



HOUSING COMMISSION MINUTES

Regular Meeting

February 7, 2007

5:30 p.m.

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

CALL TO ORDER

Chairperson Patty Boyle 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 (Chair); Elizabeth Lasensky (Vice Chair); Carol Louchheim; Anne Moser; Clarice O'Neal.

Housing Commission Members Absent: Elza Keet.

Staff Present: Arlinda Heineck, Community Development Director; Tracy Cramer, Housing Manager; Megan Norwood, Management Analyst.

A. PUBLIC COMMENT – None.

B. BUSINESS ITEMS

1. Approval of January 3, 2007 Minutes.

M/S Moser/Louchheim to approve the January 3, 2007 minutes as amended; 5-0.

2. Approval of Alternative Below Market Rate Housing Agreement for New Residential Development at 75 Willow Road.

Elaine Breeze of SummerHill introduced the item, in which SummerHill is requesting approval of an alternative BMR Agreement for 75 Willow Road that would provide two on-site BMR housing units and the payment of in-lieu fees to be dedicated to the Peninsula Habitat for Humanity (Habitat) project proposed at 297 Terminal Avenue. A staff report from Manager Cramer detailing the proposed alternative agreement, including attachments, had been included in the Commissioner's agenda packets that they received prior to the meeting. Ms. Breeze explained that SummerHill had appeared before the Housing Commission at four prior meetings.

Ms. Breeze introduced Mary Boughton, the Executive Director of Peninsula Habitat for Humanity, as well as Scott Woodman, a Project Manager for Habitat. She also introduced Joe Head, President of SummerHill Homes. Ms. Boughton said that Habitat has made an application for the development of 22 homes at 297 Terminal Avenue. She said that the project is still under review. She said that Habitat hopes to serve Menlo Park families. She continued that the project requires additional

funding to cover extraordinary costs and would greatly appreciate the support from SummerHill. She said that it would allow Habitat to bridge the financing gap and make the project feasible. She explained that Habitat doesn't intend that SummerHill's contribution would replace the help that Habitat normally solicits as donations; rather the funds would be used to pay for additional costs such as sound barriers and flood plane mitigations that are not typical costs in Habitat projects. She concluded that Habitat is committed to building a project in Menlo Park and hopes SummerHill's proposal will be approved because it is a great model and would help serve Menlo Park families.

Commissioner Moser asked Ms. Breeze why SummerHill is proposing to continue to provide two on-site BMR housing units at 75 Willow Road. Ms. Breeze responded that they would like to continue to support the City's BMR on-site program to provide a wide range of affordable housing opportunities in the community. Commissioner Moser also asked if it would be possible to include in their proposal that only persons who live or work in Menlo Park could apply for the Habitat homes. Ms. Boughton replied that they were already planning to use Menlo Park's BMR program guidelines to find homeowners for the project.

Vice-Chair Lasensky asked what the mortgages would be for the Habitat homes. Ms. Boughton explained that they would be based on the cost to build the homes as well as the cost of living for the buyers' income range. She said that the incomes will range from very low and low-income. She said an estimated price of a three-bedroom home would be \$284,000. She also explained that Habitat provides its buyers with 30-year, zero percent interest mortgages that cover the entire cost of the homes.

Commissioner Louchheim inquired about the status of the environmental clean-up at 297 Terminal Avenue. Manager Cramer responded that the clean-up is the responsibility of the City and would begin shortly. She said that it is estimated to take several months to one year to complete it. Following clean-up, she said, the site would be ready for development. She reminded the Commission that the City continues to own the property. The Commissioners also inquired about the status of the sound wall and CalTrain. Ms. Boughton explained that Habitat is factoring in costs for a sound wall if needed and looking for the best, affordable solution to the need to mitigate impacts from the proposed rail road activation. She said that there are significant costs associated with mitigating potential sound and vibration impacts. Chair Boyle inquired if Clarum Homes is sharing its experiences on this (from the Hamilton Park project) and Ms. Breeze replied that yes, SummerHill has brought them "to the table." Director Heineck commented that the sound wall required for the Habitat project would be similar to the sound wall required for the Clarum/Hamilton Park project.

