



HOUSING COMMISSION MINUTES

Regular Meeting

December 6, 2006

5:30 p.m.

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

CALL TO ORDER

Chairperson Anne Moser called the meeting to order at 5:30 p.m. in the Administrative Building City Council Conference Room.

ROLL CALL

Housing Commission Members Present: Patricia Boyle (Vice Chair); Elza Keet; Elizabeth Lasensky; Carol Louchheim; Anne Moser (Chair); Sandy Venning.

Housing Commission Members Absent: Clarice O'Neal.

Staff Present: Tracy Cramer, Housing Manager; Megan Norwood, Management Analyst.

A. PUBLIC COMMENT – None.

B. REPORTS AND ANNOUNCEMENTS

1. It was announced Chair Moser that Commissioner Venning had resigned from the Housing Commission and that this was her last Commission meeting. Commissioner Venning explained that she would be moving out of Menlo Park. The Commissioners said that they were sorry to hear that she is leaving and thanked her for serving on the Housing Commission.
2. Update on San Mateo County Sub-Regional Housing Needs Allocation Process.

Manager Cramer introduced the item by explaining that she is on the Technical Advisory Committee (TAC) for San Mateo County's sub-regional housing needs allocation process group. She reported that the new housing needs allocation number for San Mateo County as a whole is expected to be approximately 18,000 new units and that the Association of Bay Area Governments (ABAG) has proposed a formula for determining the housing needs allocation numbers. She said that ABAG's formula is a weighted formula based on employment and household growth.

Manager Cramer said that the City/County Association of Governments (C/CAG) of San Mateo County and the County of San Mateo are facilitating the TAC meetings. She said that representatives from ABAG attend the meetings as well. She reported that the TAC has outlined a methodology for determining each city's housing need allocation. In June 2007, ABAG will issue the housing needs allocation number for the county. Manager Cramer explained that following ABAG's

final allocation, the San Mateo County sub-regional group has ten months to negotiate any unit trading or creative solutions to address meeting the need regionally.

Vice-Chair Boyle asked Manager Cramer if the ABAG housing needs allocation number makes a distinction between rental and purchase housing units. Manager Cramer replied that does not. She states that the only distinction is by income group. Chair Moser asked how the Housing Commission would keep the City Council "in the loop" about the sub-regional housing needs allocation process and Manager Cramer responded that one member of the City Council will serve on a Policy Advisory Committee, to be determined by the Council at its December 11, 2006 meeting, and staff will present updates to the Commission at its regular meetings.

3. Report on Housing Forum, Dedicated Revenue for California's Local Housing Trusts.

Manager Cramer announced that staff was unable to attend the housing forum, which was held on November 30, 2006 in Redwood City. However, Vice-Chair Boyle attended the forum and distributed copies of a summary she had written that is addressed to Commission members and staff. She also distributed some handouts from the forum and gave a verbal report in which she highlighted important points of her written summary. She reported that legislation is already in place that would enable California to form a state housing trust; however, the program/legislation was never funded. Vice-Chair Boyle also said that 38 states have already formed state housing trusts and that it is more difficult to keep housing trusts going than to start them. She said that in most cases, permanent sources of funding are needed and she referred the Commission to a handout that summarized potential revenue vehicles for housing trusts. She described that at the forum it was said that in order for housing trusts to work there must be multiple sources of funding. Vice-Chair Boyle also reported that San Mateo County is considering the possibility of enacting a commercial linkage fee for the county. She said that a document-recording fee, as well as a County commercial linkage fee, were discussed as possibilities for creating a permanent revenue source for the San Mateo County housing trust.

C. BUSINESS ITEMS

1. Discussion of Potential City Council Project Priorities for fiscal year 2007-2008.

Manager Cramer introduced the item and referred Commissioners to her memo dated December 6, 2006.

Manager Cramer recommended that the Commission discuss the proposed housing projects outlined in the memo at the present meeting but not prioritize them until the following meeting. She suggested that this would allow staff to gauge the Commission's interest and then return to the Commission at the following meeting with more detailed information about possible project timelines and resources, which would assist the Commission in prioritizing the projects.

She began the discussion of proposed projects by explaining that some of the 2006-2007 projects were combined to create 2007-2008 proposed projects. The Commission discussed the proposed projects as follows:

a). Regional Housing Alternatives Study and Preliminary Housing Element Preparation

Manager Cramer explained that work on this project is already in process. She said that she will be involved in the project as a member of the TAC and that a member of the City Council will be appointed to serve as a liaison to the Policy Advisory Committee (PAC). There was some discussion of the intent of project priorities and Manager Cramer clarified that it is meant to serve as a list of priorities for staff's time.

Commissioner Keet commented that, although this proposed project is mostly staff-driven, she would like to see a little role for the Housing Commission. She suggested that staff could provide the Commission with reports/updates so that it can stay informed of the process. Manager Cramer agreed that this was a good idea.

b). Below Market Rate (BMR) Guidelines Update

Commissioner Keet asked if there is any pressing issue that this project is intended to address. Manager Cramer responded that, in looking at the number of upcoming BMR units, some changes would be helpful to staff in its administration of the BMR program. She said that several of the possible changes would be non-controversial but that there are others that may require some discussion. Commissioner Keet asked Manager Cramer why there was a reference in her memo to the consideration of redefining income limits for the program. Manager Cramer replied that the income limits for the program had been changed from 120 percent of median to 110 percent of median and there was some concern by staff that a limit of 120 percent would actually be more beneficial.

