A. Vice Chair Merriman called the meeting to order at 6:33 p.m.

B. Roll Call

Present: Nevada Merriman, Julianna Dodick, Karen Grove, Rachel Horst, Wendy McPherson, Michele Tate

Absent: Meg McGraw-Scherer

Staff: Deputy Community Development Director Rhonda Coffman, Planner Fahteen Khan, Management Analyst II Mike Noce

C. Public Comment

No public comments were received.

D. Regular Business

D1. Approve minutes for the Housing Commission meeting of March 6, 2019

ACTION: Motion and second (Dodick/McPherson) to approve the Housing Commission meeting minutes of March 6, 2018. The motion passed (5-0-1-1; Tate abstain; McGraw-Scherer absent).

D2. Recommendation of a Below Market Rate Housing Agreement Term Sheet with Charlie King for 250 Middlefield Road (Staff Report #19-002-HC)

Planner Fahteen Khan presented the item.

ACTION: Motion and second (McPherson/Tate) to approve the recommendation of a Below Market Rate Housing Agreement Term Sheet with Charlie King for 250 Middlefield Road. The motion passed (6-0-1; McGraw-Scherer absent).

D3. Prepare and approve quarterly Work Plan update for City Council

Deputy Community Development Director Rhonda Coffman introduced the item.

By acclamation, the Housing Commission recommended changes and edits to the Enhance Housing Policies Priority List. Staff will return to the Housing Commission during their May 1, 2019 meeting.
D4. Review of the BMR (NOFA) proposal evaluation criteria

Vice Chair Nevada Merriman was recused from item D4.

- Andrew Bielak, from MidPen Housing, spoke about the NOFA proposals submitted by MidPen Housing.

Deputy Community Development Director Rhonda Coffman provided information of received 2018 NOFA proposals and discussed adding a value system to the NOFA criteria to assist the Housing Commission’s review and evaluation of proposals. The applicants will be invited to present to the Housing Commission in May 2019. The Housing Commission will then provide recommendations to staff based on each proposal’s ability to meet NOFA criteria.

D5. Update on the City Council Work Plan and CIP process

Deputy Community Development Director Rhonda Coffman provided updates to the commissions about City Council’s Work Plan and CIP process as they relate to the Housing Commission.

D6. Discuss and recommend future agenda items

Deputy Community Development Director Rhonda Coffman introduced the item.

Items to be considered for future agenda items include:
- a) Presentation on short term rental policies
- b) Joint meeting with the Planning Commission to discuss downtown zoning density and secondary dwelling units
- c) Presentation on the preservation of “naturally affordable” housing
- d) Green Trip Certification presentation

E. Reports and Announcements

E1. Subcommittee reports (10 minutes):

Below Market Rate Housing Guidelines Subcommittee (Dodick/Grove) – Reported that the committee held a meeting with staff to discuss potential changes and updates to the current BMR Guidelines.

Housing Policy Subcommittee (Grove/Horst/Tate) – Reported the committee held a meeting to discuss policy priorities, the City’s Downtown Specific Plan, Connect Menlo, tenant protections and zoning density.

Marketing Subcommittee (McGraw-Scherer/Horst) – No report was provided.

Notice of Funding Availability Subcommittee (McGraw-Scherer/Grove) – No report was provided.

Secondary Dwelling Unit Subcommittee (McPherson/Merriman) – Reported on an informal discussion with Planning Commissioner Andrew Barnes about secondary dwelling units.

No reports where shared during this meeting due to changes involving subcommittee positions.
E2. Commissioner reports

Commissioner Horst shared a handout (attached) that included updates on California State Legislature bills. Additionally, Commissioner Horst shared information she had read about a similar tech boom in and around Seattle, Washington. That area has seen a more proactive approach to building more housing units, which has helped stabilize housing prices and affordability.

Commissioner Merriman highlighted upcoming Housing Leadership Council events.

