



HOUSING COMMISSION MINUTES

Regular Meeting

September 2, 2009

5:30 p.m.

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

CALL TO ORDER

Chair 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, Anne Moser (Chair), Clarice O'Neal, Brian Steuer.

Housing Commission Members Absent: Elizabeth Lasensky.

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

A. PUBLIC COMMENT –

None.

B. BUSINESS ITEMS

1. 101-155 Constitution Drive and 100-190 Independence Drive (Menlo Gateway) Environmental Impact Report

Housing Manager Frederick announced that staff had failed to post the Commission's agenda at the Council Chambers prior to the August meeting so, although no decisions were made and no votes were taken at the meeting, staff felt it prudent to allow the Commission the opportunity to comment now on the portion of the August minutes that pertains to the Bohannon project. This would enable the August discussion to comply with the Brown Act, he said. Housing Manager Frederick said it is not necessary at this time for the Commission to re-examine the entire Bohannon project proposal, however, the Commission may discuss the minutes and comment if it wishes to do so.

Chair Moser commented that Management Analyst Nee did an outstanding job on the minutes as usual. Commissioner Brawner stated that he had asked Associate Planner Rogers for the amount of the money coming into the City in sales tax and other revenues from the industrial park area because the City is not going to see any money coming in from the proposed office buildings, however, the hotel might generate transit occupancy tax if they can fill it up. He continued by saying his understanding is that they're not going to build the hotel until everything else is built so it could be a very long wait and there's no reason to scrape all the industrial buildings that are currently

generating revenue for the City for hopeful, wishful thinking. This is the old story of the dog chasing his tail, he said. Vice Chair Boyle said that David Bohannon had mentioned the Hiller Helicopter site, is this site already on our list of consideration for possible housing? Housing Manager Frederick replied that he is not familiar with the site. Commissioner Brawner said it wouldn't be on a list for housing because it is an industrial parcel. Vice Chair Boyle said she understands but sometimes when we do the Housing Element we put a number of locations and properties on what we call the possibilities list because the zoning can be changed. Chair Moser said she thinks we could simply ask where it is. Vice Chair Boyle continued that we just have to step out of our usual way of looking at everything and saying there's no room in the inn here and no room there, and as she has said and the minutes reflect she thinks we need to have an inter-jurisdictional meeting with Redwood City and talk about this sort of thing.

Chair Moser made three corrections to the August minutes, as follows:

- (1) Page six, first paragraph, after the third sentence insert the sentence: "She heard that the post office might move."
- (2) Then, correct the sentence immediately following the above sentence to read: "Mr. Bohannon responded the Post Office owns the land and is looking at facilities but that site does not look like a housing site to him."
- (3) Page six, last paragraph, second sentence should be corrected to read: "During his address one additional member of the public donated their comment time to him." The minutes read that two additional members of the public donated their comment time to Mr. Elias Blawie and Chair Moser recalled it was only one member of the public. Housing Manager Frederick agreed that a second member of the public had offered to donate their time however it was not needed therefore only one person donated their time to Mr. Blawie.

Vice-Chair Boyle had the following one correction to the August minutes:

- (1) Page eight, second paragraph from the bottom, first sentence, should be corrected and split into two sentences. The first sentence should read: "Vice Chair Boyle reported she attended the Local Government Commission meeting." The new second sentence immediately following should read: "The City of Hayward talked about their transit oriented development (TOD), which she said sounds interesting and plans to tour."

Commissioner O'Neal commented that for anyone who owns a house in Menlo Park, property taxes this year went up by \$400. Commissioner Brawner said most of this came from West Bay Sanitary District because of the new plant we have to build to take care of all of this wonderful additional development. I think this isn't our concern as a Commission, said Vice Chair Boyle. She added that individuals can complain about it, however. Commissioner O'Neal clarified she just wanted to bring it to everyone's attention because she just got the papers yesterday. Chair Moser said she had received hers, as well.

2. Update on BMR Waiting List

Vice Chair Boyle said she liked the way Management Analyst Nee organized her memo updating the Commission on the BMR Waiting List. Housing Manager Frederick said there had been some questions regarding the status of the waiting list so Management Analyst Nee put together the memo for the Commission. He noted that staff will be updating the list soon so the numbers/data will change. Vice Chair Boyle said she thinks it helps the commissioner's credibility if we have the right numbers and Chair Moser said it helps when talking to the public. Vice Chair Boyle commented that we don't have all that many people on the waiting list who specifically want to rent a BMR unit. Housing Manager Frederick responded that he thinks people get discouraged when they call and we say we don't have anything that is even in the works for rentals. Chair Moser asked about the table that identifies the number of people on the waiting list per bedroom size. She asked if she is correct in understanding that some of the people on the studio list are also on the list for one-bedroom units. Management Analyst Nee responded yes there is overlap, and for the other unit sizes as well. Vice Chair Boyle asked how often staff updates the waiting list by sending out renewal notices. She said she thinks it is done annually and Management Analyst Nee responded yes, we started doing the updates a couple of years ago and have sent the renewals out each year in the summer or early fall. She said that previously the list hadn't been updated in a very long time and the size of the list was reduced substantially after the first update two years ago. She said she plans to send out this year's renewal notices later this month.

