Donald said that the BMR units are indistinguishable from the other half of the duette building, which in some cases is a market rate unit. Elza Keet said they are not indistinguishable because garages are not as attractive as the other plans. Several Commissioners stated that the BMR units are all smaller than most of the market rate units.

Justin Murphy explained that the open area resulted from the Planning Commission request for additional common outdoor area and the Environmental Quality Commission request to preserve trees. John Donald asked the applicants if they considered the Menlo Park BMR requirements unrealistic. Bo Rodanovich said that they are very difficult. It is very hard to do density in Menlo Park. The development started out as 90 units. There is a very high land value. Developers have pressure from the neighborhood to reduce the density. But the Housing Commission wants more houses.

Justin Murphy said that office buildings would be removed for this development, which is reducing employee demand for housing. This would give the Housing Commission some flexibility in its recommendation because it is a unique situation for this development, and doesn't set a precedent.

Bo Rodanovich said that the landscaping would be the same for all units and would be maintained by a homeowners association. A discussion about homeowners' dues and the impact on affordability ensued. There are existing apartments on the west side of the site.

A point was made that this development will reduce demand for BMR housing by removing buildings that provided employment, and about concern with the distribution of the units, and that moving BMR units will help reduce excess clustering.

2. 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

Elza Keet summarized the history of the BMR proposals at the Hamilton Avenue park and housing development, stating that city had paid a huge price for the site, that the park was much smaller, and the original proposal was 100 percent BMR units. The Commissioners said that they supported the second version, using 55 percent as the number of households that have waited over five years, using 1001 persons to fill in the blank, substituting "recommends" for "encourages" and both attachments. Elza Keet made the motion to make the recommendation as summarized. (M/S Keet/Keith 5-0)

3. Recommendation that BMR Fund provide additional funding for the First-time Homebuyer Loan Program as well as other possible options, including description of reasons for the recommendation

This item was tabled for the next meeting, as the draft staff report was not ready for review.

D. INFORMATION ITEM – None.

E. ADJOURNMENT The meeting was adjourned at 7:00 p.m.

Respectfully submitted,

Gretchen Hillard
Housing and Redevelopment Manager