E3. Staff updates and announcements

Deputy Community Development Director Rhonda Coffman provided the following updates:
- The recruitment for the open Housing Commissioner seat will close on April 5, 2019.
- Staff attended a Home For All event on March 28, 2019 that focused on messaging and public engagement.
- St. Bedes Episcopal Church is holding an education and discussion event focusing on homelessness and affordable housing on May 5, 2019 at 9:00 a.m. (2650 Sand Hill Road).
- The Annual Committee and Commission Appreciation Event is scheduled for Tuesday, May 14, 2019. All commissioners received a hardcopy, formal invitation at the meeting.

F. Adjournment

Vice Chair Merriman adjourned the meeting at 9:02 p.m.

Michael Noce, Management Analyst II

Approved by the Housing Commission on May 1, 2019
Sacramento Housing Bills 2019-20 Session, with emphasis on those that deal with local control or could affect Menlo Park residents [updated 4.3.19]

In the Senate

SCA 1 (Allen, Wiener) *constitutional amendment so needs support of 2/3 of both houses and voter approval* Public housing projects

Repeals provisions prohibiting the development, construction, or acquisition of a “low-rent housing project” (public housing) in any manner by any state public body until a majority of the qualified electors of the jurisdiction in which the development, construction, or acquisition of the project is proposed approve the project by voting in favor at an election. Specifically, it repeals Article XXXIV of the CA Constitution.

SCA 3 (Hill) *constitutional amendment so needs support of 2/3 of both houses and voter approval* Property Taxation change in ownership: inheritance exclusion

Transfer of the principal residence of a parent or grandparent receives the Prop 13 tax benefit only if the transferee uses the residence as his/her principal residence within 12 months after the transfer. If the transferee does not use the residence as his/her principal residence, the residence will be assessed at its full cash value as of the date of the transfer.

SB 4 (McGuire, Beall) Housing passed first committee

Would allow for streamlined, ministerial approval process of a “neighborhood multifamily project or eligible TOD project” on an eligible parcel in a jurisdiction that meets conditions related to (not meeting) RHNA targets. Neighborhood multifamily projects are defined in the bill as a multifamily unit of up to 2 residential dwelling units in a nonurban community or up to 4 units in an urban community. These ministerially approved projects would be exempted from CEQA approval process.

SB 5 (Beall/McGuire) Local-State Sustainable Investment Incentive Program passed first committee

A new version of the old redevelopment agencies/tax increment financing called the Local-State Sustainable Investment Incentive Program. Under this program, some property tax revenue would be directed towards local projects that comply with certain state criteria (affordable housing, anti-poverty measures, transportation, etc.), with approval from the state. Cities, counties, and other districts must apply for funding for these projects.

SB 6 (Beall) Residential development: available land passed first committee

This bill would require the Department of Housing and Community Development to furnish the Department of General Services with a list of local lands suitable and available for residential development as identified by a local government as part of the housing element of its general plan. The bill would require the Department of General
Services to create a database of that information and information regarding state lands determined or declared excess and to make this database available and searchable by the public by means of a link on its internet website.

**SB 9 (Beall) Low-income housing tax credits: sale**

Extends a restructuring provision to enable more housing to be built with low-income housing tax credits through the Tax Credit Allocation Committee (TCAC). Specifically, it removes the 2020 expiration date with respect to two provisions related to the allocation and sale of low-income housing tax credits.

**SB 13 (Wieckowski) Accessory Dwelling Units (ADUs) amended**

Would authorize a local agency to provide for creation of accessory dwelling units (by ordinance) in areas zoned to allow single-family or multifamily dwelling residential use. The ADU may be attached to, or located within, an attached garage, storage area, or other structure, and cannot exceed a certain total floor area (no more than 50% of existing primary dwelling area or 1,200 sq ft for attached and 1,200 sq ft for detached).

The bill would also prohibit a local agency from requiring the replacement of parking spaces if a garage, carport, or covered parking is demolished to construct the ADU, or if the ADU is located within a traversable distance of one-half mile of public transit.

Whether or not a local agency has adopted an ordinance, it must consider and approve an application for an ADU, ministerially and without discretionary review, within 60 days after receiving the application, and if it does not act on it within that time period, the application is deemed approved.

