



SPECIAL MEETING AGENDA

Date: 7/10/2019

Time: 6:30 p.m.

**Menlo Park City Hall, 1st Floor – Downtown Conference Room
700 Alma St., Menlo Park, CA 94025**

A. Call to Order

B. Roll Call

C. Public Comment

Under “Public Comment,” the public may address the Commission on any subject not listed on the agenda. Each speaker may address the Commission once under Public Comment for a limit of three minutes. The Commission cannot act on items not listed on the agenda and, therefore, the Commission cannot respond to non-agenda issues brought up under Public Comment other than to provide general information.

D. Regular Business

- D1. Approve minutes for the Housing Commission meeting of May 1, 2019 ([Attachment](#))
- D2. Hello Housing Quarterly Report
- D3. Recommendation on the proposal from MidPen Housing for a loan from the Below Market Rate Housing Fund for rehabilitation of affordable rental housing at 1105 and 1141 Willow Road ([Staff Report 19-004-HC](#))
- D4. Catalyst Housing – California Community Housing Agency – Presentation and Resolution Recommendation ([Staff Report 19-005-HC](#))
- D5. Short Term Rentals presentation
- D6. Housing Commission 2019/20 meeting schedule
- D7. Recommend items for future agendas

E. Reports and Announcements

- E1. Subcommittee reports (10 minutes):
 - Below Market Rate Housing Guidelines Subcommittee (Bigelow/Dodick/Grove)
 - Housing Policy Subcommittee (Conroy/Grove/Horst)
 - Marketing Subcommittee (Bigelow/Horst/McGraw-Scherer)
 - Notice of Funding Availability Subcommittee (Grove/McGraw-Scherer)
 - Secondary Dwelling Unit Subcommittee (McPherson/Merriman)

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.

For appeal hearings, appellant and applicant shall each have 10 minutes for presentations.

If you challenge any of the items listed on this agenda in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City of Menlo Park at, or prior to, the public hearing.

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 §54954.2(a) or §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: 07/03/2019)



REGULAR MEETING MINUTES - DRAFT

Date: 5/1/2019
Time: 6:30 p.m.
Arrillaga Family Recreation Center – Cypress Room
700 Alma St., Menlo Park, CA 94025

Housing Commissioner Karen Grove participated by phone from:
1201 K Street NW, Washington, DC 20005

A. Chair McGraw-Scherer called the meeting to order at 6:34 p.m.

B. Roll Call

Present: Meg McGraw-Scherer, Lauren Bigelow, Curtis Conroy, Karen Grove, Rachel Horst, Wendy McPherson, Nevada Merriman

Absent:

Staff: Deputy Community Development Director Rhonda Coffman,
Principal Planner Kyle Perata, Management Analyst II Mike Noce

C. Public Comment

No public comments were received.

D. Regular Business

D1. Welcome new Housing Commissioners Lauren Bigelow and Curtis Conroy

Chair McGraw-Scherer welcomed the new commissioners to the Housing Commission. Commissioners Bigelow and Conroy each gave a brief introduction.

D2. Approve minutes for the Housing Commission meeting of April 3, 2019

ACTION: Motion and second (Merriman/McPherson) to approve the Housing Commission meeting minutes of April 3, 2018. The motion passed (5-0-2; Conroy and Bigelow abstained).

D3. Presentations by applicants for the 2018 BMR Notice of Funding Availability proposals

a. MidPen Housing – 1105 and 1141 Willow Road

Chair McGraw-Scherer called for the first presentation by the applicant. The presentation for 1105 and 1141 Willow Road was given by Aditi Mahmud from MidPen Housing. (Attachment)

b. MidPen Housing - 1283 Willow Road

Chair McGraw-Scherer called for the second presentation by the applicant. The presentation for

1283 Willow Road was given by Nesreen Kavar from MidPen Housing. (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)

Principal Planner Kyle Perata introduced the item.

