



## HOUSING COMMISSION MINUTES

Regular Meeting

May 9, 2007

5:30 p.m.

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

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### 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); Don Brawner; Elizabeth Lasensky (Vice Chair); Carol Louchheim (arrived at 6:05 p.m.); Anne Moser; Clarice O'Neal.

**Housing Commission Members Absent:** Elza Keet.

**Staff Present:** Arlinda Heineck, Acting Assistant City Manager; Deanna Chow, Senior Planner; Megan Norwood, Management Analyst.

**A. PUBLIC COMMENT** – None.

### B. BUSINESS ITEMS

1. Presentation on HIP Housing by Bruce Hamilton, Executive Director, and Laura Fanucchi, Director of Programs.

Laura Fanucchi introduced herself and said that Bruce Hamilton regretted that he was unable to attend this evening's meeting. Ms. Fanucchi provided the Commission with an overview of HIP Housing's programs and services and said that their strongest and longest running program is the Home Sharing Program. Other programs include the Self-Sufficiency, Property Development, and Home Equity Conversion Programs. She explained that the City of Menlo Park provides funding support to HIP Housing and its programs.

Chair Boyle asked Ms. Fanucchi if the Home Sharing Program allows seniors to "age in place" and she replied that it does. She said that home sharing is also a way to counter increasing foreclosures. In response to a question from Commissioner Moser, she said that the Home Sharing Program has on average three to four home seekers for every one home provider.

Ms. Fanucchi also described the Home Equity Conversion Program for seniors. She said that HIP provides program applicants/participants with certified counseling on home equity conversions and explained that in order to be eligible for the program seniors must be aged sixty-two years or older, own their homes, and have low mortgage balances. She said that this counseling is provided regardless of

whether or not the seniors actually take out a home equity conversion loan. Ms. Fanucchi also explained that HIP Housing is a property manager and developer and manages and/or owns approximately 191 units in San Mateo County. She said this includes some relationships with cities whereby the cities own the properties and HIP provides the property management services. In other cases, she said, HIP owns the properties, which are often subsidized by other sources such as the San Mateo County Housing Authority. She said that the largest example of this is Edgewood Isle in San Mateo, which is an affordable rental community for seniors that includes on-site support services.

Chair Boyle asked how HIP was able to purchase Edgewood Isle. Ms. Fanucchi replied that the City of San Mateo approached HIP about purchasing the property/facility. In addition, a private donor subsidized the on-site senior services coordinator, she said. Chair Boyle also asked Ms. Fanucchi if HIP maintains a waiting list of persons interested in their affordable housing units. Ms. Fanucchi responded that their waiting list is coordinated by the Housing Authority and that HIP has to go through them. She said that the waiting list is still open but that it is pretty long. Commissioner Brawner asked Ms. Fanucchi what can be done for the homeless we see in Menlo Park. She replied that there are organizations in San Mateo County that provide services to the homeless, such as Clara-Mateo Alliance in Menlo Park. However, she said, there is also a population of homeless people who don't want these services. She explained that if HIP is unable to assist someone then staff tries to connect them to other resources and services.

Following the presentation and discussion the Commission thanked Ms. Fanucchi for her excellent and informative report.

Commissioner Brawner recused himself from the remainder of the meeting and left the meeting room due to the fact that he resides within 500 feet of the project sites for both the 110 and 175 Linfield Drive and 75 Willow Road projects.

2. Proposed Revision to Below Market Rate Agreement for Residential Project Located at 110 and 175 Linfield Drive.

Acting Assistant City Manager Heineck introduced the item and referred the Commission to her staff report dated May 9, 2007, which was included in the Commission's Agenda Packets. She explained that the City Council had approved eight BMR units for the project site in the spring of 2006 (following the Housing Commission's recommendation for approval of the BMR Agreement). She said that the project developer, Taylor Woodrow Homes, Inc., is proposing a minor change to the approved BMR Agreement. She explained that the proposed change would relocate one of the BMR units from Lot 4 to Lot 3 on the 110 Linfield Drive property in order to accommodate the location of the model homes along Linfield Drive. Acting Assistant City Manager Heineck said that staff believes that the proposed change is consistent with the overall approved BMR Agreement and is recommending approval of the proposed revised Agreement. If the Housing Commission recommends approval of the proposed revised agreement tonight then it would tentatively go before the City Council for approval on June 5, she said.

Following a brief discussion, Commissioner Moser moved to recommend approval of the proposed revision.

M/S Moser/Lasensky to recommend approval of the proposed revision to the Below Market Rate Agreement for the residential project located at 110-175 Linfield Drive; 5-0 with Commissioner Brawner recused and Commissioner Keet absent.