The bill would revise the basis for calculating the connection fee or capacity charge specified above to either the accessory dwelling unit’s square feet or the number of its drainage fixture unit values.

When the local agency submits its ADU ordinance to HCD, it would have to notify both the local agency and the Attorney General if the ordinance is in violation of state law.

Finally, it would delay the enforcement of any notice to correct a violation or abate nuisances, if correcting the violation is not necessary to protect health and safety, as determined by the enforcement agency, by 10 years.

**SB 18 (Skinner et al) Keep Californians Housed Act passed first committee**

Would appropriate state funds to provide both direct assistance for households who have fallen behind on their rent, as well as legal assistance for tenants whose landlords may be trying to evict them illegally. Funds would be awarded as competitive grants to cities and counties to support their rental assistance (no more than 48 months per household and no more than 2x the current HUD fair market rent) and legal aid programs.

This bill would also require the Department of Consumer Affairs to survey cities to determine which, if any, provide resources or programs to inform landlords of their legal
It would require the Department of Consumer Affairs to post online a guide to all state laws pertaining to landlords and the landlord-tenant relationship, updated biannually.

Finally, it would delete the repeal date for provisions regarding the noticing period and right to possession until end of the lease term for tenants in a unit where the property is sold in foreclosure.

**SB 48 (Wiener) CA Right to Shelter (intent language only) passed first committee**

Would require that an interim development be a use by right, if it meets specified requirements. This includes recuperative or respite care, motel vouchers, navigation centers, transitional housing, and emergency shelters. The bill would also allow local governments to designate zones for emergency shelters (in the housing element) in an industrial zone, if the local government demonstrates that the zone is connected to amenities and services that serve people experiencing homelessness. No minimum parking requirements may be imposed.

**SB 50 (Wiener et al) Equitable Communities Initiative (yeah, it’s that one from last year) passed first committee**

SB 827 last year. Requires a city or county to grant, upon request, an equitable communities incentive when a development proponent seeks and agrees to construct a residential development that satisfies specified criteria, including, among other things, that the residential development is either a job-rich housing project or a transit-rich housing project.

**SB 128 (Beall) Enhanced infrastructure financing districts: bonds: issuance in ASSEMBLY**

Simplifies the process of issuing bonds, with the intent of enabling the creation of more Enhanced Infrastructure Financing Districts (EFIDs). Cities and counties may establish an EFID, with a governing body referred to as a public financing authority, to finance public capital facilities or other specified projects of communitywide significance.

**Existing law authorizes the public financing authority to issue bonds for these purposes upon approval by 55% of the voters.** This bill would authorize the public financing authority to issue bonds for these purposes **without submitting a proposal to the voters.**

**SB 196 (Beall) Property taxes: welfare exemption: community land trust.**

Provides Community Land Trusts with a property tax exemption from the point of acquisition of property to the point of sale of affordable homes. Specifically, for lien dates occurring on and after January 1, 2020, this bill would provide that a property is within the “welfare exemption” if that property is owned by a community land trust, as defined, and specified conditions are met, including that the property is being or will be developed or rehabilitated as housing.
SB 294 (Hill) Property taxation: welfare exemption: low income housing (Appropriations Apr 8)

This bill, for claims filed for fiscal years 2020–21 through 2030–31, would decrease the percentage of occupants that are lower income households required to qualify for property tax exemption (in existing law) from 90% to 50%, and require that the total exemption amount be prorated based on the percentage of lower income households that occupy the property. For lien dates occurring on and after January 1, 2020, would also increase the total exemption amount allowed from $20,000,000 to $250,000,000 in assessed value (with some limitations).

SB 330 (Skinner) Housing Crisis Act of 2019 amended

Suspends some local rules and regulations for a 10-year period that may prevent construction of new housing, including: downzoning or otherwise reducing intensity of land use in a zoning district (as compared to the general plan in effect in 2018); instituting a moratorium on new housing; implementing design standards that are more costly than in 2019; establishing a maximum number of discretionary permits issued for housing or otherwise imposing a cap on the number of units or on population growth; imposing any new/increasing/enforcing existing parking requirement; or charging fees in excess of a certain amount. These conditions apply to cities where the average rent is a certain percent higher than the fair market rent for the state and the vacancy rate is less than a certain percentage (TBD).