ACTION: Motion and second (McPherson/Conroy) to approve the recommendation of a Below Market Rate Housing Agreement Term Sheet with Vasile Oros for 706-716 Santa Cruz Avenue. The motion passed (7-0).

- D5. Approve final updates to the Housing Policy Priorities

Chair McGraw-Scherer introduced the item.

Deputy Community Development Director Rhonda Coffman handed out a review document and led a discussion with the Housing Commission to review updates to the Housing Policy Priorities. (Attachment)

By consensus, the Housing Commission approved the Housing Policy Priorities with the following changes:

- Combine items 1 and 8
- Item 2 changes to priority level 2
- Item 5 changes to priority level 3
- Item 6 changes to priority level 2
- Item 10 changes to priority level 1
- Item 16 changes to priority level 2

- D6. Selection of the Housing Commission Chair and Vice Chair

Chair McGraw-Scherer opened nominations for the 2019-20 Housing Commission Chair and Vice Chair positions. Chair McGraw-Scherer nominated Commissioner Merriman for the Chair position and Commissioner Grove for the Vice Chair position.

ACTION: Motion and second (McGraw-Scherer/Bigelow) to approve Commissioner Merriman as the 2019-20 Housing Commission Chair. The motion passed (7-0).

ACTION: Motion and second (McGraw-Scherer/Merriman) to approve Commissioner Grove as the 2019-20 Housing Commission Vice Chair. The motion passed (7-0).

- D7. Recommend items for future agendas

Items to be considered for future agenda items:

- Briefing from staff regarding SB35 legislation
- Meeting schedule for 2019-20 Housing Commission year
- Update on the City's homelessness efforts

- E. Reports and Announcements

- E1. a. Subcommittee reports (10 minutes):

Below Market Rate Housing Guidelines Subcommittee (Dodick/Grove) – No report

Housing Policy Subcommittee (Grove/Horst) – No report

Marketing Subcommittee (McGraw-Scherer/Horst) – McGraw-Scherer spoke about Housing Leadership Council events and community outreach opportunities.

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

Secondary Dwelling Unit Subcommittee (McPherson/Merriman) – No report

b. New commissioners' subcommittee selection

Commissioner Bigelow selected to join the Below Market Rate Housing Guidelines Subcommittee and the Marketing Subcommittee. Commissioner Conroy selected the Housing Policy Committee.

E2. Commissioner reports

Chair Merriman highlighted the upcoming Affordable Housing Week from May 3 – 10. Commissioner Merriman announced a ground breaking ceremony schedule for May 7, 2019 for the Arroyo Green development by MidPen Housing in downtown Redwood City.

Commissioner Grove shared her plans to attend the Affordable Housing Bus Tour, which is one of the Affordable Housing Week activities presented by Housing Leadership Council.

Commissioner Bigelow shared information about an art competition hosted by Palo Alto Housing.

E3. Staff updates and announcements

Deputy Community Development Director Rhonda Coffman provided the following updates:

- On May 6, 2019, City Council will be attending a joint meeting with Palo Alto and East Palo Alto City Counsels for a Joint Study Session related to potential SB50 legislation impacts.
- On May 7, 2019, the City Council will review and potentially vote on an agreement between the City and Samaritan House for the creation of a community housing fund. Staff is recommending Council approve \$100k towards the fund to be administered by Samaritan House.
- On May 14, 2019, the City will be hosting its Annual Committee and Commission Appreciation Event. Information has been sent to all Housing Commissioners.
- On May 21, 2019, staff will provide an Information Item for City Council providing an update on best practices for addressing chronic homelessness.
- Home For All will hold a meeting on Thursday, May 23, 2019 in Belmont focused on community engagement.

F. Adjournment

Vice Chair Merriman adjourned the meeting at 8:57 p.m.