3. Preview of Council Study Session on September 15th in Belle Haven

Housing Manager Frederick said there will be a regular City Council meeting in Belle Haven on September 15 and the majority of the meeting will be spent discussing housing issues. Commissioner Brawner said this is two days before the big meeting and asked if Housing Commissioners are required to go. Housing Manager Frederick said no, this will be a study session to bring Council up to date on all the aspects of what our division is doing and then to press a couple of issues that we'd like them to talk about. Chair Moser commented that those Housing Commissioners who can go to the meeting probably should. Housing Manager Frederick said staff will be presenting to them the need to give some direction about what they want to do with Terminal Avenue and another development site that we have on Hamilton Avenue. He said staff will ask if Council has the intention of developing either one or the other or both of these sites and there is a need to do low-income housing somewhere, either in the redevelopment area or outside the redevelopment area. If we develop this housing outside the redevelopment area, he said, it only counts as half a unit for each unit that we build in terms of meeting the redevelopment area obligations for new housing. He said staff will present several ideas of how Council can split it up, for instance they can do it all at the Terminal site or all at the Hamilton site, or don't do it either way and hope that some projects outside the redevelopment area that we can work on come up. In response to a question from the Commission, Housing Manager Frederick said there will be a closed session first and then the regular meeting starts at 7:00 pm. He noted staff will also talk to Council about the Foreclosure Prevention Program (FPP). Staff has drawn up guidelines and an application for the proposed program and will ask Council if they want staff to bring it back to them, he said. Vice Chair Boyle asked if Council will discuss the Habitat for Humanity program at this time and Housing Manager Frederick responded no, it will be discussed at the Oct 6

meeting, as well as specifics on the Neighborhood Stabilization Program and the Foreclosure Prevention Program. In response to a question from the Commission, Housing Manager Frederick said he thinks Habitat owns three homes in Belle Haven that are part of its program (in which the City is a partner) to reduce the number of foreclosed, vacant homes in the neighborhood.

Chair Moser asked if it would be appropriate to request that the Housing Commission have a copy of what was said at the meeting. Housing Manager Frederick replied yes. Vice Chair Boyle said that speaking of redevelopment funds, are we going to get some of our money back (that the State plans to take away)? Housing Manager Frederick responded that there is a law suit in process but the good news is that it won't come out of the housing set-aside fund because that cannot be used for education, which is where the State would apply its take of redevelopment funds. Commissioner Brawner inquired if we know how the Association of Bay Area Governments (ABAG) numbers will be impacted if the entire Bohannon/Menlo Gateway project is approved? Vice Chair Boyle replied that this was discussed at the last meeting and in its minutes discussed this evening. She said the question is, does it affect this round or the next housing production allocation round? Housing Manager Frederick said well, who can say? For instance, he said, how many jobs have been lost in this downturn? It is difficult to quantify, he said. Vice Chair Boyle asked if this can be placed on the agenda for next month's meeting. She said as Commissioners all of us should know how this works. She then distributed a hand-out on how the ABAG numbers are determined. Housing Manager Frederick commented that even so, we don't know if they'll use this same formula next time.

4. Approval of August 5, 2009 Minutes

M/S Boyle/Steuer to approve the August 5, 2009 minutes as corrected; 5-0-0.

C. REPORTS AND ANNOUNCEMENTS

1. Update on Housing Activity (Report from Staff)

Housing Manager Frederick reported that the development proposal for 1300 El Camino Real is also going to City Council on Oct 6 he believes. He also reported that there is a BMR unit in which the owners have elected to sell so Housing Rehabilitation Specialist Starmer and Management Analyst Nee have been working with the selling owners to get that in the works. He said staff recently sent a letter stating the 90-day resale timeline. He explained the home will be sold, the selling owners will vacate, the City will make some repairs to the unit, and then the new owners will move in. Chair Moser asked if we know who the new owners will be and Housing Manager Frederick replied no, we haven't gotten to that point yet.

