



**PLEASE POST**

**EMERYVILLE HOUSING COMMITTEE**

Edward Treuting, Chairperson  
Lawrence Cardoza, Vice-Chairperson  
Ruth Atkin, Councilmember  
Nora Davis, Councilmember  
Frank Flores  
Pat Hooper  
Frank Jordan  
Kris Owens  
Kevin Rooney  
Tina Rhodes

**EMERYVILLE HOUSING COMMITTEE**

Regular Meeting of the Advisory Committee  
Emeryville Civic Center, 1333 Park Avenue  
Garden Level, Emeryville, CA 94608

**Wednesday, March 4, 2009**

**6:00 p.m.**

All Advisory Committee meetings are noticed as Special City Council Meetings so that any or all of the City Council may attend and participate in the Advisory Committee's deliberations. However, actions taken by Advisory Committees are not official actions of the City Council but must be ratified at a regular City Council. All writings that are public records and relate to an agenda item below which are distributed to a majority of the Emeryville Housing Committee (including writings distributed to a majority of the Emeryville Housing Committee less than 72 hours prior to the meeting noticed below) will be available at the Information Counter, 1333 Park Avenue, Emeryville, California during normal business hours (9am to 5pm, Monday through Friday, excluding legal holidays).

**AGENDA**

- I. Call to Order and Roll Call
- II. Public Comment
- III. Approval of Minutes of February 4, 2009 Meeting (Attachment)
- IV. Action Items
  - A. Consideration of Re-Appointments to the Housing Committee (Attachment; 6:05-6:10; 5 minutes)
- V. Information Items
  - A. Bi-Monthly Update on Foreclosure Prevention and Predatory Lending Prevention Strategy (Attachment; 6:10-6:20; 10 minutes)
  - B. Update on the Oliver Lofts Special Assessment Agency Loan Program (Attachment; 6:20-6:30; 10 minutes)
  - C. Discussion of Current For-Sale Projects Marketing Issues (Attachment; 6:30-6:45; 15 minutes)
  - D. Review of Draft 2009 Housing Element Comment and Completion Schedule (Attachment; 6:45-7:00; 15 minutes)
- VI. Staff Comments (7:00-7:05; 5 minutes)
- VII. Member Comments (7:05-7:15; 10 minutes)
- VIII. Next Meeting Date – April 1, 2009
- IX. Adjournment (7:15)

**FURTHER INFORMATION** may be obtained by contacting Amy Hiestand, Committee Secretary, Community Economic Development Coordinator, Economic Development and Housing Department, at (510) 596-4354. The next regular meeting is scheduled for April 1, 2009 at 6:00 p.m.

**DATED:** February 25, 2009  
**Posting Date:** February 27, 2009  
**Post Until:** March 6, 2009

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**KAREN HEMPHILL, CITY CLERK**

## Emeryville Housing Advisory Committee

### Action Recap – Meeting Minutes Meeting of March 4, 2009

#### I. Call to Order and Roll Call:

The meeting was called to order by Chairperson Treuting at 6:00 p.m. Roll Call is presented below.

Members Present: Pat Hooper, Buzz Cardoza, Frank Jorden, Nora Davis, Ed Treuting, Ruth Atkin, Kevin Rooney, Kris Owens, Tina Rhodes

Members Absent:

Members Excused: Frank Flores

Staff Present: Amy Hiestand, Janet Anderson, Anderson & Associates

Citizens Present: Vickie Jo Sowell

Others Present:

II. **Public Comment** – Vickie Jo Sowell, resident of 3618 Peralta Street, expressed concern about she and her neighbors not being informed about the Ambassador Project being re-cast as a rental development. She is concerned that the project will block sunlight onto her property which is adjacent to the site, and concern about rental tenants not being attentive to turning off their car alarms at night. She also wants to be certain that it is possible to be able to pull safely out of her driveway.

III. **Approval of Minutes of February 4, 2009 Meeting** – Motion to approve minutes was made by Member Hooper; seconded by Member Jorden; approved unanimously.

