



## REGULAR MEETING AGENDA

**Date:** 12/13/2017

**Time:** 6:30 p.m.

**Arrillaga Family Recreation Center – Cypress Room**  
**700 Alma St., Menlo Park, CA 94025**

### **A. Call To Order**

### **B. Roll Call**

### **C. Public Comment**

Under “Public Comment,” the public may address the Commission on any subject not listed on the agenda. Each speaker may address the Commission once under Public Comment for a limit of three minutes. Please clearly state your name and address or political jurisdiction in which you live. The Commission cannot act on items not listed on the agenda and, therefore, the Commission cannot respond to non-agenda issues brought up under Public Comment other than to provide general information.

### **D. Regular Business**

D1. Approve minutes for the Housing Commission meeting of November 08, 2017 ([Attachment](#))

D2. Recommendation of a Below Market Rate Agreement with Term Sheet/Hunter-Storm Properties for 1540 El Camino Real ([Staff Report #17-026-HC](#))

### **E. Reports and Announcements**

E1. Hello Housing quarterly update ([Staff Report #17-027-HC](#))

E2. Subcommittee reports (10 minutes):

- NOFA
- Nexus
- BMR Guidelines
- Housing Policy Committee

E3. Oral report on Waverly Street properties – Jim Cogan

E4. Update from MidPen Housing on the 1238 Willow Road and 355 Pierce Road community meeting

E5. Commissioner reports

E6. Staff updates and announcements

### **F. Adjournment**

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At every Regular Meeting of the Commission, in addition to the Public Comment period where the public shall have the right to address the Commission on any matters of public interest not listed on the agenda, members of the public have the right to directly address the Commission on any item listed on the agenda at a time designated by the Chair, either before or during the Commission's consideration of the item.

At every Special Meeting of the Commission, members of the public have the right to directly address the Commission on any item listed on the agenda at a time designated by the Chair, either before or during consideration of the item.

Any writing that is distributed to a majority of the Commission by any person in connection with an agenda item is a public record (subject to any exemption under the Public Records Act) and is available for inspection at the City Clerk's Office, 701 Laurel St., Menlo Park, CA 94025 during regular business hours.

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## REGULAR MEETING MINUTES - DRAFT

**Date:** 11/8/2017

**Time:** 6:30 p.m.

**City Hall**

**Conference Room: "Downtown"**

**701 Laurel St., Menlo Park, CA 94025**

### A. Call To Order

Chair Tate called the meeting to order at 6:32 p.m.

### B. Roll Call

**Present:** Michele Tate (Chair), Meg McGraw-Scherer (Vice Chair), Sally Cadigan, Julianna Dodick, Nevada Merriman and Karen Grove

**Absent:** Camille Kennedy

**Staff:** Jim Cogan, Housing and Economic Development Manager  
Meghan Revolinsky, Management Analyst II

### C. Public Comment

- Angie Evans, Housing Leadership Council, spoke in favor of housing preservation.

### D. Regular Business

- D1. Approve minutes for the Housing Commission meeting of October 11, 2017

**ACTION:** Motion by Grove and second by Cadigan to approve the October 11, 2017, Housing Commission meeting minutes. Motion passes; 5-0-1 (Kennedy absent).

- D2. Recommendation of a Below Market Rate Housing Agreement Term Sheet with Tarlton Properties, Inc. for 1490 O'Brien Drive

Tom Smith, Associate Planner, gave a brief description of the project and applicant John Tarlton answered commissioner questions.

**ACTION:** Motion by Merriman and second by Grove to approve the recommendation of a Below Market Rate Housing Agreement Term Sheet with Tarlton Properties, Inc. for 1490 O'Brien Drive. Motion passes; 5-0-1 (Kennedy absent).

- D3. Recommendation of a Below Market Rate Housing Agreement Term Sheet with Tarlton Properties, Inc. for 1605 Adams Drive

Tom Smith, Associate Planner, gave a brief description of the project and applicant John Tarlton answered commissioner questions.



**ACTION:** Motion by Grove and second by Tate to approve the recommendation of a Below Market Rate Housing Agreement Term Sheet with Tarlton Properties, Inc. for 1605 Adams Drive with a preference to use the funds for housing preservation. Motion passes; 5-0-1 (Kennedy absent).

## **E. Reports and Announcements**

### **E1. Housing Leadership Day - Oral Update – Vice Chair Meg McGraw-Scherer**

Commissioner McGraw-Scherer reported Housing Leadership Day had a great turn out. Commissioners Merriman, Grove and Dodick also attended Housing Leadership Day and reported on the sessions they attended.

### **E2. Subcommittee reports:**

NOFA subcommittee members Dodick and Grove reported they had a meeting with staff to discuss next step, are currently collecting NOFAs from other cities for ideas and will make sure to include any changes from BMR guidelines.

Nexus subcommittee members Merriman and Grove reported they have met, are scheduling a meeting with staff to discuss their findings and plan to move forward by comparing our current fees with other surrounding cities' fees, bringing a recommendation back to the commission and working with the Council liaison on to proceed with next steps.

BMR Guidelines subcommittee members Dodick and Grove presented an update with a power point presentation (see attachment) and will continue working on suggestions and come back to committee.

Housing Policy subcommittee members Merriman and Tate reported they are compiling a list of ideas to move forward on.

### **E3. Commissioner reports**

There were no reports.

### **E4. Staff updates and announcements**

Housing and Economic Development Manager Cogan announced upcoming events:

- On Monday, November 13, 2017, Mayor Kirsten Keith and Chair Michele Tate are hosting an "On the Table" housing conversation
- On Tuesday, December 12, 2017, is the Council reorganization meeting
- Friday, December 1, 2017, is the Tree lighting, Saturday, December 2, 2017, is Breakfast with Santa and Saturday, December 3, 2017, is the downtown Wine Walk
- Potential community meeting for the 1238 Willow Rd project by MidPen in early December

Additionally, Cogan reported that staff is working on a map showing all of BMR (ownership and rental) properties in Menlo Park (see attached map)

## **F. Adjournment**

Chair Tate adjourned the meeting at 9:50 p.m.



## BMR Guidelines Committee Update

Nov. 8, 2017

### Work to date:

- Initial meeting (Grove and Dodick, Kennedy via notes)
  - Set a strategy
    - Focus on high priority changes first
    - Note other improvements for possible second round of updates
  - Review stakeholder to interview
    - CLSEPA - Keith Ogden
    - Hello Housing – Jennifer Duffy
    - Belle Haven Action
    - Staff
    - Housing developers (non-profit, for-profit, Meg? - brown act issue)
- Interview CLESPA (Nov. 3) and Hello Housing (Nov. 7)

### BMR **Program** - Background on recommended updates

- Hello Housing memo from 2016
  - Allow households on BMR Homeownership Wait List who have been displaced to remain on the list in certain situations
- Belle Haven Action and other input from 2017
  - Include homeless people in BMR program
  - Include people who were displaced during the 2007 housing crisis

### Breaking it down

- BMR **Purchase** List
- BMR **Rental** List
- BMR Agreement and Review Process

### BMR **Purchase** List - Background

- Hello Housing memo from 2016
  - Households already on the BMR Purchase List were displaced and asked to remain on the list
- 2016 Memo to City suggesting exceptions for this situation
  - Household LIVED in Menlo Park when they were placed on the list (not only worked)
  - Have been on the list for at least one year
  - Were evicted with 60 day notice
  - Currently work in San Mateo County
  - Similar exceptions for retired Seniors who worked for at least a year in incorporated Menlo Park for at least one year before retiring.

### BMR Purchase List – For Discussion

- Household LIVED in Menlo Park when they were placed on the list (not only worked)
- Have been on the list for at least one year
- Were evicted with 60 day notice
  - Evicted only? Or include displace due to rent increase beyond capacity?
- Currently work in San Mateo County
  - Include other counties within a certain radius?
- Similar exceptions for retired Seniors who worked for at least a year in incorporated Menlo Park for at least one year before retiring.
  - Also include retired Seniors who worked in San Mateo County or within \_\_\_ radius?



## BMR Rental List - Background on requested updates

- Include Menlo Park residents who are homeless
- Include former residents who were displaced during the 2007 crisis
- Improve BMR Rental List administration and oversight
  - Inclusivity via policy and outreach
  - Clarity via transparency and communications
  - Simplify if possible

## BMR Rental List - Background

- Currently must live or work in Menlo Park to be on Menlo Park List
- Private developers must do affirmative outreach to develop their own list – includes outreach to members on the Menlo Park List
- Only when private list is exhausted do members of the Menlo Park List who did not apply to the private developers list get called.
  - When a BMR unit is vacated, members of private list are called before going out to Menlo Park List
- Criteria for Private List may be non-inclusive
  - Credit scores, funds in reserve, criminal background

## BMR Rental List – St. Anton Case Study-ette

- St. Anton negotiated a development agreement with Menlo Park, which included:
  - BMR requirement
    - Number and type of units
  - BMR rental terms
    - Affirmative outreach plan into community affected by the development
    - Eligibility criteria beyond live/work from MP Guidelines - (criminal background, credit history, etc)
    - Fee for city oversight of St. Anton BMR administration (none)
- City approved St. Anton development agreement, including BMR Terms
  - Housing Commission sees the terms and recommends approval (or not) to Planning Commission.
  - Planning Commission recommends approval (or not) to City Council
  - City Council votes

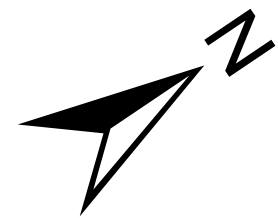
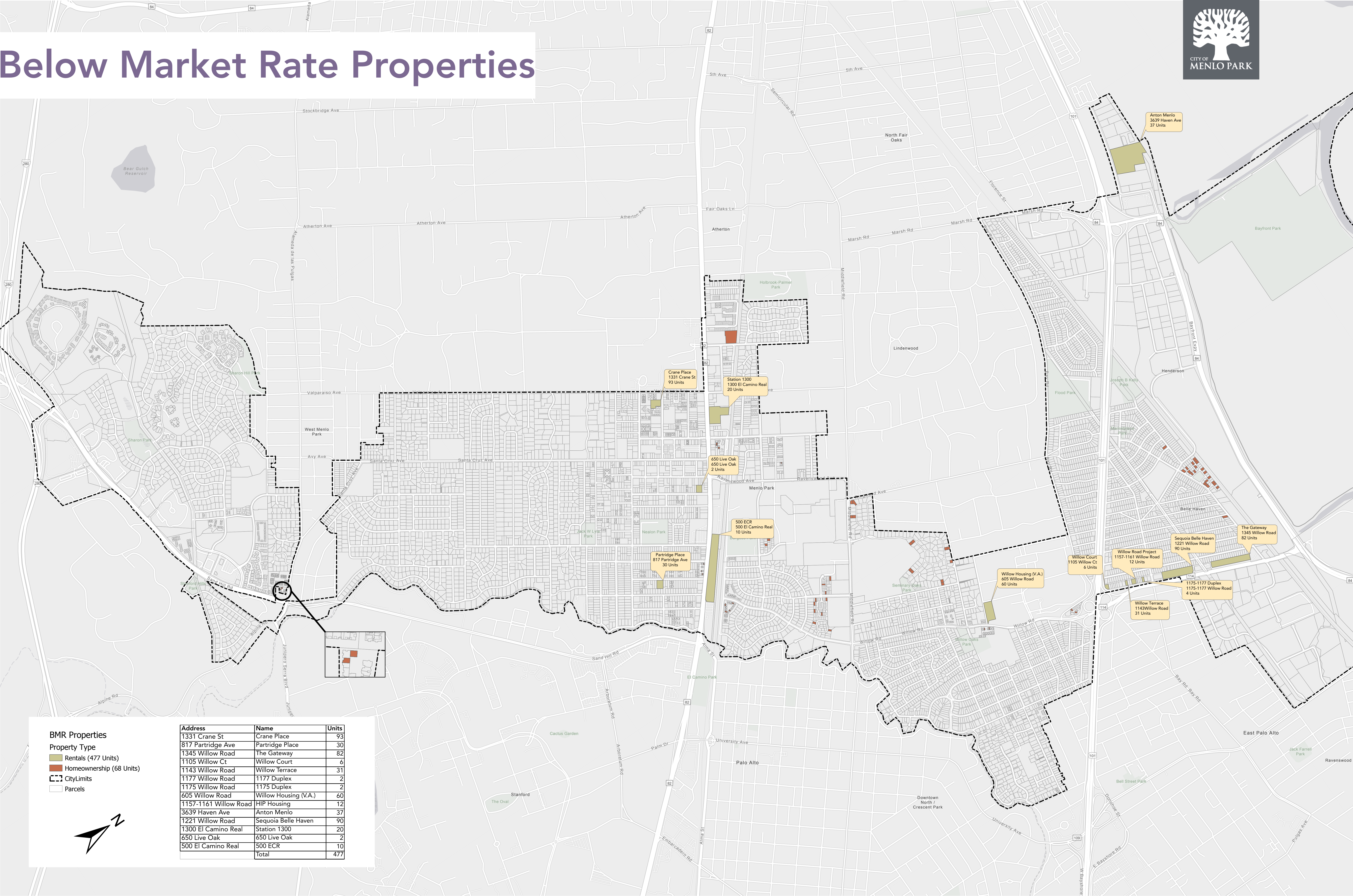
## BMR Rental List – St. Anton Case Study-ette, continued

- St. Anton does outreach for BMR units and fills units from their list
  - If a unit is vacated and they have not exhausted their list, they return to their list to offer the vacant unit to someone from that list (otherwise they have to do a full, inclusive outreach just for one unit and that is not cost-effective)
  - If a unit is vacated and they have exhausted their list, they turn to the Menlo Park List
- Question – who oversees St. Anton's BMR Administration to ensure fidelity to the agreement?
  - Hello Housing proposal to city
  - Funding will come from BMR Fund?