City of Menlo Park Housing Commission

Below Market Rate Housing Funds

Applicant: **Willow Court**

May 1, 2019

MidPen Housing Corporation



About MidPen Housing Corporation

Founded in 1970

Work in 11 Counties: Alameda, Contra Costa, Monterey, Napa, San Benito, San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma, and Yuba

Developed and rehabilitated over 8,000 affordable homes

Organizations:

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

MidPen Housing Corporation

MidPen Property Management Corporation

MidPen Services Corporation



MidPen in Menlo Park

MidPen has 29 communities in County of San Mateo and 5 communities in the City of Menlo Park serving low-income residents

PROPERTIES	UNITS	POPULATION
335 Pierce	4	Family
Gateway	82	Family
Sequoia Belle Haven	90	Senior
Willow Court	6	Family
Willow Terrace	31	Family
TOTAL	213	



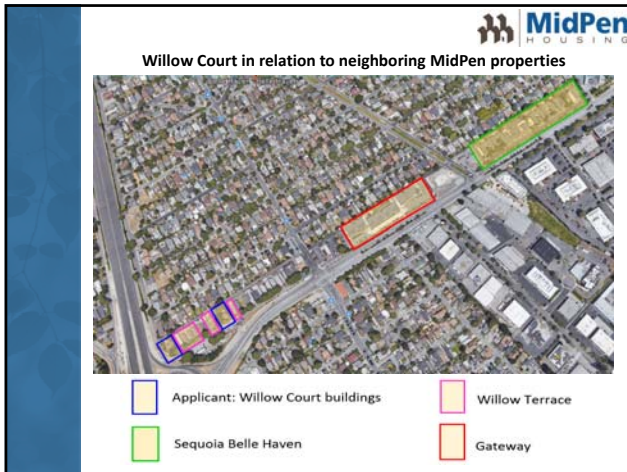
Willow Court


1105, 1141 Willow Rd., Menlo Park, CA 94025

- **Project Info:**
 - Built 1992
 - 2 buildings; 7,380 SQ FT
- **Unit Mix:**
 - 2 two BR; 4 four BR
 - 2 buildings, 7,380 SQ FT
 - Serving low income & very low income families
- **Amenities & Services:**



Washer and dryer in each unit, island kitchen, landscaped yards with garden fences, and wood fenced patios. Services include on-call residential services, crisis management and referrals to community programs.





Project Scope

- Replace existing failed windows with energy efficient dual glazed windows
- Dry-rot repair at window and building envelope trim
- New siding
- Exterior paint
- Roof-overlay & gutter replacement
- Install energy efficient LED lighting
- Install Energy Star refrigerators
- Install low-flow toilets
- Install drip irrigation system to reduce water use



Condition of Existing Gutters



Pictures taken on 4-19-19



Condition of Existing Windows



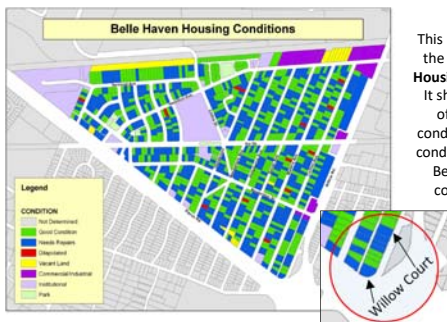
Pictures taken on 4-19-19



Alignment with Housing Element



Proposed rehab is consistent with the Housing Element's goal to preserve and enhance existing affordable housing units



This map is from the **2015-2023 Housing Element**. It shows result of housing condition survey conducted in the Belle Haven community

Project Financing Request



- Funds are being requested to address the much needed capital improvements
- Improve efficiency of property operations and
- Make the property more environmentally sustainable


We are requesting a total of \$635,502



Next Step and Project Tentative Schedule

TASK	DATES
Housing Commission Presentation	May, 2019
Anticipated Award date	June, 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 (December, 2019)
Construction Completion	Within 12 months of receiving award (May 2020)

13



Willow Court

Contact

Aditi Mahmud
Project Asset Manager
650-235-7680
amahmud@midpen-housing.org



Questions?










