



HOUSING COMMISSION MINUTES

Regular Meeting

April 4, 2007

5:30 p.m.

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

CALL TO ORDER

Chairperson 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; Clarice O'Neal.

Housing Commission Members Absent: Anne Moser.

Staff Present: Arlinda Heineck, Acting Assistant City Manager; Megan Norwood, Management Analyst.

A. PUBLIC COMMENT – None.

B. BUSINESS ITEMS

1. Approval of March 7, 2007 Minutes.

Vice Chair Lasensky commented that Management Analyst Norwood had done an excellent job on the minutes. Commissioner Louchheim submitted a change to wording under agenda item B2 of the draft minutes. The final paragraph of page two was amended to read:

“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.”

M/S Louchheim/Lasensky to approve the March 7, 2007 minutes as amended; 5-0.

2. Orientation on Loan Advisory Committee Review and BMR Application Review Process by Scott Coe, San Mateo County Housing Specialist.

Mr. Scott Coe introduced himself as a Housing Specialist in the San Mateo County Department of Housing, whom the City of Menlo Park contracts with to process applications for purchase of BMR homes as well as applications to receive PAL loans. He explained that he is the person in the County Department of Housing

who actually processes the applications by reviewing them to determine applicants' eligibility for the programs.

Commissioner Louchheim asked Mr. Coe to explain what he is looking for when he reviews PAL loan applications. Mr. Coe responded that in the case of both PAL and BMR programs, applications are reviewed for eligibility. He then explained the difference between eligibility and qualification. He said that reviewing an application for eligibility means ensuring that the applicant meets all the basic program eligibility requirements, such as the live or work in Menlo Park requirement and the maximum income requirement. In the case of PAL loans, he said, he reviews applications to ensure applicants meet these basic eligibility requirements but does not make determinations as to loan qualification – this is for the lenders to do. He explained, however, that while he does not make determinations as to qualification, he does look at applicants' household incomes. He said that in cases where it is "absolutely obvious" that the applicants' incomes are insufficient to qualify for the purchase price(s), he does in those cases deny the applicants. This would apply only to applicants whose incomes are substantially below the minimum income needed to qualify for the purchase price(s). For all other eligible applicants, Mr. Coe explained that he informs applicants of their eligibility and then it is the applicants' responsibility to seek and receive approval for mortgage loans.

Mr. Coe explained that, in the case of Hamilton Park, the City is working exclusively with four participating mortgage lenders (three lenders and one mortgage broker). He said that the lenders were chosen because they have all worked with the City's BMR and PAL programs in the past and are familiar with the programs and program requirements. He explained that they are all reputable lenders who offer affordable loans such as State CalHFA and ACORN loans. The lenders work with the applicants to secure approval for loans that are affordable to the applicants. Mr. Coe said that he is in constant communication with the lenders about the loans and, following loan pre-approval, he reviews the applicants' loan packages to ensure that they are quality loans that the applicants can afford and with which the City can feel comfortable. Following this he recommends approval of applicants' proposed loan packages to City staff, who convenes a Loan Committee for review and final approval of the loans.

Chair Boyle asked Mr. Coe if PAL and BMR buyers have to pay mortgage insurance. Mr. Coe responded that most of the time they do not because mortgage insurance is only required when a down payment is less than 20 percent of the purchase price and PAL and other affordable loan programs (such as CalHFA and ACORN) fulfill this requirement by providing down payment assistance that is considered by the lender to meet the 20 percent requirement.

Commissioner O'Neal commented that she has spoken to several police officers who say they're not eligible for BMR housing/PAL loans and she said that this concerns her. She said that she wonders why they aren't eligible. Following a discussion, Commissioner Louchheim requested that staff provide the Commission with a brief report on this matter in the near future.

3. Presentation on “Impact of the Aging Baby Boom Population on Palo Alto’s Social and Community Services,” by Richard James, Director of Community Services, Palo Alto.

Richard James, Director of Community Services for the City of Palo Alto, presented a November 2006 white paper for discussion entitled “Impact of the Aging Baby Boom Population on Palo Alto’s Social and Community Services.” He explained that the report was presented to the Palo Alto City Council in December 2006. He presented national statistics on the “baby boomer” population as well as local statistics regarding Palo Alto’s population of “older adults.” He said that Palo Alto’s population of older adults is projected to increase substantially. He said that after the projected increase of older adults from the baby boom population, the projected number of older adults will decrease significantly and then increase again. He explained that this is why many cities are looking at “succession planning.”

Mr. James explained that the white paper/report began with a community visioning event. The feedback received from the event was used to develop a community-wide survey for baby boomers. In response to a question from the Commission, Mr. James said that the level of survey participation was acceptable. He said that in addition to surveying baby boomers, they also surveyed service providers.

Mr. James summarized the results of the survey for the Commission. He said that 80 percent of respondents said that they plan to stay and age in Palo Alto. He commented that this attitude is a trend that is reflected across the United States. He explained that the survey asked baby boomers what kinds of services they use now and then what they envision their needs being as they age. He said that respondents’ answers to the second question were dramatically different from their answers to the first question. He said that, of things that respondents said they envision needing as they age, housing was number four. Many comments they received from respondents were housing related, he said.

He stated that five themes emerged from the report: 1) Most baby boomers want to live independently as they age and the concept of a “senior friendly” environment, especially with regards to mobility, is very important; 2) Most baby boomers desire to be engaged in community and social activities and have a variety of learning opportunities; 3) Palo Alto boomers want to stay involved either through volunteerism or continued part or full time employment; 4) Most Palo Alto boomers want to remain in Palo Alto for the remaining year of their lives; and 5) Baby boomers want to remain physically and mentally active well into their elder years.