## BMR Rental List ideas – for discussion

- Maintain an Inclusive Interest List with minimal requirements:
  - Income eligible
  - Work or live, including homeless, or *displaced since 2007*
- Easy access
  - Open year-round
  - Assisted by technology
  - Paper applications accepted
  - Max cost to city independent of number of applications
- Assign preference points for (as examples) for Menlo Park Funded BMR Units
  - High risk of displacement
  - Previously subjected to predatory lending/foreclosure
  - Historically redlined community
- Note: BMR units funded by others will have other preferences
  - Foster youth
  - Seniors
  - Extremely Low Income residents







Menlo Bark BMR Rentals

Address	# Units	Owned By
1331 Crane St Menlo Park, CA 94025	93	Peninsula Volunteers Properties, Inc.
817 Partridge Ave Menlo Park, CA 94025	30	Peninsula Volunteers Properties, Inc.
1345 Willow Road Menlo Park, CA 94025	82	Developer: MidPen Housing Corporation
1105, 1104, 1141 Willow Road Menlo Park, CA 94025	6	Developer: MidPen Housing Corporation
1115, 1121, 1125, 1139, 1143 Willow Road Menlo Park, CA 94025	31	Developer: MidPen Housing Corporation
1177 Willow Road Menlo Park, CA 94025	2	City of Menlo Park
1175 Willow Road Menlo Park, CA 94025	2	City of Menlo Park
605 Willow Road Menlo Park, CA 94025	60	VA Palo Alto Healthcare System
1157-1161 Willow Road Menlo Park, CA 94025	12	HIP Housing Development
3639 Haven Ave Menlo Park, CA 94025	45	St. Anton
1221 Willow Road Menlo Park, CA 94025	90	Developer: MidPen Housing Corporation
In Construction		
1300 El Camino Real Menlo Park, CA 94025	20	Greenheart
Proposed		
500 El Camio Real	10	Stanford

Ownership Units

Property Address
2160 Santa Cruz Avenue, #9
158 Linfield Drive
20 Willow Road, #17
177 Hanna Way
503 Sandlewood Street
537 Sandlewood Street
509 Sandlewood Street
559 Hamilton Avenue
1407 Sage Street
1413 Rosemary Street
202 Ballard Lane
515 Sandlewood Street
507 Sandlewood Street
182 Seminary Drive
521 Sandlewood Street
1425 Rosemary Street
202 Morgan Lane
20 Willow Road, #22
833 Paulson Circle
533 Sandlewood Street
1 Heritage Place
169 Linfield Drive
27 Riordan Place
1155 Merrill Street, #209
10 Artisan Way
1417 Rosemary Street
265 Gloria Circle
1441 Almanor Avenue
600 Willow Road, #7
215 Gloria Circle
813 Paulson Circle
1490 Rosemary Street
2160 Santa Cruz Avenue, #1
425 Santa Monica Avenue
228 Morgan Lane
307 Homewood Place
148 Seminary Drive
520 Sandlewood Street
20 Willow Road, #30
555 Hamilton Avenue
546 Hopkins Street
10 Heritage Place
525 Sandlewood Street
535 Sandlewood Street
20 Willow Road, #33
1155 Merrill Street, #107
205 Gloria Circle
180 Seminary Drive
1058 Pine Street
29 Artisan Way
560 Barron Street
1155 Merrill Street, #206
157 Linfield Drive
1410 Rosemary Street
1401 Ginger Street
1403 Sage Street
151 Morandi Lane
600 Willow Road, #4
1382 Hollyburne Avenue
175 Hanna Way
1 Artisan Way
255 Gloria Circle
555 Barron Street
150 Seminary Drive
445 Santa Monica Avenue





## STAFF REPORT

### Housing Commission

**Meeting Date:** 12/13/2017

**Staff Report Number:** 17-026-HC

**Regular Business:** Below Market Rate Agreement with Term Sheet/Hunter-Storm Properties for 1540 El Camino Real

### Recommendation

Staff recommends that the Housing Commission recommend approval of the draft Below Market Rate (BMR) Term Sheet ("Term Sheet") to the Planning Commission for five on-site BMR rentals and an In Lieu Fee as described in the draft Term Sheet (Attachment A).

### Policy Issues

Each BMR Agreement is considered individually. The Housing Commission should consider whether the proposal would be in compliance with the BMR Housing Program requirements and the BMR Housing Ordinance.

### Background

#### *Site location*

The subject property is located at 1540 El Camino Real, in the SP-ECR/D (El Camino Real/Downtown Specific Plan) zoning district. The subject property is currently developed with a single-story commercial building and private surface parking lot that were originally constructed in the 1920s. The building has since been occupied by commercial/retail uses, primarily by Beltramo's Fine Wine and Spirits. The subject property has two frontages with one on El Camino Real and one on San Antonio Street. Both frontages are considered front property lines. The property is currently accessed by driveways on El Camino Real and San Antonio Street.

Using El Camino Real in the north to south orientation, properties to the north and south of the subject site are also located in the SP-ECR/D zoning district, and are developed with residential, office, and commercial uses. The properties to the west and across El Camino Real are located in the Town of Atherton and are single-family residences. The properties to the east and across San Antonio Street are located in the R-3 Apartment District and are multi-family residential buildings. A location map is included as Attachment B.

### Analysis

The applicant's BMR proposal letter and select sheets from the project plans are included as Attachments C and D, respectively.



### ***Project description***

The applicant is proposing to demolish the existing commercial building, and construct a new two-story office building and a three-story residential building with 27 residential units. The residential units would include nine, one bedroom units, 17 two bedroom units, and one three bedroom unit. Parking would be provided by surface parking on the ground level and a two level below-grade parking garage serving both buildings. The residential and office uses would have separate garage entrances. Access to the site would be provided by driveways on El Camino Real and San Antonio Street.

The proposed buildings are designed in contemporary architectural styles. The office building would front El Camino Real and feature large storefront windows. A building break along the front elevation would provide entry to the ground floor space and create a courtyard with seating and a water feature. The residential building would front San Antonio Street. The main building entrance and several ground floor units would have direct access off San Antonio Street provided by private decks/landings. The residential building would include a courtyard with a trellis and seating at the rear of the building. The proposal is subject to additional review and refinement prior to Planning Commission action.

### ***BMR Housing Program requirement***

The applicant is required to comply with Chapter 16.96 of City's Municipal Code ("BMR Ordinance"), and with the BMR Housing Program Guidelines adopted by the City Council to implement the BMR Ordinance ("BMR Guidelines") since the project includes more than five residential units and 10,000 square feet of commercial gross floor area. In accordance with state law, a residential development of 20 or more units is required to provide not less than 15 percent of the units at below market rates to very low-, low-, and moderate-income households. Previously rental projects were not subject to the City's BMR requirements; however, new state laws require rental housing projects to comply with the same BMR requirements as for-sale projects. If the number of units required for a residential development includes a fraction of a unit, the developer shall provide either a whole unit or a prorated in lieu payment to account for the fraction of a unit. The proposed mix of residential units and commercial square footage results in a requirement for 5.4 BMR units (either on- or off-site) and/or the payment of in-lieu fees. The BMR Ordinance requires the applicant to submit a Below Market Rate Housing proposal for review by the Housing Commission.

At this time, the Housing Commission should review the draft Term Sheet and provide guidance to staff, the applicant, and the Planning Commission. The draft Term Sheet would be used to inform the draft BMR Agreement, which would subsequently be reviewed and acted on by the Planning Commission.

Residential use of the property is allowed by the applicable zoning regulations, and the project includes 27 residential units. The applicant is proposing to satisfy the project's BMR obligation through the provision of five moderate-income level BMR units on site. For the remaining 0.4 fraction of a unit, the applicant proposes to pay the applicable in lieu fee as provided in the BMR Ordinance and Guidelines. Moderate-income level units are appropriate in this location as Reginal Housing Needs Allocation (RHNA) indicates a need for 143 moderate-income level units and the City currently does not have any moderate-income level BMR units. Additionally, 18.5 percent of the residential units will be BMR which exceeds the required 15 percent for the residential component. The BMR requirements for the commercial and residential uses are outlined in the table below.



Table 1: BMR Requirements			
Commercial use	Fee per square foot	Square feet	Component fees
Existing Building - Office	\$16.15	0	\$0.00
Existing Building - Non-Office	\$8.76	23,536	(\$206,175.36)
Proposed Building - Office	\$16.15	40,759	\$658,257.85
Proposed Building - Non-Office	\$8.76	0	\$0.00
<b>BMR Requirement</b>			<b>1.36 units</b>
<b>BMR IN-Lieu Fee Option</b>			<b>\$452,082.49</b>
Residential use	Factor to calculate BMR	Unit requirement	
<b>27 Units</b>	<b>15% of proposed units</b>	<b>4.05 units</b>	

The five proposed BMR units would be distributed throughout the residential building, with one unit on the first level, three units on the second level, and one unit on the third level. The units would include one, two bedroom unit and four, one bedroom units ranging in size from 585 square feet to 1,179 square feet. According to the applicant, the exteriors of the BMR units would be indistinguishable from those of the market-rate units, and the interiors of the BMR units would be similar to those of the market-rate units. Each unit would be assigned one parking space in the below-grade parking garage. Select plan sheets that include floor plans of the individual units are provided in Attachment D.

Given that five on-site BMR units are being proposed staff believes that it would be appropriate to consider a fee payment for the 0.4 fraction of a unit in lieu of providing an additional BMR unit. The draft Term Sheet is included as Attachment A. The BMR summary and the applicant's proposal are noted in the following table; however, the applicable fee for the project will be based upon the per square foot fee in effect at the time of payment. The draft BMR agreement may be modified prior to Planning Commission action to include updated building square footages as the applicant continues to refine the project.

Table 2: BMR Summary and Applicant Proposal	
Net Office sf	40,759
Existing Commercial sf	23,536
Net New sf	17,223
Net New units	27
Total BMR Unit Requirement	5.4
Applicant Proposal	5 BMR Units and \$135,345.59 In Lieu Fee for remaining .4 of a unit
Staff Recommendation	5 BMR Units and \$135,345.59 In Lieu Fee for remaining .4 of a unit



### **Correspondence**

Staff has not received any correspondence regarding the BMR proposal.

### **Conclusion**

Staff believes that the applicant's proposal of five on-site BMR units and a BMR in lieu fee for the remaining 0.4 unit would meet the BMR requirements. Further, the location of these units in the El Camino Real corridor would be generally considered a positive. Staff recommends that the Housing Commission recommend to the Planning Commission approval of the on-site BMR units and payment of a BMR in lieu fee under the terms stated in the draft BMR Agreement Term Sheet.

### **Impact on City Resources**

The project sponsor is required to pay Planning, Building and Public Works permit fees, based on the City's Master Fee Schedule, to fully cover the cost of staff time spent on the review of the project. The proposed BMR in lieu fee payment would contribute \$135,345.59 to the City's BMR fund.

### **Environmental Review**

The proposed project will be evaluated with respect to compliance with the California Environmental Quality Act (CEQA) as part of the Planning Commission action. BMR direction is not an action under CEQA, so environmental review is not required by the Housing Commission.

### **Public Notice**

Public Notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting.

### **Attachments**

- A. Draft BMR Agreement Term Sheet
- B. Location Map
- C. 1540 El Camino Real BMR Proposal
- D. Excerpts of Project Plans

Report prepared by:

Kaitie Meador, Associate Planner

Report reviewed by:

Kyle Perata, Senior Planner

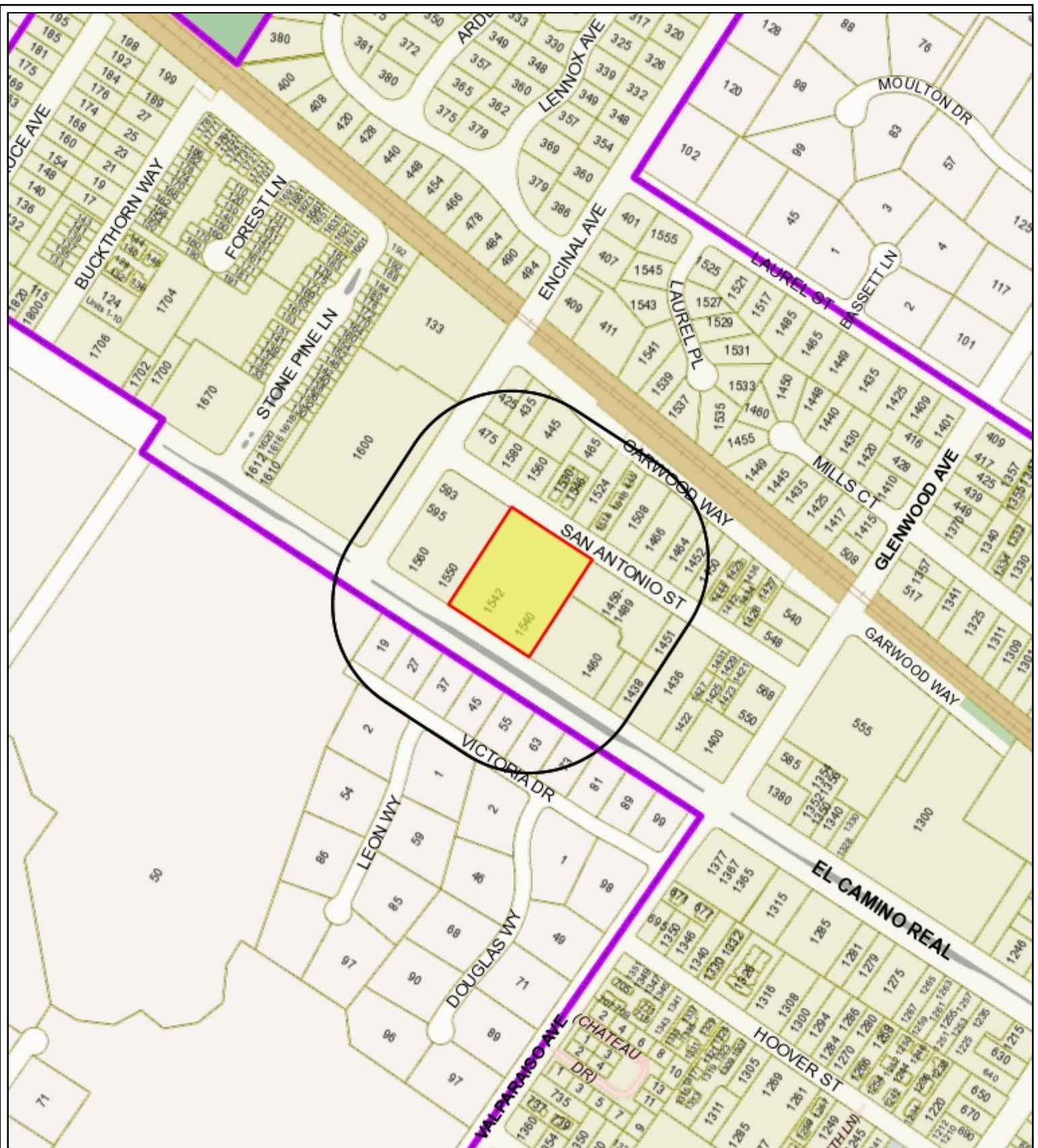


## **1540 El Camino Real**

### **Draft Below Market Rate (BMR) Housing Proposal**

1. Applicant owns property known as Assessor's Parcel Number: 061-422-370 ("Property"), more commonly known as 1540 El Camino Real, Menlo Park;
2. Applicant is requesting architectural control and tentative map approval for the demolition of an existing commercial building and the construction of a new two-story office building and a three-story residential building with 27 residential units with a two level underground parking garage serving both buildings in the SP-ECR/D (El Camino Real Downtown/Specific Plan) zoning district;
3. The proposal would be developed at the Base Level;
4. The residential units consist of more than five units and the commercial component would be greater than 10,000 square feet in gross floor area and therefore, Applicant is required to comply with Chapter 16.96 of City's Municipal Code ("BMR Ordinance") and with the Below Market Rate Housing Program Guidelines ("Guidelines") adopted by the City Council to implement the BMR Ordinance;
5. The project would include 27 residential rental units and a net increase of 17,223 square feet of office/commercial use; which would result in a requirement of 5.4 BMR housing units;
6. Applicant has elected to satisfy the BMR requirement for the proposed project through a combination of providing five on-site BMR units and payment of an in lieu fee estimated to be \$135,345.59;
7. The residential in lieu payment shall be established as set forth in Section 4 of the BMR Guidelines;
8. The characteristics of the BMR units shall be in conformance with Section 5 of the BMR Guidelines;
9. The eligibility requirements for the BMR units shall be established as set forth in Section 6 of the BMR Guidelines;
10. The BMR waiting list for rental units shall be established as set forth in Section 7 of the BMR Guidelines; and
11. The residential component of the proposal is rental, and as such the BMR units shall meet the rental requirements set forth in Section 11 of the BMR Guidelines.





