



REGULAR MEETING AGENDA - AMENDED

Date: 5/1/2019

Time: 6:30 p.m.

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

The agenda has been amended to add attachments to item D3.

**Housing Commissioner Karen Grove will be participating by phone from:
1201 K Street NW
Washington, DC 20005**

- 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. 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. Welcome new Housing Commissioners Lauren Bigelow and Curtis Conroy
- D2. Approve minutes for the Housing Commission meeting of April 3, 2019 ([Attachment](#))
- D3. Presentations by applicants for the 2018 BMR Notice of Funding Availability proposals
 - a. MidPen Housing - 1105, 1141 Willow Road ([Attachment](#))
 - b. MidPen Housing - 1283 Willow Road ([Attachment](#))
- D4. Recommendation of a Below Market Rate Housing Agreement Term Sheet with Vasile Oros for 706-716 Santa Cruz Avenue ([Staff Report #19-003-HC](#))
- D5. Approve final updates to the Housing Policy Priorities
- D6. Selection of the Housing Commission Chair and Vice Chair
- D7. Recommend items for future agendas

E. Reports and Announcements

- E1. a. Subcommittee reports (10 minutes):
- Below Market Rate Housing Guidelines Subcommittee (Grove)
 - Housing Policy Subcommittee (Grove/Horst/Tate)
 - Marketing Subcommittee (McGraw-Scherer/Horst)
 - Notice of Funding Availability Subcommittee (McGraw-Scherer/Grove)
 - Secondary Dwelling Unit Subcommittee (McPherson/Merriman)
- b. New commissioners' subcommittee selection
- E2. Commissioner reports
- E3. Staff updates and announcements

F. Adjournment

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.

Persons with disabilities, who require auxiliary aids or services in attending or participating in Commission meetings, may call the City Clerk's Office at 650-330-6620.

Agendas are posted in accordance with Government Code Section 54954.2(a) or Section 54956. Members of the public can view electronic agendas and staff reports by accessing the City website at menlopark.org/agenda and can receive email notification of agenda and staff report postings by subscribing to the "Notify Me" service at menlopark.org/notifyme. Agendas and staff reports may also be obtained by contacting City Clerk at 650-330-6620. (Posted: 4/25/2019)



REGULAR MEETING MINUTES - DRAFT

Date: 4/3/2019
Time: 6:30 p.m.
Arrillaga Family Recreation Center – Cypress Room
700 Alma St., Menlo Park, CA 94025

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

B. Roll Call

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

Absent: Meg McGraw-Scherer

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

C. Public Comment

No public comments were received.

D. Regular Business

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

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

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

Planner Fahteen Khan presented the item.

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

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

Deputy Community Development Director Rhonda Coffman introduced the item.

By acclimation, the Housing Commission recommended changes and edits to the Enhance Housing Policies Priority List. Staff will return to the Housing Commission during their May 1, 2019 meeting.

D4. Review of the BMR (NOFA) proposal evaluation criteria

Vice Chair Nevada Merriman was recused from item D4.

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

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

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

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

D6. Discuss and recommend future agenda items

Deputy Community Development Director Rhonda Coffman introduced the item.

Items to be considered for future agenda items include:

- a) Presentation on short term rental policies
- b) Joint meeting with the Planning Commission to discuss downtown zoning density and secondary dwelling units
- c) Presentation on the preservation of "naturally affordable" housing
- d) Green Trip Certification presentation

E. Reports and Announcements

E1. Subcommittee reports (10 minutes):

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

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

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

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

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

No reports were shared during this meeting due to changes involving subcommittee positions.

E2. Commissioner reports

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

Commissioner Merriman highlighted upcoming Housing Leadership Council events.

E3. Staff updates and announcements

Deputy Community Development Director Rhonda Coffman provided the following updates:

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

F. Adjournment

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

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

In the Senate

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

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

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

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

SB 4 (McGuire, Beall) Housing **passed first committee**

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

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

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

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

This bill would require the Department of Housing and Community Development to furnish the Department of General Services with a list of local lands suitable and available for residential development as identified by a local government as part of the housing element of its general plan. The bill would require the Department of General

Services to create a database of that information and information regarding state lands determined or declared excess and to make this database available and searchable by the public by means of a link on its internet website.

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

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

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

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

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

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

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

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

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

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

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

This bill would also require the Department of Consumer Affairs to survey cities to determine which, if any, provide resources or programs to inform landlords of their legal

rights and obligations. It would require the Department of Consumer Affairs to post online a guide to all state laws pertaining to landlords and the landlord-tenant relationship, updated biannually.

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

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

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

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

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

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

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

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

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

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

SB 294 (Hill) Property taxation: welfare exemption: low income housing (Appropriations Apr 8)

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

SB 330 (Skinner) Housing Crisis Act of 2019 amended

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

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

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

Streamlining: For a 10-year period, the bill would require a city or county to make available to the applicant and to the public online a list that specifies the information that will be required from any applicant for a housing development project. It would prohibit the enforcement of new or amended zoning ordinances on a site after the date that a housing development application is deemed complete, as well as any fees in excess of those applied to the development at the time of application. It would also require that a city or county make the determination as to whether a proposed development is on a historic site at the time the application is deemed complete.

Substandard buildings: The bill would require the Dept. of Housing and Community Development to develop statewide health and safety building standards and rules for substandard residential buildings (or those being used as such).

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

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

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

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

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

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

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

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

resolved within 270 days. The bill would prohibit a court from staying or enjoining the construction or operation of an affordable housing project unless it makes certain findings.

In the Assembly

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

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

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

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

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

Brings back redevelopment funds/agencies.

AB 36 (Bloom) Rent control **amended**

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

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

This bill would prohibit the owner of a rental housing accommodation from inquiring about, or requiring an applicant for rental housing accommodation to disclose, **a criminal**

record during the initial application assessment phase. After the successful completion of the initial application assessment phase, the owner may request a criminal background check of the applicant and consider an applicant's criminal record in deciding whether to rent or lease to the applicant.

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

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

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

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

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

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

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

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

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

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

affordable; and priority goes to transit-oriented projects. Would appropriate funds for this purpose.

AB 881 (Bloom) ADUs hearing Apr 3

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

AB 1244 (Fong) CEQA: housing

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

AB 1239 (Cunningham) Local government: housing amended

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

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

See SB 6.

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

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

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

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

AB 1486 (Ting) Local agencies: surplus land hearing Apr 10

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

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

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

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

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

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

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

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

AB 1706 (Quirk) Housing development: incentives significantly amended

Intent language: to provide streamlined approval, tax incentives, and other benefits to developers of middle-income housing projects that meet specified requirements.

AB 1734 (Chiu): Property taxation: welfare exemption: rental housing: moderate income housing **hearing Apr 8**

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

City of Menlo Park

Notice of Funding Availability
2019 NOFA Application



Willow Court

1105, 1141 Willow Road
Menlo Park, CA 94025

January 31, 2019

Submitted by: MidPen Housing Corporation

2018 NOTICE OF FUNDING AVAILABILITY APPLICATION

Community Development
701 Laurel St., Menlo Park, CA 94025
tel 650-330-6614

Project applicant			
Organization/Agency: MidPen Housing Corporation			
Primary contact person: Aditi Mahmud			
Phone: [REDACTED]		Email: [REDACTED]	
Address: 303 Vintage Park Drive, Suite 250		City: Foster City	State: CA Zip: 94404
<p>1. What is the role of the applicant in the project (check all that apply):</p> <p><input type="checkbox"/> Ownership entity</p> <p><input type="checkbox"/> Managing partner or managing member</p> <p><input checked="" type="checkbox"/> Sponsoring organization</p> <p><input checked="" type="checkbox"/> Developer</p> <p><input type="checkbox"/> Other (describe):</p>			
<p>2. Applicant legal status:</p> <p><input type="checkbox"/> General partnership</p> <p><input type="checkbox"/> Joint Venture</p> <p><input type="checkbox"/> Limited partnership corporation</p> <p><input checked="" type="checkbox"/> Nonprofit organization</p> <p><input type="checkbox"/> Other (please specify):</p>			
<p>3. Organization status:</p> <p><input checked="" type="checkbox"/> Currently exists</p> <p><input type="checkbox"/> To be formed (estimated date):</p>			
<p>4. Name(s) of individuals who are/will be general partner(s) or principal owner(s):</p> <p>Mid-Peninsula Woodlands Corporation, a non-profit public benefit corporation</p>			
<p>If the applicant is a joint venture, a joint venture agreement is required that clearly describes the roles and responsibilities of each partner, who is the lead partner or if the responsibilities are approximately equally split between the partners.</p>			
Project detail			
Project name: Willow Court			
Project address: 1105, 1141 Willow Road		City: Menlo Park	State: CA Zip: 94025
Assessor's parcel number: 062-093-440 and 062-093-470			
<p>Project type (check all that apply):</p> <p><input checked="" type="checkbox"/> Families</p> <p><input type="checkbox"/> Seniors</p> <p><input type="checkbox"/> Special needs</p> <p><input type="checkbox"/> Other (please describe):</p>			

Project activity (check all that apply): <input type="checkbox"/> Acquisition <input checked="" type="checkbox"/> Rehabilitation <input type="checkbox"/> New construction <input checked="" type="checkbox"/> Preservation <input type="checkbox"/> Mixed-income <input type="checkbox"/> Mixed-use <input type="checkbox"/> Other (please specify):										
Land area: 0.42 acres					Number of residential buildings: 2					
Number of units: 6					Residential total floor area: 7,380 SF					
Number of stories: 2 two-story apartment buildings					Number of elevators: 0					
Number of community rooms: none					Community room(s) total floor area: none					
Commercial/office uses (please specify): none										
Commercial total floor area: none					Office total floor area: none					
Other uses (please specify):										
Total parking spaces: 12					Parking type(s): 6 open parking spaces and 6 wood- and steel-framed asphalt-paved carport parking spaces					
Residential parking spaces: 12					Residential parking ratio: 2 : 1 – 12 spaces					
Guest parking spaces: none										
Commercial parking spaces: none					Commercial parking ratio: none					
Office parking spaces: none					Office parking ratio: none					
Income categories										
City BMR funds may only be used to reduce the cost of housing to levels that are affordable to extremely low, very low, low and moderate income households, as defined in the Housing Element of the City's General Plan. Inclusions of units for homeless households are encouraged.										
Category	Number of units					Percentage of units				
	Studio	1 bd	2 bd	3 bd	4 bd	Studio	1 bd	2 bd	3 bd	4 bd
0 to 30 percent AMI – Extremely low										
31 to 50 percent AMI – Very low income					2					33%
51 to 80 percent AMI – Low income			2		2			33%		33%
80 to 120 percent AMI – Moderate income										
Unrestricted										
TOTAL			2		4			33%		66%

50% /

60% A

Unit amenities

Provide a brief list of unit amenities (e.g. air conditioning, laundry in unit, balconies, etc.):

Please see following page

Project narrative (please use additional sheets of paper as needed)

1. **Project description:** Provide a brief narrative summary of the proposed project. Please include location, project type (new versus rehab), target population and any unique project characteristics.

Please see following page

2. **Project design:** Provide a description of the project's architectural and site plan concepts and how these concepts address the opportunities and limitations of the site and location.

Please see following page

3. **Green building features:** Describe the green building features that will be incorporated into the project.

Please see following page

4. **On-site amenities:** Describe any on-site amenities including any project characteristics that address the special needs of the population you intend to serve.

Please see following page

UNIT AMENITIES

Provide a brief list of unit amenities (e.g. air conditioning, laundry in unit, balconies, etc.):

Willow Court' apartments include kitchen, dining area/living area, bathrooms, and bedrooms. The units consist of open kitchen with islands and refrigerators, dishwashers, garbage disposals and an abundant amount of cabinets for storage. Bathrooms include a vanity, sink, toilet and bathtub. A washer and a dryer is provided for each unit. The property expresses a kinship with the Craftsman bungalows and stylistic features such as wooden trellises, shaped brackets, barge boards and picket fences. Also, each unit consist of front yard with fences and a wood fenced back patio which are utilized by residents as an area for relaxation and gardening activities. All Willow Court units include birdhouses on their front porches. The birdhouses replicate the architectural style of the homes on the property.

PROJECT NARRATIVE

Project description: Provide a brief narrative summary of the proposed project. Please include location, project type (new versus rehab), target population and any unique project characteristics:

Willow Court is located at 1105, 1141 Willow Road in Menlo Park within the Belle Haven Neighborhood. The property is composed of 2 two-story apartment builds. There are a total of 6 rentable units, including 2 two-bedroom and 4 four-bedroom units. The neighborhood boundaries are generally defined as Bay Road and Highway 101 to the south-west, and East Palo Alto to the east and Highway 84 to the north.

Willow Court has unique locational characteristics. The 1105 Willow Road building is located in a corner parcel and 1141 Willow Road is in a separate inner parcel. The two Willow Court buildings abut another MidPen property called the Willow Terrace. Willow Court is also unique as it is conveniently located on the same street as other MidPen properties. Over the years, Willow Court's proximity to multiple other MidPen buildings has helped many residents build a tight-knit community. A map of the Willow Court buildings and neighboring MidPen buildings are included in the application to show locational proximity (see Attachment #1).

MidPen Housing is proposing to rehabilitate Willow Court, an existing deed restricted affordable housing. The property was originally built in 1992 and it is 100% low-income housing for families. The proposed rehabilitation of the housing would be transformative for current residents as well as Belle Haven neighborhood. The Belle Haven neighborhood is a diverse community which is far less affluent than the city as a whole. The 2015-2023 Housing Element targets the Belle Haven neighborhood as a primary area for rehabilitation to prevent existing standard of units from becoming deteriorated. The proposed rehabilitation of the Willow Court property will address capital needs that improve property operations and make the property more environmentally sustainable. The proposal aligns with the critical need for rehabilitation addressed within the City of Menlo Park Housing Elements for the Belle Haven neighborhood.

