

Regular Meeting  
September 09, 2008

Chairperson Kishimoto called the Policy and Services Committee meeting to order at 7:02 p.m. in the Council Conference Room, 250 Hamilton Avenue, Palo Alto, California.

Present: Barton, Drekmeier, Kishimoto (chair), Espinosa

Absent:

1. Oral Communications

None.

2. Recommendation to City Council for Approval of a Pilot Program Involving "Open City Hall" Online Services

Interim Deputy City Manager Kelly Morariu introduced Peak Democracy representatives. She reviewed a brief history of the program. Staff proposed a six month pilot program being hosted and monitored by Peak Democracy on the OpenCityHall website. She requested outreach ideas above and beyond the usual arenas from the Committee, (MOVING FORWARD SLIDE)

Peak Democracy representative, Robert Vogel reviewed a presentation of their services available to the City. He stated the service was created to give the community an opportunity to participate in community and neighborhood meetings without fear of being interpreted as a complainer or not receiving the response they were interested in. He displayed an on-line demonstration of the website.

Council Member Barton asked whether there was a location on the website where the consumer could locate City information linked to the item being viewed.

Mr. Vogel stated yes. The pages of the site could be modified to suit the end-

user desires. He stated although the community participant had the opportunity to leave a comment anonymously they must register with the site to be able to make comment.

Kishimoto asked whether there was confirmation check on the validity of the registrant to the site.

Vogel state yes, although there was not full proof way of verifying all information it is a secure site.

Sherylyn asked whether the community had the ability to adjust what they have written at alter time.

Vogel stated yes.

Keene asked whether the parameters were able to be redefined.

Vogel stated yes.

Kishimoto asked whether the advanced search section had the ability to adjust the search criteria in the

Vogel stated yes.

Morariu asked whether

Vogel stated yes, the City had the ability to enable the site ability.

Kishimoto asked if the website service posted meeting responses the next day.

Vogel stated yes.

Peter asked the process of reading throught he comments of the community.

Vogel stated the company had worked with other Cities with large community involvement.

Peter asked how to prevent fraudulent participation.

Vogel stated there were systems checks on the system to prevent as a large amount of fraudulent activity. There is limitation to all security systems although all addresses are checked back to an IP address, e-mail addresses are validated, cookies are required on the browser.

Peter asked whether they could determine whether a library computer was used.

Vogel stated it was possible however not necessarily one of validity.

Peter asked whether the Council was expected to review the website prior to the meeting to review the comments.

Vogel stated the site was generated to assist the Council in knowing the community and what they were thinking regarding the issues at hand. The site had the ability to print report for review.

Kelly stated there was a policy in place to print the communications (REVIEW TAPE)

Peter asked the cost after the pilot program.

Vogel stated the breakdown was a5k setup plus 200 per month.

Sid stated concern for the location of the site not being on the City website.

Keene stated the City website concerns have been reviewed and changes are in place for the future. He stated the analysis and monitoring portion of the program (TAPE)

Barton stated off-site location had value to the community by non-partisan.

Sid asked how the system responded to questions asked on the website.

Vogel stated the end-user did not have the concept that there would be a response. The forum announcement could have a response.

Barton suggested PA on-line was a venue for outreach. He stated at the moment there would not be the ability to judge its success.

Vogel stated the number of comments posted was up to the controller; however he suggested starting out with the most interesting comments and build to all of them. Recommended all agenda items be posted in the future with a smaller number in the beginning with the larger items

Keene asked whether the span of the pilot the City had the opportunity to expand to the full agenda.

Vogel stated the value of the program could only be determined by the City. There were ways to determine repeat

Peter staff participation

Kelly stated there needed to be a staff person drafting the staff report and drafting the question sending it to PD, there would be impact on the Clerks department, print shop. She stated the volume was unknown at the moment

Keen stated the project did not seem to take a numerous amount of time outside of the printing time.

Michael Cohen stated ideally (TAPE)

Keene stated through the alliance of innovation there was a pilot program that could be taken into

Peter stated the original cost for the program

Vogel stated it was set at 50.00 per question.

Barton recommended to council proceed with 6 month pilot program with PD that we chose the most important topics for each meeting to be chosen by staff that it be hosted by the PD site while we investigate the website issues and return to P&S for evaluation of the process and whether to continue or not and the funds would come from the Council Contingency Fund.

Peter stated his support to the Motion.

VOTE 3 1 sid no

**MOTION:** Council Member XX moved, seconded by XX, that the Policy and Services Committee recommends to the City Council for approval of a Pilot Program involving "Open City Hall" Online Service as an additional means to further engage the residents of Palo Alto in the decision making process and adhere to one of Council's top four priorities (Civic Engagement) for this year.

**MOTION PASSED 4-0.**

3. Recommendation to City Council Regarding Alternatives for an Area Median Income-Based Resale Price Formula for the Below Market Rate (BMR) Ownership Program.

Kathy Siegal, Advanced Planning Manager, spoke about the staff report presented to Council on July 7, 2008. The resale price of BMR units moderate affordability

Staff recommended

The concern was that resale price would be close to new unit prices and this would be lopsided. Older units hard to sell, price higher than new units, buyers would want new units and not older since they were cheaper.

Staff decided that an AMI approach, the Kaiser Marsden approach was best. Reduce percent to 70% a level of appreciation that would put older units lower than new units.

Putting together a plan for those owners who cannot afford to do upgrades that will be put in place within next year.