City of Menlo Park  
Location Map  
1540 El Camino Real





November 20, 2017

Kaitie Meador  
Associate Planner  
City of Menlo Park  
701 Laurel Street  
Menlo Park, CA 94025

Subject: Updated BMR Housing Proposal – 1540 El Camino Real, Menlo Park, CA

Dear Ms. Meador,

We are pleased to provide this letter with the submittal of our application for our proposed mixed-use project at 1540 El Camino Real, Menlo Park. As you know, our project consists of twenty-seven (27) for rent residential units with a mix of nine (9) one-bedroom/one-bath units, seventeen (17) two-bedroom/two-bath units, and one (1) three-bedroom/two-bath unit. Of the seventeen two-bedroom units, one unit also include a den.

We would like to offer Below Market Rate (BMR) housing to the City of Menlo Park as a confirmation of our commitment to the local community. **We will commit 5 (4 one-bedroom and 1 two-bedroom) units, or 18.5% of our on-site units as BMR housing for moderate-income levels along with a 0.4 additional BMR unit in-lieu fee of \$135,345.59.** Therefore, the net gain to Menlo Park will be 5.4 total BMR units (5 included on our site and the equivalent funding for another 0.4 units to be built off site).

We recognize that twenty-seven units will not solve the housing crisis in itself. However, we believe our project and BMR proposal will positively benefit Menlo Park, and we are excited to play a role in providing additional supply to help alleviate some of the burden of your residents. We look forward to working with you and the rest of the City staff to create a project that makes all of us proud!

Sincerely,



Deke Hunter  
President  
Hunter/Storm



SITE ANALYSIS	
ZONING: EC-NE	
LOT AREA:	74,488 SF
ALLOWABLE FLOOR AREA: (74,488 X 1)	8,137 SF
COMMERCIAL - PROPOSED FIRST FLOOR AREA:	19,371 SF
PROPOSED SECOND FLOOR AREA:	20,156 SF
PROPOSED ROOF AREA:	896 SF
RESIDENTIAL - PROPOSED FIRST FLOOR AREA:	10,194 SF
PROPOSED SECOND FLOOR AREA:	12,282 SF
PROPOSED THIRD FLOOR AREA:	12,282 SF
ROOF AREA:	214 SF
TOTAL PROPOSED FLOOR AREA:	75,131 SF
BUILDING COVERAGE:	44%
LANDSCAPING:	29%
PAVING:	26%
PARKING SPACES:	182

ISSUES AND REVISIONS		
NO.	DATE	DESCRIPTION
	01/13/17	PRE-APPLICATION SUBMITTAL
	03/27/17	PRE-APPLICATION SUBMITTAL
	06/12/17	PLANNING SUBMITTAL
	08/25/17	PLANNING RESUBMITTAL
	10/20/17	PLANNING RESUBMITTAL
	11/30/17	PLANNING RESUBMITTAL

PROJECT NUMBER  
16010

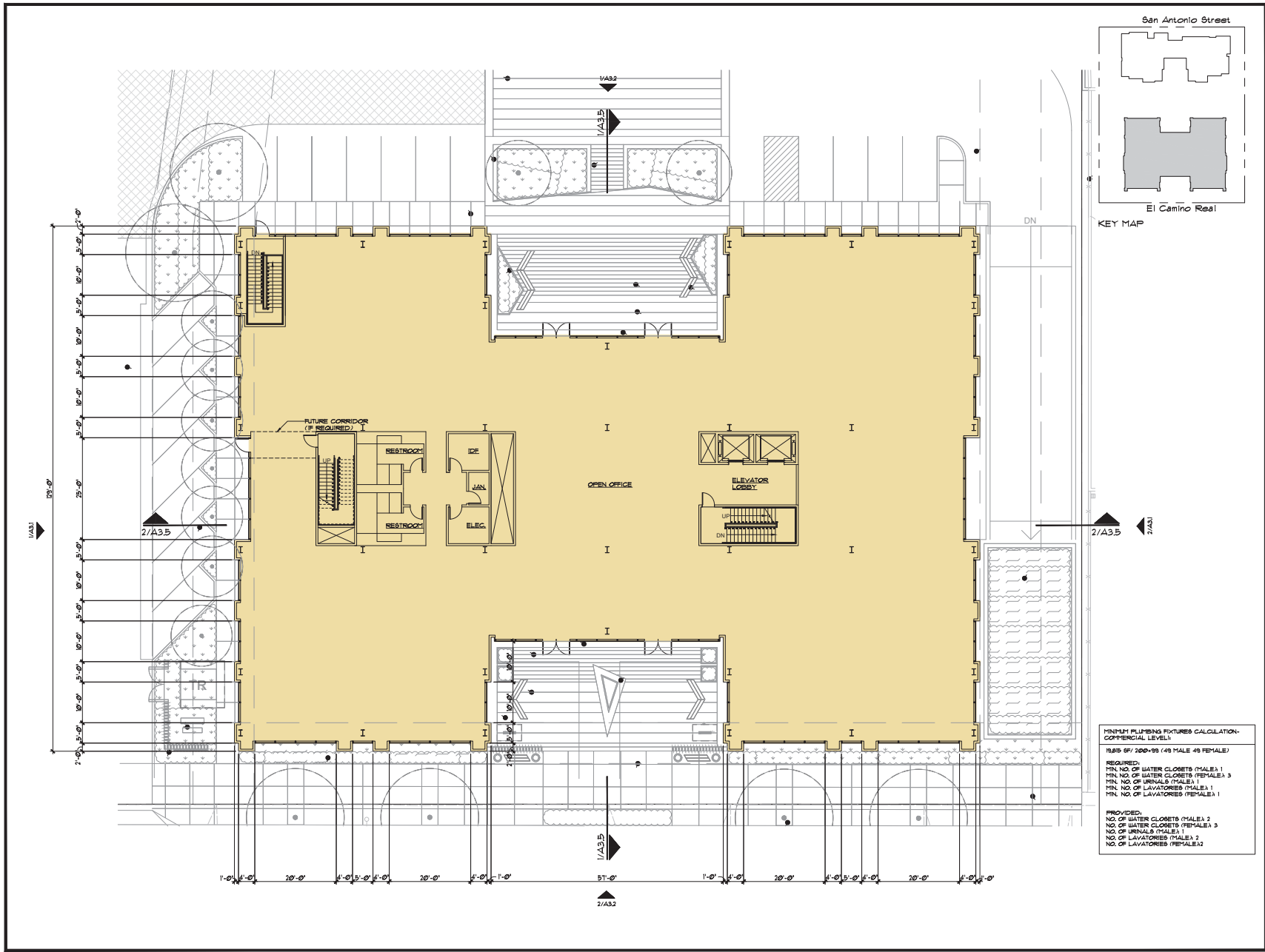
SHEET TITLE  
**SITE PLAN**

SCALE  
1/16"=1'-0"

SHEET NUMBER

## A1.2





# 1540 EL CAMINO REAL

HUNTER-STORM DEVELOPMENT

**KSH ARCHITECTS**  
KORTH SUNSERI HAGEY

**ktgy**

ISSUES AND REVISIONS	
NO.	DATE
01/13/17	PRE-APPLICATION SUBMITTAL
03/27/17	PRE-APPLICATION SUBMITTAL
06/12/17	PLANNING SUBMITTAL
08/25/17	PLANNING SUBMITTAL
10/20/17	PLANNING RESUBMITTAL
11/09/17	PLANNING RESUBMITTAL

PROJECT NUMBER  
16010

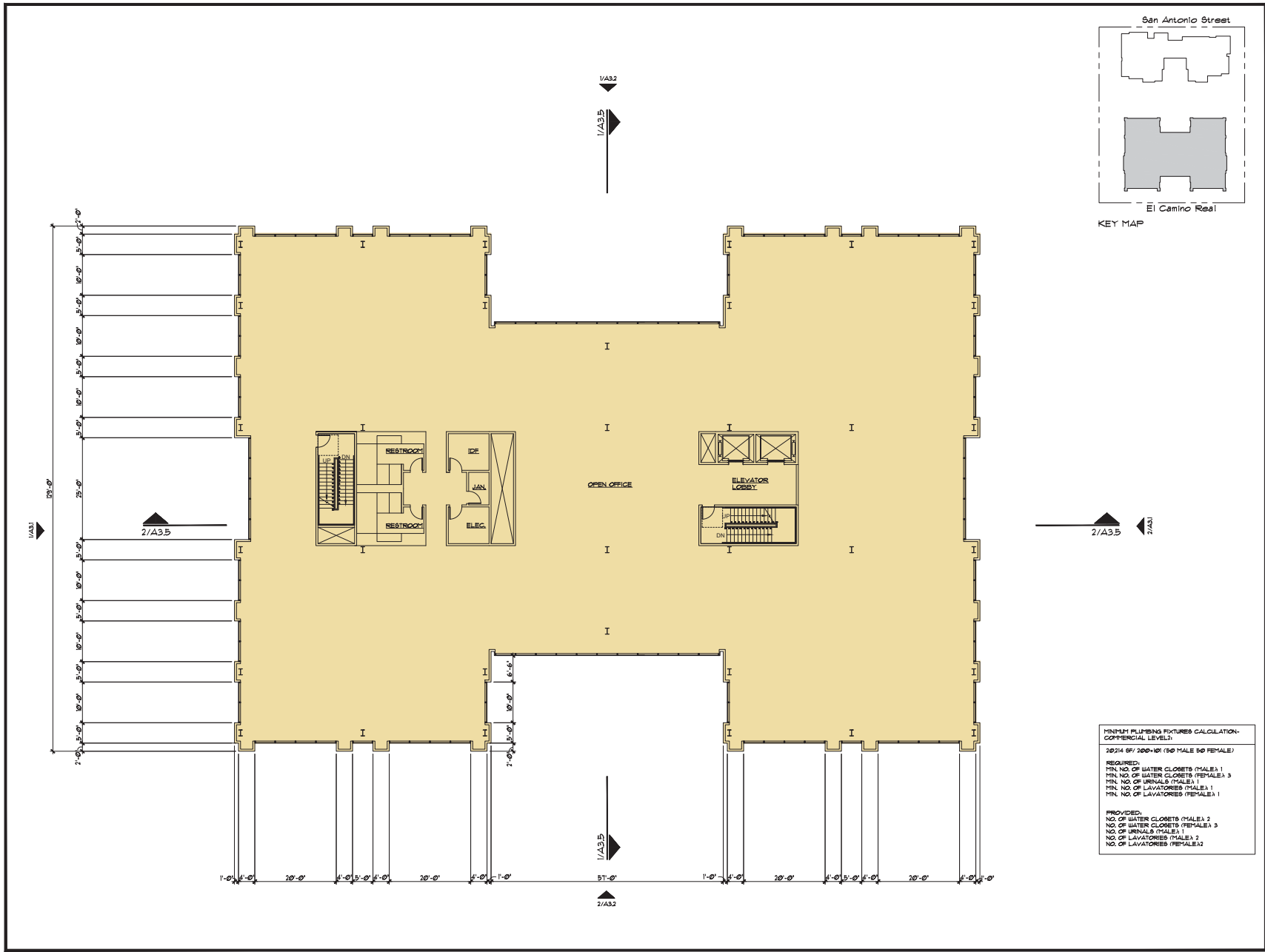
SHEET TITLE  
**LEVEL 1 PLAN - COMMERCIAL**

SCALE  
3/32"=1'-0"

SHEET NUMBER

**C-A2.3**





# 1540 EL CAMINO REAL

HUNTER-STORM DEVELOPMENT

**KSH ARCHITECTS**  
KORTH SUNSERI HAGEY

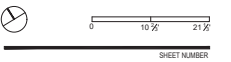
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ISSUES AND REVISIONS		
NO.	DATE	DESCRIPTION
01/13/17		PRE-APPLICATION SUBMITTAL
03/27/17		PRE-APPLICATION SUBMITTAL
06/12/17		PLANNING SUBMITTAL
08/25/17		PLANNING SUBMITTAL
10/23/17		PLANNING RESUBMITTAL
11/09/17		PLANNING RESUBMITTAL

PROJECT NUMBER  
16010

SHEET TITLE  
**LEVEL 2 PLAN - COMMERCIAL**

SCALE  
3/32"=1'-0"