1283 Willow Road

Presentation to Menlo Park Housing Commission



May 1st, 2019

MidPen Housing



Real Estate Development

MidPen has a proven track-record with over 2,500 apartments in design, and 478 units under construction.



Property and Asset Management

We are committed to being good neighbors, and we manage 7,207 homes serving over 18,800 residents at 103 properties, including Gateway and Sequoia Belle Haven.



Resident Services

MidPen invests over \$7M annually providing services to families, seniors, and those facing unique challenges. In our effort to provide services, MidPen Resident Services has partnerships with 300 service providers.

Site Context



- 1283 Willow previously entitled for police substation but never built
- MidPen acquired in 2016
- Adjacent to two existing MidPen properties
- Vacant lot seen as eye-sore in community
- Zoning updated in 2016 to allow for residential development



Community Engagement

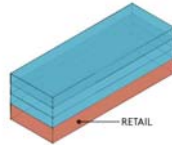


- Community meeting in December 2017, cohosted with then Mayor Kirsten Keith
- What we heard:
 - Interest in ground-floor retail
 - Most support for café, a shared work space and a small pharmacy
 - Desire to limit height to 4 stories
 - Support for neighborhood preference and former or at-risk of homelessness



Development Proposal

- 27 1-bedroom apartments
- Targeted for households earning 30% - 60% Area Median Income
- 3 stories housing over 3,500 sf of ground-floor retail
- Create pedestrian-friendly Willow Rd.
- Adjacency to other MidPen communities provides rare opportunity to integrate existing services



EXAMPLE 4-STORY BUILDING:



Project Funding

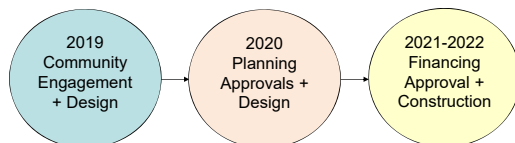


Source	Amount
City of Menlo Park	\$5.1 M
San Mateo County Affordable Housing Fund 5.0 (Committed)	\$500 K
San Mateo County Affordable Housing Fund 7.0 (<i>Future Application</i>)	\$4.6 M
Bank Loans	\$5.3 M
Tax Credit Equity	\$7.2 M
Deferred Fee	\$1.2 M
Total Cost	\$23.9 M

Next Steps/Timeline



- Project study session with City Council
- Additional design and community engagement
- Clarity on environmental review process
- Application for remaining County funding



Thank You!

Nesreen Kavar
Senior Project Manager
nkavar@midpen-housing.org



#	Policy	Priority 1 to 3	STATUS
1	Reduced parking requirements for affordable housing projects	1	IP
2	Amend BMR Guidelines to 1) allow BMR homeowners to sublet rooms to BMR renters, 2) expand list eligibility for displaced residents	1	IP
3	Adopt a tenant relocation assistance ordinance	1	Completed
4	Adopt the Home for All resolution	1	Completed
5	Promote home sharing programs	1	IP
6	Preserve “naturally affordable” units through conversion to BMR deed restricted units <i>(Item formerly named “Market affordable housing preservation”)</i>	1	IP
7	Promote secondary dwelling units (also known as “accessory dwelling units or ADU’s)	1	IP
8	Impact fee waiver for 100% affordable housing developments	2	IP
9	Promote “First Hire” program	2	Completed
10	Review and draft policy on short-term rentals	2	IP
11	Rental housing operational/management standards	3	IP
12	Right to return ordinance	3	New
13	Consider recommendation of a just cause eviction ordinance	3	New
14	Identify housing rehabilitation loan and grant programs and other similar resources	2	New
15	Review of housing density policies related to downtown Menlo Park with a focus on high-density, transit-oriented development. Lobbying / advocacy work on producing affordable housing in downtown Menlo Park	1	New
16	Create and implement a community engagement plan related to increased density	1	New