#### IV. Action Items

##### A. **Consideration of Re-Appointments to the Housing Committee**

\*\*\*Member Jorden made a motion to forward the three re-appointment recommendations to the City Council, to re-appoint Members Owens, Flores, and Rooney to the Committee for a three-year term 4/1/09-3/31/12. Seconded by Member Rhodes; approved unanimously.

#### V. Information Items

##### A. **Bi-Monthly Update on Foreclosure Prevention and Predatory Lending Prevention Strategy**

Janet Anderson, the City's First Time Homebuyer Program consultant, provided an update report on the implementation of the City's Foreclosure Prevention and Predatory Lending Prevention Strategy. She gave an update on the February 14<sup>th</sup> workshop which had 13 participants; a summary of foreclosure activity in the City; and current counseling efforts with four homebuyer participants who are facing foreclosure. Chairperson Treuting asked if banks are likely to move any faster with loan modifications based on the recent federal administration efforts to provide funds for refinance. Ms. Anderson said she was drafting a summary of the various stimulus package elements that deal with foreclosure and more would be known later in the spring. Member Davis suggested that the City's lobbyist firm make a strong connection with the San Francisco Department of Housing and Urban Development (HUD) office to link with federal housing funds.

## **B. Oliver Lofts Special Assessment Agency Loan Program**

Janet Anderson gave an update on the implementation of the Oliver Lofts Special Assessment Agency Loan Program. She indicated that eleven applications have been received (9 BMR owners and 2 market rate owners). The BMR applications have been approved and the two market rate applications were deemed ineligible.

## **C. Current For Sale Projects Marketing Issues**

Amy Hiestand gave a summary report on marketing and absorption issues at the Vue46 and Glashaus Lofts projects, based on a request of Housing Committee members at the February meeting. Member Davis commented that due to the economic slowdown, rental rates are also dropping which also has an effect on marketing of condominiums. Member Rooney added that some apartment complexes have offerings such as a short free-rent period or new televisions to entice prospective renters to their properties. Members felt it was appropriate to invite Pulte Home representatives to a meeting this spring so they could give an update on the BMR sales efforts at Glashaus Lofts. Staff will look into this for an upcoming meeting.

## **D. Draft 2009 Housing Element Comment and Completion Schedule**

Amy Hiestand reviewed the proposed preparation schedule for the Housing Element and the comments received from the State Housing and Community Development Department. Member Atkin suggested that Amy review data from the American Communities Survey for 2005, 2006, and 2007.

### **VI. Staff Comments**

There were no staff comments.

### **VII. Member Comments**

There were no member comments.

### **VIII. Next Meeting Date** – April 1, 2009 at 6 p.m.

### **IX. Adjournment** – The meeting was adjourned at 7:00 p.m.

Prepared by:

Approved by Committee:

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Amy Hiestand, Committee Secretary  
Economic Development and Housing Department

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Date

## MEMORANDUM

**DATE:** March 4, 2009

**TO:** Emeryville Housing Committee

**FROM:** Amy Hiestand, Economic Development and Housing Department

**SUBJECT:** **Consideration of Re-Appointments of Kris Owens, Frank Flores, and Kevin Rooney to the Emeryville Housing Committee for term of April 1, 2009 through March 31, 2012.**

### **BACKGROUND**

The Emeryville Housing Committee has eleven member positions, including two Councilmembers (Councilmembers Nora Davis and Ruth Atkin). A roster of the membership is found in Attachment 1. There are currently ten members on the Committee, with one open, unfilled position with a term expiring on March 31, 2010. A Vacancy Notice has been posted at the City's posting locations. No applications have been received for this vacancy.

On March 31, 2009, the terms of Kris Owens, Frank Flores, and Kevin Rooney will end. Staff contacted these members to ascertain their interest in being reappointed to the Housing Committee for another three-year term. The City has received reappointment request letters from all three individuals. The letters may be found in Attachment 2. At its meeting on March 4<sup>th</sup>, the Housing Committee is asked to consider the re-appointments of Members Owens, Flores, and Rooney. The Housing Committee is asked to forward a recommendation on these appointments to the City Council for consideration at their upcoming meeting on March 17, 2009.

