



HOUSING COMMISSION MINUTES

Regular Meeting

September 3, 2008

5:30 p.m.

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

CALL TO ORDER

Chairperson Lasensky called the meeting to order at 5:30 p.m. in the Administrative Building Conference Room.

ROLL CALL

Housing Commission Members Present: Patricia Boyle, Don Brawner, Elizabeth Lasensky (Chair), Carol Louchheim, Anne Moser, Clarice O'Neal (Vice-Chair), Brian Steuer.

Housing Commission Members Absent: None.

Staff Present: Douglas Frederick, Housing Manager; Megan Nee, Management Analyst.

A. PUBLIC COMMENT – None.

B. BUSINESS ITEMS

The Commissioners introduced themselves to new Housing Commissioner Brian Steuer. Mr. Steuer stated that he is interested in affordable housing, in particular below market rate housing. He said he wants to learn more about affordable housing, make a contribution, and ensure its continued existence.

1. Status of the Habitat Terminal Avenue Project

Housing Manager Frederick introduced the item by explaining that the project has been in progress for several years, however, of late it has been on the sidelines. He reported that Habitat for Humanity, the project's developer, held a community meeting in June where it revealed the site plan and held discussions. Since then, he said, petitions have been circulating in the Belle Haven neighborhood that say the community does not want more low-income housing. Neighborhood residents are expressing concern that the majority of low-income housing in Menlo Park is concentrated in Belle Haven. Housing Manager Frederick said, in response to this, the City and Habitat will express to concerned residents that the housing would be good for the neighborhood and also help people.

Commissioner Louchheim asked what income level will be served by the proposed housing development. Housing Manager Frederick responded it is intended for very low-income families. Commissioner Boyle commented how good the Hamilton Park development looks and suggested we point this out to the concerned residents, in

order to demonstrate that affordable housing can look very good. Commissioner Moser said she wonders if they are aware of the Habitat housing in Redwood City along Highway 101. She said it looks very good and might assuage their fears.

Housing Manager Frederick explained the history of the Habitat project and its location to new Housing Commissioner Steuer. He also explained about SummerHill's contribution to Habitat, which was about two million dollars and technical assistance in lieu of some BMR units at its 75 Willow Road development. Commissioner Moser inquired about the timeline for the Habitat ENRA. Housing Manager Frederick replied he does not know but expects to have information in the next month or so. Chair Lasensky asked Housing Manager Frederick when the ground-breaking could be expected to take place, to which he replied it is too early to tell. Commissioner Boyle asked if the project is in need of additional funding and Housing Manager Frederick didn't think so because the land was free.

Regarding the community's expressed opposition to the project, Commissioner Louchheim commented that when she first came to the Housing Commission, former Commissioner Keet and former Housing Manager Gretchen Hillard calculated that at least half of Menlo Park's BMR units were on the west side of Highway 101 and therefore not in Belle Haven. She noted that in similar community meetings she attended in the past, Belle Haven residents expressed concern regarding the location of the city's BMR units, suggesting the majority were located in Belle Haven. She said we may want to reassess the location of our BMR units to help put things in perspective.

2. Housing Element Briefing to Council

Housing Manager Frederick reported the City Council will hold a study session on September 16th. He said it will help us assess our process and assist in getting work done. He noted there will be a community engagement process and we are expecting to submit the Housing Element by December 2010. However, he added, there is no penalty for late submissions so it may not be submitted on time. In addition, he said, the community engagement process may draw the process out.

Housing Manager Frederick explained he is still writing the background piece for the Housing Element document. He added, however, that it has taken a backseat to writing the staff report and personal vacation time. He said he met with Mr. Paul McDougall at the State of California Housing and Community Development Department (HCD) and it was informative. Chair Lasensky inquired how we are doing on our timeline for completion and Housing Manager Frederick responded fine overall.

Commissioner Boyle asked if the site list from the City's previous Housing Element will be updated. Housing Manager Frederick replied yes it will be, though not as part of the background piece on which he is currently working. Commissioner Boyle inquired if the updated site list will possibly be available by January or February of 2009 and Housing Manager Frederick responded yes, most likely. Commissioner Boyle also briefly explained about the Housing Element to Commissioner Steuer. She explained it is part of the City's General Plan, which hasn't been updated in a very long time. Housing Manager Frederick agreed and said revising the General Plan will likely be

involved. He added that, because we didn't submit a Housing Element seven years ago, we have to account for the approximately 900 housing units from last time plus the new ones from this round's housing allocation.

Commissioner Brawner asked how the Association of Bay Area Governments (ABAG) determines jurisdictions' housing allocations. Housing Manager Frederick then explained their process. He said ABAG, acting on behalf of the State, determines a "fair share" housing allocation for each county in the Bay Area. County allocations are determined based on census data, as well as employment and population growth projections. The County allocation is divided between all jurisdictions (including unincorporated county) in the county. Housing Manager Frederick said he does not know the exact formula the State/ABAG uses but he will look into it.

Commissioner Moser asked Housing Manager Frederick to briefly discuss SB 375, which was brought to the Commission's attention by a Commissioner who distributed copies of a sample letter in support of the bill. Housing Manager Frederick summarized SB 375, which would require that once sites are rezoned as potential sites for affordable housing development, City Councils could not arbitrarily deny applications to build affordable housing on those sites. Commissioner Moser clarified by proposing a hypothetical situation. She asked, what if the City had some land available and an affordable housing developer agreed to develop it, could a citizens' committee then come in and arbitrarily say it doesn't want the development? Housing Manager Frederick replied no, the citizens' committee could not do that under SB 375. He also clarified that in a similar hypothetical situation, if you were to remove the City from the equation, if a developer got control of a site and it met zoning requirements, if the community had an uproar about the proposed development there is nothing it (the community) could do to prevent the development from being built.

