



HOUSING COMMISSION MINUTES

Regular Meeting

February 4, 2009

5:30 p.m.

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

CALL TO ORDER

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

ROLL CALL

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

Housing Commission Members Absent: Carol Louchheim.

Staff Present: Douglas Frederick, Housing Manager; Megan Nee, Management Analyst; Starla Jerome-Robinson, Assistant City Manager; Margaret Roberts, City Clerk.

A. PUBLIC COMMENT – Jim Lewis, member of the public, commented that many cities are offering seminars or programs for those involved in foreclosure and this can be very helpful. He said that regarding foreclosures, he has not seen a proactive, organized effort from Menlo Park to help and/or provide direction and advice to affected homeowners.

B. BUSINESS ITEMS

1. Visit from Mayor Robinson

Mayor Robinson introduced himself to the Commission. He said he is serving a one-year term as mayor and would like to meet with all of the commissions regarding their roles, City Council goals, and his goals for the year. He said he wants to improve the effectiveness of the commissions, including communication between City Council and the commissions. He noted that four of the five City Council members came from City commissions. Mayor Robinson said he knows commissioners often wonder “what are we doing here?” and “is anyone listening?” He said he wants to ensure that City Council listens to the commissions and that commissions are the Council’s eyes and ears. He is also asking commissions to do outreach, recognizing that commissioners are “super volunteers,” he said. He thanked the Commission and said the City Council is very appreciative of all the commissions’ time, effort, and community pride.

Mayor Robinson told the Commission he recognizes communication between City Council and the commissions has not always been as smooth as everyone would like. He noted City Manager Glen Rojas initiated a meeting with the commission chairs last fall and it was informative. He said that one way he envisions commissions becoming more effective is through the creation and use of commission sub-committees. He

explained that we are a Brown Act body so we cannot meet or make decisions without public noticing and public meetings. This is good, he said, but it can make it difficult to do more substantive work. A sub-committee would be a group that is less than a quorum (3 members or less) and must be ad-hoc. In this way it would not be subject to public meeting noticing requirements and would allow sub-committee members to dive into certain matters more deeply. He encouraged the Commission to think about the possibility of sub-committees. Mayor Robinson also told the Commission that the City Council is very open and would like to receive periodic reports (once or twice a year) from the Commission. He said he would ask that the Commission coordinate these periodic reports with the City Clerk. These should be relatively modest presentations of five to ten minutes, he said.

Mayor Robinson provided an update on the City Council's priorities and goals. He said Council worked with the City's Community Engagement Specialist and the Assistant City Manager and came up with three broad areas. The Mayor identified these three areas, as follows:

1. Vibrant economy that supports a sustainable budget.

This includes two focus areas:

- (a). Look at all aspects of the budget, both revenue and expenditures. Enhancing our sales tax revenue and economic engine is critical.

- (b). Give business development a high priority. This entails thinking of who our customers are and who we want them to be. Related to this, the Mayor is giving a "State of the City" address on March 10th.

2. Planning.

In a broad sense, what do we want Menlo Park to be? The downtown visioning process is part of this. The Downtown Visioning Committee will hold a kick-off meeting on February 10th.

3. Regional Focus.

Many issues affecting us are regional in nature. Housing is one of these issues, which will also be part of the abovementioned planning effort.

Mayor Robinson noted he attended the Threshold 2008 meeting and it was of great concern to hear people wonder, for instance, where our teachers will live. Also in relation to the Council's priorities and goals, he said the Council has conducted a Dumbarton Rail study, in which there was some thought to giving the project more of a business focus. He noted that funding for the project was taken away so its focus has shifted.

In conclusion, Mayor Robinson said the City Council is starting to put a timeline together for the Council's priorities and goals.

Following this, Mayor Robinson invited comments and questions from the Commission. Chair Moser commented that the Commission heard clearly that Council wants fewer priorities and so has only submitted one: the Housing Element. Commissioner Lasensky said there has been a change in how Council priorities are determined. She said the process used to be "bottom up" and is now "top down," in the sense that the Council used to consider the Commission's ideas before establishing its priorities. Mayor Robinson responded the new process is part of an attempt to align the City Council and the Commissions. He said he's not sure they've got it right just yet. Chair Moser noted it has taken the Council a long time to develop its priorities this year. She said the Commission is used to having them done earlier.

Assistant City Manager Starla Jerome-Robinson responded by confirming that the timing has changed a bit. She said previously the Council was approving priorities before receiving all of the Commissions' input. She told the Commission that if its goals are starkly different from the Council's, the City Manager's Office wants to hear about it. She concluded they will continue to tinker with the process in order to improve it.