**C-A2.4**

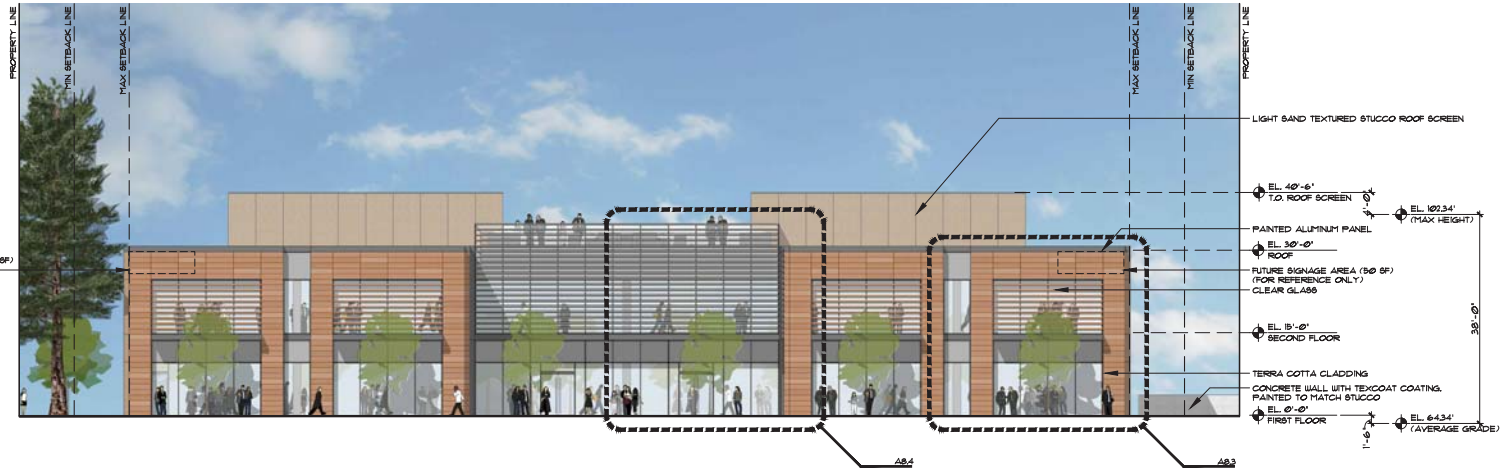


# 1540 EL CAMINO REAL

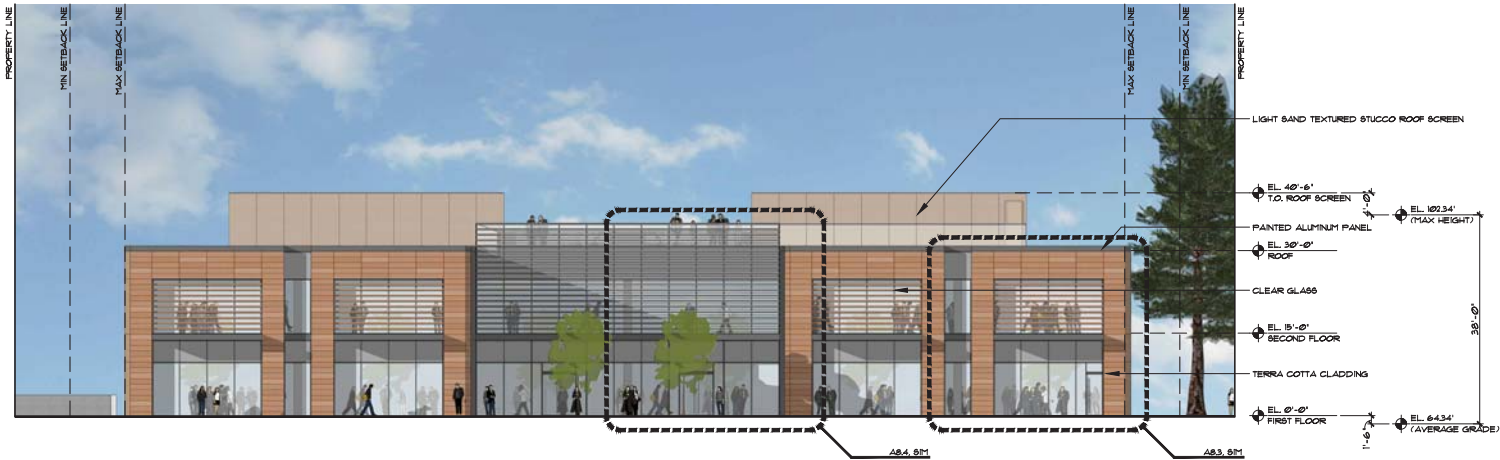
HUNTER-STORM DEVELOPMENT

**KSH ARCHITECTS**  
KORTH SUNSERI HAGEY

**ktgy**



**2 | SOUTH ELEVATION**  
3/32"=1'-0"

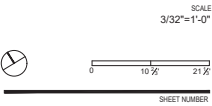


**1 | NORTH ELEVATION**  
3/32"=1'-0"

ISSUES AND REVISIONS	
NO.	DATE
01/13/17	PRE-APPLICATION SUBMITTAL
03/27/17	PRE-APPLICATION SUBMITTAL
06/12/17	PLANNING SUBMITTAL
08/25/17	PLANNING RESUBMITTAL
10/25/17	PLANNING RESUBMITTAL
11/09/17	PLANNING RESUBMITTAL

PROJECT NUMBER  
15010

SHEET TITLE  
**ELEVATIONS - COMMERCIAL**



**C-A3.2**

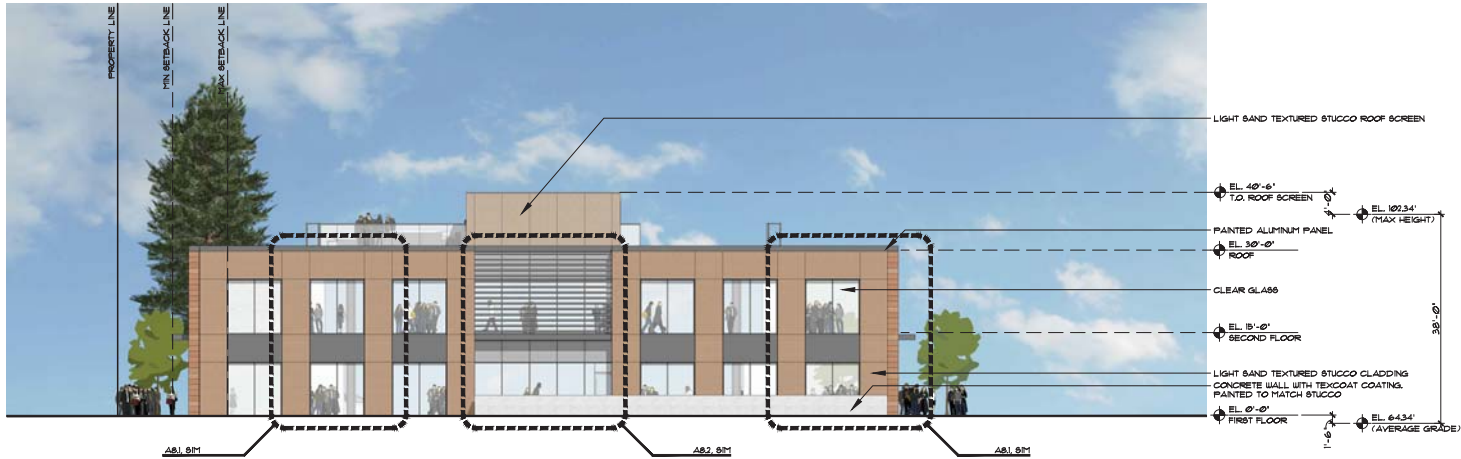


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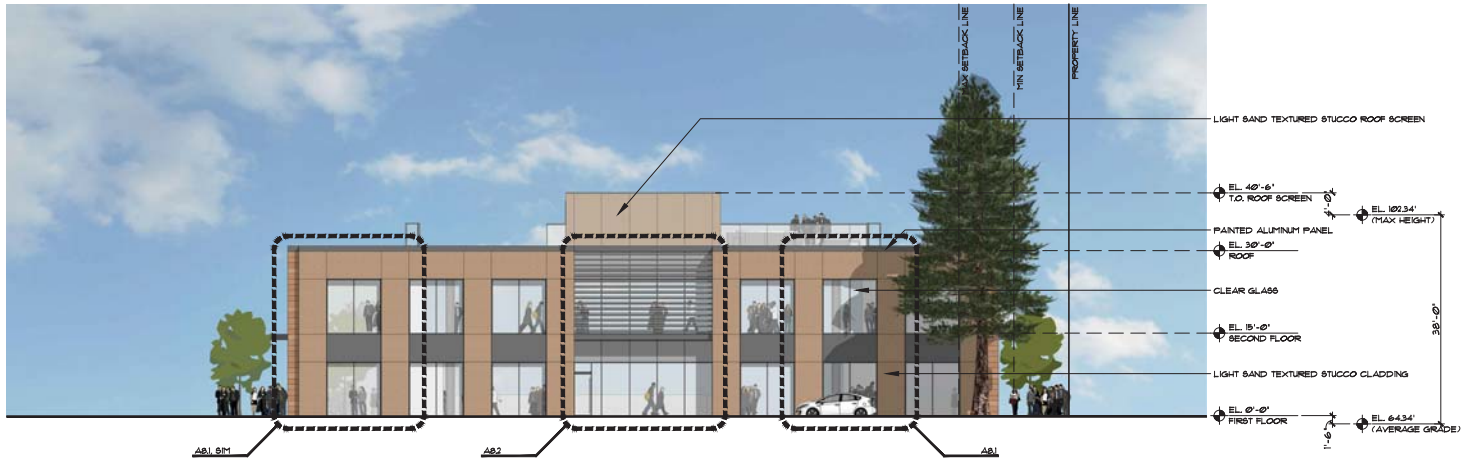
HUNTER-STORM DEVELOPMENT

KSH ARCHITECTS  
KORTH SUNSERI HAGEY

ktgy



2 | EAST ELEVATION  
3/32"=1'-0"



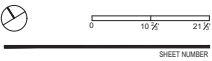
1 | WEST ELEVATION  
3/32"=1'-0"

ISSUES AND REVISIONS	
NO.	DATE
01/13/17	PRE-APPLICATION SUBMITTAL
03/27/17	PRE-APPLICATION SUBMITTAL
06/12/17	PLANNING SUBMITTAL
08/25/17	PLANNING RESUBMITTAL
10/20/17	PLANNING RESUBMITTAL
11/09/17	PLANNING RESUBMITTAL

PROJECT NUMBER  
15010

SHEET TITLE  
ELEVATIONS - COMMERCIAL

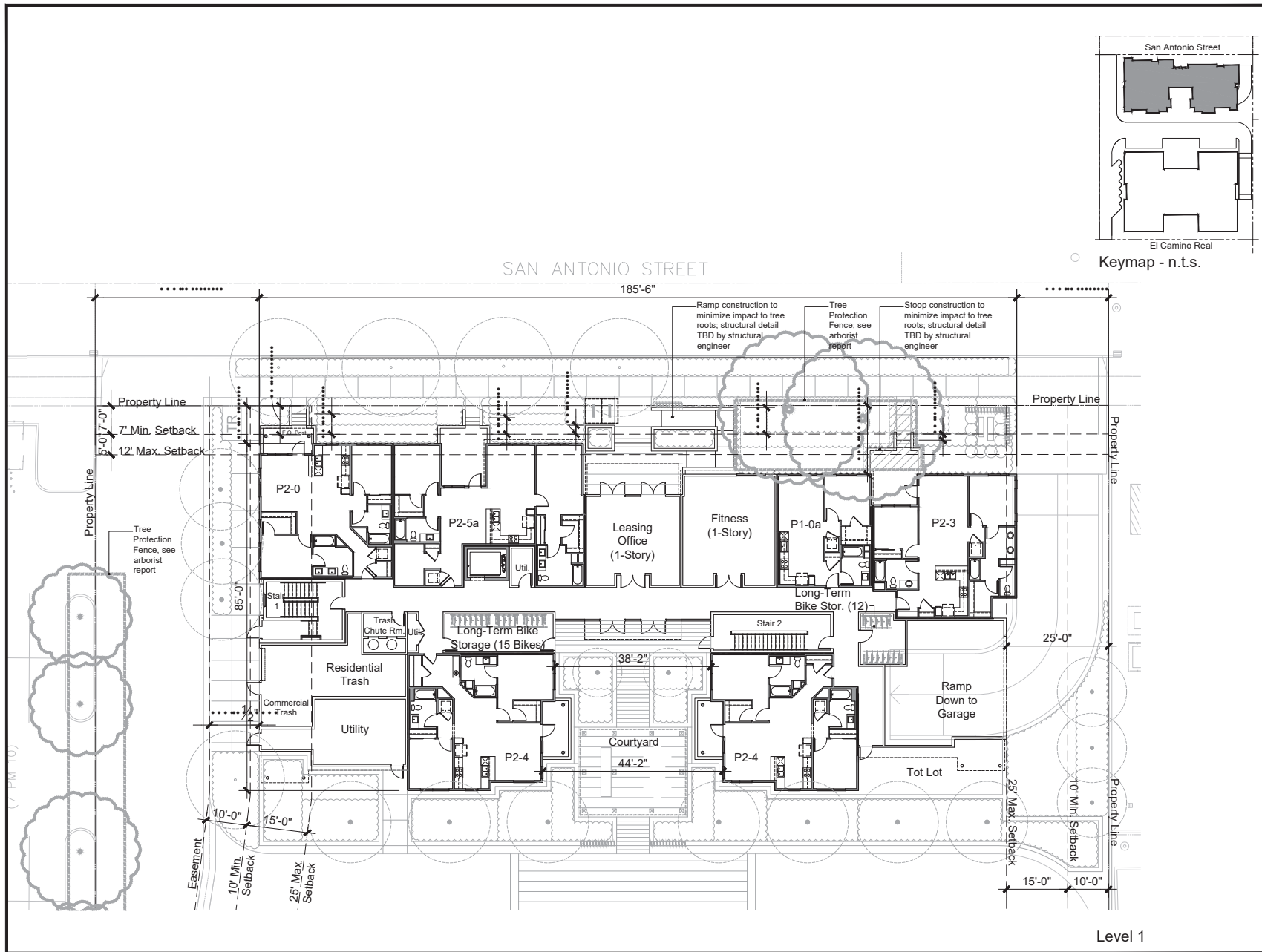
SCALE  
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SHEET NUMBER

C-A3.3





1540 EL CAMINO REAL

HUNTER-STORM DEVELOPMENT

**KSH ARCHITECTS**  
KORTH SUNSERI HAGEY

**ktgy**

Keymap - n.t.s.

ISSUES AND REVISIONS		
NO.	DATE	DESCRIPTION
01/13/17		PRE-APPLICATION SUBMITTAL
03/27/17		PRE-APPLICATION SUBMITTAL
06/12/17		PLANNING SUBMITTAL
08/25/17		PLANNING RESUBMITTAL
10/20/17		PLANNING RESUBMITTAL
11/30/17		PLANNING RESUBMITTAL

PROJECT NUMBER  
15010

SHEET TITLE  
LEVEL 1 PLAN - RESIDENTIAL

SCALE  
3/32" = 1'-0"



SHEET NUMBER

**R-A2.1**

ALL DIMENSIONS AND NOTATIONS ARE APPROXIMATE. THE ARCHITECT AND ENGINEER SHALL BE RESPONSIBLE FOR THE ACCURACY OF THE DIMENSIONS AND NOTATIONS. THE ARCHITECT AND ENGINEER SHALL BE RESPONSIBLE FOR THE ACCURACY OF THE DIMENSIONS AND NOTATIONS. THE ARCHITECT AND ENGINEER SHALL BE RESPONSIBLE FOR THE ACCURACY OF THE DIMENSIONS AND NOTATIONS.

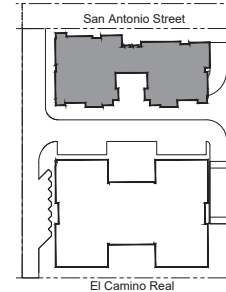


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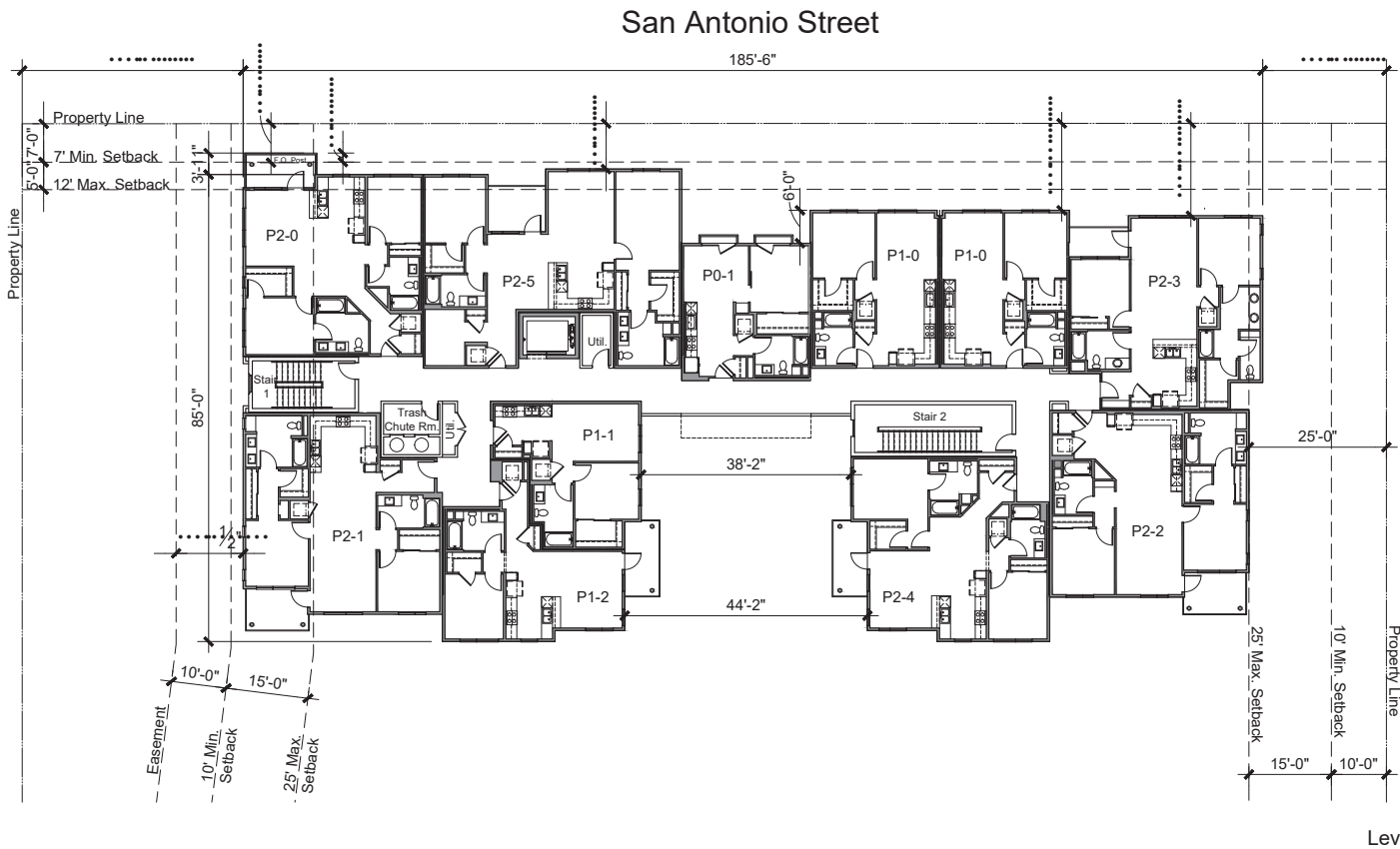
HUNTER-STORM DEVELOPMENT

**KSH** ARCHITECTS  
KORTH SUNSERI HAGEY

**ktgy**



Keymap - n.t.s.



