

Housing Commission Minutes

City Council Chambers, 200 Old Bernal Ave., Pleasanton, CA

**February 20, 2014
7:00 p.m.**

CALL TO ORDER – PLEDGE OF ALLEGIANCE

Chairperson Welsh called the meeting to order at 7:00 p.m. on Thursday, February 20, 2014, in the City Council Chambers, 200 Old Bernal Avenue, Pleasanton, California.

The Pledge of Allegiance was recited, led by Chairperson Welsh.

Roll call:

Present: Chairperson Ann Welsh, Vice Chairperson Daniel Mermelstein, and Commissioner Colleen Lopez

Absent: Commissioner John Casey

Staff: Steven Bocian, Assistant City Manager; Scott Erickson, Housing Specialist; and Edith Caponigro, Recording Secretary

AGENDA AMENDMENTS

There were none. Mr. Bocian read information about changes to the Brown Act and voting procedures requiring the Chair to publicly report the action taken on all motions.

MINUTES

1. Approve Regular Meeting Minutes of December 19, 2013

A motion was made by Commissioner Mermelstein, seconded by Commissioner Lopez, to approve the meeting minutes of December 19, 2013. **The motion was approved unanimously.**

CONSENT CALENDAR

2. Approval of the December 2013 and January 2014 Financial Reports for Ridge View Commons and Kottinger Place

3. Management Updates for Kottinger Place and Ridge View Commons

4. **Quarterly Update Regarding Miscellaneous Housing Projects and Issues (4th Quarter 2013)**
5. **Quarterly Report of Housing Commission Activities (4th Quarter 2013)**
6. **Quarterly Inventory of Below-Market Housing in Pleasanton (4th Quarter 2013)**

A motion was made by Commissioner Mermelstein, seconded by Commissioner Lopez, to approve the consent calendar. **The motion was approved unanimously.**

MEETING OPEN TO THE PUBLIC

7. **Introductions / Awards / Recognitions**

There were none.

8. **Public Comment from the audience regarding items not listed on the agenda**

There were none.

PUBLIC HEARINGS AND OTHER MATTERS

9. **Approval of an Affordable Housing Agreement with SHAC Las Positas Apartments LLC (Summerhill) for a 177-Unit Apartment Development at 5850 West Las Positas Boulevard (PUD-103)**

Mr. Bocian introduced the agenda item and provided a PowerPoint presentation reviewing the site location and street view. He advised that the SHAC Las Positas Apartments LLC (Summerhill) submission is for a Planned Unit Development (PUD) application for the development of a 5.9-acre site at 5805 West Las Positas Boulevard. Since the development exceeds 15 living units, it is subject to the City's Inclusionary Zoning Ordinance (IZO) requiring an Affordable Housing Agreement (AHA).

The Commission was provided information regarding: 1) the project description, 2) affordable unit mix, 3) general terms of the Affordable Housing Agreement, 4) an in-lieu fee option, 5) compliance with Inclusionary Zoning Ordinance's unit mix/design guidelines/development standards, and 6) the staff recommendation to approve the agreement.

Chairperson Welsh discussed with Mr. Bocian the differences between market rates and the below-market rent levels based on the Area Median Income (AMI). Mr. Bocian discussed proforma information and what the market dictates. He noted that rents are currently moving upward, and since this project is in a desirable location, rents may be higher than average market rents.

Chairperson Welsh asked about the process should the developer decide not to build affordable units. Mr. Bocian informed Chairperson Welsh that the determination is made by the City and the development. He provided information on the things the City will be looking for that help with the decision-making, and the importance of the in-lieu fee option.

Mr. Erickson provided information from the most recent survey and apartment rents and vacancy rates, advising that the average market rent for a 2-bedroom unit in 2013 ranged from

\$1,900 to \$2,700. He further indicated that rents have likely increased further since that time.

Chairperson Welsh opened the meeting for public comment at 7:25 p.m.

Kevin Ebrahimi - Summerhill Homes – advised that Summerhill is looking forward to completing this project and thanked Mr. Bocian for all of his assistance.

Mr. Ebrahimi led the Commission through a PowerPoint presentation that included:

- Details about the four main buildings of Spanish colonial design
- The type of high quality materials that will be used
- SummerHill considers this to be a “Class A” apartment complex
- The complex will include 1-, 2-, and 3-bedroom units
- The plan includes open space, pool, BBQ area, fitness center, club room, business center, and other amenities
- Parking areas (including some covered / sheltered)
- Solar/thermal heating
- Convenient access to public transportation and bicycle amenities
- Preservation of existing trees on the site

Commissioner Mermelstein was advised that there will be a total of seventeen (17) ADA (handicap accessible) units of varying size and unit type.

Commissioner Lopez asked about the cost differential between market rents and providing affordable units at the different affordability levels. Mr. Ebrahimi advised that economic conditions make a difference in the cost basis. He discussed the difference between 80% AMI and 100% AMI units and noted that the cost to build is the same for the different units. Mr. Bocian addressed Commissioner Lopez’s concern noted that 100% AMI for a 3-bedroom units is about \$2,500/mo, while 80% AMI is \$1,900/mo.

The Commission invited comments from members of the public.

Becky Dennis, Citizens for a Caring Community / Kottinger Place Task Force – suggested the Commission take into consideration the Lower Income Housing Fee Nexus Study when looking at the different affordability categories based on the AMI. She noted that eligible households must often be at or near the high end of each affordability category which makes it especially difficult in Pleasanton where market housing costs are exceptionally high. She asked staff if this development met the City’s affordable housing requirements.