Chair Moser said she hopes the Council will be flexible enough that if the Commission comes up with something that doesn't fit the Council will still have room for it. Mayor Robinson responded yes, there is always room for good ideas. He also suggested commissioners share their ideas via Menlo Park Direct Connect.

Commissioner Brawner asked Mayor Robinson who the City's representative to the Association of Bay Area Governments (ABAG) is. Mayor Robinson responded that he is now, but the Council of Cities also has a representative to ABAG and he believes it is Council Member John Boyle. Commissioner Brawner inquired if the Council of Cities is familiar with SB 375. Vice-Chair Boyle responded by saying that ABAG is holding meetings on SB 375. She said the main meeting on it will be held on March 20th. She said she believes they are putting implementation of the bill on a fast track. Mayor Robinson said he has inquired about it with the City's Planning staff and it will probably require a study session. He then concluded the discussion and thanked the Commission.

2. Presentation and Completion of Commission Satisfaction Survey

City Clerk Margaret Roberts began by saying the survey questions are quite different than in the past. She said the City Manager's Office and Council are trying to find out how to better get information to the commissions, as well as how to communicate better. She noted she is attending all commission meetings in order to collect the surveys. She will also be holding a commissioner training within the next six months, she said. Chair Moser asked if the Commission can get the results of the survey and City Clerk Roberts said of course.

The Commissioners inquired about the City's community survey and when it will be ready. Assistant City Manager Jerome-Robinson responded that ICMA conducted the survey and there will be a presentation to City Council later this month. Mayor Robinson noted that this year, the City Council will begin several of its meetings at 6:00 p.m. to accommodate numerous study sessions.

3. Councilmember Andy Cohen, Discussion of Foreclosures

Council Member Cohen told the Commission that between Menlo Park and East Palo Alto, there are approximately 600 homes in some stage of foreclosure. He said he has been meeting with East Palo Alto, Habitat for Humanity, and EPA CAN DO in order to turn a bad situation into an opportunity. He described Habitat's mission and how it creates affordable housing opportunities for low-income families. He said their model has shown that to rehabilitate existing properties is cheaper and greener than building new homes from scratch. In addition he introduced two members of the public, Jeff Strnad of Stanford Law School and David Shapiro of the EARN Group, who he said are trying to keep people in danger of foreclosure in their homes.

Mayor Robinson added that he and Council Member Cohen met on this issue and he (the Mayor) has been invited to present on this issue at the March 3rd Kiwanis Club meeting. He also said that Menlo Park is hosting the May 29th meeting of the Council of Cities, held at Allied Arts, and this topic may be presented.

Chair Moser asked if Habitat, East Palo Alto, and Menlo Park join forces to acquire foreclosed homes, rehabilitate them, and sell them to low-income families, would a joint powers agreement be required? Housing Manager Frederick responded probably not. He explained that with Habitat acting as an intermediary, Menlo Park giving money to Habitat to build affordable housing in Menlo Park should be okay. He clarified that any money that Menlo Park donates would have to be spent in Menlo Park. Vice-Chair Boyle commented that this is just one of many ways we can address the current foreclosure problem.

Commissioner Lasensky asked, when considering which homes to purchase for rehabilitation, would purchase price be the determining factor or geography? Housing Manager Frederick responded that price would be the determining factor. Chair Moser inquired about the BMR Waiting List and wondered if Habitat's model of using "sweat equity" would be a problem for persons on the list. Housing Manager Frederick replied the Habitat program would be for low or very-low income households only. He said many of these households would not have the option of purchasing one of the BMR Program's higher priced units. The Habitat program would give them options to purchase that they might not otherwise have, he said.

Council Member Cohen said the original motivation for this proposal in his mind was that we don't want boarded up houses being broken into in any neighborhood. This is a matter of public safety, he said. Vice-Chair Boyle commented she had lunch recently with a resident of Belle Haven and was told that neighborhood residents are concerned their property values will go down as a result of the foreclosures there.

Council Member Cohen thanked the Commission.

4. Commission Priorities

Housing Manager Frederick introduced the item and referenced his memo to the Commission, included in this month's Commission agenda packet. The memo states the Commission will recommend that the City Council maintain only the Housing

Element as a Council priority. No other priorities will be recommended, for reasons discussed in the memo.

Following a short discussion, M/S Boyle/Lasensky to submit the Housing Element as the Housing Commission's priority for Council consideration for the 2009-2010 fiscal year; 6-0-0.