Level 2

ISSUES AND REVISIONS	
NO.	DATE
01/13/17	PRE-APPLICATION SUBMITTAL
03/27/17	PRE-APPLICATION SUBMITTAL
06/12/17	PLANNING SUBMITTAL
08/25/17	PLANNING RESUBMITTAL
10/20/17	PLANNING RESUBMITTAL
11/30/17	PLANNING RESUBMITTAL

PROJECT NUMBER  
15010

SHEET TITLE  
LEVEL 2 PLAN - RESIDENTIAL

SCALE  
3/32" = 1'-0"



SHEET NUMBER

**R-A2.2**

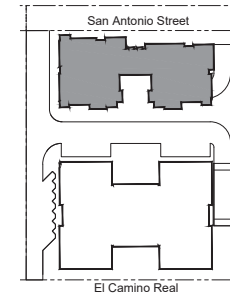


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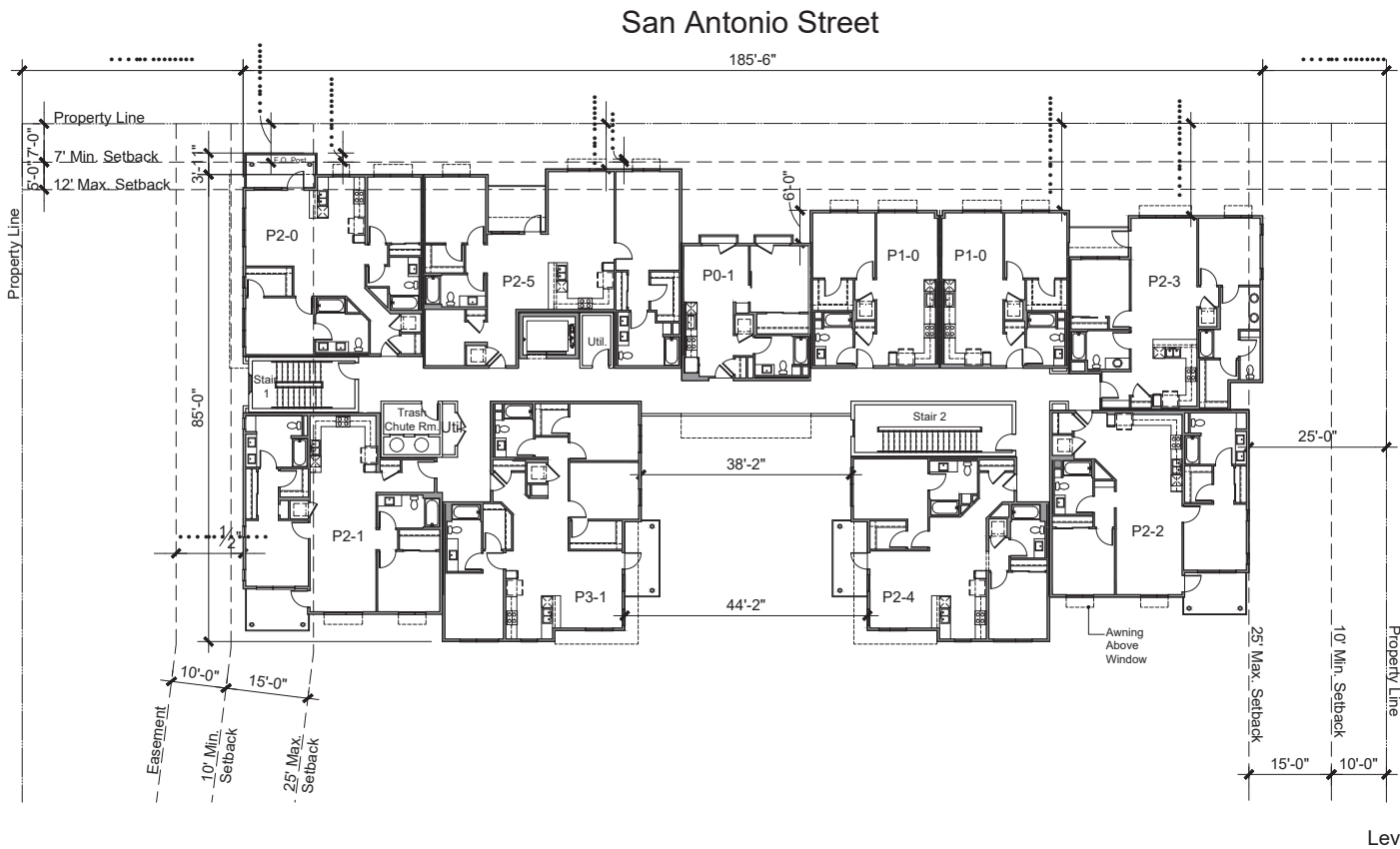
HUNTER-STORM DEVELOPMENT

KSH ARCHITECTS  
KORTH SUNSERI HAGEY

ktgy



Keymap - n.t.s.



Level 3

ISSUES AND REVISIONS	
NO.	DATE
01/13/17	PRE-APPLICATION SUBMITTAL
03/27/17	PRE-APPLICATION SUBMITTAL
06/12/17	PLANNING SUBMITTAL
08/25/17	PLANNING RESUBMITTAL
10/20/17	PLANNING RESUBMITTAL
11/30/17	PLANNING RESUBMITTAL

PROJECT NUMBER  
15010

SHEET TITLE  
LEVEL 3 PLAN - RESIDENTIAL

SCALE  
3/32" = 1'-0"



SHEET NUMBER

R-A2.3



# 1540 EL CAMINO REAL

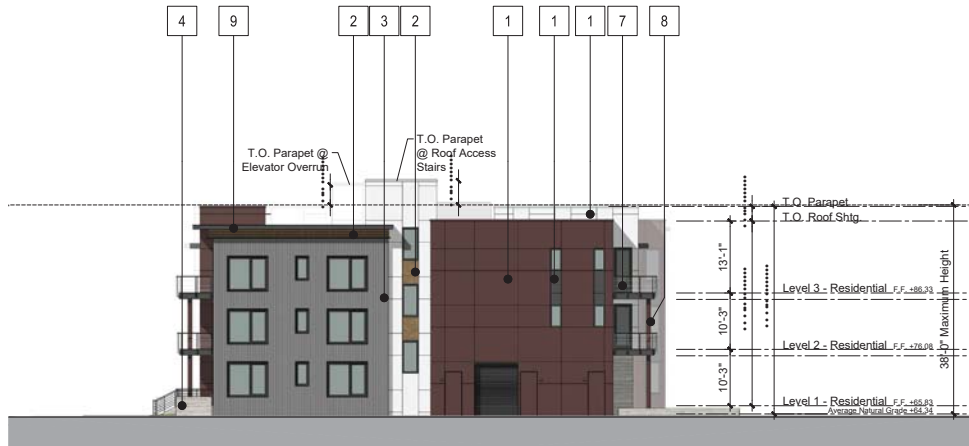
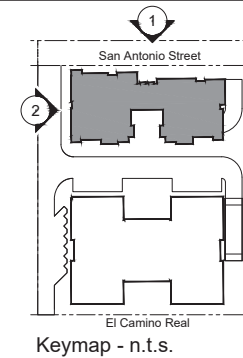
HUNTER-STORM DEVELOPMENT

**KSH ARCHITECTS**  
KORTH SUNSERI HAGEY

**ktgy**

## Keynote Legend

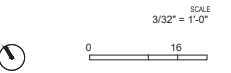
1. Composite Panel
2. Composite Wood Panel
3. Vertical Profile Siding
4. Stone Veneer
5. Storefront Glazing
6. Metal Cornice
7. Metal Railing
8. Metal Column
9. Metal Awning
10. Signage
11. Exposed Concrete
12. Vinyl Window



ISSUES AND REVISIONS	
NO.	DATE
01/13/17	PRE-APPLICATION SUBMITTAL
03/27/17	PRE-APPLICATION SUBMITTAL
06/12/17	PLANNING SUBMITTAL
08/25/17	PLANNING RESUBMITTAL
10/20/17	PLANNING RESUBMITTAL
11/30/17	PLANNING RESUBMITTAL

PROJECT NUMBER  
16010

SHEET TITLE  
ELEVATIONS - RESIDENTIAL



SHEET NUMBER



Note: Signage shown for reference only.

**R-A3.1**



## HUNTER-STORM DEVELOPMENT

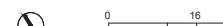
ktg

ISSUES AND REVISIONS		
NO.	DATE	DESCRIPTION
	01/13/17	PRE-APPLICATION SUBMITTAL
	03/27/17	PRE-APPLICATION SUBMITTAL
	06/12/17	PLANNING SUBMITTAL
	08/25/17	PLANNING RESUBMITTAL
	10/20/17	PLANNING RESUBMITTAL
	11/30/17	PLANNING RESUBMITTAL

PROJECT NUMBER  
16010

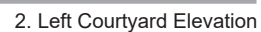
SHEET TITLE  
ELEVATIONS - RESIDENTIAL

SCALE  
3/32" = 1'-0"

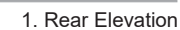


SHEET NUMBER

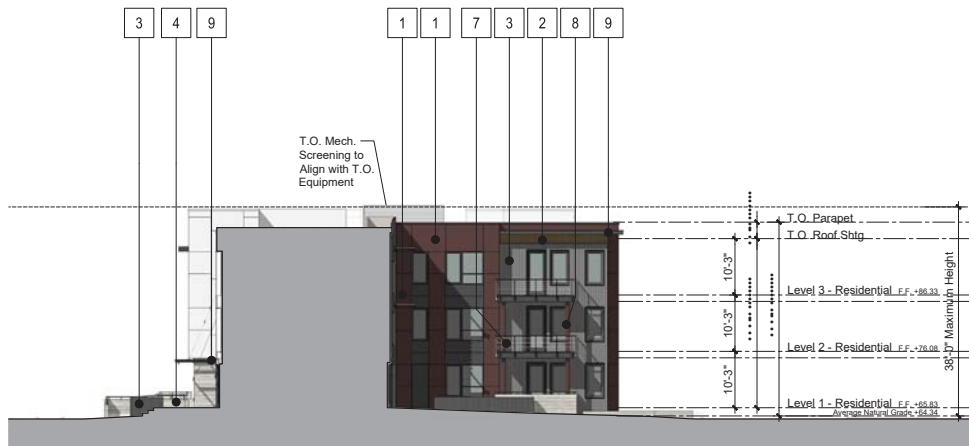
R-A3.2



1. Composite Panel
2. Composite Wood Panel
3. Vertical Profile Siding
4. Stone Veneer
5. Storefront Glazing
6. Metal Cornice
7. Metal Railing
8. Metal Column
9. Metal Awning
10. Signage
11. Exposed Concrete
12. Vinyl Window



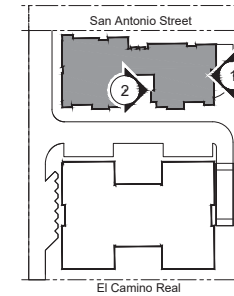




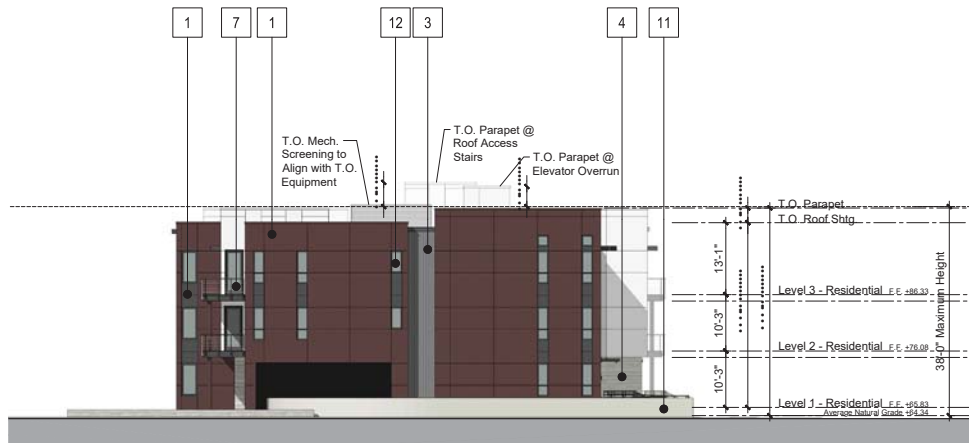
2. Right Courtyard Elevation

### Keynote Legend

1. Composite Panel
2. Composite Wood Panel
3. Vertical Profile Siding
4. Stone Veneer
5. Storefront Glazing
6. Metal Cornice
7. Metal Railing
8. Metal Column
9. Metal Awning
10. Signage
11. Exposed Concrete
12. Vinyl Window



Keymap - n.t.s.