Housing Manager Frederick also reported that the Pine Street BMR unit will close soon but without a PAL loan. Commissioner Brawner inquired about the BMR condominium unit that is in foreclosure. Housing Manager Frederick explained the City has purchased the loans from CalHFA and is now in the process of foreclosing and it will take a while. The owner has not responded to the City's offers to help, he said. Commissioner Brawner asked how much in loans were there? Housing Manager Frederick replied approximately \$140,000, something around there. He noted it is a

one-bedroom condo with a very large monthly HOA fee, which he said of course dampens the sales price. The Commission expressed surprise that the owner didn't seek assistance or respond to the City's offers of help. Chair Moser inquired about the other foreclosure in Vintage Oaks. Housing Manager Frederick said he knows nothing more about it right now.

Vice Chair Boyle said she asked during the last meeting about the Priority Development money and wanted to know how it was utilized by the City. Housing Manager Frederick said yes, he had started to look into it but was side-tracked. Vice Chair Boyle said the reason she is asking is she is going to be attending the Urban Land Institute on Transit Oriented Development (T.O.D.) and Menlo Park El Camino will be one of the featured T.O.D.'s and she would like to be better informed about what the priority development is intended to do, what kind of money we got, how much of it is left, and what is on the drawing board. Housing Manager Frederick responded that probably stems from the El Camino planning process. Even so, Vice Chair Boyle said, I think it's important for us to know what kind of money we got as start-up money and what we did with it. The meeting is in October, she concluded.

2. Report from the Chair

Chair Moser reported that she went to the Public Officials Luncheon in San Jose. She said both she and Commissioner Lasensky attended. There was a guest speaker who talked about Plant 51, which is an old cannery building in San Jose right close to the Alameda. She said it was redeveloped and they actually left the brick walls intact, sanded them up, gutted the inside, and built a condominium complex within the brick walls, cutting new windows where they needed them and using old windows. She noted it was quite interesting how they managed to do this, it was quite different from just raising a building and putting up a new one. She said it was the Silicon Valley Leadership Group that put it on and it was interesting. She also reminded the Commission about Housing Leadership Day on October 23, which she said is focusing on critical issues for San Mateo County such as where the housing market is headed.

3. Commission Member Reports

Vice Chair Boyle said Silicon Valley Community Foundation is also going to have a conference on October 15 at the Fox Theater in Redwood City and this is their second regional meeting and it is free. She noted that Redwood City has done a lot with historic buildings and commented that it is interesting that urban areas on the East Coast have wonderful historic buildings and even old factories that have been converted into housing but we don't have many old bldgs, everything we have has been put up in the last thirty years along El Camino. Commissioner O'Neal said they didn't build a lot down here when she was a child. Commissioner Brawner said that is because it was mostly farming.

Vice Chair Boyle reported that the Attorney General's Office is putting the SB 375 Regional Housing Needs Allocation (RHNA) requirements on fast pace in that the City of Pleasanton is being sued because it had a city-wide vote for no growth, thereby voting down all new housing. Also, she said, the City of Irvine sued the Southern California Association of Governments over their RHNA numbers but the court said

they didn't have jurisdiction over this. Chair Moser inquired who does have jurisdiction?

Vice Chair Boyle said she hopes everybody is planning to go to the community workshop on Sept 17. This is our last chance, she said. Chair Moser said the last workshop that was held in this facility, which belongs to the Presbyterian Church, was really crowded and uncomfortable. She asked if there is any bigger facility they could use. Commissioner Brawner suggested SRI and said they don't want a bigger facility for people to sit down they want something where people are relegated to tables. They want to isolate people who know what's going on away from people who don't know what's going on, he said. Chair Moser said she will email Thomas Rogers. Housing Manager Frederick commented that it is probably too late to change the location now that they've sent out the flyers. Commissioner Brawner said it won't be the last meeting, there will be additional opportunities. Commissioner Brawner commented the City is trying to develop a specific plan and said Redwood City went through the same exercise. He said in Redwood City, one of the attorneys who owns properties at the county center sued the city and the judge terminated the specific plan. He said the way a specific plan works, if a developer proposes to build something the City Council has to approve it. He said it is nothing more than a real estate syndication operation. Vice Chair Boyle replied that this is not on the agenda and doesn't think all of what Commissioner Brawner is saying is factual, and it is important if the Commission discusses something that it have correct information. It would be nice to have a flow chart of how development occurs, she added. Commissioner O'Neal said what we are talking about here can be changed by the County, they can change things. The County has to look into it to make sure it's done the right way and if it is illegal they will change it.

D. INFORMATION ITEMS

1. Monthly Report on the Housing Rehabilitation Loan Program for July 2009

Housing Manager Frederick reported that staff is in the process of trying to get the Hill property out to contract so the rehab work can begin. He added he believes it has been approved by the loan committee.

E. ADJOURNMENT: The meeting was adjourned at 6:15

Respectfully submitted,
Megan Nee
Management Analyst