



HOUSING COMMISSION MINUTES

Regular Meeting

December 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.

Housing Commission Members Absent: Clarice O'Neal (Vice-Chair), Brian Steuer.

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

A. PUBLIC COMMENT – None.

B. BUSINESS ITEMS

1. Annual BMR Report

Housing Manager Frederick introduced the item and referred the Commission to the report included in the Commission's agenda packet. He noted the report will be submitted to the City Council on December 16th and that he just finished the staff report part of the report on Monday. He reported that there was an increase in total assets for the year ended June 30, 2008. Several BMR homes were also purchased during the 2007-2008 fiscal year, including twelve at Hamilton Park, two at 996 Willow Road, and two at Morgan Lane. He noted several PAL loans were also issued. No BMR homes were resold during the reporting period.

Commissioner Moser asked where the BMR funds are located. Housing Manager Frederick responded that he does not know for sure and the Finance Department manages the funds. He noted the funds do earn interest and said a recent report from the Finance Director indicates we were not severely impacted by the drop in the stock market. Commissioner Moser also inquired if the City Council can use BMR funds for other things and Housing Manager Frederick replied no, the funds may only be used for affordable housing. If the Council were to find the program superfluous, he added, the City would have to pay back the developers who contributed to the BMR Housing Fund/Reserve. Commissioner Louchheim noted that this is a good reason to have the BMR Waiting List.

Commissioner Moser asked about other uses for money in the BMR Fund. Housing Manager Frederick responded that the City could for instance use BMR funds to acquire market rate housing units, rehabilitate them, and make them into BMR units. He added that staff is also discussing using redevelopment agency funds for such a purpose but this is moving slowly with management because it is not a priority now.

Chair Lasensky asked if it would be advisable for Housing Commissioners to attend the City Council meeting on December 16, when the annual report is presented. Housing Manager Frederick responded that it isn't necessary since the item is on the Consent Calendar. He added that at the same meeting the Redevelopment Agency Annual Report will also be submitted for the Council's approval. He noted that report is not yet complete.

Commissioner Brawner clarified requirements regarding BMR in-lieu fees paid by developers, which are deposited in the BMR Fund. He inquired if the City has to give the money back after five years. Housing Manager Frederick responded the money only has to be given back if it is not committed to a program or project within five years of receipt, or if it is decided it's not needed. Commissioner Moser commented that the report's charts are nice.

2. Update on Terminal, Cadillac, and Derry

Housing Manager Frederick reported that the community meeting regarding Habitat's proposed Terminal Avenue project, held in Belle Haven on November 13, did not go well. He said there was a lot of talk of better things to do with the site, for instance giving it to the Beechwood School. Commissioner Moser said there was also talk of the impact the development would have on the public schools. She noted that meeting attendees expressed concern over an anticipated negative impact on Belle Haven Elementary School, which they said is having difficulties as it is. The community is concerned the development will create an added burden on the school and could present real problems, she said. Commissioner Moser estimated the proposed development could create the need for two new classrooms there.

Commissioner Louchheim asked if anyone at the meeting spoke on behalf of Beechwood School. Housing Manager Frederick responded yes, members of the community did but not the school itself. Commissioner Louchheim noted she spoke to some people from Beechwood School and they thought the development was a great idea. Chair Lasensky said she met with Andrew Slayton of Habitat and she discussed some of the community's concerns with him. She asked Housing Manager Frederick if the Commission should ask him to come to one of its meetings. Housing Manager Frederick replied, no, it could give the community the impression that we're just steam-rolling ahead. City management is trying to figure out what to do next, he said.

Commissioner Moser commented that obviously the City owns the land and is a stakeholder in this, but who is talking to whom? She inquired if it would be appropriate to ask if the Housing Commission can have a report from them. Housing Manager Frederick said he is not sure if we're ready for this yet. Commissioner Moser responded she is uncomfortable because as the Housing Commission, we should have a role. Housing Manager Frederick commented it is not his role, either. He noted he

also has not been invited to attend the strategy meetings. Commissioner Boyle said that as a Housing Commission there are things we can do. For instance we can talk to City Council members, she said, if not as the Housing Commission then as individuals. Housing Manager Frederick agreed and said the Commission's role is to advise City Council.

Commissioner Louchheim inquired about the proposed project's site plan and said she hadn't seen one recently. Housing Manager Frederick described the project site and how it is different from that of Clarum's Hamilton Park development. He noted this development would be a cul-de-sac, which he said is not uncommon in Menlo Park. Commissioner Louchheim noted the newspaper said residents are concerned the development would increase crime in the neighborhood. Housing Manager Frederick said yes, this sounds like a "N.I.M.B.Y." (Not In My Back Yard) response.

Commissioner Louchheim asked what the community opponents said they had said about the now complete Hamilton Park project. Housing Manager Frederick said they said they had supported it, which is not true because the project was opposed by many – if not most – of the neighborhood residents. Commissioner Louchheim asked about Habitat's response to the meeting and Chair Lasensky said they were surprised. Commissioner Boyle commented that they needed to involve residents first, from the beginning of the project. Commissioner Moser said she spoke to the City's Community Engagement Manager and she had a good sense of the best way to approach this.

Commissioner Brawner commented that he does not think the Commission understands why people oppose these developments. People oppose them, he said, because they bought into the community for the quiet ambiance of the town and don't want something that is incompatible with the community. Commissioner Louchheim noted that the Belle Haven community feels, and has historically felt, it is being dumped on. Management Analyst Nee commented that the City undertook a lot of outreach when planning the development at Hamilton Park. The community was involved in the planning effort, she said, and still the project was opposed by many residents. However once the homes were ready, she said, neighborhood residents expressed a great deal of interest in them. She noted that at least half of the BMR buyers at Hamilton Park were residents of Belle Haven. She said she felt many of the persons who later expressed interest in purchasing the homes there did not - for whatever reason - express support for the project during the planning phase. She said she wonders if a similar situation could be going on here, whereby support from those who would benefit is not being vocalized.