Public hearings: For a 10-year period, this bill would prohibit a city or county from conducting more than 3 de novo public hearings on an application for a variance, conditional use permit or equivalent development permit, modification of a permit, or an appeal. The city or county would have to either approve or disapprove the permit within 12 months from when the date on which the application is deemed complete.

Tenant protections: The bill would also prohibit the approval of new housing (for 10 years) if that project would require the demolition of certain types of existing housing (rent-controlled or Section 8 housing). It also would prohibit the demolition of affordable housing units, unless tenants are offered relocation assistance and the first right of refusal to units in the new housing development at commensurate rents to what the tenants had been paying.

Streamlining: For a 10-year period, the bill would require a city or county to make available to the applicant and to the public online a list that specifies the information that will be required from any applicant for a housing development project. It would prohibit the enforcement of new or amended zoning ordinances on a site after the date that a housing development application is deemed complete, as well as any fees in excess of those applied to the development at the time of application. It would also require that a city or county make the determination as to whether a proposed development is on a historic site at the time the application is deemed complete.
Substandard buildings: The bill would require the Dept. of Housing and Community Development to develop statewide health and safety building standards and rules for substandard residential buildings (or those being used as such).

SB 329 (Mitchell) Discrimination: housing: source of income April 23

In the CA Fair Employment and Housing Act, redefines “source of income” from “verifiable income paid directly to a tenant” to: “verifiable income paid directly to a tenant, or paid to a housing owner or landlord on behalf of a tenant, including federal, state, or local public assistance and housing subsidies including, but not limited to, federal housing assistance vouchers issued under Section 8.”

SB 384 (Morell) Housing: omnibus amended; April 10

- CEQA: Establishes procedures for administrative and judicial review of environmental review process for residential developments of 50 or more units. Requires the Judicial Council to adopt a rule of court that any action or proceeding related to CEQA or granting of project approvals be resolved within 270 days of the filing. In the case of an alleged CEQA violation, the court may not stay or enjoin the siting, construction, or operation of a residential development project except under specific circumstances.
- Personal income tax: increases the amount of individual income from the sale or exchange of a principal residence that can be excluded for the purposes of income taxes, if the buyer is a first-time homeowner subject to state income taxes.

SB 529 (Durazo) Tenant associations: eviction for cause: withholding payment of rent April 23

This bill would declare that tenants have the right to form a tenant association, subject to any restrictions as may be imposed by law, or to refuse to join or participate in the activities of a tenant association. The bill would prohibit a landlord from terminating or refusing to renew a residential tenancy in a rental unit occupied by a member of a tenant association subject to these provisions, except for cause. It would authorize members of a tenant association, by a majority vote, to withhold rent payments for up to 30 days in response to grievances or complaints with the landlord.

SB 621 (Glazer and Caballero) CEQA: affordable housing amended; April 10

This bill would require any action or proceeding brought to attack, review, set aside, void, or annul the certification of an environmental impact report for an affordable housing project or the granting of an approval of an affordable housing project, to require the action or proceeding, including any potential appeals therefrom, to be resolved within 270 days of the filing of the certified record of proceeding with the court. Nearly same language as in SB 384: Judicial Council required to adopt a rule of court requiring that action or proceeding related to the EIR for an affordable housing project or granting of approval of an affordable housing project be
resolved within 270 days. The bill would prohibit a court from staying or enjoining the construction or operation of an affordable housing project unless it makes certain findings.

In the Assembly

ACA 1 *Constitutional amendment so requires 2/3 majority in both houses and voter approval* (Aguiar-Curry) Local government financing: affordable housing and public infrastructure: voter approval. Amended: Appropriations Committee

Reduces the local vote threshold for approval of bond and special tax measures from a two-thirds vote to a 55 percent majority (the vote threshold that currently applies to all local school district measures) so that local governments can fund critical infrastructure projects, including broadband expansion, local roads, and affordable or supportive housing projects or acquisition of property for those purposes. The approval threshold applies to any proposition for a bond for these purposes that is submitted at the same election as this measure.