STAFF REPORT

Housing Commission

Meeting Date:

7/10/2019

Staff Report Number:

19-004-HC

Regular Business:

Review and provide a recommendation on the proposal from MidPen Housing for a loan from the Below Market Rate Housing Fund for rehabilitation of affordable rental housing at 1105 and 1141 Willow Road

Recommendation

Staff recommends that the Housing Commission provide a recommendation to the City Council on the proposal from MidPen Housing for a loan from the Below Market Rate (BMR) Housing Fund for rehabilitation of affordable rental housing at 1105 and 1141 Willow Road.

Policy Issues

The properties at 1104 and 1141 Willow Road are composed of two apartment buildings, which may be referenced as Willow Court, containing a total of 6 units (two 2-bedroom units and four 4-bedroom units). The proposed rehabilitation of these properties are consistent with the goals of the BMR Housing Program and the City's 2015-2023 Housing Element. As identified in Section VI of the 2015-2023 Housing Element, the condition of the housing stock in Menlo Park is generally good, with the exception of individual units that are scattered throughout the city and a small concentration of units in poor condition within the Belle Haven neighborhood. The Willow Court properties were identified in this section of the Housing Element as part of a housing conditions survey. Both properties at 1105 and 1141 Willow Road received a condition rating of "needs repair".

The City's 2018 Notice of Funding Availability (NOFA) was released and circulated on October 24, 2018 with a deadline for proposals to be submitted to the City by January 31, 2019. MidPen Housing's proposal for 1105 and 1141 Willow Road was received by the City as one of two proposals submitted prior to the deadline during the NOFA application period. The second proposal, also from MidPen Housing, is not included for the Housing Commission's recommendation at this time.

Staff is recommending the Housing Commission provide a recommendation to the City Council for a loan to MidPen Housing from the BMR Housing Fund for the rehabilitation of 1104 and 1141 Willow Road, as outlined in the applicant's proposal to the City (Attachment A).

Background

Below Market Rate Housing Fund

The primary functions of the BMR Housing Program is to preserve existing housing, increase the supply and assist in the development of housing that is affordable to very low-, low-, and moderate income households. The fiscal year 2017-2018 BMR fund ending balance was \$15.8 million, comprised primarily of commercial development in-lieu fees. City Council approved a \$6.7 million loan to MidPen Housing in March

2019 for the redevelopment of the Gateway apartments, an affordable rental housing development located at 1317-1385 Willow Road. Excluding this \$6.7 million allocation, the BMR Housing Fund has a cash balance of approximately \$9.1 million as of July 1, 2019. The MidPen Willow Court project proposal is seeking a total of \$635,502 from the BMR Housing Fund.

The BMR Housing Program Guidelines provide direction on the implementation of the program and use of the BMR Fund. The Guidelines list the following uses of the Fund:

- Provision of below market rate financing for homebuyers.
- Purchase of land or air rights for resale to developers at a reduced cost to facilitate housing development for very low, low or moderate income households.
- Reduction of interest rates for construction loans or permanent financing, or assistance with other costs associated with development or purchase of very low, low or moderate income housing.
- Rehabilitation of uninhabitable structures for very low, low or moderate income housing.
- On-site and off-site improvement costs for production of affordable housing.
- Reduction of purchase price to provide units that are very low, low or moderate cost.
- Rent subsidies to reduce the cost of rent for households with limited incomes.
- Emergency repair and/or renovation loan program for BMR owners of older units.
- Loan program to assist BMR condominium owners who have no other way to pay for major special assessments.
- City staff time and administrative costs associated with implementation of the BMR Housing Program.