Housing Manager Frederick provided a brief update on the Cadillac project, which he said is currently waiting on the completion of the Environmental Impact Report (EIR). The EIR is expected in March, he said. Chair Lasensky asked if it usually takes this long to complete an EIR and Housing Manager Frederick responded yes.

3. Belle Haven Housing Condition Survey for Housing Element

Housing Manager Frederick talked about the Belle Haven housing conditions survey that he and George Starmer conducted in October. He described how they could tell

which homes haven't been updated by looking at the outside of the house. He also referred to his memo to the Commission, included in the Commission's agenda packets, and said the text after the first paragraph introduction will be in the actual Housing Element document. Regarding the map attached to the memo, entitled Belle Haven Housing Conditions, Commissioner Moser noted that from Newbridge Street to Ivy Drive along Willow Road there is a solid block of blue, and then another solid blue block between Ivy Drive and Hamilton Ave. Housing Manager Frederick explained that those are the Gateway apartment complexes, which were rehabilitated many years ago with funding help from the Redevelopment Agency. He noted they are now owned and managed by Mid Peninsula Housing and provide affordable rental housing. He explained that some of the buildings making up the Gateway complexes were in good (green) condition, however, they are all on one parcel and he couldn't categorize the whole parcel as green. He noted the exterior maintenance on the Gateway buildings could be better.

The Commission noted that blue and green are pretty evenly distributed on the map and that there are no large solid blocks of homes in either good condition or needing repair. In response to an inquiry about foreclosures in the area, Housing Manager Frederick said that in Menlo Park foreclosures are focused in Belle Haven. Commissioner Boyle inquired about letting the community know about Menlo Park's Housing Rehabilitation Loan Program and Housing Manager Frederick replied that the survey also facilitates George Starmer's marketing efforts for the program.

Commissioner Louchheim asked if BMR funds could be used to fund housing rehab and Housing Manager Frederick said not for owner-occupied rehabilitation. He said they could, however, be used for acquisition and rehabilitation.

4. Priorities for 2009-2010

Housing Manager Frederick reported that tomorrow, Friday, the City Council is having a goal setting workshop, the first of two. He noted the next meeting will be in January. Chair Lasensky said that, given this timeline, the Commission needs to discuss priorities next month at its January meeting. Commissioner Moser commented that she is fuming about Council's new project priority setting process. She said there is no room for the Commission to have bright ideas because its goals have to fit those handed down by the Council. Commissioner Boyle said she is confident that if the Council comes in with their big umbrella ideas and the Commission says "what about this?", they will hear it. Housing Manager Frederick announced that next month at the January meeting, the Mayor and the City Manager will attend about half of the Housing Commission meeting in order to hear about the Commission's priority ideas.

The Commission discussed the following possible project priorities for 2009-2010:

- (a) Housing Element Update
- (b) Senior Housing
- (c) Possible Uses for BMR Fund (including senior housing)

Commissioner Boyle said the reality is that we probably won't be entertaining many proposals with developers in the next six months so something like housing

rehabilitation and infill could be a good approach. Chair Lasensky inquired about home sales prices in Belle Haven and Housing Manager Frederick replied that there are currently some houses there selling under \$200,000. Chair Lasensky asked how much it costs to rehab a house in Belle Haven and Housing Manager Frederick answered about \$150,000 to \$175,000 for a single-family home. He said he does not have a cost estimate for an apartment complex.

Chair Lasensky asked if redevelopment agency funds could be used outside of Belle Haven and Housing Manager Frederick responded yes, for affordable housing. He said there is a provision in redevelopment law that allows agencies to use agency funds outside the project area if it benefits the redevelopment area. Commissioner Boyle inquired about partnering with San Mateo County to build affordable housing off of Marsh Road, in unincorporated Menlo Park. She said she'd spoken to Duane Bay about this and he expressed interest in the idea. Housing Manager Frederick said he does not think you would get much resistance to putting rehabilitated senior housing on Pierce Road in Belle Haven. Senior housing is less threatening and does not impact schools, he said.

Housing Manager Frederick reported that on December 16 the City Council will select a consultant for the El Camino/Downtown Specific Plan. Commissioner Moser suggested we look at the General Plan and zoning as part of this effort. Housing Manager Frederick responded that there are big planning efforts underway that will affect the General Plan. After all these big things are done we could address zoning and the General Plan, he said.

5. Review of 2009 HC Calendar

The Commission reviewed the proposed meeting calendar for 2009. It approved the following meeting dates: January 7, February 4, March 4, April 8, May 6, June 3, July 1, August Cancelled, September 2, October 7, November 4, and December 2.

6. Approval of November 3, 2008 Minutes

M/S Boyle/Louchheim to approve the November 3, 2008 minutes as ammended; 5-0-0.

C. REPORTS AND ANNOUNCEMENTS

1. Update on Housing Activity (Report from Staff)

Housing Manager Frederick provided a brief report on projects underway with the Housing Rehabilitation Loan Program.

2. Report from the Chair

Chair Lasensky noted that the Commission's Chair will change next month, January. She said Vice Chair O'Neal has been sick and someone should contact her. Commissioner Moser volunteered to contact Vice Chair O'Neal.

3. Commission Member Reports

Commissioner Boyle reported she is attending an ABAG conference tomorrow entitled "Greening Infill."

D. INFORMATION ITEMS

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

The Commissioners accepted the report.

E. ADJOURNMENT: The meeting was adjourned at 7:00 PM.

Respectfully submitted,

Megan Nee
Management Analyst