AB 10 (Chiu et al) Tax credits for low-income housing passed first committee

Increases the state low-income housing tax credit administered by CTAC by $500 million each year, starting in 2020, and would allocate to farmworker housing projects $25,000,000 per year of that amount. It would also modify the definition of “applicable percentage” (which determines the amount of the credit), which depends on certain characteristics of the qualified building.

AB 11 (Chiu et al) Community Redevelopment Law of 2019

Brings back redevelopment funds/agencies.

AB 36 (Bloom) Rent control amended

Would modify Costa-Hawkins to authorize an owner of residential real property to establish the initial and all subsequent rental rates for a dwelling or unit that has been issued its first certificate of occupancy within 10 years of the date upon which the owner seeks to establish the initial or subsequent rental rate (i.e. not Feb. 1995), OR for a dwelling or unit that is alienable separate from the title to any other dwelling unit or is a subdivided interest in a subdivision (single family?), and the owner is a natural person who owns 2 or fewer residential units within the same jurisdiction as the dwelling or unit for which the owner seeks to establish the initial or subsequent rental rate. -> Essentially rent control could apply to all buildings over 10 years old and on single family homes unless the landlord has no more than 2 units.

AB 53 (Jones-Sawyer) Rental housing discrimination: applications: criminal records.

This bill would prohibit the owner of a rental housing accommodation from inquiring about, or requiring an applicant for rental housing accommodation to disclose, a criminal
record during the initial application assessment phase. After the successful completion of the initial application assessment phase, the owner may request a criminal background check of the applicant and consider an applicant’s criminal record in deciding whether to rent or lease to the applicant.

**AB 68 (Ting) Accessory Dwelling Units amended hearing Apr 3**

This bill would prohibit a local ADU ordinance from including requirements on minimum lot size. The bill would prohibit an ADU ordinance imposing a maximum or minimum size requirement, for an ADU based upon a percentage of the primary dwelling, or limits on lot coverage, floor area ratio, open space, and minimum lot size, if they do not permit at least an 800 square foot accessory dwelling unit that is at least 16 feet in height with 4-foot side and rear yard setbacks. The bill would also require HCD to submit written findings to a local agency as to whether its ADU ordinance complies with state law, and notify the Attorney general if it is in violation of state law.

**AB 69 (Ting) ADUs – ordinances amended hearing Apr 3**

This bill would also require the department to propose small home building standards governing accessory dwelling units and homes smaller than 800 square feet by January 2021.

**AB 724 (Wicks) Rental property data registry amended hearing Apr 10**

This bill would require the Department of Housing and Community Development to create a rental registry online portal by January 1, 2021, and would require landlords to register within 90 days and annually thereafter. The bill would require landlords to provide a variety of information regarding the location of rental property, its ownership, and its occupancy, among other things. The bill would require a landlord who completes a rental registry form to receive an Annual Statement of Registration certificate within a reasonable time after completing registration and would impose a civil penalty of $50 per rental unit on a landlord that fails to register.

**AB 725 (Wicks) Housing element: above moderate income housing hearing Apr 10**

This bill would prohibit more than 20% of a suburban or metropolitan jurisdiction’s share of regional housing need for above moderate-income housing from being allocated to sites with zoning restricted to single-family development. Unincorporated areas are excluded.

**AB 847 (Grayson) Transportation finance: priorities: housing passed first committee**

Would require HCD to establish a competitive grant program to award grants to cities and counties to offset up to 100% of any transportation-related impact fees exacted upon a qualifying housing development project (they may apply jointly with developers). A qualifying development project includes residential or mixed-use housing; is consistent with the applicable sustainable communities strategy; at least 20% of the units are
affordable; and priority goes to transit-oriented projects. Would appropriate funds for this purpose.