MidPen Housing

Since being founded in 1970, MidPen has constructed or rehabilitated over 8,000 residential units for low-income families, seniors, farmworkers and physically, mentally or developmentally disabled people throughout Northern California with developments in Alameda, Contra Costa, Monterey, Napa, San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma and Yuba counties. MidPen has a robust track record of leveraging local funds to raise additional funding, compete successfully for low income housing tax credits, and complete projects in a timely manner.

MidPen Housing has a total of five (5) communities in the City of Menlo Park serving low-income residents. The following table gives a description of each property. The Gateway property, 1317-1385 Willow Road, listed in Table 1 was recently approved for redevelopment, which will increase the total number of 100% affordable units to 140 for that property (net new of 58 affordable units). After the completion of the Gateway redevelopment the total MidPen affordable units in Menlo Park will increase to two hundred seventy-one (271) units.

Table 1: 2019 MidPen Housing Properties in Menlo Park		
Property	Units	Population
335 Pierce	4	Family
Gateway	82	Family
Sequoia Belle Haven	90	Senior
Willow Court	6	Family
Willow Terrace	31	Family
Total	213	

May 1st NOFA Project Proposal Presentation

MidPen Housing staff attended the Housing Commission meeting on May 1, 2019 to provide a presentation (Attachment B) for their proposed project at 1105 and 1141 Willow Road. In the presentation, MidPen staff shared an overview of the organization's background developing and rehabilitating affordable housing, a scope of work, current conditions and tentative project timelines for the project.

Analysis

The proposal for rehabilitation to Willow Court is comprised of multiple capital improvement needs as identified by MidPen Housing's Project Manager, Construction Manager and maintenance staff. MidPen Housing also retained a third party General Contractor to evaluate the property and its existing systems to produce a preliminary project budget included in their application. The property provides two 4-bedroom units to very low income households, two 4-bedroom units to low income households and two 2-bedroom units to low income households. The total unit count will remain at six (6) after rehabilitation is complete. MidPen Housing will minimize the impacts to current residents while repairs are taking place.

The following items have been included as part of the scope of work for the proposal.

- 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. The roofing at both buildings are 20 years old.
- Repair deterioration and damage at the gutter roof drainage.
- Address dry rot and siding: 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, complete exterior paint to keep the property looking esthetically appealing and to preserve the exterior materials. As part of good construction practice, low-VOC paints will be used.
- Install energy efficient LED lighting
- Install Energy Star refrigerators
- Install low-flow toilets
- Install drip irrigation system to reduce water use

One of the roles of the Housing Commission is to make recommendations to the City Council on the use of BMR housing funds. The primary action currently before the Housing Commission is to provide a recommendation to City Council to approve or deny MidPen Housing's application seeking a loan from the BMR Housing Fund. This 100% affordable property was originally built in 1992. The proposed rehabilitation will have positive impacts on the current residents by preserving affordability, improving the condition of the existing housing. The project meets the necessary BMR Guidelines' uses for BMR housing funds as well as 2015-2023 Housing Element goals and increases the environmental sustainability of the property with the proposed replacement of appliances and materials.

Impact on City Resources

If funding is approved for this project, the BMR fund balance would be reduced by \$635,200. This would

leave a balance of approximately \$9 million to support other City identified affordable housing initiatives, developments and rehabilitation projects.

Environmental Review

This action is not a project under the California Environmental Quality Act ("CEQA") and therefore not subject to the provisions of the CEQA Guidelines under Sections 15378 and 15061(b)(3).

Public Notice

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

Attachments

Attachment A: MidPen Housing NOFA Application for Willow Court located at 1105 and 1141 Willow Road

Attachment B: 1105 and 1141 Willow Road Presentation by MidPen Housing

Report prepared by:

Michael Noce, Management Analyst II

Report reviewed by:

Rhonda Coffman, Deputy Community Development Director

Mark Muenzer, Community Development Director



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

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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.