Mr. James concluded his presentation and said that, following the report/study, action items will include reviewing Palo Alto’s Comprehensive Plan to identify possible solutions in housing supply and demand, as well as exploring possible funding sources for housing rehabilitation.

Chair Boyle asked Mr. James if he has sample questions and survey documents that the Commission/staff can look at and he replied that he does. She also asked how Palo Alto is doing on resources that will be needed to serve the projected increase in older adults and Mr. James responded that they are far behind and need

to increase their resource capacity. Vice Chair Lasensky asked Mr. James if the survey included homeowners as well as renters and he replied that it did, however he said that their interest was not specifically housing. He said that housing itself was more of a “by-product” of the survey and that they did hear a lot about it. He commented that of respondents who said they will probably leave because they anticipate that they won’t be able to afford to stay, there was no distinction between homeowners and renters.

Mr. James told the Commission that next year they hope to begin a Strategic Plan and that they have already gone to all the Commissions and the City Council. He said to remember that this is not just a city issue because businesses have an interest in older adults buying-power, as well. He commented that the process needs to be regional and that cities need to work together for a solution.

In response to a question from the Commission, Mr. James explained that the survey and report were put together internally by staff with the assistance of a doctoral candidate who was paid \$10.00 per hour. He said that the surveys were completed by respondents on-line but were also available in several public locations.

4. Review of Housing Commission Description on Web Site.

Chair Boyle introduced the item by explaining that the goal of this discussion is not to re-do the Housing Commission’s mission statement because the City Council creates and approves the mission statements. She explained that the intent is to improve the City website description of the Commission’s mission statement. She said that she and former Housing Manager Tracy Cramer had reformulated the description and she referred the Commission to her memo (included in the Commissioners’ agenda packets) that identifies the proposed revised wording.

Commissioner Louchheim distributed hand-outs of her proposed, revised first sentence for the description proposed by Chair Boyle and Manager Cramer. She explained that the description should include an introductory statement that is longer and more general. Commissioner Keet agreed this is a good idea. Chair Boyle commented that she is concerned that the Housing Commission can’t recommend on overall general housing needs in the city. Acting Assistant City Manager Heineck responded that the Housing Commission does in fact have the authority to pursue more general housing needs in the City, which is for example manifested in the senior housing needs study.

Commissioner Keet suggested another word change to the description and the Commission discussed whether or not to use the word “recommend” or “advise.” Following a lengthy discussion regarding the description’s wording, Commissioner Keet made the motion to accept the following revised wording for the introductory statement (first sentence):

The Housing Commission initiates, recommends, and reviews housing policies and programs advising the City Council, particularly in regards to affordable housing needs.

M/S Keet/Boyle to approve the introductory statement to the City website's Housing Commission Description as amended; 5-0.

Following this, Commissioner Keet made the motion to accept the following revised wording for the bullet statements:

These key activities include:

- Review and recommend actions in reference to the BMR Housing Program.
- Review and recommend actions in reference to the Housing Element contained in the General Plan.
- Review and recommend action on State, Regional and County housing issues.
- Serve on the Loan Review Committee for housing rehabilitation and first-time Home Buyers Program.

M/S Keet/Boyle to approve the bullet statements to the City website's Housing Commission Description as amended; 5-0.

C. REPORTS AND ANNOUNCEMENTS

1. Update on Housing Activity (Report from staff).

Acting Assistant City Manager Heineck gave an update on the sales of market and below market rate homes at Hamilton Park. Regarding the market rate homes, she said that almost all of them have now sold. She said that they were not selling very well previously but that sales had increased in the last month. The Commission asked how much the market rate homes are selling for and she replied that they are selling in the range of \$825,000 to \$875,000 approximately.

Acting Assistant City Manager Heineck commented that the Redevelopment Implementation Plan was included in the Commission's agenda packet. She said that in June the City Council will take a separate action to approve the 2007-2008 Agency budget and explained that the required mid-term review of the Redevelopment Implementation Plan is due to the State in December 2007. She said that the City is taking steps to complete the mid-term review.

Commissioner Keet said she had an unfinished business item that she wished to address. She said that she had been talking to former City Manager David Boesch and he gave her an approximate figure of Agency assets and/or expenditures. She told the Commission that she would like to know how much of this was spent on housing (versus capital improvement projects, for example). She asked Acting Assistant City Manager Heineck if staff can provide the Commission with a dollar amount of the total amount of Agency funds spent on housing throughout the life of the Agency. Acting Assistant City Manager Heineck responded that it is possible but that it would require extensive staff resources to collect the information. She said that she would first have to discuss it with the Finance Division to see if there is time to do so.

2. Report from the Chair.

Chair Boyle reported that Mr. Bruce Hamilton from HIP Housing will present at the May meeting. She also said that Commissioner Moser had requested that someone from Peninsula Volunteers attend, possibly in June. Acting Assistant City Manager Heineck said that staff will contact them to arrange their presentations at the meetings.

D. INFORMATION ITEMS:

1. Monthly Report on the Housing Rehabilitation Loan Program for February 2007.

The Commissioners accepted the report.

2. Chair Boyle provided an update on AB 239, which would create a special document recording fee in San Mateo County to fund housing trust(s). She said that the legislation would require a \$25 recording fee for any document that goes beyond one page and that the intent of the legislation is to create an on-going revenue source for San Mateo County housing trusts.
3. Chair Boyle announced that she and Commissioner Lasensky are serving on the Green Ribbon Citizens' Committee. She said that as part of this, she is working on land use and green building. She said that in talking to people she finds that they are starting to "make a connection."
4. Commissioner Louchheim announced that she will arrive late to the May 9 Commission meeting.

E. ADJOURNMENT: The meeting was adjourned by consensus at 7:15 pm.

Respectfully submitted,

Megan Norwood
Management Analyst