1. Left Elevation

1540 EL CAMINO REAL

HUNTER-STORM DEVELOPMENT

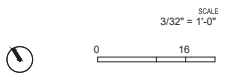
**KSH ARCHITECTS**  
KORTH SUNSERI HAGEY

**ktgy**

ISSUES AND REVISIONS	
NO.	DATE
01/13/17	PRE-APPLICATION SUBMITTAL
03/27/17	PRE-APPLICATION SUBMITTAL
06/12/17	PLANNING SUBMITTAL
08/25/17	PLANNING RESUBMITTAL
10/20/17	PLANNING RESUBMITTAL
11/30/17	PLANNING RESUBMITTAL

PROJECT NUMBER  
16010

SHEET TITLE  
ELEVATIONS - RESIDENTIAL

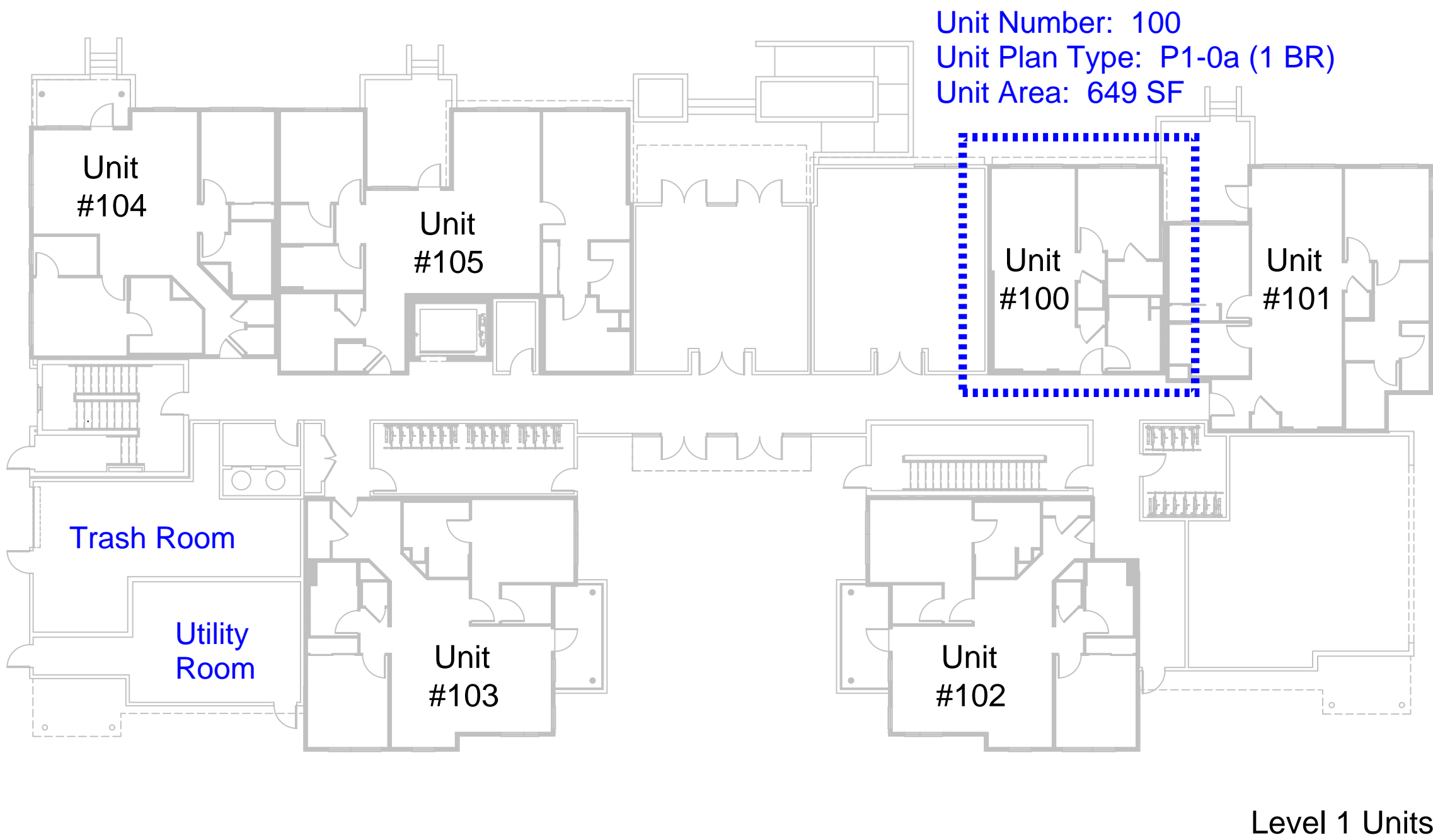
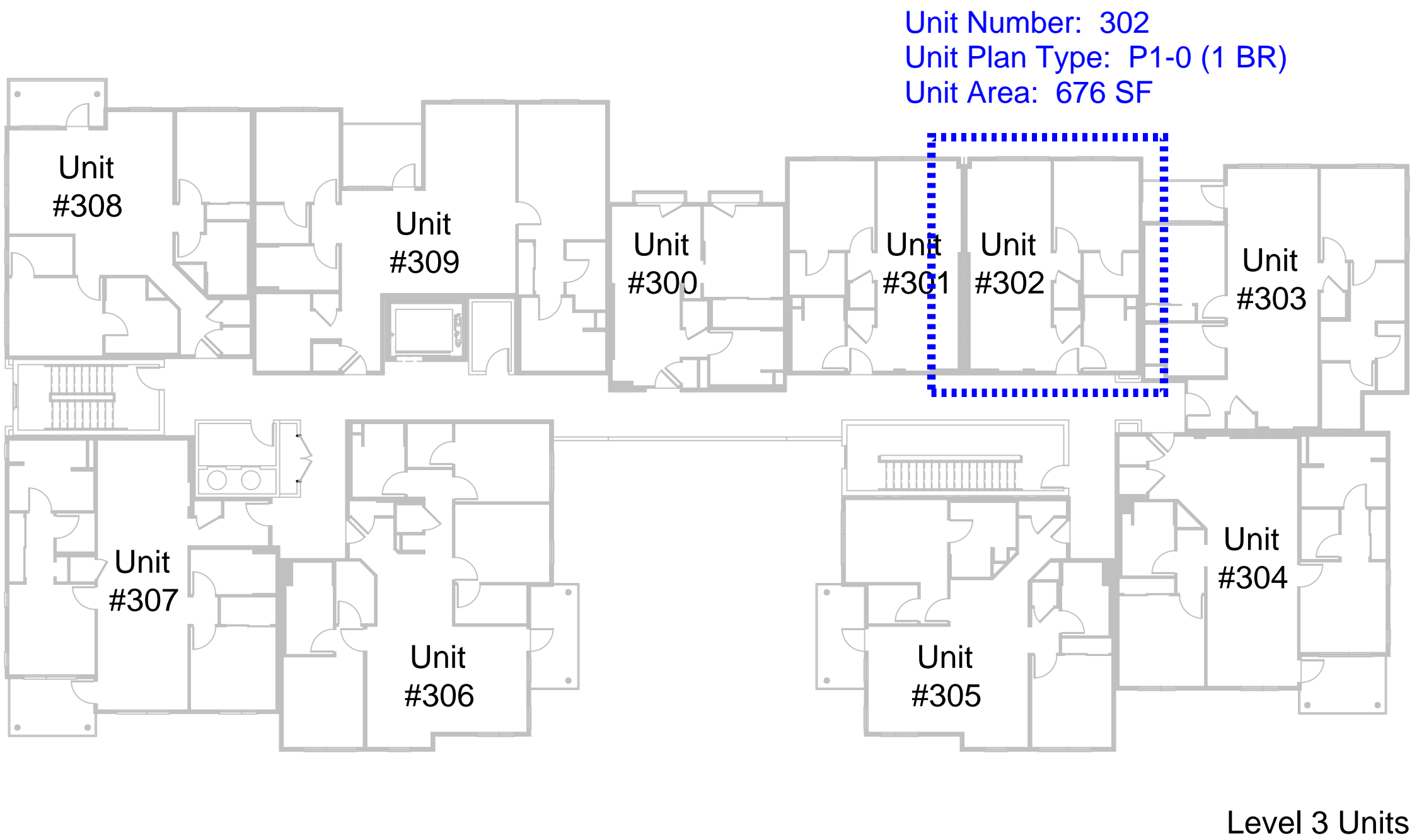
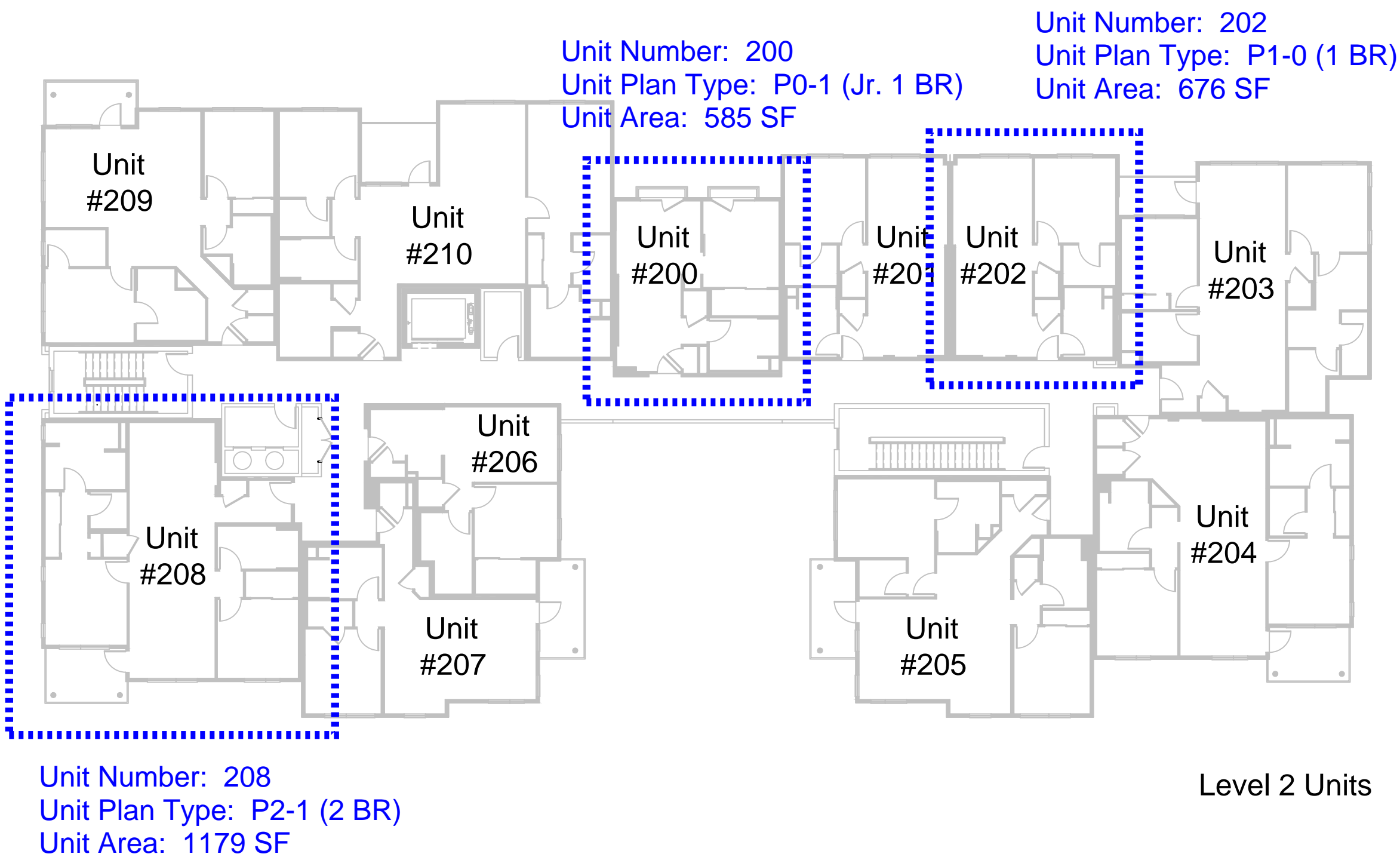


SHEET NUMBER

**R-A3.3**



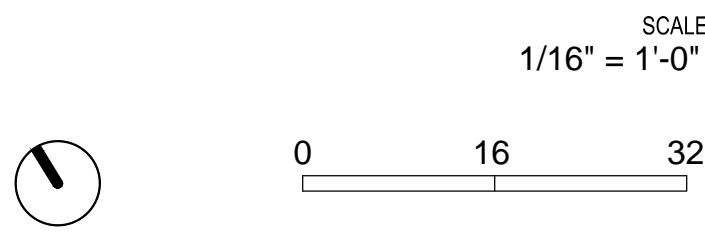
Proposed Building Address:  
1540 San Antonio Street



ISSUES AND REVISIONS		
NO.	DATE	DESCRIPTION
	01/13/17	PRE-APPLICATION SUBMITTAL
	03/27/17	PRE-APPLICATION SUBMITTAL
	06/12/17	PLANNING SUBMITTAL
	08/25/17	PLANNING RESUBMITTAL
	10/20/17	PLANNING RESUBMITTAL
	11/30/17	PLANNING RESUBMITTAL

PROJECT NUMBER  
16010

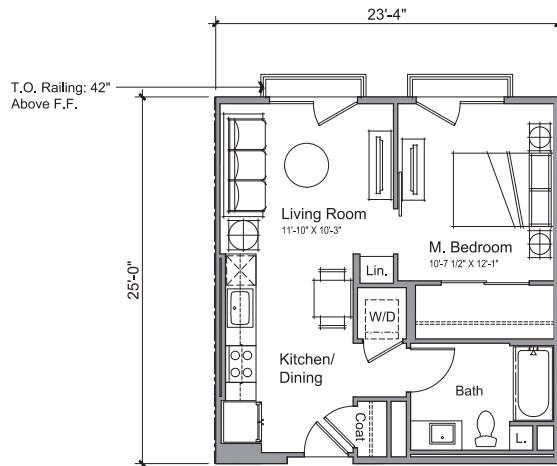
SHEET TITLE  
ADDRESS PLAN - RESIDENTIAL



SHEET NUMBER

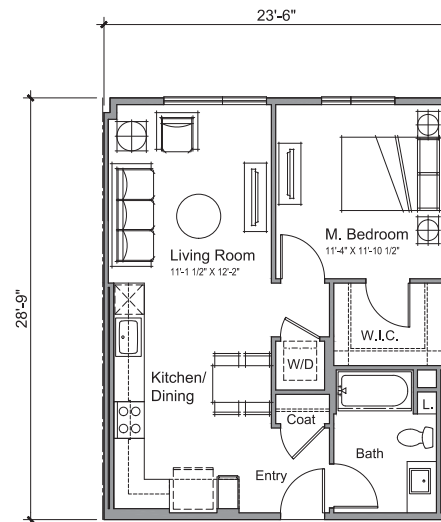
R-A1.2





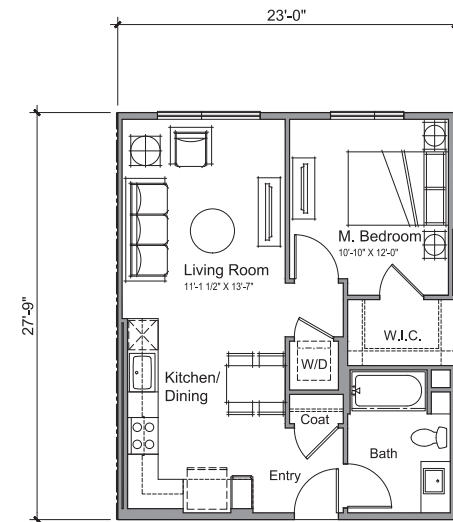
**Unit Plan 0-1**  
JR. 1 BR / 1 BA  
UNIT AREA: 585 SQ. FT.  
DECK AREA: 13 SQ. FT.