### **RECOMMENDATION**

Staff recommends that the Housing Committee consider the following actions:

- 1) Re-appointment of Kris Owens to the Housing Committee for the term of April 1, 2009 through March 31, 2012;
- 2) Re-appointment of Frank Flores to the Housing Committee for the term of April 1, 2009 through March 31, 2012; and
- 3) Re-appointment of Kevin Rooney to the Housing Committee for the term of April 1, 2009 through March 31, 2012.

Attachment 1: Housing Committee Roster

Attachment 2: Re-appointment request letters from Kris Owens, Frank Flores, and Kevin Rooney

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**CITY OF EMERYVILLE HOUSING COMMITTEE  
MEMBERSHIP ROSTER  
April 2008 – March 2009  
Updated February 10, 2009**

<u>Roster of Members</u>	<u>Original Appointment Date</u>	<u>Term</u>
1. Councilmember Nora Davis	Continuing Member	
2. Councilmember Ruth Atkin	Continuing Member	
3. Edward Treuting, Chairperson <i>Reappointed 3/5/02, 4/19/05, 3/18/08</i>	1/18/00	4/1/08 - 3/31/11
4. Lawrence Cardoza, Vice-Chairperson <i>Reappointed 4/19/05, 3/18/08</i>	8/6/02	4/1/08 - 3/31/11
5. Kris Owens <i>Reappointed 3/31/03, 3/21/06</i>	1994 or prior	4/1/06 - 3/31/09
6. Frank Flores <i>Reappointed 3/21/06</i>	12/2/03	4/1/06 - 3/31/09
7. Tina Rhodes <i>Reappointed 4/3/01, 3/2/04, 3/20/07</i>	11/07/95	4/1/07-3/31/10
8. Pat Hooper <i>Reappointed 3/20/07</i>	10/18/05	4/1/07-3/31/10
9. Kevin Rooney	3/18/08	3/18/08 - 3/31/09
10. Unscheduled Vacancy		Term through 3/31/10
11. Frank Jordan	5/6/08	5/6/08 - 3/31/11

## **Predatory Lending and Foreclosure Prevention Strategy Progress Report- February 23, 2009**

### **1. Outreach to Emeryville Residents**

The City is continuing to make information available on the City's website and through informational brochures at locations throughout the City. The City advertised the Feb. 14<sup>th</sup> foreclosure workshop through emails to Chamber of Commerce members, emails to Emeryville neighborhood groups, emails to City employees, flyers posted in venues and community centers throughout the City, and through a mailing to all Emeryville homeowners in default and to all Emeryville loan recipients. The Chamber of Commerce also requested a follow-up article about the Feb. 14<sup>th</sup> workshop.

### **2. Workshops on Predatory Lending and Foreclosure Prevention**

The City held a Predatory Lending Prevention and Foreclosure Intervention Workshop on Feb 14<sup>th</sup> at the Emeryville Senior Center. The City did more outreach by sending out press releases to local newspapers, in addition to the outreach to Emeryville residents. There was a larger turnout to the workshop, with 13 participants. Housing counselors were able to meet individually with five of the workshop participants. The workshop attendees included three BMR owners, one First Time Homebuyer loan recipient and four other Emeryville homeowners.

### **3. Foreclosure Data Tracking**

The Homebuyer Programs Coordinator has continued tracking Emeryville properties in the foreclosure process since last December. The database includes properties that have been in some phase of the foreclosure process- those that have recorded Notices of Default (NOD's), recorded Notice of Sale (through foreclosure), or REO (Real Estate Owned) properties that have been taken over by the lender through foreclosure sale. It is not a cumulative list of all properties in Emeryville that have been in the foreclosure process.

