



HOUSING COMMISSION MINUTES

Regular Meeting

March 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); Elza Keet; Elizabeth Lasensky (Vice Chair); Carol Louchheim; Anne Moser; Clarice O'Neal.

Housing Commission Members Absent: None.

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

A. PUBLIC COMMENT – None.

B. BUSINESS ITEMS

1. Approval of February 7, 2007 Minutes.

M/S Moser/Lasensky to approve the February 7, 2007 minutes;
4-1, Commissioner Keet abstaining.

2. Hamilton Park Housing (Clarum) Summary of Below Market Rate (BMR) and Purchase Assistance Loan (PAL) Applications.

Management Analyst Norwood presented a summary of her report and memo that were included in the Commissioners' Agenda packets. She highlighted key points about the Hamilton Park BMR buyers including: (1) a majority are low-income; (2) a majority have been on the BMR Waiting List for less than two years; (3) very few are providing their own (cash) down payments and (4) most do not have large families (five or more people). She described that most of the BMR buyers are Belle Haven residents and that very few are teachers, City of Menlo Park employees, and firefighters.

Management Analyst Norwood also presented the Commission with some possible interpretations of the data on the BMR buyers. She noted that the fact that most of the buyers are low-income (rather than Median or 110 percent of Median) is very positive because it shows that the BMR and PAL Programs can serve a more diverse range of household incomes and because assisting more low-income households through these programs is important to the Commission.

Management Analyst commented that the buyers haven't been on the BMR Waiting List very long. She noted two key results: first, it may indicate a need to examine the waiting list and what its intended purpose should be; and second, it indicates that marketing and outreach efforts to recruit buyers for the homes were effective. She also commented that the buyers' use of PAL loans shows that using BMR reserve funds for PAL loans is an effective and important use of these funds. Finally, she noted that the process of qualifying applicants has illuminated the fact that the BMR Guidelines are vague in some areas and could benefit from some possible improvements and/or clarifications. She concluded her presentation by inviting the Commissioners to keep this data and analysis in mind in their future discussions of such project priorities as updating the BMR Guidelines and making changes to the PAL Program.

Following her presentation, the Commissioners thanked Management Analyst Norwood for the report and said that it was very informative and helpful. Commissioner Moser asked whether or not staff would be bringing the Commission suggested changes to the BMR Guidelines and what the timing would be. Manager Cramer responded that staff will do so in the next fiscal year and that it will probably take one to two months to formulate the suggested changes and then present them to the Housing Commission and then the City Council.

Commissioner Moser said that the Hamilton Park summary indicates a need to build smaller houses and Commissioner Keet commented that it is good that we are serving lower income households. Vice-Chair Lasensky and Commissioner Moser both expressed concern about the ability of the low-income BMR buyers to remain in these homes. Manager Cramer responded that the City contracts with the San Mateo County Department of Housing to process the BMR purchase applications and she explained that they carefully screen the buyers and their loan financing to ensure that buyers are receiving good loans that they can afford. She said that the City is working with a pool of approved lenders for this project, all of whom the City has experience with and are known to be quality lenders. Management Analyst Norwood commented that many of the buyers are receiving reputable, high quality affordable loans (such as CalHFA and ACORN loans) that have features such as below-market interest rates and deferred payment options, including junior loans with fully deferred payments. Manager Cramer also noted that following staff approval of the buyers' loan packages, the Loan Committee reviews all loans. The Loan Committee's review of PAL loans includes a summary review of a buyer's complete loan package and a majority of the buyers are receiving PAL loans. Based on the types of questions being asked, Manager Cramer said that she will add the County's staff person, Scott Coe, to an upcoming Housing Commission meeting agenda and he can present on what he looks at in qualifying applicants for the BMR and PAL Programs.

Commissioner Louchheim commented that the Housing Commission should speak before the City Council and tell the Council that the sale of the Hamilton Park BMR homes has been a success story because the Council approved the Housing Commission's request that buyers of BMR units be allowed to use PAL loans to finance those purchases.