Project design: Provide a description of the project's architectural and site plan concepts and how these concepts address the opportunities and limitations of the site and location.

Willow court is an existing affordable housing property for low-income families. MidPen Housing is proposing moderate rehab to maintain the existing architectural characteristic of the property, complement the surrounding neighborhood and address the much needed capital improvements at the site. The key principles that MidPen Housing embraces in regards to conducting moderate rehabilitation include the following:

- Long term-affordability
- Stable home that enhances health and wellness of residents
- Efficient and cost-sensitive development and operations
- Durable and easy to maintain buildings
- Energy and resource-efficient buildings, equipment and operations

Per recent site visit by the Project Manager, Construction Manager, and maintenance staff, a list of immediate capital improvement needs were identified. MidPen Housing also retained a third party General Contractor to evaluate the property and its existing systems to produce conceptual budgets for the purpose of this application. MidPen Housing expects to address the following existing challenges with the site's current physical condition:

- Window replacement: Existing windows will be replaced with new energy efficient dual glazed vinyl windows.
- Roof overlay and replace gutters: The current status of the roof and gutters are described as old and rusting by maintenance staff. The roofing at both buildings are 20 years old. Deterioration and damage were observed at the gutter roof drainage.
- Address dry rot and siding: During the site walk, dry rot and siding damages were observed at the framing. Per recommendation from the third party General Contractor and Construction Manager, dry rot in framing and siding should be addressed to prevent further wood decay and moisture intrusion.
- Exterior Paint: As part of addressing the dry rot and siding damage, Construction Manager recommended exterior paint to keep the property looking esthetically appealing. As part of good construction practice, low-VOC paints will be used.
- Install interior LED energy efficient lighting
- Install energy star fridges
- Install low-flow toilets
- Remove lawn areas/new drip system

There are significant opportunities to enhance the quality of life for residents with the proposed rehab and through green building techniques.

Green building features: Describe the green building features that will be incorporated into the project.

MidPen employs a rigorous design process that ensures efficiency of design, cost-effective construction, and aggressive green building standards. Green building is integral to our planning and design approach. All of our buildings are designed to the same high standards for energy efficient, low water usage, indoor air quality, and maximizing solar energy. With the City's funding, MidPen Housing is proposing five scope items to reduce energy use and water savings at Willow Court:

- Install energy-efficient windows are necessary for saving energy. Existing failed windows will be replaced with new energy efficient dual glazed vinyl windows to save energy in the units.
- Install interior LED energy efficient lighting to help the property increase savings.
- Install energy star fridge to lower energy cost.
- To adhere by the SB 407 water conservation measure, MidPen Housing will install low-flow toilets that use less than 1.6 gallons of water per flush.
- Remove lawn areas/new drip system which will help the property significantly reduce the water uses.

On-site amenities: Describe any on-site amenities including any project characteristics that address the special needs of the population you intend to serve

As an affordable housing Developer, one of the ways MidPen Housing promotes healthy lifestyle for the residents is through onsite amenities. The two buildings at Willow Court provide six families with affordable rental homes and amenities that help residents sustain their lives. Willow Court provides washers and dryers in each unit, a rare amenity for large sized families with children. The island kitchen is useful and a popular feature with the residents. The residents enjoy their eating area in front of the window. The property also has other great amenities such as landscaped yards with garden fences and wood fenced patio. The layout of the property has a single family feel which allows the families space and comfort. The front yard and back patio are highly functional for the population served. The residents and their children use the front yard amenity as a place to gather, play and for various recreational activities. The back wood fenced patio is used by the residents for gardening and relaxation.

5. Neighborhood off-site amenities: Describe the property location, neighborhood transportation options, and local services and amenities that are within 1/4 mile and 1/2 mile of the site.

Please see following page

6. Potential development obstacles: Are there any known issues or circumstances that may delay or create challenges for the project? If yes, list issues below including an outline of steps that will be taken and the time needed to resolve these issues.

Potential Development Obstacles are not expected at this time

Site information (please use additional sheets of paper as needed)

Note: Site control is required. Evidence should also be submitted demonstrating that the entity with site control is the same entity applying for funds. Please include the site control documentation with the application.

Describe the current site control situation and/or control held by the applicant:

Willow Court is an existing project in MidPen Housings' portfolio. See current Grant Deed (Attachment #3).

Existing
Project

The site acquisition will be a: <input type="checkbox"/> Purchase <input type="checkbox"/> Long-term lease		Current County-assessed site value: 1,231,018	
Land purchase price or annual lease payment:		Total site sq.ft. 7,380	
Current property owner's name: EPA Woodlands Associates, A California Limited Partnership			
Property owner phone: [REDACTED]		Property owner email: [REDACTED]	
Property owner address: 303 Vintage Park Drive, Ste 250		City: Foster	State: CA Zip: 94404
Existing uses on the site and approximate square footage of all structures:			
Willow Court is an existing affordable housing property for families. The total gross building area is 7,380 square feet.			

Neighborhood off-site amenities: Describe the property location, neighborhood transportation options, and local services and amenities that are within 1/4 mile and 1/2 mile of the site.

Willow Court is well-served by amenities beneficial to families, including local transit options, local services and various amenities within ¼ mile and ½ of the site. Transit connections are strong, with several bus lines in close proximity, all of which provides access for appointments and resources needed for low-income families to maintain and sustain their lives. The site is proximate to transit, less than ¼ mile from the bus stop from Sam Tran 281, 296, 397 (at Newbridge St & Willow Rd) and Sam Tran 281 (at Newbridge St & Carlton Ave) which runs every half hour during peak periods.

The site is less than ½ mile from Bright Angel Montessori Academy preschool, Belle Haven Elementary School, and Mid-Peninsula High School. The property is within ½ mile from Nimble Pharmacy and the Arbor Free Clinic which serves a diverse population of low-income households and uninsured residents. Given the high cost of health care, having this resource nearby is a huge asset for the Willow Court residents. The site is also located within ½ mile away from the Belle Haven Branch Library which is an excellent educational resource for residents and children and provides cultural resource.

There are two Super markets within ½ mile of the site (Mi Tierra Linda grocery store and Soleska Market- a full scale super market). These markets provide an array of fresh staples including fresh meats, poultry, dairy products, and produce. Please refer to maps as part of Attachment #7.

Planned use of on-site existing structures:

- ☐ Demolish
☒ Rehabilitate
☐ Other (describe):

Provide the square footage, date built and number of stories for each on-site building to be retained as part of this project:

Please see following page

Provide a brief description of the condition of any buildings to be rehabilitated:

Please see following page

Describe unique site features (Heritage trees, parcel shape, etc.)

Please see following page

Identify problem site conditions (high noise levels, ingress/egress issues, etc.)

No problems are identified for the site at this point

Floodplain

Is the site in a floodplain? ☒ Yes ☐ No

If yes, type of flood plain and number of years:

0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average

depth less than one foot or with drainage areas of less than one square mile.

Provide the square footage, date built and number of stories for each on-site building to be retained as part of this project:

Willow Court consists of 2 two-story apartment buildings. Both buildings will be retained as part of the rehabilitation proposed in this application. Both buildings were built in 1996 and the total gross building area is 7,380 square feet.

Provide a brief description of the condition of any buildings to be rehabilitated:

Willow Court currently offers clean, safe and sanitary living conditions to the residents. However, the property needs improvement to maintain the existing architectural characteristic, complement the surrounding neighborhood and address the much needed capital improvements.

Per recent site visit by the Project Asset Manager, Construction Manager, and maintenance staff, a list of immediate capital improvement needs were identified. MidPen Housing also retained a third party General Contractor to evaluate the property and its existing systems to produce conceptual budgets for the purpose of this application. MidPen Housing expects to address the following existing challenges with the site's current physical condition:

- Window replacement: We will replace existing failed windows with new energy efficient dual glazed vinyl windows.
- Address dry rot and siding: During the site walk, dry rot and siding damage were observed at the framing. Per recommendation from the third party General Contractor and Construction Manager, dry rot in framing and siding should be addressed to prevent further wood decay and moisture intrusion.
- Exterior Paint: As part of addressing the dry rot and siding damage, Construction Manager recommended exterior paint to keep the property looking esthetically appealing. As part of good construction practice, low-VOC paints will be used.
- Roof overlay and gutter replacement: The current status of the roof and gutters are described as old and rusting by maintenance staff. The roofing at both building are 20 years old. Deterioration and damage were observed at the gutter roof drainage.
- Install interior LED energy efficient lighting
- Install energy star fridge
- Install low-flow toilets
- Remove lawn areas/new drip system

Describe unique site features (Heritage trees, parcel shape, etc.)

Both Willow Court buildings are surrounded by a few heritage trees. Our trees are investment in our properties and a significant part of Menlo Mark's heritage. As Willow Court is an existing project and the heritage trees give the property and the neighborhood aesthetic and historical value, MidPen Property Management will continue to help maintain and preserve the trees.

Willow Court has unique locational characteristics. The 1105 Willow Road building is located in a corner parcel and 1141 Willow Road is in a separate inner parcel. The two Willow Court buildings abut another MidPen property called the Willow Terrace. Willow Court is also unique as it is conveniently located on the same street as other MidPen properties. Over the years, Willow Court's proximity to multiple other MidPen buildings has helped many residents build a tight-knit community. A map of the Willow Court buildings and neighboring MidPen buildings are included to show locational proximity (see Attachment #1).

List any maps referenced:

<https://msc.fema.gov/portal/search?AddressQuery=1105%20willow%20road%2C%20melo%20park#searchresultsanchor>

FIRM 06081C0307E, effective on 10/16/2012

Describe adjoining land uses

West: single family and multi-family homes

East: single family and multi-family homes

North: markets, stores, single family homes, multi-family homes

South: multi-family homes and highway 101

Zoning

What is the current zoning of the project site? R-3 Residential Medium Density

Is the proposed project consistent with the existing zoning status of the site? ☒ Yes ☐ No

Explain:

The R-3 zoning allows medium-high density residential.

Indicate any discretionary review permits required for the project (Planned Community Permits, Design Review Permits, Rezoning, etc.)

No discretionary review required for the rehab planned.

If rezoning is required identify the requested zoning district for the project: N/A

Community priorities (please use additional sheets of paper as needed)

Explain how this project meets the objectives of the project priorities identified in this notice of funding availability and the goals and objectives of the City's Housing Element and General Plan:

Please see following pages

Project funding (please use additional sheets of paper as needed)

City funds requested: \$635,502

Funds per assisted unit: \$105,917

Total project cost: \$635,502

Cost per assisted unit: \$105,917

How will the requested City funding be used?

The city funds will be used to rehabilitate Willow Court. Please see the attached budget for more details (Attachment #4).

Assess the chances of the project securing required funding and steps that will be taken to make the project competitive.

What is the self-scored 9 percent tax credit tiebreaker score for the project if applicable?

N/A

Developer experience (please use additional sheets of paper as needed)

Applicants may be nonprofit or for-profit affordable housing developers or owners who have affordable housing experience in the nine-county Bay Area (San Mateo, San Francisco, Marin, Sonoma, Napa, Solano, Contra Costa, Alameda and Santa Clara) and a successful track record of at least two years of ownership of at least two affordable, deed-restricted housing projects within the nine-county Bay Area in which 100 percent of the units, are targeted to those at or below 60 percent AMI. Joint venture partnerships are allowed assuming at least one member of the partnership meets the minimum experience requirement. Previous development/ownership experience must include projects that contain at least 10 units.

Years of experience: Approximately 49 years (1970)

Number of projects: 110 communities throughout the Greater Bay Area from Santa Rosa to Monterey Counties.

Number of projects in San Mateo County: 27 communities

COMMUNITY PRIORITIES

Explain how this project meets the objectives of the project priorities identified in this notice of funding availability and the goals and objectives of the City's Housing Element and General Plan:

Willow Court meets the objectives of the NOFA housing goals and priorities as well as the goals and objectives of the City's Housing Element and General Plan:

CITY NOFA FUNDING PRIORITIES

MidPen's proposal to rehabilitate Willow Court on 1105 and 1141 Willow Road aligns strongly with the City of Menlo Park's NOFA Housing Priorities:

- *Housing units will remain affordable through deed restrictions for at least 55 years*

Willow Court is an existing project in MidPen Housing's portfolio. The project is currently monitored by California Tax Credit Allocation committee for 55 Years (2047), County of San Mateo for 40 years (2032) and HCD for 55 Years (2047).

- *The project is consistent with the goals and objectives of the City's Housing Element and General Plan*

The land use element of the 2016 General Plan discusses the importance of preserving the unique qualities of the City's neighborhood and property maintenance. The 2015-2023 City of Menlo Park Housing Element encourages the maintenance, improvement, and rehabilitation of the City's existing housing stock, the preservation of the City's affordable housing stock, and the enhancement of community stability to maintain and improve the character and stability of Menlo Park's existing residential neighborhoods (p. 33, P. 34 of Housing Element). The Housing Elements aligns with MidPen Housing's goal to preserve and enhance existing affordable units through rehab for low-income families at Willow Court.

The Housing Element targets Belle Haven as a primary area for rehabilitation to prevent existing standard units, both single family and apartments, from deteriorating/ to reduce the number of seriously deteriorated units (p. 35 of Housing Element). Willow Court is located in the Belle Haven neighborhood. The proposed rehabilitation will address the much needed capital needs with the roofs, gutters, dry-rot, siding and other identified scope which will prevent future damage of the property. The energy efficient upgrades will make the property more environmentally sustainable.