Commissioner Louchheim and Chair Moser commented that they would like some information at a future meeting regarding the profiles of applicants for BMR units at Hamilton Park, including information about applicants' income levels and financing. The Commission also briefly discussed the status of the Hamilton Park project and several Commissioners commented that it was advancing very slowly and that they were surprised that construction had not begun yet. Manager Cramer commented that the developer, Clarum, was recently approved for eighteen building permits. Chair Moser said that she would also be interested to know the demand for the market-rate homes at Hamilton Park and that this could be included as part of staff's report at the next meeting. Management Analyst Norwood commented that she was unaware of the exact demand for the market-rate units but she knew that Clarum maintained a waiting list for them.

c). Study of the Use of BMR Housing Reserve Funds

Manager Cramer explained that the 2006-2007 project priority for the PAL program was incorporated into this proposed project for 2007-2008.

Commissioner Keet asked if the Commission could recommend donating BMR Housing Reserve funds to San Mateo County's housing trust, HEART, or Habitat for Humanity. Manager Cramer replied that the question would require further research but that it may be possible. Vice-Chair Boyle mentioned HEART's new Quick Start loan program and said that it is so flexible that the City may be eligible for it even without a certified Housing Element. She said that this might be something that staff will want to explore. Commissioner Keet commented that the City would get more "bang for its buck" if it used BMR Housing Reserve funds to assist Habitat for Humanity at the Terminal Avenue sit, rather than SummerHill assisting them and thereby not building BMR units at 75 Willow Road. Manager Cramer said that SummerHill will be coming to the February Housing Commission meeting to discuss the alternatives.

d). Senior Housing Needs Assessment

Manager Cramer said that this project would be an assessment of senior housing needs that would set the stage for the next step, which would be an Action Plan to be proposed to be conducted in fiscal year 2008-2009. She suggested the idea of inviting other cities and groups to regular Housing Commission meetings to help define and discuss the issues. Commissioner Lasensky said that a lot of Stanford employees will be retiring at around the same time and will likely be hired back as temporary employees (due to a lack of new younger employees) so that we may want to look at this. Manager Cramer said that it would help to look at similar studies, such as the study completed by Palo Alto. Commissioner Keet asked if the ABAG Regional Housing Needs Allocation number makes a distinction for seniors. Manager Cramer replied that it does not and that it is only specific to income levels. However, she said, the City can address the issue of senior housing needs in the Housing Element that is due in 2009.

The Commission concluded its discussion of possible project priorities. Manager Cramer said that she would incorporate the Commission's comments and would prepare a detailed project summary for the next meeting.

2. Approval of November 1, 2006 Minutes.

Commissioner Keet requested an amendment to the draft minutes. She said that under item C1, Presentation by Council Member Cohen on San Mateo County Housing Endowment and Regional Trust (HEART), she had asked Mr. Mohr if the resources of the redevelopment agency could be used to assist HEART. She said that he had responded that a lot of cities ask this question but that he would have to research the issue.

M/S Lasensky/Boyle to approve the November 1, 2006 minutes as amended;
6-0.

D. INFORMATION ITEMS:

1. Semi-Annual Report of Housing Commission Work and Project Status.

The Commissioners thanked Manager Cramer and said that she had written a good report. Many Commissioners commented that they were surprised to see how long it is taking for some of the projects to be completed.

2. Monthly Report on the Housing Rehabilitation Loan Program for November 2006.

Manager Cramer said that the report was not available for the meeting but that it will be ready for the January meeting.

3. Memo from Elza Keet, November 22, 2006.

The Commission had not comments regarding the memo, however they did have questions about communication with the newly seated Council. Commissioner Louchheim asked Manager Cramer if there is any reason that the Housing Commission should go to the new City Council and inform them of what it is doing. She asked how the new City Council members would learn about the housing programs and the importance of things like the Derry project. Manager Cramer responded that part of this would be addressed by an orientation for Council that staff conducts. Chair Moser suggested that as individuals Commission members could talk to City Council members and invite them to attend a Housing Commission meeting. Commissioner Lasensky commented that Commissioner Louchheim made a good point in that the Commission does have the opportunity at Council meetings to make a statement and she wondered how the Commission would consider doing this. Chair Moser said that one of the Commissioners could speak to the importance of the Derry project at a Council meeting. She said it has been said but could be said again.

The Commissioners discussed how to make a statement to the Council and whether or not the Commission should speak with a unified voice. Commissioner Keet said that she opposes the Derry project because it provides housing for the very wealthy and the City doesn't need more of this. She said we also have to consider the quality of the projects and only approve BMR units in quality projects. She said that the Derry units would not be quality units and that the Housing Commission should consider this as part of its evaluation criteria. Vice-Chair Boyle concluded the discussion by suggesting that Commission members read the Housing Commission Charter again, as part of the New Year and in order to refresh members' ideas of what the Commission does.

4. Report by Council Member Cohen on HEART.

Council Member Cohen gave a presentation on the recent HEART board meeting and a down payment assistance (DPA) program that the organization is considering beginning. He distributed two handouts from HEART regarding the DPA program. He also said that in late April or early May, HEART will hold a "launch event" for one

of its projects that will just have been completed in San Bruno. He suggested that Housing Commission members might wish to attend.

5. Next Housing Commission Meeting.

It was decided that the next meeting would be held as scheduled on January 3, 2007.

E. ADJOURNMENT: The meeting was adjourned by consensus at 8:15 pm.

Respectfully submitted,

Megan Norwood
Management Analyst