Following is a summary of foreclosure activity by location in Emeryville since December of 2008:

- There have been 138 Emeryville properties in some phase of foreclosure, including (locations are found in table below):
  - homes that have received Notices of Default (NOD's) (91 properties)
  - foreclosure auctions currently scheduled or the auctions have been postponed (12 properties)
  - homes that have been lost through foreclosure (35 properties)

<b>Locations of Homes Foreclosed or in Foreclosure</b>		
	<b><u>Foreclosed or in Foreclosure</u></b>	<b><u>Foreclosed (Subset of Previous)</u></b>
Watergate	29	9
Bay Street One Condos	24	8
Pacific Park Plaza	18	6
Andante	14	3
Emery Bay Village	4	
Bridgewater	3	
Elevation 22	4	
Terraces at EmeryStation	2	2
City Limits	2	1
Oliver Lofts	1	1
Liquid Sugar Lofts	2	
Green City Lofts	4	
Emeryville Warehouse Lofts	2	1
Besler Building	2	
KeyRoute Lofts	1	
BlueStar Corner	1	
East Emeryville	25	3
North Hollis Area (other)		1
<b>TOTAL</b>	<b>138</b>	<b>35</b>

#### 4. Outreach to Emeryville Property Owners in Foreclosure

The Homebuyer Programs Coordinator continues to do mailings to Emeryville property owners who have received Notices of Default or Notices of Sale, as well as property owners whose property is being sold due to property tax defaults. She has also attempted to contact all the Emeryville owners in default by telephone.

#### 5. Counseling and Referrals for City Program Participants.

Since the last report, another BMR owner, who owns a BMR unit in the Glashaus development and has a \$44,835 loan from the City, contacted the City to let us know that she will be losing her job in a couple of months. The City has referred her to housing counseling and let her know about the new federal plan that may be available to assist her.

The City is continuing to work with four homeowners who have participated in City homeowner programs who are in default or are having difficulty making mortgage payments. They are reporting difficulty getting timely assistance from the housing counseling agencies and getting any reasonable loan modification offers from their mortgage lender.

Three of these homeowners own BMR units and one has a rehabilitation program paint grant. One of the BMR owners had been working with ACORN and is now working with Unity Council to negotiate a loan modification with Washington Mutual. So far Washington Mutual has only offered a loan modification at an 8.75% interest rate. The second BMR owner is

working with CHDC to negotiate with her lender on loan modifications. Her case is complicated by the fact that lenders will not currently lend in her development, Liquid Sugar, due to the litigation between the homeowners association and the developer. The third BMR owner is not yet in default on her first mortgage. She anticipates having difficulty when her first mortgage payments adjust up in March and is now working with Unity Council on a loan modification. The fourth homeowner had successfully negotiated a loan modification with her lender but is having difficulties again making the payments and the loan payments are still scheduled to increase soon.

The Homebuyer Programs Coordinator has referred a total of ten homeowner program participants to the two HUD-approved housing counseling agencies that the City has retained to provide services- the Unity Council Homeownership Center and the Community Housing Development Corporation of North Richmond. Four program participants have cured their defaults and another First Time Homebuyer participant going through bankruptcy had his bankruptcy discharged.

The Gateway Commons Homeowner Association has informed that City that they are initiating foreclosure on two Oakland units in the development.

#### 6. Coordination with Other Jurisdictions and Other Partner Organizations

The Homebuyers Program Coordinator has worked with housing counseling agencies and Alameda County on the past workshops and coordinated with the Emeryville Chamber of Commerce to publicize the events.

**CITY OF EMERYVILLE  
MEMORANDUM**

**DATE:** March 4, 2009

**TO:** Emeryville Housing Committee

**FROM:** Economic Development and Housing Department

**SUBJECT:** **Update on Oliver Lofts Special Assessment Loan Program**

At the February Housing Committee meeting, members requested that staff provide an update on the Oliver Lofts Special Assessment Loan Program that was approved by the Redevelopment Agency in fall 2008. Following is a brief update.

The City has received eleven applications for the Oliver Lofts Special Assessment Loan Program- nine from Below-Market-Rate (BMR) homeowners and two from owners of market-rate units. The nine BMR owner applications have all been approved- two as deferred payment loans and seven as amortized loans.

The City's loan processor obtained a "value check" on the current property value for the two market-rate applicants, to avoid incurring the appraisal and loan fees for those whose current loan-to-values would exceed the program limits. The City notified these two market-rate applicants that, based on the value check, it appeared that their properties would not be eligible, but that they could authorize the City to proceed with their application and incur processing and appraisal fees. Neither individual opted to proceed with their applications.

