



## HOUSING COMMISSION MINUTES

Regular Meeting  
November 7, 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); Don Brawner; Elza Keet; Elizabeth Lasensky (Vice Chair); Carol Louchheim; Anne Moser.

**Housing Commission Members Absent:** Clarice O'Neal.

**Staff Present:** Douglas Frederick, Housing Manager;

**A. PUBLIC COMMENT** – None.

### B. BUSINESS ITEMS

#### 1. Consideration of BMR Guideline Update Issues.

The bulk of the Housing Commission meeting for November 7, 2007 involved discussion of BMR Guideline Update issues that have been identified over the past couple of years. These issues have been identified by Council Members, City Staff, residents, program applicants, and Commissioners. A complete list of issues was distributed to Commissioners prior to the meeting. Issues were considered one by one, with only about half of the items being covered during the meeting. Individual items considered during the meeting, and the consensus of the Commissioners, were as follows:

- A. Require BMR owners to deposit \$100 per month in escrow accounts for maintenance/upkeep of their units, to be accessed as issues arise. Alternatively or perhaps in addition to, create a low-interest loan program for BMR owners to make emergency/necessary repairs to their homes.

Commissioners agreed, in principle, with the issue, but requested that consideration be given to capping the accrued escrow at \$5,000 to \$10,000 and perhaps requiring a smaller monthly payment into the escrow account.

- B. Related to use of BMR Fund, providing low-interest loans to BMR owners to cover costs arising from repairs in the common areas of condominium projects (note that this use of the unreserved portion of the BMR Fund was approved by the City Council in April 2005).

Commissioners supported the issue, though thought it's need would be limited.

- C. Change the formula for calculating the resale/assessed value of BMR units so that they gain greater value appreciation and owners earn more equity.

Commissioners favored a new equity calculation based on a recalculated sales price using the same calculation being used for home prices in the BMR Program. Homeowner's equity would be the difference between the sales price as calculated at the time of sale and the homeowner's existing mortgage balance. At no time would be homeowner equity be negative, which could happen if the calculation produced a lower sales price than the owner paid at time of purchase.

- D. Changing the minimum household size eligibility requirement so that one and two person households have greater opportunities to purchase/rent BMR units. For example, allowing one person households to apply for two-bedroom units (possibly with a preference for two-person households). In addition to providing much needed housing for smaller households on the BMR Waiting List, this would also allow smaller households the possibility of expanding their households without needing to reapply to the list for larger BMR units (for example, young couples who plan on having children may not want to apply to purchase a one or two bedroom BMR unit).

Elizabeth Lasensky recused herself for the discussion of this item. Commissioners supported this proposal, but referenced previous discussions with Arlinda Heineck, Community Development Director, who indicated that it might not be something that can be changed.

- E. Related to above but not identical, creating a preference that allows one person senior households to apply for two-bedroom units. Consideration of other preferences as well.

Commissioners recommended changing "creating a preference that allows" to "allow" and supported the proposal.

- F. Increasing the maximum income to purchase BMR units from 110% to 120% of Area Median Income (AMI).

Commissioners rejected this proposal.

- G. Creating/requiring BMR units that serve a variety of income levels, not just median/moderate incomes (100% to 120%). Affordability could be increased by calculating the prices for some units based on lower AMI levels (currently prices are set based on what households at 110% AMI can afford).

Commissioners supported this proposal.

- H. Instead of setting BMR sales prices per project, reset prices annually.

Commissioners rejected this proposal.

- I. Allow developers more flexibility/creativity in meeting the BMR set-aside requirements (for instance regarding unit size and style), which could give the BMR program a greater diversity of housing units/styles/sizes and perhaps even produce more units per development. A recent study by the Non-Profit Housing Association of Northern California (NPH) and other organizations has identified this approach as a “best practice” for successful inclusionary housing programs.

Commissioners wanted more information on this issue and have the item returned to them for consideration.

2. October 3, 2007 Minutes.

Minutes from the October 3, 2007 Housing Commission meeting were not available at the time of the meeting due to Megan Nee’s early departure on maternity leave. Manager Frederick promised their availability for the next meeting on December 5, 2007.

**C. REPORTS AND ANNOUNCEMENTS**

The Housing Commission discussion of BMR issues consumed the entire meeting, leaving no time for reports and announcements.

**D. INFORMATION ITEMS:**

The Housing Commission discussion of BMR issues consumed the entire meeting, leaving no time for information items.

**E. ADJOURNMENT:** The meeting ended with a loss of a quorum at 7:18 PM.

Respectfully submitted,

Douglas Frederick, Ph.D.  
Housing Manager