5. RDA Annual Report

Housing Manager Frederick said the report was submitted to City Council on December 16, 2008. He noted the report was previously sent to the Commissioners. Vice-Chair Boyle referred to page one of the report and asked who administers the Agency's unencumbered, undesignated fund balance. Housing Manager Frederick replied the Agency administers the funds and they are in an account or accounts overseen by the City's Finance Director. He commented that this money belongs to the City/Agency, however, the State of California is taking money from local redevelopment agencies to help relieve the State's budget crisis. Our Agency will have to send \$700,000 to the State, Housing Manager Frederick said. However, he said, the State's proposed "take away" from redevelopment agencies is currently in litigation.

Chair Moser inquired as to whether or not the recently completed housing development at 996 Willow Road is in the redevelopment area and Housing Manager Frederick replied yes, it is. Chair Moser also referred to page five of the report and said there is \$18 million available for spending and \$6 million available for capital projects. She asked if any of this is available for housing rehabilitation. Housing Manager Frederick responded yes, some is already being used for this. Commissioner Lasensky asked, what is the plan to use the \$6 million? Housing Manager Frederick responded this is detailed in the Agency's Redevelopment Implementation Plan. In general, he said, capital improvement projects include such things as improvements to sidewalks, streets, parks, etc.

6. Foreclosure Acquisition and Rehabilitation for BMR Resale Program

Housing Manager Frederick introduced the item and referred to his memo to the Commission, included in the Commission's agenda packet. He said staff is proposing to acquire vacant, bank-owned properties, rehabilitate them, make them "green" and then sell them to low-to-moderate income households on the BMR Waiting List. He noted the proposed Habitat program, discussed by Council Member Cohen, would be similar except the Habitat homes would be sold to very-low income households, rather than low-to-moderate income households.

Chair Moser said she is concerned about putting a lot of money out there that doesn't address the housing needs of one and two-person households on our waiting list. Housing Manager Frederick responded that a lot of the homes we'd be looking to purchase are two-bedroom homes. Chair Moser also suggested staff look beyond just Belle Haven in considering homes to purchase. Housing Manager Frederick responded that staff is open to them being located anywhere. Vice-Chair Boyle

commented that the beauty of this proposal is that the projects would have quick turn-arounds, thereby getting people into homes more quickly.

M/S Steuer/O'Neal to approve staff's development of the proposed program, including preparation of program guidelines, to be presented at a later date to the Commission for consideration and possible recommendation to the City Council; 5-0-1 with Commissioner Brawner abstaining.

Commissioner Brawner asked about the current police presence in Belle Haven. Commissioner O'Neal, a Belle Haven resident, responded that the police there are very good.

7. Approval of January 7, 2009 Minutes

M/S Boyle/O'Neal to approve the January 7, 2009 minutes as ammended; 6-0-0.

C. REPORTS AND ANNOUNCEMENTS

1. Update on Housing Activity (Report from Staff)

Housing Manager Frederick provided a brief report on additional staff activity. He said the developer of the Pine Street condominium conversion project has finally agreed on a price for the one BMR unit there. As such, he said, staff has begun the sales process for this two-bedroom BMR unit. He also explained that staff is working on issues related to a BMR unit at the Merrill Street condominium project. The unit's owner is in foreclosure due to non-payment on the first mortgage and the homeowner's association dues. Since the owner has been unresponsive to staff's correspondence, the City is preparing to either purchase the unit or foreclose in order to keep the unit in the BMR Program, he explained. Housing Manager Frederick said staff is also working with the City Attorney's Office on another issue concerning a BMR owner at the Vintage Oaks development who has over-encumbered the property. This was done by taking out loans against the home based on its market value, rather than the BMR value, he said.

2. Report from the Chair

Chair Moser reported that HEART will be holding a special Valentine's Day party/informational meeting on the 13th. There will be chocolate, she said.

Chair Moser also noted there have been articles in the local papers recently concerning the City's housing activities, and in which Housing staff have been interviewed. She requested that if Housing Manager Frederick becomes aware of such articles that he notify Housing Commissioners by sending an email. Housing Manager Frederick responded that he will do so.

3. Commission Member Reports

Vice-Chair Boyle said she attended an ABAG regional planning committee meeting and the implementation of SB 375 was discussed. She said it could possibly trump the

RHNA (Regional Housing Needs Assessment) requirements, depending on what comes up.

D. INFORMATION ITEMS

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

The Commissioners accepted the report.

E. ADJOURNMENT: The meeting was adjourned at 7:30 PM.

Respectfully submitted,

Megan Nee
Management Analyst