Kishimoto asked about the 2k per month

Kathy when the 2k annual credit is to reward owners who have done good maintenance, carpet with life in them. Developed in response to owners under 1/3 CPI the annual 2k is only applied to owners with 1/3 CPI. Not intended for properties that would have a more liberal funding, newer units. Implement the annual 2k credit, up to 5<sup>th</sup> sale using it. The current sales have been with owners who have kept up their units. No one has come forward whose house is in bad shape.

Kishimoto it is according to Attachment B

Kathy adding some capital improvements, deferred maintenance. Simple comparison is Attachment C.

Sid over the last couple of months, how does decision making work with PAHC

Kathy we have met over the whole study with worked on weekly basis on administrative details of the program.

Curtis Williams council provided direction to go to AMI similar to Kaiser

marsden had. It is not where HC and Staff started out. Direction was to tweak this issue, make gap more safe and secure, for units that we don't have to make improvements on. PAHC does not agree with AMI formula.

Kishimoto remembered two or three choices..which index to use AMI/CPI and what percentage, what is policy goal, or affordable ownership program. We have a new ABAG mandate to provide very low housing units. The goal should be to provide the most affordable housing for the city investment. Think ami index is a reasonable index, we could discuss decrease level 80% to 70% it costs the city and taxpayers 500k. We should keep prices low, because we have a stock of house. It changes the goal, but it is good for the city investment.

Barton stated is 30% CPI , there is a 10-15% delta that comes down to policy question, who are we trying to serve. Moderate income....feel guilt over this..he was he one now he is wavering after starting this. What is the policy if we went with the 70% over the 2k per year? What does it mean to take one over the other for policy statement.

Curtis there are two components, people who buy into program that we value their opportunity to gain something on the far end of the program when they sell....enjoy appreciation they would get more out of it with 2k per year....other policy develop moderate income product at end it would come in at the low income levels. More opportunity to supply to low income rather than we have been.

Bonnie Packer, 768 Stone Lane, PAHC representing the BMR committee we have always worked closely with staff. Purpose of letter is to explain their position. With the experience of home maintenance credit apply to 5 sales or so, the owner was getting a nice return on their investment, compared to other owner...it is small investment, but good return. 1/3 cpi plus 2k per year, great incentive for owner to maintain unit.

Marcie Mitchell, 725 Alma Street, BMR housing administrator, there are 3 current resale units that we have applied the 2k replacement credit, they are pleased with their return on investment....they were given some leeway. Her concern is the prices of the units, via the AMI ...there is not enough of a safety net, she is open to more conversation, bring down 70% ami lower or even keeping where it is. The current cpi and credit, is ease of administration no deed restriction changes. The current formula doesn't take into extra important stuff. She is in favor of keeping

Bonnie what is ami and cpi and how do they relate to people involved. People we are serving are not in that range of incomes, they are low income.

John barton, what is the value of having the delta between new and older units. Doesn't the market smooth that out? There are conditions that are dependant. Why do we care?

Kathy we find the waiting list is very interested in new units. We have owners of existing units who are interested in moving up to new units. Maybe from a condo flat to a 3 bedroom townhouse. We have very attractive 20 year old units with strong appeal.

Kishimoto isn't it possible if a unit is unattractive, doesn't the city have to buy them back

Kathy, there has only been one unit that that has happened, we have had great success with most units. There is a strong demand for the program , we may have to reach to the bottom of the list to find a buyer. There is a lot of interest in new units.

Peter, bmr unit owners have been at meetings up until this point, we have been trying to get a balance between both side. A little discomfort with moving forward because no bmr units are here to speak. He doesn't want it brought back to ps because

Marcie has spoken with 12-24 bmr units to talk about this...this issue has come up...there response has been mostly favorable 75/25 percent...for 2 of the 3 in process of selling now are pleased with the way it is now.

Kishimoto asked if PAHC recommends going back to 1/3 cpi with 2k incentive

Marcie all those factored in, you are back at the ceiling

Kathy, PAHC does... city staff gone out and inspected the units, evaluated assessing overall condition for 2k . Have to find a way to explain the formula, it is confusing. Formula has to be written in legal documents, then we need English writing for people to be able to understand. CPI is more understandable to people. It changes every 2 months and keep track of it. AMI is manipulated by HUD and sent out annually...there is eradict contradictions. It is gone down where documents don't show that.

Sid part of having this come back to ps was to think through ami, is this the right way to go...if there are staff concerns, in addition the connection to the PAHC, we should have thought about pushing this out...so more issues are worked through would have been better.

Kishimoto what is staff wanting to do...comfortable with going with CPI,

Curtis go to CPI, there is significant dollar difference it seems that it is significant enough...see chart...largest dollar value, most people reasonable seeing 2k a year is good.

Barton/kishimoto moved return to 1/3 of CPI with the 2k per year credit

Sid questioned where we are now and where staff was at beginning of meeting

Barton that is a good concern...he is comfortable with this

Kishimoto it is a difference of 70-80% but back to 1/3 CPI. What we are saying let the prices stay as reasonable but give owners 2k per year...not interim goal...

**MOTION PASSED 4-0.**

4. Discussion for Future Meeting Schedules and Agendas

October 14, 2008  
Ethics Audit January prelim response  
PW prevailing wage report

November 18, 2008  
Airport status report coming back

ADJOURNMENT: Meeting adjourned at 8:45 p.m.