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**CITY OF EMERYVILLE  
MEMORANDUM**

**DATE:** March 4, 2009

**TO:** Emeryville Housing Committee

**FROM:** Amy Hiestand, Economic Development and Housing Department

**SUBJECT: Information Item on Condo Absorption Issues**

**BACKGROUND**

At the February meeting, Housing Committee members requested that an item be placed on the March meeting agenda to discuss condominium sales absorption issues in the City. Staff has researched current absorption information for two projects currently being marketed in the City – Vue46, located at 1001 46<sup>th</sup> Street (at Adeline Street), and Glashaus Lofts, located at 65<sup>th</sup> and Hollis Streets. Information on these two projects is provided in the next section.

**DISCUSSION**

***Vue46***

Vue46 was developed by Laconia Development LLC (formerly Levin Menzies & Associates) and completed in late 2007. The project straddles the border with the City of Oakland. Overall, it contains 79 units, of which 47 are located in Emeryville and 32 in Oakland. The City of Oakland does not have an inclusionary housing ordinance, but required the developer to provide three very low income-designated for-sale units. Through its Affordable Housing Set Aside Ordinance, the City of Emeryville required the developer to set aside nine Below Market Rate (BMR) units, six of which are reserved for moderate income households and three for lower income households. All the Emeryville BMR units are priced at the moderate income level, but the three lower income designated units had an appropriation of funding from the Ownership Housing Assistance Program (OHAP) to provide downpayment assistance loans of up to \$110,000 per unit.

As of mid-February, eight of the nine Emeryville BMR units have sold and closed. The one unsold BMR unit currently available is a one-bedroom unit, is priced at \$246,000, and is available to moderate income households.

In terms of the market rate units, the Vue46 project has been less successful. Eight market rate units have sold, six of which have closed and two are in escrow. Based on 15 months that have elapsed since the model units opened and six units sold, the market-rate absorption is 0.4 per month (or 4.8 units per year). Counting both BMR and market rate units that have closed, 18% of the project (14 out of 79 units) is sold.

## *Glashaus Lofts*

Glashaus Lofts has been released in two phases. The project developer is Pulte Home Corporation. The first Townhouse phase released in 2007 and the second Podium phase released in 2008 and marketing and sales continues in this portion of the project. The project includes 145 units, of which 29 are BMR units (18 reserved for moderate income, 6 for low income, and 5 for very low income households). Eleven BMR units were provided in the Townhouse phase and included seven moderate income and four low income units. Eighteen BMR units were provided in the Podium phase and include eleven moderate income, two low income, and five very low income units.

As of mid-February, there are twenty-five market rate podium units remaining unsold, and ten BMR units remaining unsold. The project is 76% sold (110 out of 145 units sold).

## *Comparison of Two Projects*

It is staff's belief that Glashaus Lofts has been more aggressive about its marketing efforts in terms of both its BMR and market rate programs, resulting in greater absorption. To be fair, a significant portion of the Glashaus Lofts project (the townhomes) were released earlier in 2007, prior to the meltdown in the market in fall 2007. The project may also benefit from being in a location perceived as having greater value. Glashaus has also lowered its prices more frequently, whereas Vue46 only just recently lowered prices through a one-day sale on February 7<sup>th</sup> in which prices were cut 30% across the board. Despite the effort, only one contract was generated. It could be that the effort was "too little too late", given the current market conditions. Another impediment is that Vue46 has available a comparable market rate unit priced at \$299,000 which is only about \$50,000 greater than the one remaining BMR unit priced at \$246,000. Buyers are able to purchase a market rate unit without a resale restriction for not significantly more money.