2 D.U.



**Unit Plan 1-0**  
1 BR / 1 BA  
UNIT AREA: 676 SQ. FT.  
DECK AREA: 0 SQ. FT.

4 D.U.



**Unit Plan 1-0a**  
1 BR / 1 BA  
UNIT AREA: 649 SQ. FT.  
DECK AREA: 0 SQ. FT.

1 D.U.

**Unit Plan Notes:**

1. Unit areas measured to exterior F.O. Stud and centerline of 2" airgap.
2. Please see Sheets A1.6A-D for private open space dimensions and areas.

ISSUES AND REVISIONS		
NO.	DATE	DESCRIPTION
01/13/17		PRE-APPLICATION SUBMITTAL
03/27/17		PRE-APPLICATION SUBMITTAL
06/12/17		PLANNING SUBMITTAL
08/25/17		PLANNING RESUBMITTAL
10/20/17		PLANNING RESUBMITTAL
11/30/17		PLANNING RESUBMITTAL

PROJECT NUMBER  
15010

SHEET TITLE  
UNIT PLANS - RESIDENTIAL

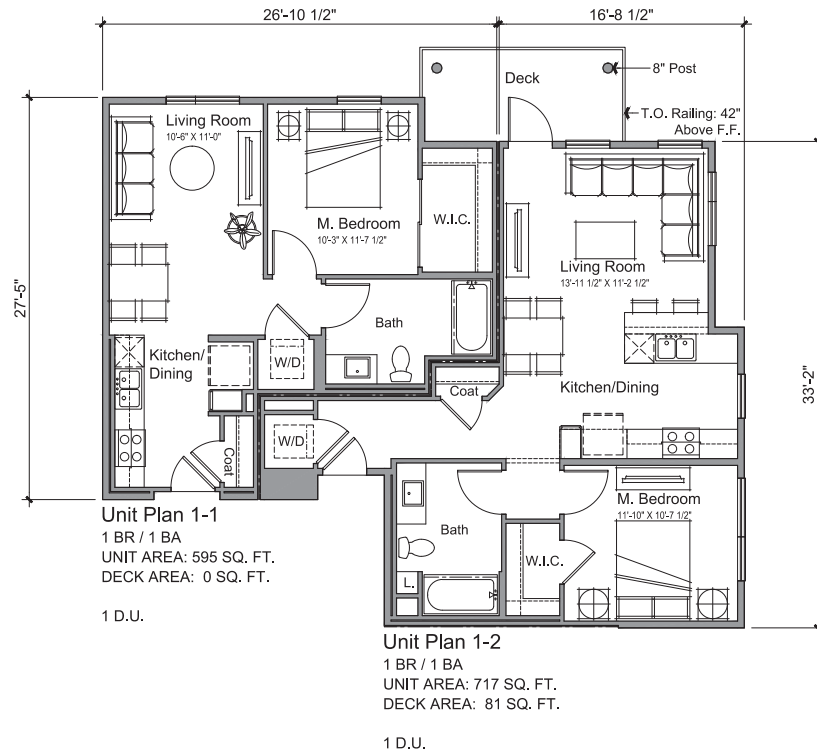
SCALE  
1/4"=1'-0"



SHEET NUMBER

**R-A5.1**





Unit Plan Notes:

1. Unit areas measured to exterior F.O. Stud and centerline of 2" airgap.
2. Please see Sheets A1.6A-D for private open space dimensions and areas.

ISSUES AND REVISIONS		
NO.	DATE	DESCRIPTION
01/13/17		PRE-APPLICATION SUBMITTAL
03/27/17		PRE-APPLICATION SUBMITTAL
06/12/17		PLANNING SUBMITTAL
08/25/17		PLANNING RESUBMITTAL
10/20/17		PLANNING RESUBMITTAL
11/30/17		PLANNING RESUBMITTAL

PROJECT NUMBER  
15010

SHEET TITLE  
UNIT PLANS - RESIDENTIAL

SCALE  
1/4"=1'-0"



SHEET NUMBER

**R-A5.2**



ISSUES AND REVISIONS	
NO.	DATE
01/13/17	PRE-APPLICATION SUBMITTAL
03/27/17	PRE-APPLICATION SUBMITTAL
06/12/17	PLANNING SUBMITTAL
08/25/17	PLANNING RESUBMITTAL
10/20/17	PLANNING RESUBMITTAL
11/30/17	PLANNING RESUBMITTAL

PROJECT NUMBER  
15010

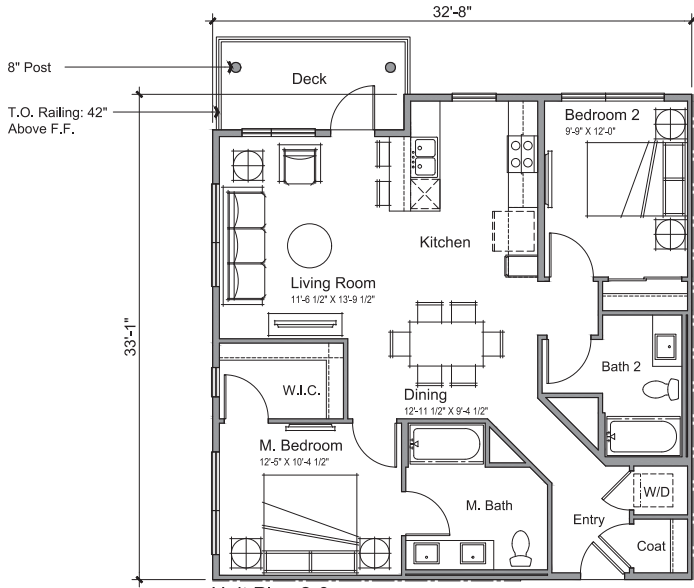
SHEET TITLE  
UNIT PLANS - RESIDENTIAL

SCALE  
1/4"=1'-0"

0 4 8

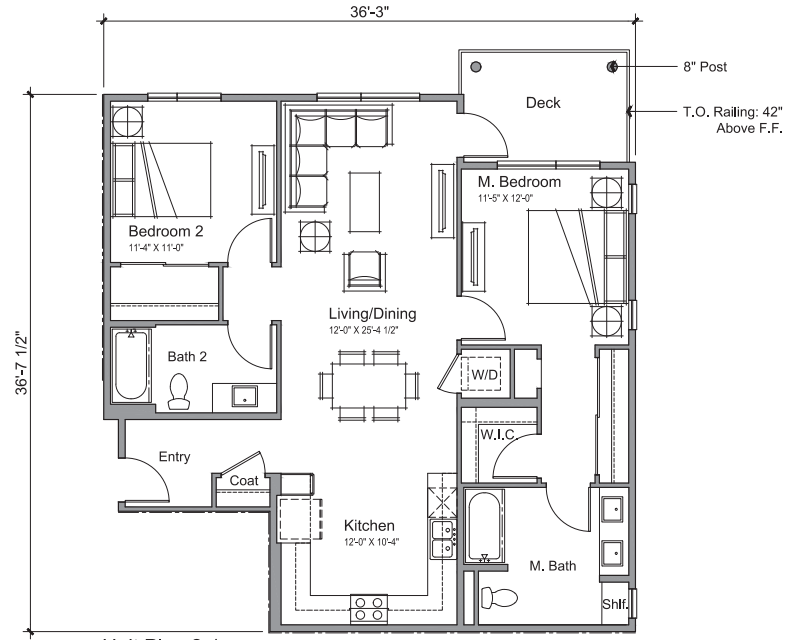
SHEET NUMBER

**R-A5.3**



**Unit Plan 2-0**  
2 BR / 2 BA  
UNIT AREA: 1054 SQ. FT.  
DECK AREA: 72 SQ. FT

3 D.U.



**Unit Plan 2-1**  
2 BR / 2 BA  
UNIT AREA: 1179 SQ. FT.  
DECK AREA: 80 SQ. FT.

2 D.U.

**Unit Plan Notes:**

- Unit areas measured to exterior F.O. Stud and centerline of 2" airgap.
- Please see Sheets A1.6A-D for private open space dimensions and areas.



ISSUES AND REVISIONS	
NO.	DATE
01/13/17	PRE-APPLICATION SUBMITTAL
03/27/17	PRE-APPLICATION SUBMITTAL
06/12/17	PLANNING SUBMITTAL
08/25/17	PLANNING RESUBMITTAL
10/20/17	PLANNING RESUBMITTAL
11/30/17	PLANNING RESUBMITTAL

PROJECT NUMBER  
15010

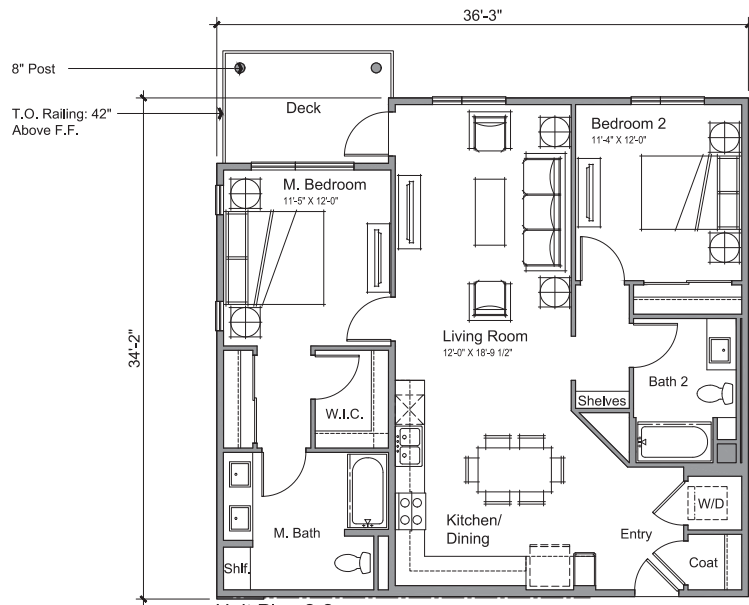
SHEET TITLE  
UNIT PLANS - RESIDENTIAL

SCALE  
1/4"=1'-0"

0 4 8

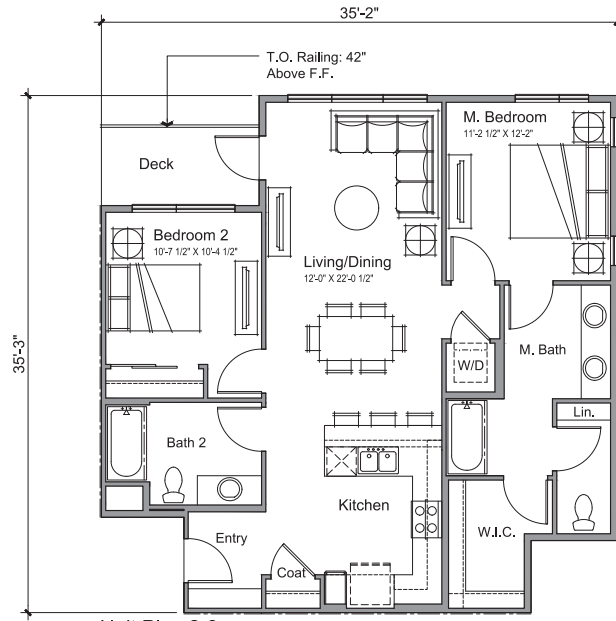
SHEET NUMBER

**R-A5.4**



**Unit Plan 2-2**  
2 BR / 2 BA  
UNIT AREA: 1184 SQ. FT.  
DECK AREA: 80 SQ. FT.

2 D.U.



**Unit Plan 2-3**  
2 BR / 2 BA  
UNIT AREA: 1097 SQ. FT.  
DECK AREA: 53 SQ. FT.

3 D.U.

Unit Plan 2-3 @ Level 1:  
Deck Area: 146 SQ. FT.

**Unit Plan Notes:**

1. Unit areas measured to exterior F.O. Stud and centerline of 2" airgap.
2. Please see Sheets A1.6A-D for private open space dimensions and areas.

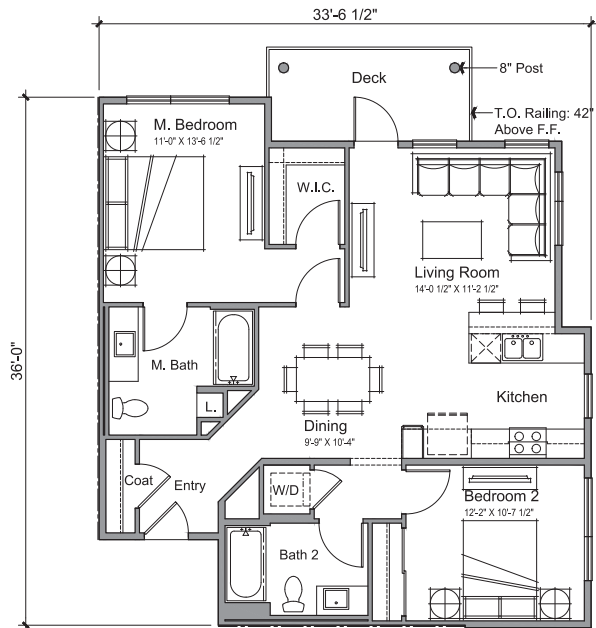


ISSUES AND REVISIONS	
NO.	DATE
01/13/17	PRE-APPLICATION SUBMITTAL
03/27/17	PRE-APPLICATION SUBMITTAL
06/12/17	PLANNING SUBMITTAL
08/25/17	PLANNING RESUBMITTAL
10/20/17	PLANNING RESUBMITTAL
11/30/17	PLANNING RESUBMITTAL

PROJECT NUMBER  
15010SHEET TITLE  
UNIT PLANS - RESIDENTIALSCALE  
1/4"=1'-0"

SHEET NUMBER

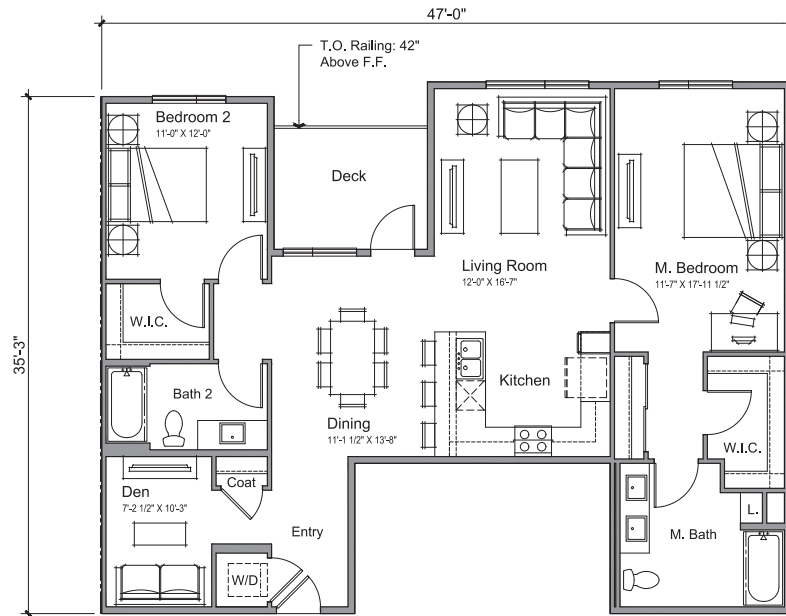
R-A5.5



Unit Plan 2-4

2 BR / 2 BA  
UNIT AREA: 1073 SQ. FT.  
DECK AREA: 81 SQ. FT.

4 D.U.



Unit Plan 2-5

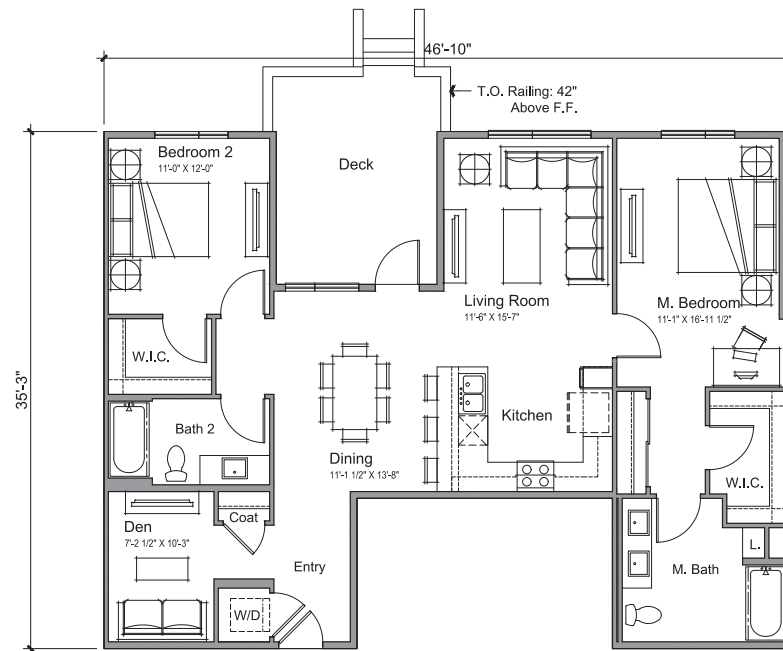
2 BR / 2 BA + DEN  
UNIT AREA: 1398 SQ. FT.  
DECK AREA: 80 SQ. FT.