Commissioner Boyle commented that the bill sounds fantastic. She began to pass out an analysis of it and then discovered she did not have enough copies for every member of the Commission. Commissioner Brawner said the bill sounds terrible. He said it would represent the best interests of developers, not the people. Commissioner Boyle noted SB 375 would link new development to public transportation. It would also link housing needs to transportation needs, she said. She said it would provide incentives and some California Environmental Quality Act (CEQA) relief for transportation linked development, etc.

Housing Manager Frederick explained that when staff presents to the City Council it will highlight four things: (1) once the Housing Element is done, we are required to update the Conservation and Safety Elements of the General Plan; (2) we need to rezone within one year to make up for what we didn't do last year; (3) there is the possibility of missing the State's deadline due to the community engagement process; and (4) we must decide whether to do an Environmental Impact Report (EIR) or Negative Declaration to address the CEQA requirements.

Housing Manager Frederick noted that what killed the last round of the Housing Element was the City Council required each site to have an EIR, which would have cost the City several hundred thousand dollars.

3. BMR Waitlist Update

Management Analyst Nee referenced her memo to the Commission and provided a summary of staff's annual BMR Waiting List update. She noted the 2008/2009 update should be completed in September because households on the current waiting list have until September 5th to return the forms expressing their continued interest in remaining on the list. Chair Lasensky suggested staff send confirmations of receipt to those households who submit their forms. Housing Manager Frederick agreed this is a good idea.

Chair Lasensky requested that at the next meeting staff provide the Commission with a report regarding the newly updated waiting list. Management Analyst Nee confirmed she will provide the report.

4. Council Priorities

Housing Manager Frederick went over the handout identifying this year's City Council Priorities. In response to the Commission's inquiry about the status of the Senior Housing Assessment, Housing Manager Frederick noted it is currently under review by senior management. The Commission noted it is anxious to finalize the assessment/report.

5. Approval of July 9, 2008 Minutes

The Commissioners inquired how former Commissioner Keet will be notified of the resolution the Commission passed extending its sincere appreciation for her eight years of service to the community as a Housing Commissioner. Housing Manager Frederick said she will be invited to a City Council meeting to be acknowledged for her service. The Commission also inquired about the status of the BMR Guidelines. Management Analyst Nee said she will soon provide an updated timeline for completion.

M/S Moser/Louchheim to approve the July 9, 2008 minutes as presented; 6-0-1 with Commissioner Steuer abstaining.

C. REPORTS AND ANNOUNCEMENTS

1. Update on Housing Activity (Report from Staff)

Housing Manager Frederick explained the City's Housing Rehabilitation Loan Program to new member Steuer and reported on the status of three projects. He noted the Lucky Johnson home is almost complete and the results are beautiful. He said the Rucks project has encountered some delays due to new fire district regulations. He concluded that the Hill home is owned by a City employee who had a house fire. Rehabilitation of the home is currently underway. Commissioner Boyle suggested doing an article in the Almanac in order to highlight the program's achievements.

Commissioner Boyle also inquired about the status of the Purchase Assistance Loan (PAL) Program. Management Analyst Nee provided a brief summary of two new PAL

Program loans that were approved by the Loan Committee the previous week. She said the two loans will assist with the purchase of two new BMR homes. One of the BMR homes is located in the new Lane Woods (75 Willow Road) development. She said this BMR home, a three-bedroom and one of two BMR units at the development, is expected to close escrow this month or next. She noted that the other BMR home being purchased is located in the new Morgan Lane (110-175 Linfield) development, which includes a total of eight BMR units. She said this will be the third BMR home sold at the Morgan Lane development, which is being built in several phases. This home is also expected to close escrow this month or next.

2. Report from the Chair

Chair Lasensky reported that the Housing Leadership Council (HLC) is holding its annual Housing Leadership Day on October 17th. She noted that unfortunately she will not be able to attend this year. Commissioner Steuer commented that as part of HLC's Affordable Housing Week, he attended one of HLC's meetings recently and also went on a bus tour of affordable housing developments. He said he found them very informative. Housing Manager Frederick noted that he and other staff plan to attend this year's Housing Leadership Day.

3. Commission Member Reports

Commissioner Boyle commented that she read the recent City Council meeting minutes and noted Commissioner Moser did an excellent job reporting to the Council on senior housing design. She also noted she has been appointed to ABAG's Regional Planning Committee. Commissioner Boyle said she has two complimentary passes to an upcoming ABAG conference in San Francisco and said that if anyone would like to attend they should let her know. The focus of the conference will be transit-oriented development and the cities of South San Francisco and San Carlos will be featured, she said.

Commissioner Louchheim noted she will be interested to hear what other cities are doing, especially San Carlos. She said she's not sure what other cities are saying in response to their ABAG housing allocation numbers. Housing Manager Frederick responded that everyone is saying they're too high. Commissioner Boyle commented that other cities are just saying they'll do what they can; they're not wringing their hands but rolling up their sleeves and doing their best. She noted Burlingame is doing some interesting things and Palo Alto didn't like their numbers initially but has accepted them.

Commissioner Moser reported that she attended open houses for all new developments in Menlo Park that include BMR units. She commented she was particularly impressed with the 996 Willow Road development. She said the homes there are very attractive and demonstrate good use of space, since the development site is small. She also attended open houses for the 75 Willow Road and Morgan Lane developments and feels there is a good variety of BMR housing options available to people.

D. INFORMATION ITEMS

1. Monthly Report on the Housing Rehabilitation Loan Program for June 2008

The Commissioners accepted the report.

E. ADJOURNMENT: The meeting was adjourned at 6:30 PM.

Respectfully submitted,

Megan Nee
Management Analyst