Energy efficiency and/or renewable energy in existing housing is encouraged within the Housing Element (p. 34 of Housing Element). MidPen Housing is deeply invested in implementing energy conservation and making sure existing properties are environmentally sustainable. The proposed rehabilitation will integrate energy efficient upgrades the following ways: 1) Windows will be replaced with new energy efficient dual glazed vinyl windows to save energy, 2) install interior

City of Menlo Park 2019 NOFA Application
Project Narrative for page 10 of application

LED energy efficient lighting to help the property increase savings, 3) install energy star fridge to lower energy cost, 4) install low-flow toilets that uses less than 1.6 gallons of water per flush and, 4) install new drip system in lawn area to help the property significantly reduce the water uses.

- *The project has reasonable costs, the ability to compete well in securing competitive funding sources, and is soundly underwritten*

The scope identified for rehabilitation were obtained through discussion with Construction Manager, Maintenance staff and a 3rd party Contractor. The costs associated with the budget are reasonable for this market. At this point, for the purpose of the rehabilitation, MidPen is not seeking additional funds from other lenders. However, Willow Court would greatly benefit from receiving operating subsidy through Section 8 Project Based Vouchers. The vouchers would allow significant additional income which can be used to offset operating expenses and help the property cash flow better. MidPen has reached out to the Housing Authority of the County of San Mateo and learned that at this time rehabilitations are not eligible to receive vouchers. That said, because it would greatly improve the efficiency of property operations, MidPen will continue to pursue the conversation to add vouchers at this location.

- *The project will allow the City to spend housing funds expeditiously*

The project will be completed within one year of receiving the City's fund as can be seen in the development schedule provided in Attachment #5.

- *The project site allows a development to achieve maximum density and is consistent with the zoning and neighborhood setting.*

Willow Court is an existing project and additional density will not be needed for the purpose of moderate rehabilitation proposed in the application. The project is consistent with its current zoning R-3.

- *The project provides dual benefits by preserving/developing affordable housing and creating a substantial improvement of a blighted property and/or neighborhood.*

Willow Court provides rental housing targeting low income households earning 60% and less of median income for San Mateo County. The proposed rehabilitation would preserve and sustain an existing stock of 6 affordable housing units in the City of Menlo Park that serves low income families.

Furthermore, at a community outreach meeting MidPen held in connection with the Gateway redevelopment on the 1300 Block of Willow, we got community feedback that the neighbors would appreciate if MidPen could consider rehab at this location with a goal of refreshing the exteriors.

City of Menlo Park 2019 NOFA Application
Project Narrative for page 10 of application

The project site is located in an area where rehabilitation would create positive impacts not just for the residents but for the greater neighborhood. According to the 2015-2023 City of Menlo Park Housing Element, the Belle Haven neighborhood has a concentration of units that are in poor condition and are in need of repair. Preservation of Willow Court through rehabilitation will enable MidPen Housing respond to the housing rehabilitation addressed in the City of Menlo Park's Housing Element. The rehabilitation will improve the character and stability of the Belle Haven neighborhood as it will maintain the existing architectural characteristic of the property and complement the surrounding neighborhood.

- *The building incorporates green building practices and materials.*

MidPen Housing is committed to incorporating green building practices and materials as part of proposed rehabilitation at Willow Court. Energy-efficient fixtures, appliances water-saving systems will be included in the building and individual units. Design decisions will be made, such as using low-VOC paints to provide healthy and quality homes for low income households and to promote the long-term sustainability and the operational success of the property.

The proposed rehabilitation will integrate energy efficient upgrades the following ways: 1) Windows will be replaced with new energy efficient dual glazed vinyl windows to save energy, 2) install interior LED energy efficient lighting to help the property increase savings 3) install energy star fridge to lower energy cost, 4) install low-flow toilets that uses less than 1.6 gallons of water per flush 5) install new drip system in lawn area to help the property significantly reduce the water uses.

- *The project incorporates appropriate community spaces, amenities and services for the target population.*

As an affordable housing Developer, MidPen Housing promotes a healthy lifestyle for the residents through community spaces and amenities for the population housed. The two buildings at Willow Court provide six families with affordable rental homes and amenities that help residents sustain their lives. Willow Court provides a washer and dryer in each unit – a rare amenity for large sized families with children. The island kitchen is practical and a popular feature with the residents. The property has community shared spaces that are highly functional for families with children such as the landscaped yards with garden fences and a wood fenced patio. The residents and their children use the front yard amenity as a place to gather, play and for various recreational activities. The patio is used by the residents for gardening and a place of relaxation.

Because of Willow Court's unique location in proximity to other MidPen properties in the neighborhood, such as Gateway, Willow Terrace, and Sequoia Belle Haven, resident events are held in conjunction with these other properties once or twice a year. Residents at Willow Court enjoy the access to these events and community activity with the neighboring properties.

MidPen Housing is deeply committed to making sure affordable housing is supplemented with services to help residents maintain and sustain their lives. Services are provided to residents at

City of Menlo Park 2019 NOFA Application
Project Narrative for page 10 of application

Willow Court through on-call counseling and a crisis management service. Additionally, MidPen Housing staff builds relationships with service providers in the community to expand the range of services offered to residents through referrals to other community programs.

- *The project site is within walking distance of transit, services and amenities and is convenient for the target population.*

Willow Court is well-served by amenities beneficial to families, including local transit options, local services and various amenities within $\frac{1}{4}$ mile and $\frac{1}{2}$ of the site. Transit connections are strong, with several bus lines in close proximity, all of which provides access for appointments and resources needed for low-income families to maintain and sustain their lives. The site is proximate to transit, less than $\frac{1}{4}$ mile from the bus stop from Sam Tran 281,296, 397 (at Newbridge St & Willow Rd) and Sam Tran 281 (at Newbridge St & Carlton Ave) which runs every half hour during peak periods.

The site is less than $\frac{1}{2}$ mile from Bright Angel Montessori Academy preschool, Belle Haven Elementary School, and Mid-Peninsula High School. The property is within $\frac{1}{2}$ mile from Nimble Pharmacy and the Arbor Free Clinic which serves a diverse population of low-income households and uninsured residents. Given the high cost of health care, having this resource nearby is a huge asset for the Willow Court residents. The site is also located within $\frac{1}{2}$ mile away from the Belle Haven Branch Library which is an excellent educational resource for residents and children and provides cultural resource. There are two Super markets within $\frac{1}{2}$ mile of the site (Mi Tierra Linda grocery store and Soleska Market-a full scale super market). Please refer to maps as part of Attachment #2.

- *The project will attempt to implement a Local Hire program for Menlo Park residents (via construction and/or operations)*

MidPen has deep experience in transparent contracting methods that provide bidding opportunities for local subcontractors and workers. Our projects are often subject to federal Section 3 and local public bid requirements. To comply, we advertise our projects through the local builder's exchange, place advertisements in local newspapers, and use our local government's websites to promote bidding opportunities. We monitor our contractors so they comply with Section 3 requirements to offer new hire positions to local low-income workers. Through these methods, we will make our best efforts to provide opportunities for qualified local contractors and workers.

- *The development team has demonstrated experience with successful affordable housing projects and the capacity to work cooperatively with communities in the design and development of projects.*

MidPen Housing is an experienced nonprofit affordable housing developer with 49 years of history of development in the Bay Area. We have a long and successful track record working in San Mateo County and have strong relationships with the County Department of Housing and Housing

City of Menlo Park 2019 NOFA Application
Project Narrative for page 10 of application

Authority. In addition to our large footprint in San Mateo County, MidPen also has relevant experience at the local level. MidPen Housing currently owns and manages 5 properties in Menlo Park. As it relates to rehabilitation, MidPen Housing is experienced with projects of similar scale as Willow Court and is evidenced by the examples of recent rehabilitation projects on page 10 of the application.

MidPen Housing has extensive experience in community outreach. Typically, MidPen Housing conducts a robust community engagement for new construction and major rehab projects. Because Willow Court will go through an in-place moderate rehab, MidPen Housing does not anticipate conducting community outreach. However, based on the review of the application and scope of work, if the City of Menlo Park addresses the need for community outreach, MidPen Housing will implement outreach as directed by the City.

- *The project provides rental housing targeting low income households earning 60 percent or less of the median income for San Mateo County.*

Willow Court provides rental housing targeting low income households earning 60% or less of median income for San Mateo County.

- *The project contains larger units (2+ bedroom units and larger) and generally targets families.*

Willow Court contains large 2 and 4 bedroom units.

- *The project's management plan promotes a healthy living environment for tenants and a compatible relationship with neighbors*

MidPen is committed to providing a sustainable development that is better for the environment by incorporating a rigorous construction waste recycling program, green building and recycled content materials, and drought-tolerant landscaping. Livability for residents is enhanced by incorporation of a variety of methods and materials to improve indoor air quality such as the use of low-VOC paints and adhesives, formaldehyde-free building insulations, and incorporation of fresh air vents in every apartment. The Green Operations and Maintenance policy manual is established to provide a healthy environment for our residents and staff. These policies help reduce the use of harmful chemicals and improve indoor air quality, among other impacts. We are committed to implementing green strategies at our properties so that we can promote:

1. healthy living environments for our residents
2. healthy work environments for our property management staff members
3. the sustainability of our properties as long-term investments
4. the well-being of our communities and cities in which our properties are located

PROJECT FUNDING

Assess the chances of the project securing required funding and steps that will be taken to make the project competitive.

Of the 6 units at Willow Court, 2 are assisted under the HCD RHCP program which limit rent increases to an adjusted CPI approved by HCD. Due to the small size of the property and the low rent restrictions, the annual cash flow for Willow Court has been low. Willow Court would greatly benefit from receiving operating subsidy through Section 8 Project Based Vouchers. The vouchers would allow significant additional income which can be used to offset operating expenses and help the property cash flow better. MidPen has reached out to the Housing Authority of the County of San Mateo and learned that at this time rehabilitations are not eligible to receive vouchers. That said, because it would greatly improve the efficiency of property operations, MidPen will continue to pursue the conversation to add vouchers at this location.

Average size of projects: 40 units
Number of units placed in service: Approximately 8,000 units
Please describe two projects completed in the last 10 years that are similar to the proposed project and provide photographs of each project: Below are listing of properties that went through moderate rehab similar to proposed project in the last 10 years. See attached photographs with summary of scope. (Attachment #6).
Project 1 - name of project: Crescent Terrace
Location: 130 Crescent Avenue, Sunnyvale, CA 94087
Number of units: 48
Type of development (senior, family, etc.): Senior
Name of project manager: Cathy Bowers, Senior Portfolio Manager (for rehab work)
Number of stories: 3
Unit types (studio, 1 bedroom, etc.): 1 bedroom
Type of construction: Type V
Project amenities: Private patios, community room, community roof kitchen, computer center, and laundry room,
Entitlement date: 1981
Occupancy date: 1986
Funding sources: Community Development Block Grant (City of Sunnyvale) for rehab work
Project 2 - name of project: Pickering Place
Location: 20 W. Pickering Avenue, Fremont, CA 94536
Number of units: 43
Type of development (senior, family, etc.): Family
Name of project manager: Sheena Y. Kho, Senior Portfolio Manager (for rehab work)
Number of stories: 5 one-and two story apartment buildings, 2 two story apartment buildings, 2 three-story building, and 1 two-story common area leasing of office/community building
Unit types (studio, 1 bedroom, etc.): 7 One-Bedroom, 17 Two-Bedroom, 5 Three-Bedroom, 12 Three-Bedroom, and 2 Four-Bedroom
Type of construction: Type V
Project amenities: Community room, with a computer center common area laundry, private rear yards and front porches
Entitlement date: 1992
Occupancy date: 1997
Funding sources: Community Development Block Grant (City of Fremont) for the rehabilitation work

Personnel

List the names of key members of the applicant's development team, their titles, responsibilities and years of experience in affordable housing.

Project Staff	Name	Role in proposed project	Years of housing development experience	Years with this developer
Project Manager	Please see following page			
Director of Real Estate Development				
Executive Director				
Chief Financial Officer				
Other				
Other				

Indicate which of the following development team members have been selected and identify them if different from applicant.

Developer: MidPen Housing Corporation	Architect(s): Not needed for proposed rehab
Engineer(s): Not needed for proposed rehab	General contractor: To be determined
Attorney(s) and/or tax professionals: Gubb & Barshay LLP	
Property management agent: MidPen Property Management Corporation	
Financial and other consultant(s): Not needed for proposed rehab	
Investor(s): Not needed for proposed rehab	

List all other participants and affiliates (people, businesses and organizations) proposing to participate in the project.