AB 881 (Bloom) ADUs hearing Apr 3

This bill would make changes to existing Planning and Zoning law regarding accessory dwelling units, including requiring ministerial approval for ADUs built within an existing structure. It would delete provision authorizing a local agency to require owner occupancy as a condition of issuing a permit.

AB 1244 (Fong) CEQA: housing

This bill would, in an action or proceeding seeking judicial review under the act, prohibit a court from staying or enjoining a housing project for which an environmental impact report has been certified, unless the court makes specified findings. See also SB 384 and SB 621.

AB 1239 (Cunningham) Local government: housing amended

Would allow a city or county to substitute the provision of units for up to 25 percent of the community’s obligation to identify adequate sites for any income category in its housing element if it adopts an ordinance that provides for creation of ADUs and an ordinance establishing a permitting process and appropriate standards to regulate short-term rentals of single-family dwellings.

AB 1255 (Robert Rivas) Surplus public land: database hearing Apr 3

See SB 6.

AB 1279 (Bloom) Planning and zoning: housing development: high-resource areas hearing Apr 10

In any area designated as a “high-resource area” by the Dept. of Housing and Community Development, the bill would require that a housing development project be a use by right, if those projects meet the requirements, including affordability requirements. A development is ineligible as a use by right under these provisions if it would require the demolition of rental housing that is currently occupied by tenants, or has been occupied by tenants within the past 10 years, or is located in certain areas.

AB 1484 (Grayson) Mitigation Fee Act: housing developments hearing Apr 3

This bill would prohibit a local agency from imposing a fee on a housing development project, unless the type and amount are specifically identified on the local agency’s internet website at the time the application for the development project is submitted to the local agency. It would also require, at the time that an application for a housing development project is deemed complete, a city and county to provide a good faith statement disclosing the amount of impact and development fees applicable to the housing development. The disclosed impact and development fees may not be increased for 2 years after that statement is issued.
AB 1486 (Ting) Local agencies: surplus land hearing April 10

Regarding the disposal of surplus land process in existing law: this bill would expand the definition of “local agency” (beyond a city, county, or school district) and redefine “surplus land.” It would also require the local agency disposing of surplus land to send a written notice of availability before disposing of the property or engaging in formal or informal negotiations to do so.

It would remove the requirement to give priority to development of affordable housing for lower income elderly or disable persons or households and other lower income households and replace that with other specifications. (See AB 265 from 2018).

Residential uses would be permitted on all land that a local agency disposes of as surplus property if 100% of the units are sold or rented as affordable.

The bill would also require HCD to maintain a searchable public inventory of all publicly owned or controlled lands and their present uses by September 2021. The bill would revise the manner in which the Department of General Services disposes of surplus state real property. Finally, it would require a city or county to report on sites it owns that have been sold, leased, or otherwise disposed of in the prior year.

AB 1568 (McCarty) Housing law compliance: withholding of transportation funds (significantly amended) hearing April 10

For each city and county that has not met its minimum housing goals (as determined by Dept. of Housing and Community Development) for the reporting period, the apportionment of transportation funds that would otherwise be apportioned and distributed to the city or county for the fiscal year will be withheld and deposited in a separate escrow account.

AB 1483 (Grayson) Housing development project applications: reporting (significantly amended) hearing April 10

This bill would require a city or county to compile a list (and post it online) that provides zoning and planning standards, fees imposed under the Mitigation Fee Act, special taxes, and assessments applicable to housing development projects in the jurisdiction. It would also require the city or county to annually submit information to the Department of Housing and Economic Development (and metropolitan planning organization) on pending housing development projects with completed applications; the number of applications deemed complete; and the number of discretionary permits, building permits, and certificates of occupancy issued. The information would also have to be posted online by January 1, 2021, and each year thereafter.

AB 1706 (Quirk) Housing development: incentives significantly amended

Intent language: to provide streamlined approval, tax incentives, and other benefits to developers of middle-income housing projects that meet specified requirements.
AB 1734 (Chiu): Property taxation: welfare exemption: rental housing: moderate income housing hearing Apr 8

Extends the property tax welfare exemption for qualified properties to those with moderate-income units. See SB 384.