There are Affordability Agreements recorded against each project that require the developers to market and sell the BMR units in accordance with approved Marketing and Sales Plans. Based on their recorded agreements, both developers need to continue their marketing efforts to sell the BMR units, and utilize all available marketing methods, including price reductions as necessary, to ensure that the inclusionary units are provided. The City continues to work with the sales teams of both of these projects to provide assistance on marketing the BMR units through our marketing means. For example, staff posts available units on the City's website and informs those seeking assistance through the City's homebuyer loan programs about both projects. Individuals purchasing market rate homes in either project may utilize the First Time Homebuyer Program (low to moderate income persons) and the combination of the CalHome/HELP Program and the Ownership Housing Assistance Program (low income persons) to obtain silent-second, deferred payment, downpayment assistance loans.

## MEMORANDUM

**DATE:** March 4, 2009

**TO:** Emeryville Housing Committee

**FROM:** Amy Hiestand, Economic Development and Housing Department

**SUBJECT:** **Review of Comments and Schedule for Preparation of 2009 Housing Element**

The purpose of this memo is to provide the Housing Committee an information update on the schedule for completion of the 2009 Housing Element. The Housing Element for 2009-2014 must be adopted by the City Council and submitted to the State Department of Housing and Community Development (HCD) by June 30, 2009. The draft Housing Element was sent to State HCD last summer and staff has begun the process of revising the element to respond to comments received from the State. It is staff's intention to present the revised draft to the Housing Committee at its April 1<sup>st</sup> meeting. Staff would like to focus the Housing Committee presentation on those areas of the element that are proposed to be revised. This memo presents a summary of the major comments made by State HCD, as well as the preparation schedule.

### *Summary of Major Comments*

A copy of the comments from the State may be found in Attachment 1. Last fall, Amy Hiestand and Deborah Diamond from the Planning Department held a conference call with Jennifer Seeger, the State HCD Program Analyst assigned to reviewing Emeryville's Housing Element, to discuss the comments. Ms. Seeger indicated that Emeryville's was the first housing element to be submitted for comment amongst the Bay Area jurisdictions and she stated that it was overall a very well-crafted policy document and appreciated Emeryville's efforts at broadly considering its housing issues. Many of the State's requested revisions were made due to amendments to Housing Element law found in Senate Bill 375, which became effective September 30, 2008. Following are the main comments addressed in State HCD's letter to the City:

- Requirement to analyze needs of Extremely Low Income Households.
- Requirement to provide more data on cost burden for owners and renters.
- Expansion of Table 50 (which lists the projected housing to be built through 2014) to include how affordability is established (through resale restriction, regulatory agreement, etc.)
- Greater analysis of site characteristics for those sites zoned to meet Emeryville's regional housing need allocation in terms of zoning, remediation constraints, development standards and the like.
- Additional analysis on permit procedures for potential impacts on the cost and supply of housing.
- Additional analysis of zoning and development standards for development of housing for people with disabilities.

- Requirement to comply with Senate Bill 2, which became effective in January 2008, requiring every California city and county to provide detailed analysis of emergency shelter, transitional and supportive housing in their next Housing Element revision, including designation of zoning districts to accommodate that need. (Information on this bill may be found attached.)
- Additional analysis on homeless count in Emeryville, and characteristics of homeless needs. For this, staff will be contacting the Police Department and Berkeley Food and Housing Project for local data. However, exact counts of the homeless in Emeryville are not available. Staff views this as an opportunity to include data collected through the County-wide homeless count and discuss the more regional quality of homelessness characteristics as well as the regional approach to addressing homelessness through the “Housing First” model that jurisdictions within Alameda County are taking through the county-wide EveryOne Home Plan.
- Requirement to show quantified objectives by housing type (new construction, rehabilitation) and income level of the number of units to be created over the housing element period.
- Modification of Chapter 6 (the Housing Action Plan) to include completion dates for the specific policy or program listed.
- Detailed discussion of public participation efforts.

***Schedule***

February – March	Staff completing revisions of Housing Element
<b>March 28, 2009</b>	<b>Community Workshop on Proposed Housing Element, 10 a.m. to 12 noon, City Council Chambers</b>
April 1, 2009	Housing Committee Review and Recommendation
April 23, 2009	Planning Commission to Review & Approve Housing Element
June 2, 2009	City Council adoption of Housing Element
June 30, 2009	Due Date for Submittal to State HCD

Attachments:

- 1) State HCD Comment Letter
- 2) Information on SB 2