Name	Address
MidPen Resident Services Corporation	303 Vintage Park Drive, Suite 250 Foster City, CA 94404
MidPen Property Management Corporation	303 Vintage Park Drive, Suite 250 Foster City, CA 94404

KEY MEMBERS OF PROJECT TEAM

Project Staff	Name	Role in Proposed Project	Years of housing development experience	Years with this developer
President & CEO	Matt Franklin	Leadership of MidPen Housing	23	10
Chief Operating Officer	Janine Lind	Oversight of Day to Day Operations (including Property Management, Services, Information Technology, Communication and Human Services)	25	1
Chief Real Estate Dev Officer	Jan Lindenthal	Oversight of Development Team	23	10
Senior VP of Property Management	Marvin Williams	Oversight of Day to Day Property Management & Facilities	18	1
Chief Financial Officer	Art Fatum	Oversight of Finance/Accounting and Asset Management	11	5
Vice President of Asset Management	Kyle Attenhofer	Oversight of Asset Management Team	15	6
Project Asset Manager	Aditi Mahmud	Day to day Project Management (under direct supervision of Vice President of Asset Management)	6	1
Director of Facilities and Risk Management	Ridvana Perdue	Oversight of Facilities	8	3
Facilities Construction Manager	Chris Larsen	Day to Day Construction Management (under direct supervision of Director of Facilities and Risk Management)	26	1
Assistant Controller for Development	Hua Fang	Specialized Development Accounting, CPA	9	11

PROJECT TEAM BIOS

MATTHEW O. FRANKLIN, PRESIDENT

Matt Franklin is a nationally recognized leader in the field of affordable housing. He has dedicated his career to producing high-quality affordable housing that improves the lives of low-income working families and seniors while enhancing the economic vitality of the regions where they live. With a unique combination of public and private sector experience, Matt has held senior positions at the federal, state and local levels. These include Deputy Chief of Staff for the U.S. Department of Housing and Urban Development (HUD) under President Clinton; Director of California's Department of Housing and Community Development where he was the lead housing policy advisory to the Governor; and Director for the San Francisco Mayor's Office of Housing where he championed innovative housing programs that have become national models. Matt currently leads MidPen Housing, one of the nation's largest nonprofit developers and owners of affordable housing with real estate assets totaling over \$1 billion. In the seven years that Matt has served as President, MidPen's housing production has doubled and new and innovative investors have been secured. As a board member for the National Housing Trust, the Housing Partnership Network, and former board chair for the Non-Profit Housing Association of Northern California, Matt helps drive legislation to advance affordable housing policy and funding. Matt has a Master's in Public Policy from the John F. Kennedy School of Government at Harvard University and a Bachelors in Political Science from Colgate University. He also attended the London School of Economics and Political Sciences.

JANINE LIND, CHIEF OPERATING OFFICER

As an enterprise leader with a keen instinct for recognizing talent, a strong belief in the power of both advocacy and inquiry, and a proven track record for building high performance teams that take organizations to the next level, Janine joined MidPen in early 2018 as the company's first Chief Operating Officer. In this role, she's responsible for all of MidPen's day-to-day operations, overseeing the integration of corporate activities and resources to drive mission impact and ensure financial sustainability. MidPen's Property Management and Services companies report to her as do the Human Resources, Information Technology, and Communications departments. In Janine's over 25 years of real estate experience, she's led companies with portfolios ranging from 15,000 to 40,000 units across 22 states. Prior to MidPen, she held executive posts at Progress Residential, Edgewood Management and WinnCompanies.

JAN LINDENTHAL, CHIEF REAL ESTATE DEVELOPMENT OFFICER

Jan is the Chief Real Estate Development Officer and has 23 years of experience in community development and affordable housing. Since joining MidPen in 2009, Jan has overseen the construction of more than 3,200 affordable homes and as Chief Real Estate Development Officer, leads MidPen's 40+ member development team who's currently stewarding a pipeline of more than 25 development projects that will produce an additional 3,000 homes. Prior to joining MidPen Housing, Jan was Vice President of Development and Construction at South County Housing where she oversaw production of more than 1,600 affordable housing units at nearly 30 properties, several of which won national awards of excellence. She previously held key roles at the Santa Clara County Housing Authority and the Central New York Planning and Development Board. Jan has a master's from Tufts University Center for Public Service and a bachelor's from Hamilton College.

MARVIN WILLIAMS, SENIOR VICE PRESIDENT PROPERTY MANAGEMENT

As the executive in charge of MidPen Property Management Corporation, MidPen's largest affiliate organization, Marvin leads a staff of 250+ and has oversight of a housing portfolio of more than 7,200 affordable rental homes across 10 San Francisco Bay Area counties. He's responsible for all aspects of property operations including lease-ups, facility maintenance, compliance, resident satisfaction, staff development and each property's financial performance. He came to MidPen in early 2018 with over 18 years of property management experience – most recently from Progress Residential where he oversaw a portfolio of 23,000 homes in over a dozen states. A proud veteran of the U.S. Army, Marvin served

our country in Desert Shield/Desert Storm during his 8 years of military service. Marvin holds seven professional certifications and currently serves on the board of HPN Select.

ARTHUR FATUM, CHIEF FINANCIAL OFFICER

Art came to MidPen in 2013 with over 30 years of experience in finance and operations for world-class public, private and non-profit companies. Prior to MidPen, Art was the CFO and EVP of Capital Markets for the Low Income Investment Fund (LIIF), one of the nation's premier community development finance institutions. Art's previous posts include senior executive roles at GE Capital Corporation, Dun & Bradstreet, MediaLive International, and CNET Networks. Art earned a bachelor's in mathematics from State University of New York and received graduate training in business management at the GE Management Development Institute.

KYLE ATTENHOFER, VICE PRESIDENT OF ASSET MANAGEMENT

As Vice President of Asset Management, Kyle leads the team that oversees a portfolio of 7,200+ units at more than 100 properties. Since he joined MidPen in 2013, the asset portfolio has experienced a 153% increase in property operating cash flow, bringing the total annual distributions from \$9.1 million to \$23.1 million – funds we then invest right back into our mission! Kyle possesses a diverse background having managed assets and properties in affordable, conventional, and student housing; assisted living communities; and commercial real estate. Prior to MidPen, he held roles with EPMI, a Bayside Company, Citizens Housing Corporation, and Manco Abbott Inc.

ADITI MAHMUD, ASSET PROJECT MANAGER

Aditi Mahmud has joined MidPen Housing in February of 2018 and has 6 years of affordable housing experience. Prior to working at MidPen, Aditi worked as an affordable housing developer and was responsible for getting government approvals and drumming up public support for new development and rehab. Additionally, Aditi managed project design, worked on financing, and coordinated with attorneys, architects, general contractors and others. A graduate of the UCLA Department of Urban Planning Master of Urban and Regional Planning (MURP) program, Aditi was previously a Project Manager at Mission Housing Development Corporation, an affordable housing developer. Since joining MidPen Housing in 2018, Aditi Project Managed three existing properties using NOFA fund from County of Santa Cruz, County of San Mateo and City of Mountain View.

RIDVANA PERDUE, DIRECTOR OF FACILITIES

Ridvana Perdue is the Director of Facilities and Risk Management at MidPen Housing. Ridvana joined MidPen Housing in May 2015 with 8+ years of experience in both, Risk Management and Asset Management in the multifamily affordable property management industry. At MidPen Housing, Ridvana is overseeing the Facilities and Risk Management department, which serves the functions of Capital Improvements, Facilities Maintenance and Risk Management for all MidPen properties (110 properties/7000+ units). Prior to working at MidPen Housing, Ridvana held variety of roles with Housing Authority of the County of Santa Clara, supporting its Real Estate Department. Ridvana grew up in the former Yugoslavia, in Bosnia and Herzegovina, and moved to the U.S. in 1994. She has a bachelor's degree in Business Administration/Marketing from San Jose State University.

CHRIS LARSEN, FACILITIES CONSTRUCTION MANAGER

Chris Larsen joined MidPen Housing in March of 2018 and has 26 years of mixed use, commercial office and multi-family facilities experience. Prior to working at MidPen, Chris worked as the Vice President of Capital & Repositioning for Prometheus Real Estate Group overseeing all Capital and Repositioning projects in California, Oregon and Washington State portfolios. Chris was responsible for budgeted, planning and overseeing all capital and renovations projects annually that averaged 50 million per year. Additionally, Chris has worked as the Director of Capital, West Coast for Essex REIT and the VP of New Business Development for Commercial Fire Protection covering Washington, California and Oregon regions. As the Facilities Construction Manager at MidPen Housing, Chris has worked on three NOFA projects using County and City CDBD funds and oversees the execution of all budgeted Capital projects as well as special projects as they arise.

Describe how the property will be managed including the number of staff, locations and management office hours.

Please see following page

If the project will be managed by an agency other than the project applicant describe the project applicant's role in the ongoing management of the project and resolution of management issues.

N/A

Describe how the property will be managed including the number of staff, locations and management office hours.

Willow Court is managed by MidPen Property Management. In the mid-1980's, MidPen formed an in-house Property Management Company, MidPen Property Management. MidPen Property Management manages over 7,200 homes in 103 properties. Our management company includes a well-seasoned team with extensive experience in all aspects critical to property management including compliance, operations, training, facility maintenance, and community relations. We take great pride in keeping our communities safe, beautiful, and well maintained for the long term. MidPen Property Management has an excellent track record reflected in the high occupancy maintained across our portfolio.

MidPen Property Management Corporation currently manages 27 properties across Santa Mateo County. MidPen's approach to property management is based on three core values:

- **Being Good Neighbors:** MidPen Management strives to ensure that every community we manage benefits both our residents as well as the surrounding neighborhood. Our staff takes pride in keeping our communities safe, beautiful and well maintained.
- **Enhancing Residents' Lives:** Our staff responds to individual and community needs with a commitment to customer service.
- **Commitment to Sustainable Operations and Maintenance:** This includes retrofits to improve building performance, water conservation and indoor air quality; using drought resistant landscaping and green cleaning products; and training residents on environmentally-friendly practices.

Staffing:

Willow Court is part of the Central Portfolio grouping which currently has 11 properties and nearly 157 units. The Central Portfolio team consist of an Operations Manager overseeing a portfolio of properties staffed by a Multi-Site Assistant Manager and Maintenance Technicians. The Central Portfolio Grouping reports to one of the Directors of Property Operations.

1 FT Operations Manager

1 FT Multi-Site Assistant Manager

2 FT Maintenance Technician

1 FT Janitor to be hired shortly

Hours of Operations:

8:30 – 5:00 M-F

Office is located at the MidPen Housing Laureola Oaks property at San Carlos.

Experience

Backgrounder/Fact Sheet

MidPen Housing was founded in 1970 by a small but influential coalition of Silicon Valley entrepreneurs, Stanford University faculty and other community leaders who were concerned over the lack of affordable housing on the San Francisco Bay Area peninsula. Since then, MidPen has greatly expanded its reach and is one of Northern California's leading non-profit developers and managers of affordable rental housing with a robust and diverse portfolio.

Mission

To provide safe, affordable housing of high quality to those in need; to establish stability and opportunity in the lives of residents; and to foster diverse communities that allow people from all ethnic, social and economic backgrounds to live in dignity, harmony and mutual respect.

Organization

MidPen consists of several distinct corporations working closely together to promote and achieve the MidPen mission. The three primary corporations include:

MidPen Housing Corporation drives all of the development efforts including property acquisition, planning, design, construction, historic renovation and existing property rehabilitation. It also houses all administrative functions: Finance, HR and IT.

MidPen Property Management Corporation provides professional property management for our own communities.

MidPen Services Corporation provides an innovative delivery model that brings high quality services directly to our communities in order to help our residents advance, which includes: computer and vocational training, academically-based after school programs for youth, financial capabilities classes, health and wellness programs and community referrals.

Key Facts

- > Developed or rehabbed over 8,000 affordable homes
- > An additional 3,370 affordable homes are in construction, entitlements or pre-development
- > Manage 103 properties with a total of 7,186 units providing homes for more than 16,800 Northern California residents
- > Manage assets, primarily of real estate, worth over \$1.3 billion
- > Invest \$7.3 million annually in resident services and partner with over 200 service providers
- > 62% of our units house families; 27% house seniors; 5% house single adults (in SRO housing) and 6% serve people with special needs
- > Work in 11 counties: Alameda, Contra Costa, Monterey, Napa, San Benito, San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma, and Yuba
- > Have received over 130 industry awards and honors for our work
- > Employ over 450 people



MidPen Resident Services Corporation

Helping residents succeed

With an annual investment of \$6.3 million, an in-house staff of over 65 and nearly 200 service provider partners, MidPen Resident Services Corporation leads the affordable housing industry in delivering and coordinating onsite services. MidPen Services operates as a separate 501c3 organization to help over 7,000 MidPen residents each year.

Services that Work

We measure our services by their impact. Our goal is to deliver services that help people measurably advance in all areas of their lives. We provide services specifically designed to meet the unique needs of youth, seniors, heads-of-households, and supportive housing residents. Through skillful and dynamic service delivery models, thousands of residents perform better in school, learn how to use computers, improve English-language fluency, successfully age in place, receive onsite health screenings, and and supportive residents who previously experienced housing instability are able to stabilize emotionally and become active members of their community. Services include:

- > An educationally-based After School Program to increase academic performance
- > Computer training
- > Vocational and career development
- > Quality of life, physical activity, and wellness programs
- > Health screenings
- > Referrals to social services, benefits and resources
- > Volunteer opportunities and training

Powerful Partnerships and Volunteers

We deliver these services onsite in partnership with an extensive network of award-winning organizations like Second Harvest Food Bank, Parca, Wells Fargo Community Development, Samuel Merritt, and Balanced Therapy. We also refer residents to outside organizations that may meet their needs. Additionally we leverage close to 2,000 volunteer hours annually, provided by both residents and external community members.

"I participate in several healthy aging workshops held at my community including presentations on how to get a more restful sleep, ways to prevent falls and even how to exercise in a chair. I'm constantly learning new skills to improve my health and safety and it's great that these services are available where I live."

— Ping Yu, senior resident at Monte Vista Terrace



MidPen Property Management Corporation

Providing professional property management since 1981

To maintain the award-winning quality of our developments, MidPen Housing established an affiliated management company in 1981. Today, MidPen Property Management Corporation manages 7207 units at 103 properties from Fairfield to Monterey. We manage our own communities. Our seasoned leadership team provides extensive experience in all aspects critical to exceptional property management including compliance, operations, training, facility maintenance and community relations.

Being Good Neighbors

MidPen Management strives to ensure that every community we manage benefits both our residents as well as the surrounding neighborhood. With a commitment to hire and train the best, our staff of over 200 takes pride in keeping our communities safe, beautiful, and well maintained.