Mr. Bocian provided additional information about household income eligibility requirements and the affordability levels based on different percentages of the AMI. He noted that individuals can earn less than the limit and still be eligible, although at some point they also have to have a minimum income in order to be able to afford the rent, even at the below-market level.

Chairperson Welsh closed the meeting for public comment at 7:40 p.m.

Commissioner Lopez reiterated that, in the future, she would like to see options that might include fewer affordable units but at deeper levels of affordability, noting that Pleasanton has a particular need for more low and very low income rental units.

A motion was made by Commissioner Mermelstein, seconded by Commissioner Lopez, recommending approval of the Affordable Housing Agreement with SHAC Las Positas Apartments LLC (Summerhill) as recommended in the agenda report.

ROLL CALL VOTE:

AYES: Commissioners Lopez, Mermelstein, and Chairperson Welsh.

NOES: None

ABSENT: Commissioner Casey

ABSTAIN: None

10. Approval of Kottinger Gardens Overall Plan (PUD-101) and Submittal of a HUD Section 18 Demolition and Disposition Application

Mr. Bocian introduced the agenda item and provided information about the Kottinger Gardens Overall Plan (PUD-101) and the work that has been done by the Task Force and MidPen. He noted that in September 2012, the Housing Commission recommended approval of the Kottinger Place and Pleasanton Gardens Predevelopment Analysis Report establishing the parameters for a new affordable senior housing development on the Kottinger Place and Pleasanton Gardens sites.

Commissioners were provided a PowerPoint presentation by MidPen representative Abby Goldware. Items reviewed included:

- Information pertaining to Task Force meetings and the desired objectives of the group
- Incorporation of feedback from appropriate stakeholders and City of Pleasanton
- Review of various design options
- Required next steps
- Necessary disposition process (Public Housing) and change of ownership
- Project financing
- Relocation process (and the use of phasing to minimize impact on residents)
- Project phasing and developing a construction phasing plan
- Affordability issues
- Provision of onsite resident services

Ms. Goldware provided information about the site plan that was approved by the Task Force at its October 23, 2013, meeting. The site plan includes the current Pleasanton Gardens, Kottinger Place, Regalia House, and 4138 Vineyard Avenue parcels, for a total of approximately 6.5 acres.

The proposed project includes a total of 185 units to be built in a configuration of single story cottage units and multi-story (two- and three-story) buildings, open space, community rooms on both the Kottinger Place and Pleasanton Gardens sites, additional parking spaces, an improved pedestrian crossing over Kottinger Drive, and garden places for residents.

The Commission was advised by Ms. Goldware that over the next several months, City staff and MidPen will be focusing on completing the requirements related to HUD's Section 18 Demolition and Disposition process. Staff and MidPen also met recently with Congressman Swalwell to keep him advised of the process for and status of this project. HUD staff have encouraged the Housing Authority and MidPen to submit the application for a technical assistance review prior to a formal submittal. HUD requires the Housing Authority's Board to formally approve the submittal of an application to HUD. As soon as HUD completes its technical assistance review, staff anticipates bringing the action to the City Council.

Chairperson Welsh questioned Ms. Goldware about the minor site design changes that were

made after the overall plan was approved by the Task Force in order to address the water line easement. Ms. Goldware showed Commissioners how minor site plan changes had been made on both the Kottinger Place and Pleasanton Gardens sides to allow for improved access to the easement as required by the Fire Department. The changes allowed them to maintain the same number of units in the new project.

Chairperson Welsh opened the meeting for public comment.

Becky Dennis, Chair of the Task Force, noted that it had been a long process, but it is inspiring to finally reach this stage of the project. Ms. Dennis noted that the City of Pleasanton has committed \$10 million to this very worthwhile project and she hopes that more projects of this kind will be forthcoming, especially projects that will benefit Pleasanton's workforce by creating housing units at the lowest affordability levels.

Chairperson Welsh closed the meeting for public comment.

A motion was made by Commissioner Mermelstein, seconded by Commissioner Welsh, to approve the Kottinger Gardens Overall Plan (PUD-101) and authorize submittal of the HUD Section 18 Demolition and Disposition Application required to facilitate the proposed new development.

ROLL CALL VOTE:

AYES: Commissioners Lopez, Mermelstein, and Chairperson Welsh.
NOES: None
ABSENT: Commissioner Casey
ABSTAIN: None

COMMUNICATIONS

Planning Commission Staff Report – February 12, 2014. Reviewed - no comment.

MATTERS INITIATED BY MEMBERS OF THE COMMISSION

There were none.

COMMITTEE REPORTS

Kottinger Place Task Force – no report.

East Pleasanton Specific Plan Task Force – no report.

DISCUSSION OF FUTURE MEETING AGENDAS

Mr. Erickson stated that the February meeting is tentatively scheduled to include the following items:

- Approval of Annual Agency Plan for the Pleasanton Housing Authority
- Approval of Federal HOME Funds and City Lower Income Housing Funds Related to the Housing and Human Services Grant (HHSB) Program for Fiscal Year 2014-15

Commissioner Mermelstein discussed with Mr. Erickson when new Commissioners would be installed. Mr. Erickson advised that two applications have been received, but applicants have not yet been interviewed. He also noted that Commissioner Casey had expressed interest in a Commission Workshop.

ADJOURNMENT

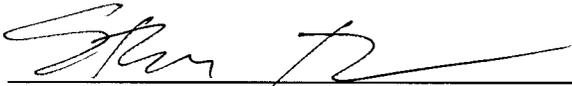
The meeting was adjourned at 8:20 p.m. by unanimous consent.

DATED: February 20, 2014



Ann Welsh, Chairperson

ATTEST:



Steven Bocian, Assistant City Manager