3. Proposed Revision to Below Market Rate Agreement for Residential Project Located at 75 Willow Road.

Acting Assistant City Manager Heineck introduced the item and referred the Commission to her staff report dated May 9, 2007, which was included in the Commission's Agenda Packets. She said that on April 10, 2007, the City Council approved the settlement agreement for the lawsuit that the neighborhood adjacent to the development site had filed in December 2006 in opposition to the approved project. She explained that as part of the approved settlement agreement, one residential unit was eliminated by merging Lots 18 and 19 into a single parcel (for a total of 32 units). She said that a BMR unit on which an in-lieu fee was to be paid was located on Lot 19 and would be relocated to another lot as determined by the City and for which either a Plan 4 or Plan 5 was approved as part of the existing City approval. The revised BMR Agreement submitted by the project sponsor, SummerHill Homes, reflects the changes required by the settlement agreement and proposes to relocate the BMR unit on Lot 19 to Lot 7. Acting Assistant City Manager Heineck concluded that the remaining BMR units for which the in-lieu fee was to be paid and the two on-site BMR units would not change. She said that staff is recommending that the Housing Commission recommend approval of the revised BMR Agreement. She added that SummerHill has provided an updated proforma that shows that the proposed change would likely result in an increase to the in-lieu fee that would be dedicated to Habitat for Humanity. The project will have to go through the approval process again but, should the Commission recommend approval of the proposed revised BMR Agreement tonight, would not have to return to the Housing Commission, she said.

Commissioner Moser asked Elaine Breeze of SummerHill Homes if the delays will affect the price of the homes. Ms. Breeze responded that they will not affect the price of the homes.

Following a brief discussion, Commissioner O'Neal moved to recommend approval of the revised BMR Agreement.

M/S O'Neal/Louchheim to recommend approval of the proposed revision to the Below Market Rate Agreement for the residential project located at 75 Willow Road; 5-0 with Commissioner Brawner recused and Commissioner Keet absent.

Elaine Breeze reported that SummerHill is meeting with Habitat tomorrow to prepare entitlements for them.

4. Approval of April 4, 2007 Minutes.

Commissioner Lasensky stated that there may need to be a clarification on page four of the minutes, regarding a statement by Mr. James. Regarding item B4, Review of Housing Commission Description on Web Site, Chair Boyle stated that the Commission may need to add another bullet point to the description. She said she will bring this to the June Commission meeting.

M/S Louchheim/Lasensky to approve the April 4, 2007 minutes as presented; 4-0-1 with Commissioner Moser abstaining.

## **C. REPORTS AND ANNOUNCEMENTS**

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

Management Analyst Norwood provided a verbal report on why police officers have difficulty qualifying for the BMR Program. This was in response to a request for a report by the Housing Commission at its April meeting. She began by explaining that, as part of developing the POMA loan program for Menlo Park police officers a few years ago, she had obtained detailed information from Personnel on sworn police officers' pay scales. She had found that for sworn police officers, the majority earned salaries that exceeded moderate-income program limits, especially if overtime was factored in (it is very common for police officers to work over-time hours, she said). She said that the result is that, for the most part, only very new, recently hired officers and/or officers who are heads of household with dependents who don't earn income are eligible for the City's affordable housing programs.

Management Analyst Norwood commented that, like many above-moderate income households, police officers are unfortunately in a position where they earn too much to qualify for affordable housing programs, yet earn too little to purchase market-rate homes on the peninsula. She said that very few affordable housing programs currently target above-moderate income levels but that it can and has been done. She said that local funding sources, such as the City's BMR Reserve, are often more flexible and can allow programs to serve higher-income groups. She suggested that, because PAL and BMR are funded locally, the City may have the flexibility to increase program income limits. She concluded that the Commission may wish to explore this as part of its approved work plan for 2007-2008, in which it will be examining possible changes to the BMR Program Guidelines.

Management Analyst Norwood also provided an update on sales of market rate and below market rate homes at Hamilton Park. She said that the Loan Committee had recently approved seven PAL loans to help BMR buyers purchase homes at Hamilton Park. These buyers are expected to close escrow on their homew within the month, she said.

### **2. Report from the Chair.**

Chair Boyle reported that Michelle Napick from the Peninsula Volunteers will present at the June Housing Commission meeting. She asked if the Commission would be interested in having someone from the Glenwood Inn come to a future meeting. The Commission thought this might be good and also discussed possibly

canceled the June and/or July meetings. Acting Assistant City Manager Heineck said that she anticipates receiving something on the Derry project within the next couple of weeks so it will be best to keep the June and July meetings for now.

Chair Boyle said that it would be nice to have a non-profit builder present and Commissioner Moser said that she would like to hear from the people that developed Lytton Gardens. It was decided that Commissioner Moser will follow up on this, possibly for the September meeting. Commissioner Louchheim suggested that Eden Housing would be good as well.

**D. INFORMATION ITEMS:**

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

The Commissioners accepted the report.

2. Chair Boyle reported that the Commission had not yet assigned a Commissioner to serve on the Loan Committee for the month of December. She asked newly-appointed Commissioner Brawner if he would be willing to serve on the Loan Committee that month. Following an explanation by staff of what the Loan Committee is, it was decided that the Commission would further consider the issue at the June Housing Commission meeting.
3. Commissioner Lasensky reported that she will attend the HEART lunch this coming Monday. Chair Boyle said that she plans to attend as well. Acting Assistant City Manager Heineck said that at least one City Council member will also be attending, as well as Acting City Manager Kent Steffens.

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

Respectfully submitted,

Megan Norwood  
Management Analyst