Enhancing Residents' Lives

The property management staff at each of our communities knows and cares about the residents they serve, responding to individual and community needs with a commitment to customer service. We maintain high standards of excellence in serving our over 16,600 residents while fostering a safe, supportive environment.

Committed to Sustainability

MidPen Management is committed to sustainable operations and maintenance practices. This includes retrofitting buildings to improve performance, energy efficiencies, water conservation and indoor air quality; using drought-resistant landscaping and green cleaning products; and training residents on environmentally-friendly practices.

Managing a Diverse Portfolio

We have expertise in managing a wide variety of property types – from large, multi-family properties to downtown, mixed-use developments to rural housing for farm workers to supportive housing for special needs populations.

Population	% of Units
Families	62%
Seniors	27%
SRO	5%
Special Needs	6%



"They are good neighbors. They keep the building up beautifully. I walked through there every day because my daughter attended the onsite day care center. Some of my customers live there. Businesses benefit because the families spend money downtown. Every city should have development like this." – Peter Cuschieri, owner of Angelica's Bistro, across the street from City Center Plaza, a community owned and managed by MidPen.



REV. 7.17

**MIDPEN HOUSING CORPORATION
BOARD MEMBERS
2019**

Beth Bartlett – Chairperson
Portola Valley, CA

Gina Diaz – Director
San Francisco, CA 94107

Kim Le – Vice-Chairperson
San Jose, CA 95133

Enrique Torres – Director
Redwood City, CA 94065

Julia M. Baigent – Secretary
Woodside, CA 94062

Jessica Garcia-Kohl – Director
San Jose, CA 95112

Daniel Seubert – Treasurer
Palo Alto, CA 94306

Eric Harrison – Director
Oakland, CA 94612

Mark Battey – Director
Half Moon Bay, CA 9401

Elisa Jagerson – Director
Redwood City, CA 94065

Monique Moyer - Director
San Mateo, CA 94403

Erik Doyle - Director
Portola Valley, CA 94028

Kevin Bates – Director
Portola Valley, CA 94028

Renee McDonnell – Director
San Francisco, CA 94111

Terry Freeman – Director
Woodside, CA 94062

Attachment #1

Neighboring Properties

Attachment #1
Willow Court

Willow Court in relationship to neighboring MidPen properties in Belle Haven



Applicant: Willow Court buildings



Willow Terrace- Neighboring MidPen property



Gateway- Neighboring MidPen property



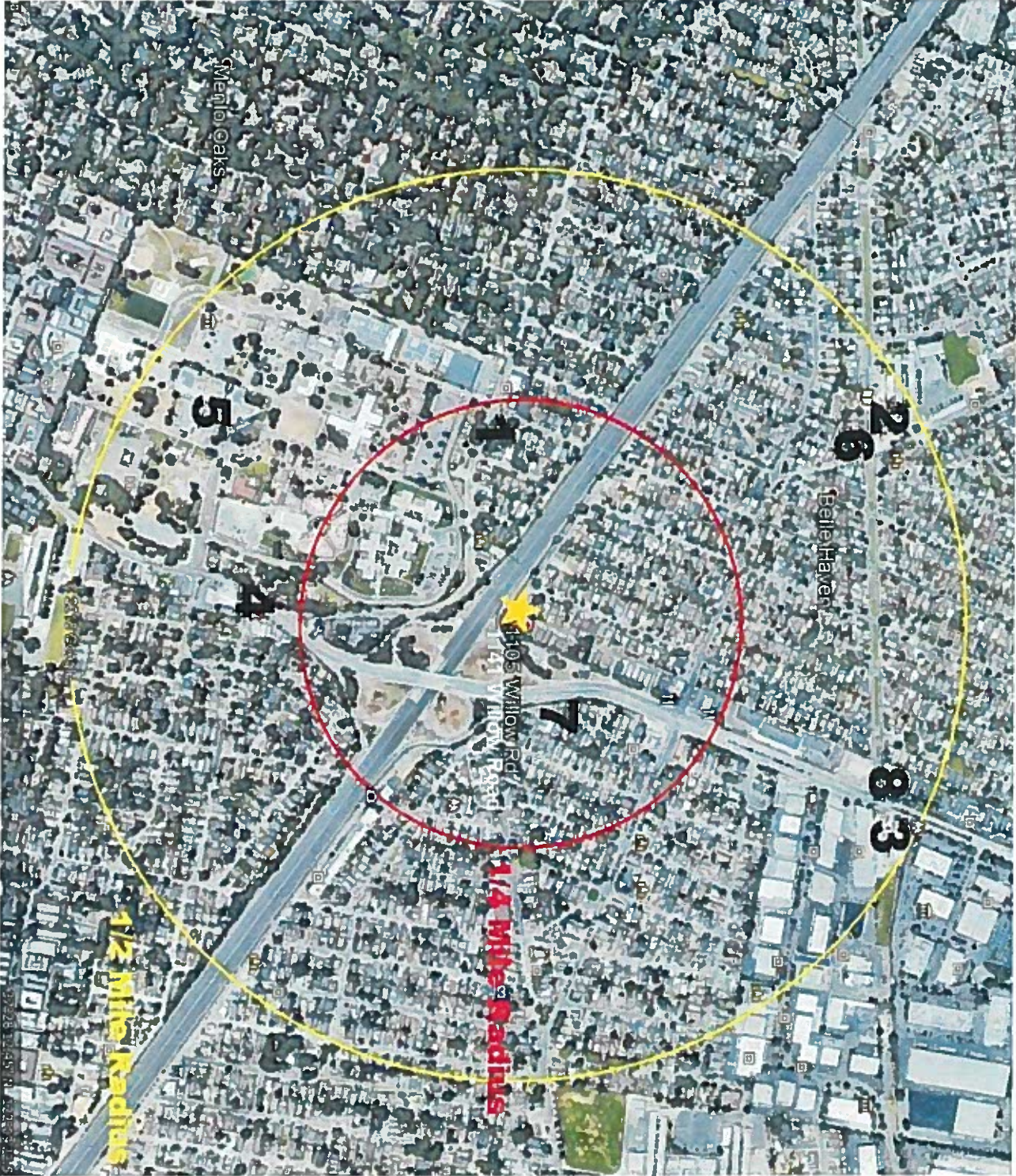
Gateway- Neighboring MidPen property

Attachment #2


Neighborhood Amenities

Neighborhood Amenities: 1/2 and 1/4 Mile Radius Map

- ★ Willow Court buildings: 1105 and 1141 Willow Road, Menlo Park, CA 94025
1. Bright Angel Montessori Academy School- 695 Bay Rd, Menlo Park
 2. Belle Haven Elementary School- 415 Ivy Dr, Menlo Park
 3. Mid-Peninsula High School- 1516, 1340 Willow Rd, Menlo Park
 4. Nimble Pharmacy- 900 Willow Rd B, Menlo Park
 5. Arbor Free Clinic- 795 Willow Rd building 334, Menlo Park
 6. Belle Haven Branch Library- 413 Ivy Dr, Menlo Park
 7. Mi Tierra Linda- 1209 Willow Rd, Menlo Park
 8. Soleska Market- 1305 Willow Rd, Menlo Park



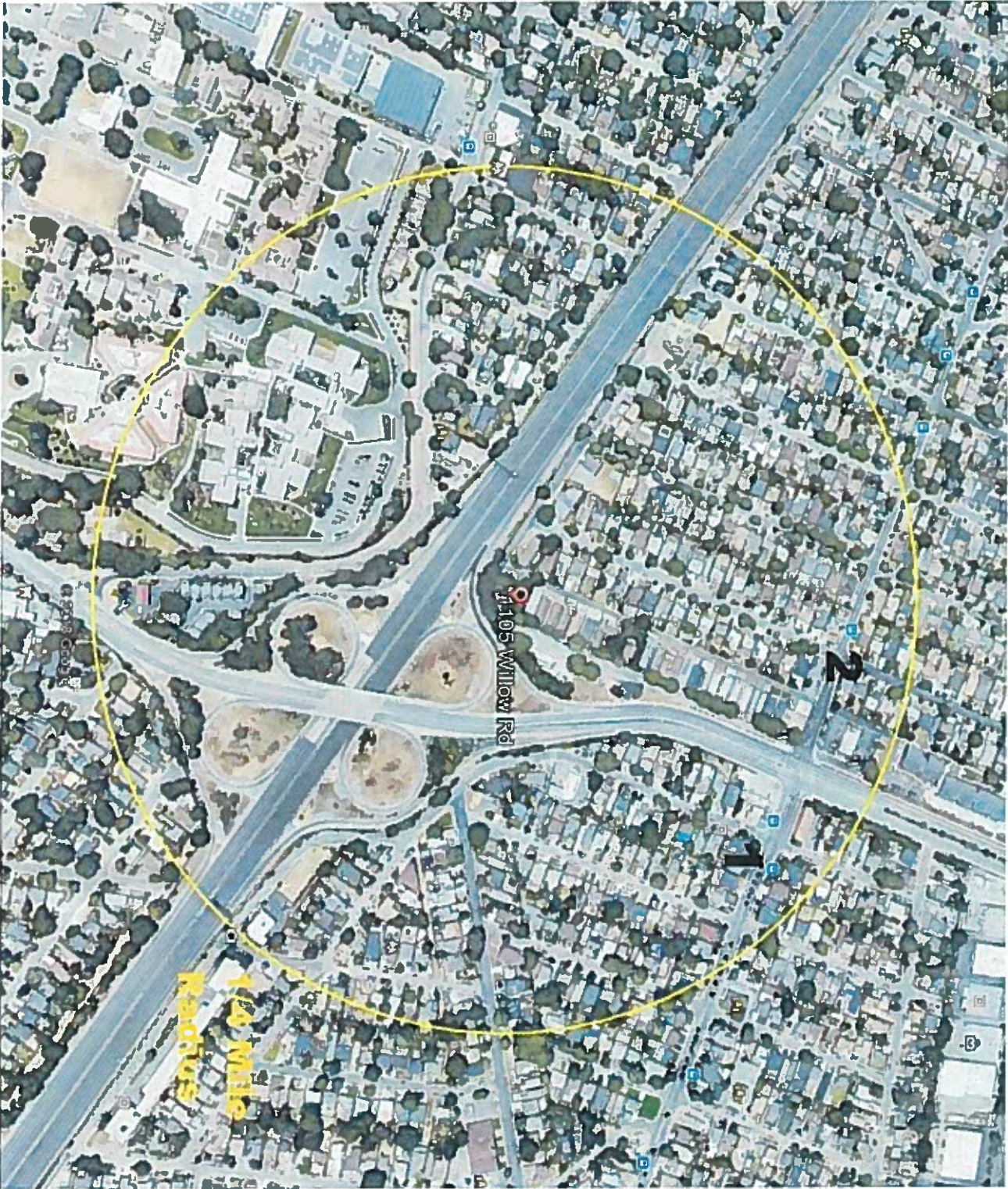
Attachment #2
Willow Court



Willow Court buildings: 1105 and 1141 Willow Road, Menlo Park, CA 94025

1. SamTran 281,296, 397 (at Newbridge St & Willow Rd) North bound & South Bound
2. Sam Tran 281 (at Newbridge St & Carlton Ave)

Transportation Amenities: ¼ Mile Radius Map



Attachment #4
Willow Court

Willow Court S&U (Soft & Hard cost)

Sources	Amount
City of Menlo Park BMR Funding	\$ 635,502.00
TOTAL:	\$ 635,502.00

Uses	Amount
GC Hard Cost	\$ 474,000.00
Overhead and Profit (8%)	\$ 37,920.00
Bond/Insurance (3%)	\$ 14,220.00
General Condition (5%)	\$ 23,700.00
Construction Contingency (10%)	\$ 47,400.00
Soft Costs	\$ 38,262.00
TOTAL:	\$ 635,502.00



Attachment #5

Preliminary Schedule

Attachment #5
Willow Court

PRELIMINARY SCHEDULE

Task	Deadlines
Application due to City	December 31, 2019
Anticipated Award date	March, 2019
Start Draft Loan Documents	Within 2 months of receiving award
Procure General Contractor	Within 4 months of receiving award
Finalize Loan documents	Within 5 months of receiving award
Obtain Permits & Construction Contract	Within 6 months of receiving award
Construction Commencement	Within 7 months of receiving award
Construction Completion (duration 4 to 5 months)	Within 12 months of receiving award

Attachment #6

Projects that went through similar rehab in the last 10 years

Pickering Place Apartments
20 West Pickering Avenue, Fremont, CA 94536

Rehab Scope:

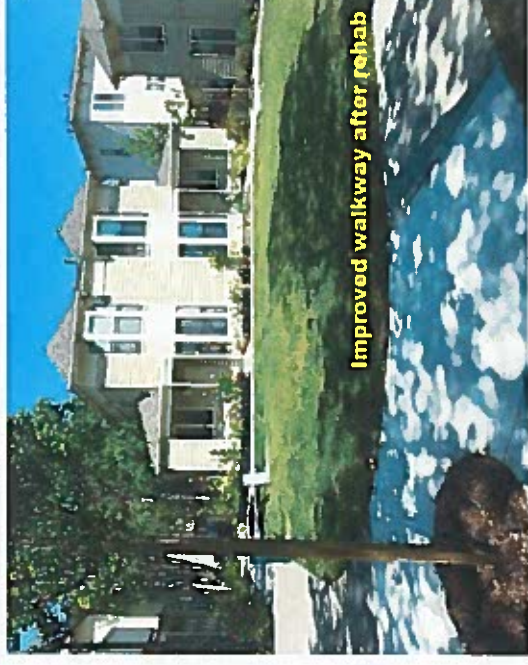
Roof over-lay

Landscape improvements/Concrete repair

Dry-rot repair



Damaged concrete walkway



Improved walkway after rehab

Crescent Terrace
130 Crescent Avenue, Sunnyvale, CA 94087

Rehab Scope:

Elevator renovation

Replacement of Kitchen Cabinets

Community room roof replacement

Dry rot repair



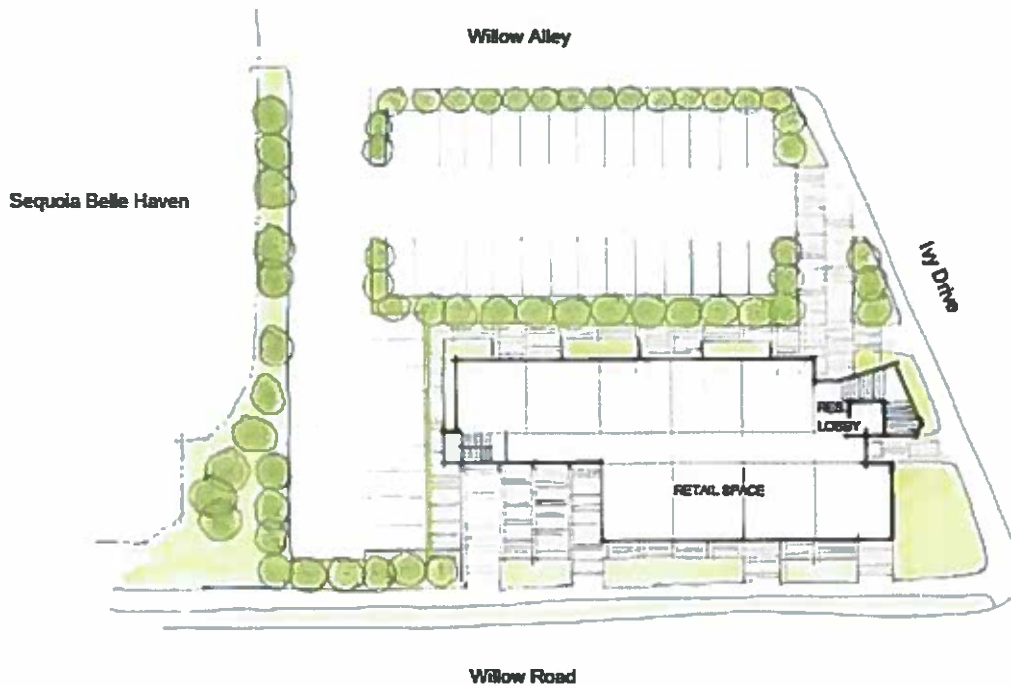
Attachment #7

Willow Court

Community Outreach

Willow Court is an existing affordable property in MidPen Housing's portfolio. Typically, MidPen Housing conducts a robust community engagement for new construction and major rehab projects. Because Willow Court will go through an in-place moderate rehab, MidPen Housing does not anticipate conducting community outreach. However, based on the review of the application and scope of work, if the City of Menlo Park addresses the need for community outreach, MidPen Housing will implement outreach as directed by the City.

City Of Menlo Park
Notice of Funding Availability
2019 NOFA Application



1283 Willow Road

1283 Willow Road, Menlo Park, CA, 94025

January 31, 2019

Submitted by: MidPen Housing Corporation



2018 NOTICE OF FUNDING AVAILABILITY APPLICATION

Community Development
701 Laurel St., Menlo Park, CA 94025
tel 650-330-6614

Project applicant			
Organization/Agency: MidPen Housing Corporation			
Primary contact person: Nesreen Kawar			
Phone: [REDACTED]		Email: [REDACTED]	
Address: 303 Vintage Park Drive, Suite 250		City: Foster City	State: CA Zip: 94404
<p>1. What is the role of the applicant in the project (check all that apply):</p> <p><input checked="" type="checkbox"/> Ownership entity</p> <p><input checked="" type="checkbox"/> Managing partner or managing member</p> <p><input type="checkbox"/> Sponsoring organization</p> <p><input checked="" type="checkbox"/> Developer</p> <p><input checked="" type="checkbox"/> Other (describe):</p> <p>MidPen Housing Corporation owns the property and will develop, operate and manage the project after construction.</p>			
<p>2. Applicant legal status:</p> <p><input checked="" type="checkbox"/> General partnership</p> <p><input type="checkbox"/> Joint Venture</p> <p><input type="checkbox"/> Limited partnership corporation</p> <p><input checked="" type="checkbox"/> Nonprofit organization</p> <p><input type="checkbox"/> Other (please specify):</p> <p>MidPen Housing Corporation is a non-profit developer and will be the general managing partner.</p>			
<p>3. Organization status:</p> <p><input checked="" type="checkbox"/> Currently exists</p> <p><input type="checkbox"/> To be formed (estimated date):</p>			
<p>4. Name(s) of individuals who are/will be general partner(s) or principal owner(s):</p> <p>MidPen Housing Corporation</p> <p>If the applicant is a joint venture, a joint venture agreement is required that clearly describes the roles and responsibilities of each partner, who is the lead partner or if the responsibilities are approximately equally split between the partners.</p>			
Project detail			
Project name: 1283 Willow Road			
Project address: 1283 Willow Road		City: Menlo Park	State: CA Zip: 94025
Assessor's parcel number: 062-103-640-9			
<p>Project type (check all that apply):</p> <p><input checked="" type="checkbox"/> Families</p> <p><input type="checkbox"/> Seniors</p> <p><input type="checkbox"/> Special needs</p> <p><input type="checkbox"/> Other (please describe):</p>			

Project activity (check all that apply): <input type="checkbox"/> Acquisition <input type="checkbox"/> Rehabilitation <input checked="" type="checkbox"/> New construction <input type="checkbox"/> Preservation <input type="checkbox"/> Mixed-income <input checked="" type="checkbox"/> Mixed-use <input checked="" type="checkbox"/> Other (please specify): Priority Replacement Housing for Displaced Menlo Park Resident Households.										
Land area: 0.71 ac (30,978 s.f.)					Number of residential buildings: 1 building					
Number of units: 27 units					Residential total floor area: 25,307 s.f.					
Number of stories: 4 stories					Number of elevators: 1					
Number of community rooms: 1					Community room(s) total floor area: 600 s.f.					
Commercial/office uses (please specify): Approximately 4,000 s.f. of ground floor retail space.										
Commercial total floor area: 4,500 s.f.					Office total floor area: N/A					
Other uses (please specify): 1,800 s.f. utility space										
Total parking spaces: 37 spaces					Parking type(s): Surface					
Residential parking spaces: 27 spaces					Residential parking ratio: 1 per unit					
Guest parking spaces: N/A										
Commercial parking spaces: 10 spaces					Commercial parking ratio: 1 per 450 s.f.					
Office parking spaces: N/A					Office parking ratio: N/A					
Income categories										
City BMR funds may only be used to reduce the cost of housing to levels that are affordable to extremely low, very low, low and moderate income households, as defined in the Housing Element of the City's General Plan. Inclusions of units for homeless households are encouraged.										
Category	Number of units					Percentage of units				
	Studio	1 bd	2 bd	3 bd	4 bd	Studio	1 bd	2 bd	3 bd	4 bd
0 to 30 percent AMI – Extremely low		3					11.1%	(30%AMI)		
31 to 50 percent AMI – Very low income		6					22.2%	(50%AMI)		
51 to 80 percent AMI – Low income		17					63%	(60%AMI)		
80 to 120 percent AMI – Moderate income										
Unrestricted		1					03.7%	(manager)		
TOTAL		27					100%			

Unit amenities

Provide a brief list of unit amenities (e.g. air conditioning, laundry in unit, balconies, etc.):

MidPen is leveraging the locational advantage of having three sites in extremely close proximity and will leverage this geographic synergy by sharing services spaces at its properties on 1221 Willow Road (Sequoia Belle Haven) and/or the 1300 block of Willow with the residents of 1283 Willow Road. Residents will benefit from shared Property Management office(s), Resident Services office(s) for confidential meetings, and Community Room(s) for classes and recreational activities. In addition to interior space, all three communities will also have outdoor common areas and landscaping to create enjoyable outdoor spaces for all our residents. At the 1283 site, in addition to an on-site resident manager, a common laundry room will be included, with at least one set of ADA accessible washer and dryer machines. There will also be a lobby, mail area, and bike storage room for resident use.

Project narrative (please use additional sheets of paper as needed)

1. Project description: Provide a brief narrative summary of the proposed project. Please include location, project type (new versus rehab), target population and any unique project characteristics.

See Attached

2. Project design: Provide a description of the project's architectural and site plan concepts and how these concepts address the opportunities and limitations of the site and location.

See Attached

3. Green building features: Describe the green building features that will be incorporated into the project.

See Attached

4. On-site amenities: Describe any on-site amenities including any project characteristics that address the special needs of the population you intend to serve.

See Attached

5. Neighborhood off-site amenities: Describe the property location, neighborhood transportation options, and local services and amenities that are within 1/4 mile and 1/2 mile of the site.

See Attached

6. Potential development obstacles: Are there any known issues or circumstances that may delay or create challenges for the project? If yes, list issues below including an outline of steps that will be taken and the time needed to resolve these issues.

See Attached

Site information (please use additional sheets of paper as needed)

Note: Site control is required. Evidence should also be submitted demonstrating that the entity with site control is the same entity applying for funds. Please include the site control documentation with the application.

Describe the current site control situation and/or control held by the applicant:

MidPen Housing Corporation owns 1283 Willow through an MP 1283 Willow, LLC. MidPen Housing's affiliate, Mid-Peninsula Half Moon Bay, Inc., is the sole member of MP 1283 Willow, LLC. Please see the attached grant deed demonstrating site control and the LLC-1 for MP 1283 Willow, LLC.

The site acquisition will be a: <input checked="" type="checkbox"/> Purchase <input type="checkbox"/> Long-term lease		Current County-assessed site value:	
Land purchase price or annual lease payment: \$2.5 MM		Total site sq.ft. 0.71 acres	
Current property owner's name: MidPen Housing Corporation			
Property owner phone: [REDACTED]		Property owner email: [REDACTED]	
Property owner address: 303 Vintage Park Drive, Suite 250		City: Foster City	State: CA Zip: 94404

Existing uses on the site and approximate square footage of all structures:

N/A Site is currently vacant and being used for construction staging for Sequoia Bellehaven project.

City of Menlo Park 2019 NOFA Application
Project Narrative 1- 6

1. PROJECT DESCRIPTION

1283 Willow Road will bring 27 much-needed affordable homes for very-low and extremely-low income households in San Mateo County as part of a well-designed mixed-use development on Willow Road, a main thoroughfare in the City of Menlo Park.

MidPen Housing Corporation ("MidPen") acquired the 1283 Willow Road property in the Belle Haven neighborhood of Menlo Park in 2016 and is proposing to develop a residential mixed-use development. Currently a vacant site, the property was previously entitled for a police substation, which was never built. The site has long been an eyesore in the community and is an important revitalization opportunity. As part of the City of Menlo Park's General Plan update which was approved and adopted in 2016, the property's existing C-2-B zoning was amended to allow for residential development. This property presents an exciting opportunity to meet several goals discussed in the General Plan update process, including neighborhood-serving retail, affordable housing and improving the quality and vibrancy of Willow Road. MidPen intends to engage with the community and stakeholders in the planning process.

The proposed development is a 100% affordable family housing community with 26 homes targeting small households with incomes 30% to 60% of the Area Median Income (AMI). The development will consist of 27 one-bedroom apartments as well as retail space. One apartment unit will be used by an on-site resident manager. The project will provide 26 newly constructed affordable units that will help address the current displacement crisis being experienced by Menlo Park residents. The proposed design has approximately 4,000 sf of ground floor retail with space for an outdoor patio, with three levels of residential units above. The design brings the building closer to Willow Road than the previously entitled project, allowing the building to define the corner of the site. This creates a more vibrant, pedestrian friendly streetscape, keeping all vehicular circulation away from the public walkways and plazas. The residential lobby is at the west side of the building while the retail entry will be at the east side, creating a clear separation between the public and private realms. The ground floor will be largely transparent, with large storefront glass at both the retail space and the residential lobby. Street trees and public sidewalk will be provided along the streets, picking up on the streetscape work of Sequoia Belle Haven, our MidPen property next door, providing a continuous,

2. PROJECT DESIGN

MidPen has hired Mithun, the architect for Sequoia Belle Haven, to study conceptual design alternatives for the 1283 Willow site. MidPen has not yet submitted its conceptual design plans to City planning for comment, but we plan to do so after the site's acquisition costs have been retired. The proposed design is intended to enhance the neighborhood streetscape and be compatible with neighborhood's character while complementing recent revitalization efforts. The project is currently envisioned as a 4 story, single building, with 27 one-bedroom apartments, retail space, and 37 surface parking spaces. The proposed design has approximately 4,000 sf of ground floor retail with space for an outdoor patio, with three levels of residential units above.

The design brings the building closer to Willow Road than the previously entitled project, allowing the building to define the corner of the site. This creates a more vibrant, pedestrian friendly streetscape, keeping all vehicular circulation away from the public walkways and plazas. The residential lobby is at the west side of the building while the retail entry will be at the east side, creating a clear separation between the public and private realms. The ground floor will be largely transparent, with large storefront glass at both the retail space and the residential lobby. Street trees and public sidewalk will be provided along the streets, picking up on the streetscape work of Sequoia Belle Haven, our MidPen property next door, providing a continuous, cohesive pedestrian realm along Willow Rd.