3. Review of Housing Commission Mission.

Chair Boyle distributed copies of a description of what the Housing Commission does, as described on the City's website. She pointed out that it is different from the Commission's role and mission as described in its official charge as adopted by the City Council on 3/13/01 and amended 9/18/01. Copies of the charge as adopted by Council were included in the Commission's Agenda Packets for review prior to the meeting. Chair Boyle explained that at this evening's meeting she would like the Housing Commission to sort out what it does and does not do so it can later submit a mission statement and/or recommend on what it should be, and in order to create consistency in the description of a mission statement. She noted that not everything in the two mission statements (that described on City website versus the Council approved version) is applicable to the Commission's work.

Several Commissioners commented on one or both of the mission statements. Commissioner Louchheim said that she likes the bullet style layout of the website version and Commissioner Moser commented that she was encouraged by the official approved version and found it to be more broad than she had thought it was. Commissioners Louchheim and Keet expressed some concern over wanting to change the mission statement now. They asked why it would be necessary to amend what is essentially a "dormant" document. Commissioners also expressed surprise over some of the verbiage in the mission statements, including a statement regarding a "Relocation Appeals Board", which was unfamiliar to both staff and Commissioners.

Chair Boyle explained that she had had a question from Council Member Cline regarding the Commission's mission statement. She said that the Commission should be clear, at least internally, regarding what it does and does not do. She said that the Commission may want to revise the mission statement at some point but that it doesn't have to do so now. In conclusion, she said, the Commission has decided to do more reporting to the City Council regarding the Commission's work but that the Commission will do nothing to change the official mission statement at present. Chair Boyle and Commissioner Louchheim agreed to prepare a draft of potential revisions to the website and would present it at the next meeting.

4. Review of Loan Advisory Committee Assignments for 2007.

Manager Cramer said that the new Housing Commission member will be assigned the months of July and August. Chair Boyle said that as Chair she will be the "stand-in" Housing Commission representative as needed. The Commission accepted the Loan Advisory Committee Assignments for 2007.

C. REPORTS AND ANNOUNCEMENTS

1. Update on SubRHNA and Housing Element Process.

Manager Cramer reported that the Technical Advisory Committee (TAC) and the Policy Advisory Committee (PAC) are going through their final consideration of methodology for allocation of housing needs. She said that the next steps will be negotiation and allocation. There will be a public meeting/hearing on March 22, she said.

The Commissioners discussed Manager Cramer's information item report to the City Council, dated March 6, 2007, which was included in the Commission's Agenda packets. The report states that, according to the Association of Bay Area Government (ABAG) 2007 Projections, Menlo Park is projected to grow by almost 5 percent between 2007 and 2014.

Commissioner Moser asked if ABAG addresses where Menlo Park is supposed to put required new housing. Manager Cramer responded that the Housing Element requires site inventory and analysis, which includes identification of locations and strategies to enable production of housing.

D. INFORMATION ITEMS:

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

There was no discussion of this item.

2. Monthly Report on the Housing Rehabilitation Loan Program for January 2007.

The Commissioners accepted the report.

3. Per Commissioner Moser's request, the May Housing Commission meeting was moved from Wednesday May 2 to Wednesday May 9.

4. Commissioner Moser said that she invited Richard James, Community Services Director of Palo Alto, for the April Housing Commission Meeting. She said that Mr. James is a staff person from Palo Alto who worked on the Palo Alto senior needs assessment. She also said that Mr. James told her that the April issue of *Western City* magazine will include an article about Palo Alto's senior needs assessment.

5. Commissioner Moser reported that she spoke to a woman who heads up the Peninsula Volunteers, who may be interested in coming to speak to the Housing Commission at a later date. Peninsula Volunteers manages Crane Place and Partridge Place and is interested in developing a third senior housing site in Menlo Park.

6. Chair Boyle reported that Bruce Hamilton from HIP Housing will be coming to the May Housing Commission meeting for a short presentation.
7. Vice-Chair Lasensky said that she would like a list of all City-owned property. Manager Cramer said that this work can be done, but it requires coordination of other staff and time. She also said that at the next meeting she will provide copies of the Redevelopment Agency Plan that Commissioner Moser had previously requested.
8. Chair Boyle asked if the Commission can get a transportable file box to put information in so that if a Commissioner misses a meeting he/she can easily pick it up the next time.

E. ADJOURNMENT: The meeting was adjourned by consensus at 7:00 pm.

Respectfully submitted,

Megan Norwood
Management Analyst