2 D.U.

## Unit Plan Notes:

- Unit areas measured to exterior F.O. Stud and centerline of 2" airgap.
- Please see Sheets A1.6A-D for private open space dimensions and areas.





**Unit Plan 2-5a**  
2 BR / 2 BA + DEN  
UNIT AREA: 1362 SQ. FT.  
DECK AREA: 150 SQ. FT.

1 D.U.

**Unit Plan Notes:**

1. Unit areas measured to exterior F.O. Stud and centerline of 2" airgap.
2. Please see Sheets A1.6A-D for private open space dimensions and areas.

ISSUES AND REVISIONS		
NO.	DATE	DESCRIPTION
01/13/17		PRE-APPLICATION SUBMITTAL
03/27/17		PRE-APPLICATION SUBMITTAL
06/12/17		PLANNING SUBMITTAL
08/25/17		PLANNING RESUBMITTAL
10/20/17		PLANNING RESUBMITTAL
11/30/17		PLANNING RESUBMITTAL

PROJECT NUMBER  
15010

SHEET TITLE  
UNIT PLANS - RESIDENTIAL

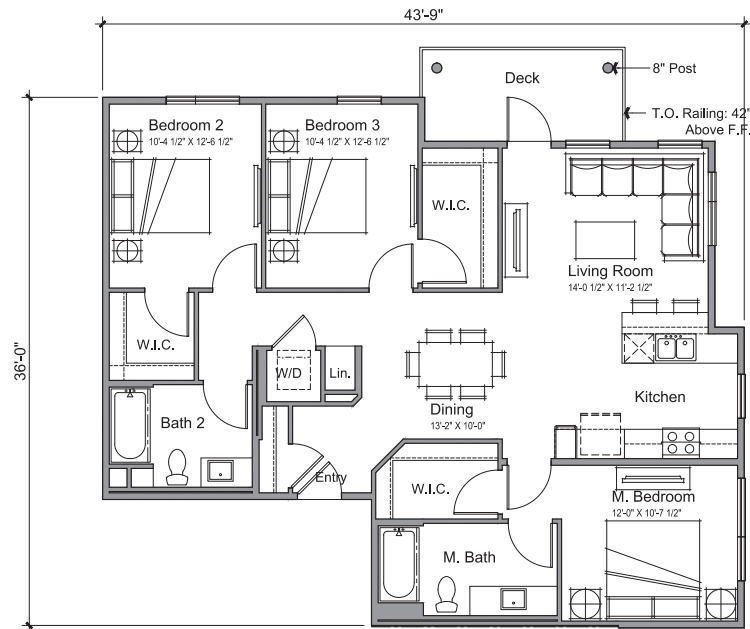
SCALE  
1/4"=1'-0"



SHEET NUMBER

**R-A5.6**





**Unit Plan 3-1**  
3 BR / 2 BA  
UNIT AREA: 1330 SQ. FT.  
DECK AREA: 80 SQ. FT.

1 D.U.

**Unit Plan Notes:**

1. Unit areas measured to exterior F.O. Stud and centerline of 2" airgap.
2. Please see Sheets A1.6A-D for private open space dimensions and areas.

ISSUES AND REVISIONS		
NO.	DATE	DESCRIPTION
01/13/17		PRE-APPLICATION SUBMITTAL
03/27/17		PRE-APPLICATION SUBMITTAL
06/12/17		PLANNING SUBMITTAL
08/25/17		PLANNING RESUBMITTAL
10/20/17		PLANNING RESUBMITTAL
11/30/17		PLANNING RESUBMITTAL

PROJECT NUMBER  
15010

SHEET TITLE  
UNIT PLANS - RESIDENTIAL

SCALE  
1/4"=1'-0"



SHEET NUMBER

**R-A5.7**





## STAFF REPORT

### Housing Commission

**Meeting Date:** 10/11/2017

**Staff Report Number:** 17-027-HC

**Informational Item:** Hello Housing Quarterly Activity Report

### Recommendation

This is an informational item and no action is required.

### Policy Issues

Hello Housing administers aspects of Menlo Park's BMR Housing Program and this report is consistent with the City's policies and efforts to improve housing affordability in Menlo Park.

### Background

Menlo Park's Below Market Rate (BMR) Program was created in 1988 to provide affordable homeownership and rental opportunities for low and moderate income families living or working in Menlo Park. The City currently has 65 owner-occupied BMR units, with three more coming on line soon. They also have 4 rental, city managed, BMR Units and more units available in the Gateway Apartments, Willow Court & Willow Terrace, Crane Place & Partridge Place, Anton Menlo and Sequoia Belle Haven.

In the late 1980s Menlo Park's PAL and Rehab Loan Programs were created. The PAL program was a second mortgage loan designed to help homebuyers qualify for a first mortgage loan and was only offered to first time homebuyers. PAL loans were funded from the BMR fund and its terms were 30 years at 5%. The Rehab Loan program was funded by the Redevelopment Agency (RDA) and provided home improvement and emergency repair funds to income-qualified homeowners in the Belle Haven neighborhood. The RDA was dissolved in early 2012.

San Mateo County also had a loan program called the Community Development Block Grant Loan Program (CDBG). It worked similar to the RDA loans, but was funded by the county and managed by the City of Menlo Park.

Menlo Park's BMR Housing and Loan Programs were managed by its own Housing Division, until 2012 when it was dissolved with the RDA. After the dissolution, Menlo Park contracted with Palo Alto Housing Corporation (PAHC) for BMR program administration and with Hello Housing for PAL Loan management. In June 2014 the City did not renew its contract with PAHC and contracted with Hello Housing to manage BMR and PAL Loan servicing, while city staff managed the RDA and CDBG loans.

In May 2015 the City amended Hello Housing's contract so they managed the Ownership-BMR program, the 4 city-managed BMR Rentals and all three Loan Programs (PAL, RDA, & CDBG).



### **Analysis**

Attachment A is the fourth quarterly report from Hello Housing for 2017. Hello Housing will be providing a quarterly report to the Housing Commission in March, June September and December. While this is an informational item and does not require Commission action, feedback from the Commission on how to improve future reports would be helpful. Representatives from Hello Housing will be available to answer any questions.

### **Public Notice**

Public Notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting.

### **Attachments**

A. Hello Housing 2017 Q4 Report

Report prepared by:

Jim Cogan, Housing and Economic Development Manager

Meghan Revolinsky, Management Analyst II



## MEMORANDUM

**Date:** December 7, 2017

**To:** Jim Cogan, Housing and Economic Development Manager for the City of Menlo Park

**From:** Hello Housing, Administrator of Menlo Park's Below Market Rate (BMR) Housing Program

**Subject:** Quarterly BMR Housing Program Report – Q4 2017

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The City of Menlo Park is currently contracted with Hello Housing, a nonprofit housing organization, to administer its Below-Market Rate (BMR) Housing Program along with providing loan servicing of the City's below market rate loans, including Purchase Assistance Loans, CDBG Loans, Rehab Loans and Emergency Rehab Loans. This Quarterly Report contains an update on Hello Housing's activities during the fourth quarter of 2017 (Q4).

### **BMR Home Resale and Refinance Activity**

<i><b>BMR Home Re-sales</b></i>	<i><b>BMR Home Refinances or HELOCs</b></i>	<i><b>BMR Home Value Calculation Requests</b></i>
<i><b>0</b></i>	<i><b>0</b></i>	<i><b>0</b></i>

During Q4, there were no re-sales or refinances that took place within the BMR portfolio.

### **Below Market Rate Waiting List Management**

Hello Housing manages the City's Waiting List for the BMR Housing Program. This includes accepting and processing applications from interested households and doing an annual mailing campaign to recertify current waiting list members. Households may apply to be on the waiting list purchase a BMR unit or may apply to be on the interest list to rent a BMR unit, or both.

During Q4, so far Hello Housing has processed 35 new BMR waiting list applications, 25 of which were eligible to be added to the list.

The number of eligible households currently on the Waiting List is as follows:



<b>Program</b>	<b># of Participants</b>
BMR Homeownership Waiting List Only	19
BMR Rental Interest List Only	105
BMR Homeownership Waiting List + BMR Rental Interest List	139
<b>Total</b>	<b>263</b>

### **Below Market Rate Preservation Projects**

At staff's request, a key BMR preservation and protection activity is currently underway by Hello Housing to ensure that BMR homeowners have not over-encumbered their BMR homes with unapproved loans. Under this activity, Hello Housing completed a forensic review of all loan activity across the portfolio to determine if any Home Equity Loans or any other unapproved loan transactions have taken place across the portfolio that would be in violation of the BMR program guidelines. 12 homeowners were identified as being at risk of over-encumbrance. Hello Housing ordered preliminary title reports for these properties and completed an in-depth review of each report, also performing a financial analysis to estimate the amount of over-encumbrance for each home based on their current maximum BMR resale value.

Through this process, five homeowners were identified who appeared to owe more debt against their BMR homes than their maximum BMR resale value. In addition, three homeowners were identified who took out refinance loans that were not approved by the City, but were not in excess of their maximum BMR resale value. Hello Housing subsequently mailed letters to each of these delinquent homeowners informing them of next steps to be taken in order to bring them back into compliance. Hello Housing is currently working with the responsive owners to obtain more information about the current statuses of their loans and to assist them in returning to compliance with the program guidelines. Hello Housing will continue to monitor these cases to determine whether the over-encumbrances are resolved or if further escalation is needed.

Additionally, one homeowner was identified who had a delinquent property tax payment from 2012-2013 that resulted in a property tax lien of nearly \$17,000. Hello Housing sent the homeowner a letter, alerting her to the fact that in California, the County tax collector is able to sell your home in order to satisfy the defaulted property taxes after a 5-year waiting period and asking her to contact us as soon as possible. The homeowner immediately contacted us to inform us that she is currently in a payment plan with the County and has already paid about half of the amount due. She plans to repay the remaining amount this year, and has provided evidence of her payment plan to Hello Housing.



Hello Housing also monitors Notices of Default that are recorded on BMR properties with the goal of preventing the BMR home from being lost from the affordable housing portfolio through foreclosure. No Notices of Default have been received during Q4.

### **Loan Servicing**

In addition to administering the City's BMR Housing Program, Hello Housing provides loan servicing of the City's Purchase Assistance Loans, CDBG Loans, Rehab Loans and Emergency Rehab Loans. Below is a general summary of loans serviced under Hello Housing's contract.

Total funds remitted back to the City through loan servicing in the third quarter\* of 2017:

**\$25,984** \*complete data is not yet available for Q4.

<b>BMR Loan</b>	<b>Total Loan's Serviced</b>	<b>Current Active</b>	<b>Current Deferred</b>
<b>Purchase Assistance Loans</b>	<b>23</b>	<b>23</b>	<b>0</b>
<b>CDBG Loans</b>	<b>13</b>	<b>6</b>	<b>7</b>
<b>REHAB Loans</b>	<b>4</b>	<b>4</b>	<b>0</b>
<b>ERL Loans</b>	<b>4</b>	<b>4</b>	<b>0</b>
<b>Total</b>	<b>44</b>	<b>37</b>	<b>7</b>

Since taking on the loan servicing contract in 2013, Hello Housing has developed a process of engaging with delinquent borrowers in order to assist them to begin making payments on their City loans. As of this report, 39 loans have been paid off in full (totaling roughly \$1.8M in principal and accrued interest) and 31 delinquent borrowers have returned to compliance on their loan payment commitments. However, a small subset of borrowers (3) have been unresponsive to our attempts at communication. Hello Housing has been working with City staff to create plans of action specific to each delinquent borrower.

### **BMR Homeownership Opportunities**

#### **1274 Garden Street, East Palo Alto**

In October, Hello Housing identified an eligible buyer to purchase 1274 Garden Street, East Palo Alto, a BMR home being offered through San Mateo County's Single-Family Preservation Pilot Program. The information about this opportunity was shared with the Menlo Park BMR Homeownership Waiting List, but the approved buyer, who is a teacher from the Ravenswood



City School District, was not from the City's List. The Pilot Program's preference point criteria were as follows:

- 1 Point: At least one adult household member currently lives in the City of East Palo Alto.
- 1 Point: At least one adult household member currently works in the City of East Palo Alto.
- 1 Point: If no one in the household lives in the City of East Palo Alto, at least one adult member of the household moved out of East Palo Alto no more than three years ago, after having lived in East Palo Alto for at least 10 consecutive years.

This home is part of a portfolio of homes which were purchased as part of a pilot program design to expand and preserve affordable, single-family homeownership and rental housing for low and moderate-income households in East Palo Alto and Menlo Park. The home was available to households earning less than 120% of the Area Median Income and will have resale restrictions.

### **Below Market Rental Recertifications and Compliance**

Hello Housing conducts annual income recertification of the households living in the four BMR rental units located 1175 and 1177 Willow Road, which are owned and managed by the City of Menlo Park. In addition, Hello Housing is working with City staff to craft an approach to ensure that other BMR rental units within the City, such as those at Anton Menlo, maintain ongoing compliance with the BMR Program Guidelines.

### **Other BMR Program Activities**

Hello Housing acts as a resource to all current BMR homeowners and borrowers to field questions that may come up around compliance with program requirements. The BMR Deed Restrictions and Program Guidelines contain policies on several aspects of owning a BMR home that each homeowner agreed to follow. Hello Housing works with homeowners on an ongoing basis to provide clarity on these policies when questions come up. Topics may include transfers of title, inheritance of BMR homes, refinancing requirements, the resale process, City policy on owner occupancy, preferred lender referrals for refinancing, and other questions.