The site as planned has very limited community and social services space. Instead, MidPen will share services spaces at its properties on 1221 Willow Road (Sequoia Belle Haven) and/or the 1300 block of Willow with the residents of 1283 Willow Road. These two sites are extremely close and residents will benefit from Property Management office(s), Resident Services office(s) for confidential meetings, and Community Room(s) for classes and recreational activities. In addition to these shared interior spaces, we will also have outdoor common areas and landscaping to create enjoyable outdoor spaces for our residents. At the 1283 site, a common laundry room will be included, with at least one set of ADA accessible washer and dryer machines. There will also be a lobby, mail area, and bike storage room for resident use.

3. GREEN BUILDING FEATURES

As with the adjoining Sequoia Belle Haven apartment community, 1283 Willow will also be constructed to meet the most recent State Title 24 and Green Building Code Standards. Additionally, MidPen has been an industry leader in the incorporation of eco-friendly technology and materials in all phases of construction/development and operation to ensure that the most cost efficient and effective methods are being used to maximize scarce resources and be good stewards of our public agency funds.

4. ON-SITE AMENITIES

As noted in the project design section, MidPen is leveraging the locational advantage of having three sites in extremely close proximity and will leverage this geographic synergy by sharing services spaces at its properties on 1221 Willow Road (Sequoia Belle Haven) and/or the 1300 block of Willow with the residents of 1283 Willow Road. Residents will benefit from shared Property Management office(s), Resident Services office(s) for confidential meetings, and Community Room(s) for classes and recreational activities. In addition to interior space, all three communities will also have outdoor common areas and landscaping to create enjoyable outdoor spaces for all our residents. At the 1283 site, in addition to an on-site resident manager, a common laundry room will be included, with at least one set of ADA accessible washer and dryer machines. There will also be a lobby, mail area, and bike storage room for resident use. Accessible washer and dryer machines. There will also be a lobby, mail area, and bike storage room for resident use.

5. NEIGHBORHOOD OFF-SITE AMENITIES

The site is located at the intersection of Willow Rd and Ivy and is adjacent to properties MidPen currently owns on the 1200 and 1300 blocks of Willow Road in Menlo Park. The property is right next door to MidPen's Sequoia Belle Haven site at 1221 Willow Road which completed construction early this year.

1283 Willow Road is in a prime location for transit, being less than ¼ mile from a bus stop for SamTrans 281 and 296 lines (at Willow Road and Newbridge Street) which both run within every half hour during peak periods. A Caltrain Shuttle runs also along Willow Road to meet Northbound and Southbound trains; the nearest stop is at Willow Road and O'Brien Drive

There are two small markets within ¼ mile of the site: Soleska Market and Mi Tierra Linda Market. These markets provide an array of fresh staples including fresh meats, poultry, dairy products, and produce. In addition, the site is within 1 ¼ miles of Mi Pueblo Food Center, which is a large scale supermarket with a larger selection of fresh staples.

1283 Willow is also a prime location for families. The site is within ½ mile of both Belle Haven Elementary School and Cesar Chavez Elementary School. It is within a ½ mile of the Belle Haven Library, which provides cultural resources. It is less than ½ mile from Hamilton Park, which provides space for recreational activity. There is a grassy field at this park, picnic tables for dining, and a play structure for children.

Additionally the site is about 1 ½ mile from Ravenswood Family Health Center , which provides a large variety of health services from pediatric, to dental, to optometry. Given the high costs of healthcare and its importance in the lives of families, having this resource nearby is a huge asset. This health center is easily accessed by the two SamTrans lines nearby the site.

6. POTENTIAL DEVELOPMENT OBSTACLES

MidPen proposes a similar abandonment of Frontage Road on the 1283 Willow site as was requested and approved on the 1200 block. This request preserves a 25' ROW controlled by the City and establishes a new property line after the ROW. At 1283 Willow, the space between the ROW and the buildings is a 30' PUE. The reconfiguration of Frontage Road at Sequoia Belle Haven has allowed us to address circulation and access issues, creating distinct public and private circulation routes. Vacation and abandonment at the 1283 Willow site similarly will allow for provision of a public pedestrian route that is integrated with the rest of Willow Road, and a site layout reconfiguration that will greatly benefit residents, staff and the neighborhood, and create clearly delineated boundaries between public and private realms.

Planned use of on-site existing structures:

- ☐ Demolish
☐ Rehabilitate
☒ Other (describe):

N/A Site is currently vacant

Provide the square footage, date built and number of stories for each on-site building to be retained as part of this project:

N/A Site is currently vacant.

Provide a brief description of the condition of any buildings to be rehabilitated:

N/A Site is currently vacant.

Describe unique site features (Heritage trees, parcel shape, etc.)

N/A Site is currently vacant.

Identify problem site conditions (high noise levels, ingress/egress issues, etc.)

See "potential development obstacles" section

Floodplain

Is the site in a floodplain? ☒ Yes ☐ No

If yes, type of flood plain and number of years:

0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile

List any maps referenced:

<https://msc.fema.gov/portal/search?AddressQuery=1283%20willow%20road%2C%20menlo%20park%2C%20ca#searchresultsanchor>

FIRM 06081C0307E, Effective 10/16/2012.

Describe adjoining land uses

West: Single Family Homes

East: Willow Road ROW

North: Ivy Drive ROW/Soleska Market

South: Sequoia Bellhaven Apts

Zoning

What is the current zoning of the project site? C-2-B

Is the proposed project consistent with the existing zoning status of the site? ☒ Yes ☐ No

Explain:

The C-2-B zoning was amended by the Menlo Park City Council in 2016 to allow for residential development as part of the City's General Plan update.

Indicate any discretionary review permits required for the project (Planned Community Permits, Design Review Permits, Rezoning, etc.)

A Design Review Permit application and approval are required for this project.

If rezoning is required identify the requested zoning district for the project: n/a

Community priorities (please use additional sheets of paper as needed)

Explain how this project meets the objectives of the project priorities identified in this notice of funding availability and the goals and objectives of the City's Housing Element and General Plan:

See attached.

Project funding (please use additional sheets of paper as needed)

City funds requested: \$5,107,500	Funds per assisted unit: \$196,346 (26-units)
Total project cost: \$23,877,908	Cost per assisted unit: \$918,281 (26-units)

How will the requested City funding be used?

For Construction and Development Costs

Assess the chances of the project securing required funding and steps that will be taken to make the project competitive.

See attached.

What is the self-scored 9 percent tax credit tiebreaker score for the project if applicable?

See attached.

Developer experience (please use additional sheets of paper as needed)

Applicants may be nonprofit or for-profit affordable housing developers or owners who have affordable housing experience in the nine-county Bay Area (San Mateo, San Francisco, Marin, Sonoma, Napa, Solano, Contra Costa, Alameda and Santa Clara) and a successful track record of at least two years of ownership of at least two affordable, deed-restricted housing projects within the nine-county Bay Area in which 100 percent of the units, are targeted to those at or below 60 percent AMI. Joint venture partnerships are allowed assuming at least one member of the partnership meets the minimum experience requirement. Previous development/ownership experience must include projects that contain at least 10 units.

Years of experience: Approximately 49 years (1970)

Number of projects: 110 communities throughout the Greater Bay Area from Santa Rosa to Monterey Counties.

Number of projects in San Mateo County: 27 communities

City of Menlo Park 2015 NOFA Application Site Information

Community Priorities

Explain how this project meets the objectives of the housing goals and priorities identified in this NOFA and the goals and objectives of the City's Housing Element and General Plan:

1283 Willow meets the objectives of the NOFA housing goals and priorities as well as the goals and objectives of the City's Housing Element and General Plan.

CITY NOFA FUNDING PRIORITIES

MidPen's proposal for 27 housing units aligns strongly with the City of Menlo Park's NOFA Housing Priorities: 1) rental housing targeting extremely low, very low and low income households earning 50% or less of the median income for San Mateo County; 2) proposals that provide dual benefits by developing affordable housing and creating a substantial improvement of a blighted property and/or neighborhood. The site has long been an eyesore in the community and is an important revitalization opportunity. Indeed, City staff encourage MidPen Housing to acquire the site to continue its revitalization efforts in the Sequoia-Belle Haven neighborhood. The proposed development would provide housing targeted at extremely-low, very-low and low income households and the project site is located in an area where redevelopment would create positive impacts not just for the residents but for the greater neighborhood. In addition to housing targeted to low-income households, MidPen has listened to community feedback and heard an interest in seeing mixed-income housing in the neighborhood. We are proposing a mixed-income concept for this site where new units added to the site would be targeted to moderate-income households. This project will provide high quality affordable housing to existing residents and create new housing units affordable to Menlo Park's workforce earning up to 60% of Area Median Income – something that is simply not available in the current market.

Additionally, the project meets the Project Goals identified in the NOFA, as addressed below:

- *Housing units will remain affordable through deed restrictions for at least 55 years*
1283 Willow will be affordable to low and moderate income households for 55 years. Recorded Regulatory Agreements will restrict all units for low-income households for 55 years.
- *The project's management plan promoted a healthy living environment for tenants and a compatible relationship with neighbors*
MidPen is committed to providing a sustainable development that is better for the environment by incorporating a rigorous construction waste recycling program, green building and recycled content materials, and drought-tolerant landscaping. Livability for residents will be enhanced by incorporation of a variety of methods and materials

to improve indoor air quality such as the use of low-VOC paints and adhesives, formaldehyde-free building insulations, and incorporation of fresh air vents in every apartment. We will have a Green Operations and Maintenance policy manual which will be established to provide a healthy environment for our residents and staff. These policies will reduce the use of harmful chemicals and improve indoor air quality, among other impacts. We are committed to implementing green strategies at our properties so that we can promote:

- healthy living environments for our residents
 - healthy work environments for our property management staff members
 - the sustainability of our properties as long-term investments
 - the well-being of our communities and cities in which our properties are located
- *The project is consistent with the goals and objectives of the City's Housing Element and General Plan*

As part of the City of Menlo Park's General Plan update which was approved and adopted in 2016, the property's existing C-2-B zoning was amended to allow for residential development. This property presents an exciting opportunity to meet several goals discussed in the General Plan update process, including neighborhood-serving retail, affordable housing and improving the quality and vibrancy of Willow Road. Additionally, the Housing Element identifies the increasing relevance of the Millennial Generation in the housing market and continued shortage of workforce housing. 1283 Willow could address these local needs, in addition to meeting housing goals of the Regional Housing Needs Allocation.
- *The project has reasonable costs, the ability to compete well in securing competitive funding sources, and is soundly underwritten*

MidPen has put together a feasible financing plan and has begun the process to assemble financing and work with existing partners to make redevelopment a reality. The City is a critical and catalytic component of our financing plan, in terms of a new funding commitment, modification and extension of the existing City loan to the property. City funds would be leveraged 1:5, an impactful and strategic investment for the City.
- *The project will allow the City to spend housing funds expeditiously*

The project would be completed within three years of receiving the City funding commitment. As MidPen has shown on the Sequoia Belle Haven project, we are able to execute on our timelines. With that project, we were awarded City funding in 2014, received all our financing commitments and will begin construction in 2015, and completed construction in 2016.
- *The project site is near transit and services and is convenient for the target population*

1283 Willow is well-served by amenities, including transit and retail as well as resources offering affordable medical and social services.

- The project site allows a development to achieve maximum density*

Under the site's current zoning, C-2-B, the development will be able to achieve maximum density. Site planning would be greatly enhanced by a vacation and abandonment of the City-controlled portion of Frontage Road and has been approved for Sequoia Belle Haven. The proposed project would be a more appropriate use of the site and would represent a significant improvement to the site design.
- The building incorporates green building practices and materials*

The proposed project is committed to follow the best practices in energy-efficiency and Green Building, beginning with site selection. The project is an infill development, well-served by transit and services. In addition to this sustainable approach of increasing density in a well-located infill site, green building design and materials will be incorporated into the project. The project will be GreenPoint Rated. Energy-efficient and water-saving systems, fixtures, and appliances will be included in the building and individual units. Design decisions will be made, such as using low-VOC paints and including drought-resistant plantings, to provide healthy and quality homes for low-income households and to promote the long-term sustainability and the operational success of the property.
- The project will attempt to implement a Local Hire program for Menlo Park residents (via construction and/or operations)*

MidPen has deep experience in transparent contracting methods that provide bidding opportunities for local subcontractors and workers. Our projects are often subject to federal Section 3 and local public bid requirements. To comply, we advertise our projects through the local builder's exchange, place advertisements in local newspapers, and use our local government's websites to promote bidding opportunities. We monitor our contractors so they comply with Section 3 requirements to offer new hire positions to local low-income workers. Through these methods, we will make our best efforts to provide opportunities for qualified local contractors and workers.
- The project is consistent with the zoning and neighborhood² setting*

The proposed project is consistent with its current zoning, C-B-2. Willow Road has a mix of residential and commercial uses of varying density. The proposed project would enhance this rapidly-evolving corridor and fit in with its surroundings.
- The project incorporates appropriate community spaces, amenities and services for the target population*

MidPen will share services spaces at Sequoia Belle Haven and/or the 1300 block of Willow with the residents of 1283 Willow Road. These sites are extremely close and residents will benefit from shared property management office, resident services offices

for confidential meetings, and community rooms for classes and recreational activities. An on-site resident property manager will live at 1283 Willow Road.

- *The development team has demonstrated experience with successful affordable housing projects*

MidPen is an experienced nonprofit affordable housing developer with a 45 year history of development in the Bay Area. We have a long and successful track record working in San Mateo County and have strong relationships with the County Department of Housing and Housing Authority. MidPen Property Management Corporation currently manages over 1,500 units at 29 properties across San Mateo County and we have a strong pipeline of future projects in the County. In addition to our large footprint in San Mateo County, MidPen also has relevant experience at the local level. MidPen currently owns and manages three properties in Menlo Park with a total of 167 units. With a strong local presence, MidPen Management can effectively incorporate the proposed new units into its existing portfolio. The development project team is experienced with projects of similar scale and complexity, as evidenced by the examples of recent development projects. Most importantly, the project team has shown success in the timely financing and permitting of Sequoia Belle Haven and will carry on that expertise to 1283 Willow.