Chair Moser asked staff to summarize the Commission's task this evening regarding the proposed Habitat and SummerHill projects. Director Heineck explained that the Commission would not be making any decisions about Habitat at this point. She explained that the Commission is however being asked to consider the alternative BMR proposal for 75 Willow Road, which includes the payment of in-lieu fees to be dedicated to Habitat for the Terminal Avenue project. She said that

the provision for payment of in-lieu fees is flexible such that if the Habitat project is not approved, the fees could be used for something else. She explained that the steps for the Habitat project could include the City entering into a new Exclusive Negotiating Rights Agreement, called an ENRA, with Habitat once the financial piece is in place. She said that an updated traffic study and a new EIR would probably be required. Then, she said, the project would move into the normal realm of being reviewed by various commissions and the City Council. Commissioner Louchheim commented that all this depends on the lawsuit against the 75 Willow Road development. Director Heineck replied yes but that SummerHill is taking a risk and continuing to move forward with the development. Commissioner Louchheim asked how long the lawsuit might take and Director Heineck said that it varies tremendously but that the best-case scenario is that it will be concluded within six to eight months. Mr. Head told the Commission that he expects the case to go before the court by this summer.

M/S Moser/Louchheim to recommend approval of the alternative Below Market Rate Housing Agreement for new residential development at 75 Willow Road; 5-0.

C. REPORTS AND ANNOUNCEMENTS

1. Message from the Chair.

Chair Boyle handed out the Housing Commission's charge. She asked the Commissioners that they take a look at it and she said that it will be a discussion item on agenda for the March meeting. She also encouraged the Commissioners to visit the proposed development sites and said that she would like to learn from other communities. She told the Commissioners that if they have something they would like to learn more about they should call her and she will try to put it on the meeting agenda.

2. Update on Hamilton Park Sales.

Manager Cramer reported that she had spoken yesterday to Renee Daskalakis, the realtor who the City contracts with to sell the BMR units. Renee reported that she was working on the 15th purchase contract. Manager Cramer also said that Management Analyst Norwood will present a profile of Hamilton Park buyers for the March Housing Commission meeting.

D. INFORMATION ITEMS:

1. Memo from Housing Commission to City Council regarding City Council Project Priorities for Fiscal Year 2007-2008.

The Commissioners discussed possible wording changes to the memo. However, the Commission decided to retain the wording and only minor corrections were made. Commissioner Moser suggested a slight wording change to the project entitled "An assessment of senior housing and service needs and opportunities."

Manager Cramer reported that the project priorities would be presented to the City Council on March 6, 2007. Chair Boyle said that she will present them to the Council and will be there to answer questions and provide opportunity for comment.

2. Letter from Provost John Etchemendy, Provost's Office, Stanford University, to Elizabeth Lasensky dated December 15, 2006.

There was no discussion of this item.

3. Monthly Report on the Housing Rehabilitation Loan Program for December 2006.

The Commissioners accepted the report.

4. Articles submitted by Commission members for distribution:
 - a. "Where Money's No Object, Space Is No Problem", New York Times, 1/14/07
 - b. "Model Home: Hamilton Park, Menlo Park, Going green is a fixture of Idea House, Many homes below market", SF Chronicle, 1/14/07
5. Manager Cramer announced that she has a Technical Advisory Committee (TAC) Meeting tomorrow (for the sub-regional housing needs allocation process). She said that there will also be a Policy Advisory Committee (PAC) meeting in the next two weeks. She said that Council Member Heyward Robinson is the Menlo Park representative to the PAC and that he had a very good experience at the last PAC meeting. She said that he reported to the City Council about the meeting. She reported that she is writing a staff report to City Council regarding the sub-regional housing needs allocation process and that it is tentatively scheduled to go to the Council on February 27, 2007. She said that she will distribute copies to the Commission.

E. ADJOURNMENT: The meeting was adjourned by consensus at 6:45 pm.

Respectfully submitted,

Megan Norwood
Management Analyst