City of Menlo Park 2015 NOFA Application Project Funding

PROJECT FUNDING

Assess the chances of the project securing required funding and steps that will be taken to make the project competitive.

As evidenced by our work on Phase 1 of the Gateway Revitalization, the Sequoia Belle Haven project, MidPen is experienced in assembling financing and working with existing partners to make redevelopment a reality. As we demonstrated on Sequoia, we were able to leverage the City's investment to obtain County funding and compete successfully for tax credits, enabling the project to move forward quickly to construction. We are confident in our ability to execute similarly on 1283 Willow.

A core MidPen strength is working with local leaders and diverse constituencies to craft financially feasible development proposals that achieve broad public benefit. Critical to that process is the ability to analyze and present a variety of development options. For the purposes of this NOFA application, we have assumed a non-podium configuration similar to Sequoia Belle Haven, but with a retail component. We look forward to engaging with the City and community on design and feasibility.

MidPen has a proven track record of accessing public and private sources of debt, equity, and operating subsidies to achieve financial feasibility for complex projects. Below is a list of capital and operating sources that we will draw up to fund the development proposals that follow.

4% Tax Credit Equity

Like the 9% tax credit program, the 4% tax credit program is allocated by California Tax Credit Allocation Committee (TCAC). While the program offers less equity than the 9% program, it has the distinct advantage of being an "over-the-counter" application process. Awards are granted based on meeting certain eligibility thresholds, rather than through competition. MidPen has a depth of experience accessing 4% credits.

Our preferred scenario would be to finance this project with 4% credits which are non-competitive. Use of 4% credits reduces timing risks. Generally, the 9% credits raises more equity so would allow us to proceed with fewer soft sources. Since 9% credits are the most competitive funding source and there are only two funding rounds per year, we would also have greater certainty and an earlier completion date if we choose to use the non-competitive 4% tax credits. The project is not eligible for 9% credits as it is currently programmed. With the unit mix we have proposed, the project would need to serve seniors or special needs clients to be eligible.

Housing Authority of the County of Mateo - Section 8 Project-Based Vouchers

Section 8 Vouchers are an extremely important tool in the creation of new housing when they can be "project-based," or allocated to the units at a property rather than directly to the tenants. The voucher represents significant additional income for the property which can be used to offset operating and services expenses. Generally, Housing Authorities can allocate Project-Based Vouchers for up to 25% of the units, but with senior properties this can be up to 100%. We have secured an award for 8 project based-vouchers from the Housing Authority of San Mateo County. This contract is a valuable and rare resource tied to the site and the Housing Authority is a committed partner.

County Housing Funds

San Mateo County's Affordable Housing Funds originally came from a one-time disbursement of "boomerang" housing trust funds. The most recent funding round was a combination of Measure A funding and Housing Authority funds. MidPen successfully applied for a \$500,000 award in 2017-18, and the MidPen intends to apply for the remaining funds in 2019. The County also has annual HOME/CDBG funding which we have been equally successful in tapping.

Our funding assumes \$5.1 million in AHF and CDBG/HOME, a conservative assumption based on projected funding availability and our success in securing this funding.

Construction and Permanent Debt

Given MidPen's strong balance sheet and exemplary track record, MidPen is able to command top of the market pricing for both debt and equity from the strongest financial institutions in the country. MidPen also maintains strong relationships with other capital market partners, including those who specialize in HUD insured loans.

Our financing scenarios reflect the following assumptions:

Construction Loan: Current construction rates are around 4.15%, plus a 1% cushion means underwriting at about 5.15%.

Permanent Loan: Tax exempt rates are currently around 5%. For underwriting purposes, we have included a 1% cushion, for a rate of 6%.

Program Summary

27 residential units

- 27 tax credit affordable units (includes 1 manager's unit)

Per-unit Cost Explanation

Several factors influenced the per-unit cost of the project:

- At the City's request, MidPen purchased the site from a reluctant seller for a total of \$2.65 million. This adds \$101,923 in project costs per affordable unit.
- Also per a City requirement, the project is building 4,500 square feet of retail space, as well as 10 parking spaces to serve it. The retail space will cost \$1.8 million to build, adding another \$69,230 per affordable unit.
- The project's net developer fee is actually \$1.168 million less than the \$2.6 million included in the budget, since MidPen will be contributing back the \$1.168 million in the form of a deferred fee loan. This accounts for \$44,923 per affordable unit.
- Finally, our project budget includes an 18% contingency on top of our estimated construction costs, in order to absorb the potential for an increase in construction costs. Our contingency represents \$77,223 per unit.

In total, these factors represent \$293,299 in per-unit project costs. Without these costs, the per-unit cost of the development would be \$625,082, well within the typical cost of an affordable unit in today's high-cost environment.

Financing Summary

SOURCES AND USES		
CONSTRUCTION SOURCES	total	per unit
Construction Loan	\$ 10,520,168	389,636
County AHF 5	\$ 500,000	18,519
City of Menlo Park	\$ 5,107,500	189,074
County AHF 7	\$ 4,607,500	170,741
LP and GP Equity	\$ 717,768	26,584
<i>total</i>	<i>\$ 21,452,936</i>	<i>794,553</i>
PERMANENT SOURCES		
Amortizing Perm Loan, Tranche A	\$ 3,875,200	143,526
Amortizing Perm Loan, Tranche B	\$ 1,442,100	53,411
County AHF 5	\$ 500,000	18,519
City of Menlo Park	\$ 5,105,000	189,074
County AHF 7	\$ 4,610,000	170,741
Commercial Condo Payment	\$ -	-
Source 6	\$ -	-
Tax Credit Investor Proceeds	\$ 7,176,680	265,803
GP Equity	\$ 100	4
Deferred Developer Fee	\$ 1,168,829	43,290
<i>total</i>	<i>\$ 23,877,908</i>	<i>\$ 884,367</i>
PERMANENT USES		
	total	per unit
Land	\$ 2,650,000	\$ 98,148
Other Acquisition Costs	\$ 268,849	\$ 9,957
<i>Total Acquisition Costs</i>	<i>\$ 2,918,849</i>	
HARD COSTS		
Resid. Site Work and Structures	\$ 9,406,385	\$ 348,385
Commercial Costs	\$ 949,500	\$ 35,167
Escalation Contingency	\$ 1,261,293	\$ 46,715
Overhead & Profit/GC/Ins. Bond	\$ 1,801,126	\$ 66,708
Owner Contingency	\$ 746,526	\$ 27,649
<i>Total Hard Costs</i>	<i>\$ 14,164,830</i>	<i>\$ 524,623</i>
SOFT COSTS		
Architecture and Engineering	\$ 1,410,740	\$ 52,205
Construction Loan interest and fees	\$ 1,013,799	\$ 37,548
Permanent Financing	\$ 73,173	\$ 2,710
Legal Fees	\$ 110,500	\$ 4,093
Reserves	\$ 147,644	\$ 5,468
Permits and Fees	\$ 959,045	\$ 35,520
Other Soft Costs	\$ 510,500	\$ 18,907
Relocation	\$ -	
Developer Fee	\$ 2,568,829	\$ 95,142
<i>Total Soft Costs</i>	<i>\$ 6,794,229</i>	<i>\$ 251,594</i>
TOTAL DEVELOPMENT COSTS	\$ 23,877,908	\$ 884,367

Average size of projects: 40 units
Number of units placed in service: Approximately 8,000 units
Please describe two projects completed in the last 10 years that are similar to the proposed project and provide photographs of each project:
Project 1 - name of project: Sequoia Belle Haven
Location: Menlo Park
Number of units: 90 units
Type of development (senior, family, etc.): Senior Housing
Name of project manager: Nesreen Kavar
Number of stories: 2 & 3 Stories
Unit types (studio, 1 bedroom, etc.): 1BR, 2BR
Type of construction: Type V construction
Project amenities: Community room with kitchen; computer lab; fitness center; courtyard area; outdoor walking path; lounge with pool table; shuffleboard
Entitlement date: 06/04/2013
Occupancy date: 04/18/2017
Funding sources: City of Menlo Park; County of San Mateo Department of Housing; Housing Authority of the County of San Mateo; TCAC; HUD; FHLBSF; Wells Fargo
Project 2 - name of project:
Location: Half Moon Village
Number of units: 160 units
Type of development (senior, family, etc.): Senior Housing
Name of project manager: Abigail Goldware
Number of stories: 3 stories
Unit types (studio, 1 bedroom, etc.): 1BR, 2BR
Type of construction: Type V construction
Project amenities: Community rooms; resident lounge with computers; outdoor patios with seating and BBQ; group exercise room; outdoor pavilion; community gardens; bocce ball court
Entitlement date: 02/28/2012
Occupancy date: 02/05/2014
Funding sources: County of San Mateo Department of Housing; Housing Authority of the County of San Mateo; HUD; TCAC; Union Bank; Wells Fargo

Personnel

List the names of key members of the applicant's development team, their titles, responsibilities and years of experience in affordable housing.

Project Staff	Name	Role in proposed project	Years of housing development experience	Years with this developer
Project Manager	Nesreen Kwar Senior Project Mgr	Day to Day Project Management	10+ yrs	2 yrs
Director of Real Estate Development	Nevada Merriman Director of Housing Development Peninsula	Supervision and Support of Project Manager	15+ yrs	12 yrs
Executive Director	Matt Franklin, President & CEO	Leadership of MidPen Housing	25+ yrs	11 yrs
Chief Financial Officer	Art Fatum, Chief Financial Officer & HIPAA Security Officer	Oversight of Finance/ Accounting and Asset Management	25+ yrs	6 yrs
Other	Jan Lindenthal, Chief Real Estate Officer	Oversight of Development Team	25+ yrs	11 yrs
Other	Noemi Paez Project Associate	Support Day to Day Project Management	<1 yr	<1 yr

Indicate which of the following development team members have been selected and identify them if different from applicant.

Developer: MidPen Housing Corporation

Architect(s): Mithun, Inc.

Engineer(s): TBD

General contractor: TBD

Attorney(s) and/or tax professionals: MidPen Housing Corporation Legal Counsel

Property management agent: MidPen Property Management Corporation

Financial and other consultant(s) TBD

Investor(s): TBD

List all other participants and affiliates (people, businesses and organizations) proposing to participate in the project.

Name	Address
MidPen Housing Services Corporation	303 Vintage Park Dr., Suite 250, Foster City

Describe how the property will be managed including the number of staff, locations and management office hours.

MidPen will share services spaces at its properties on 1221 Willow Road (Sequoia Belle Haven) and/or the 1300 block of Willow with the residents of 1283 Willow Road. These sites are extremely close and residents will benefit from shared Property Management office(s), Resident Services office(s) for confidential meetings, and Community Room(s) for classes and recreational activities. An on-site resident property manager will live at 1283 Willow Road.

If the project will be managed by an agency other than the project applicant describe the project applicant's role in the ongoing management of the project and resolution of management issues.

N/A

Authentic community outreach is foundational to MidPen's development approach. Every development opportunity requires a thoughtful community outreach strategy that balances the community's goals with neighborhood compatibility. We have already begun outreach for the 1283 Willow, as well as for the Sequoia Belle Haven and Gateway family projects. We will build on our approach there, conducting outreach to key community stakeholders to ensure that our work complements and builds on the community's long standing vision for the property.

On December 6th, 2017, the City of Menlo Park hosted a community meeting to gather community feedback on 1283 Willow and another site MidPen purchased at 335 Pierce Road. We had a Q&A session in the beginning and end and also reported back on what facilitators heard at each station. Stations included Zoning and Design; Possible Resident Populations at 1283 Willow; Home Ownership at 335 Pierce; and Retail Opportunities at 1283 Willow. Prior to this meeting, the City of Menlo Park mailed out 9,100 flyers to Belle Haven households. City emails were sent to the Housing List, Weekly Newsletter, and Menlo Park Chamber of Commerce Weekly Message.

Our plan for the remaining community outreach would build on our outreach for Sequoia Belle Haven and would include targeted outreach with neighbors and residents. This plan outlines MidPen's goals and plans to solicit feedback from residents, neighbors and other key stakeholders about 1283 Willow. MidPen proposes to hold several meetings with the following plan:

Neighbors and Belle Haven Neighborhood Groups

Goals:

1. Proactively engage homeowners and business operators/owners to ensure they have information about the project
2. Build a positive relationship by sharing intentions and project plans and incorporating feedback
3. Provide regular updates during and after construction

Plan:

As part of our formal outreach process, we will invite representatives from neighborhood groups and neighbors within 500 feet of the proposed development to attend an introductory meeting/presentation where we share our goals, design and services, and provide time for public comment. We plan to have a series of meetings to make sure neighbors will stay updated on progress and discussions around key decisions. If helpful, MidPen will organize a property tour with interested neighbors to respond to concerns about management, security and density. MidPen plans to reach out to the following organizations: Belle Haven Homeowners Association, Belle Haven Neighborhood Association, Belle Haven Community Foundation, Facebook, local schools, local churches, and Onetta Harris Senior Center, among others. Additionally, MidPen will follow the any required protocol to notice all property owners and building occupants within 300' of the property boundary. The notice will include a description of our proposal, methods for providing comments, and date and time of our public meeting with the Planning Commission.

City Agencies

Goal:

Engage City Agencies early on to ensure they are well-informed on the project (i.e. Fire, Police, Public Works)

Plan:

Schedule a meeting with representatives from the various departments to facilitate information-sharing and feedback prior to zoning compliance review meeting and filing building permit application.