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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

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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

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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



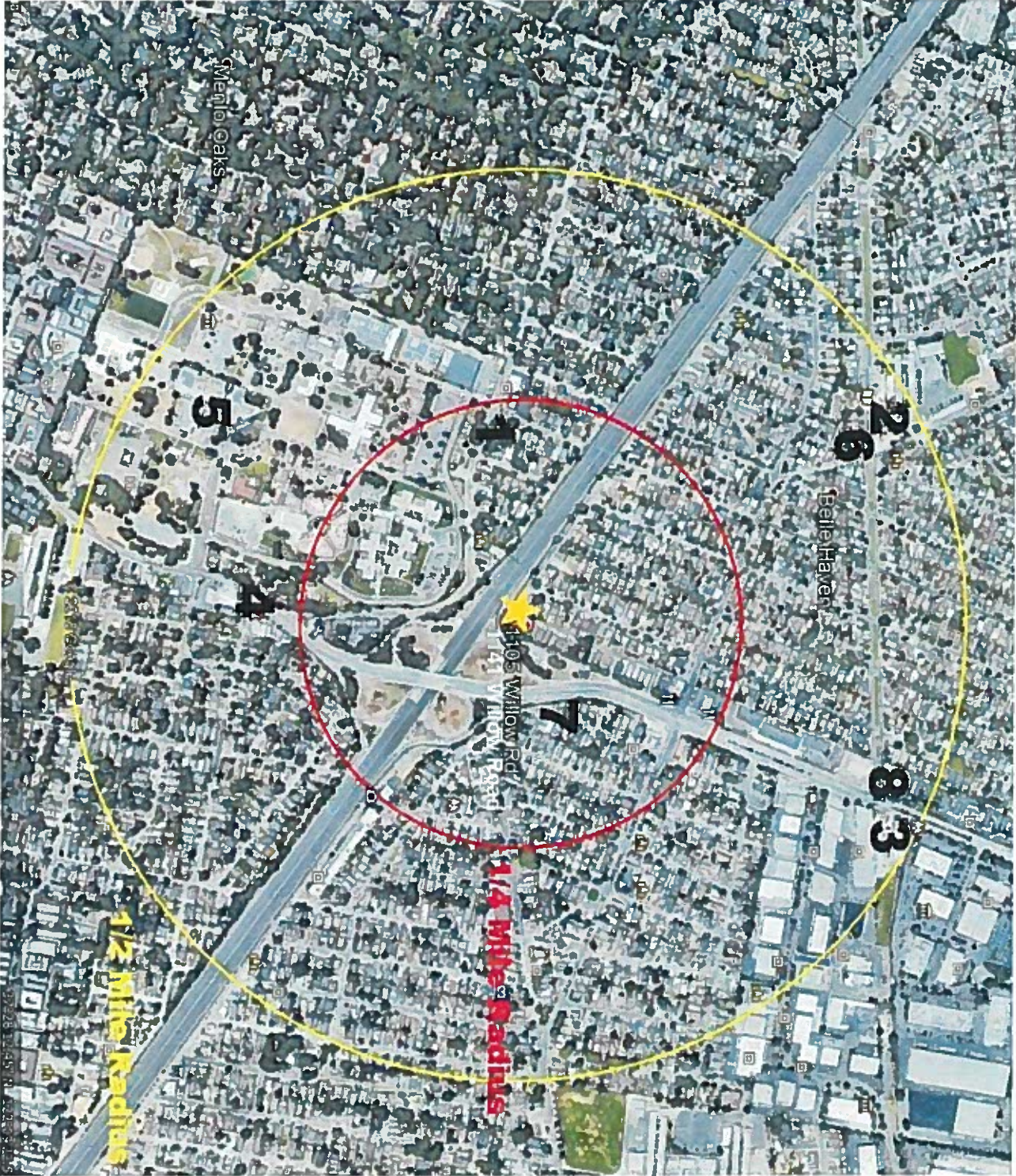
Gateway- Neighboring MidPen property

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



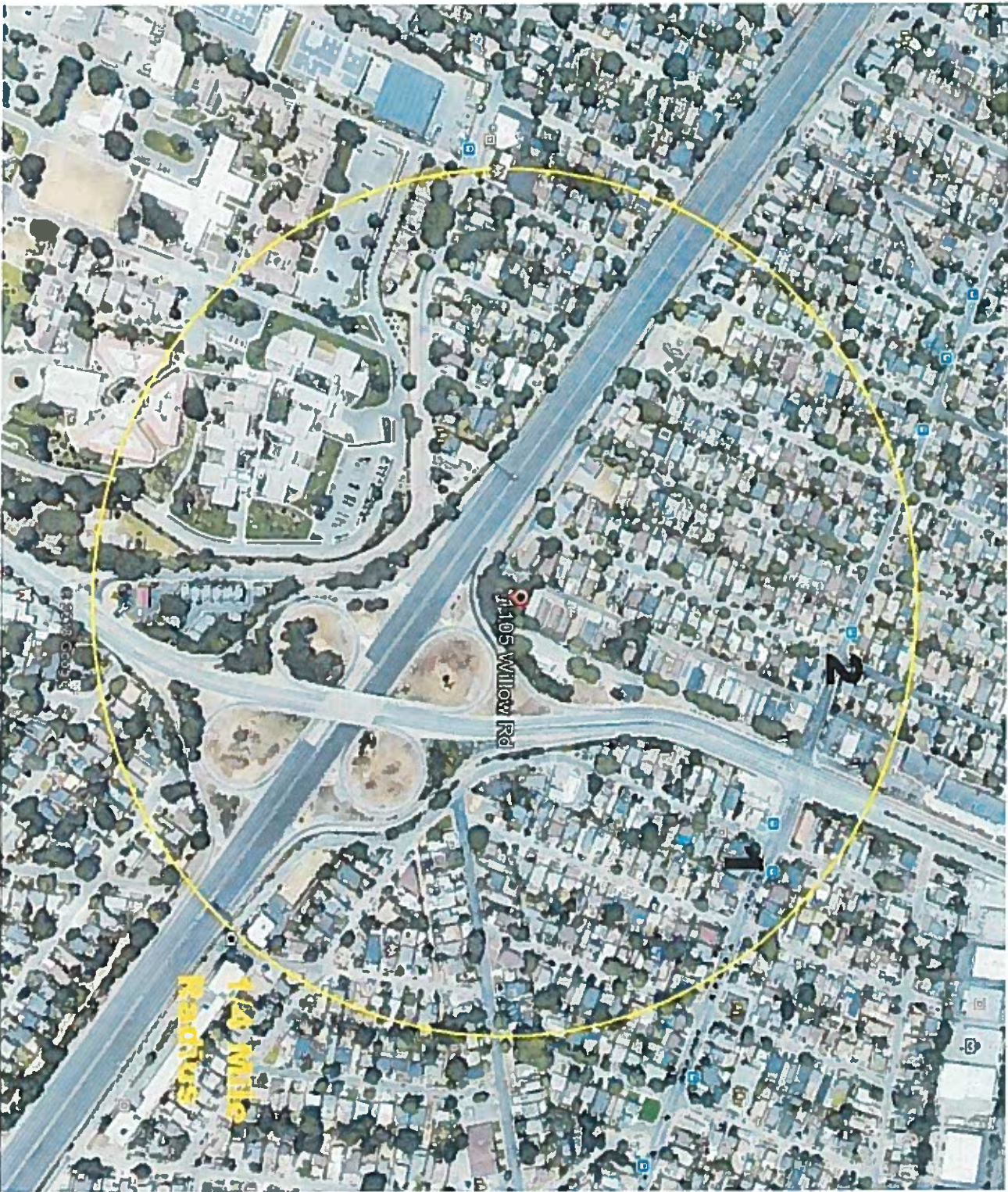
Attachment #2
Willow Court



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:

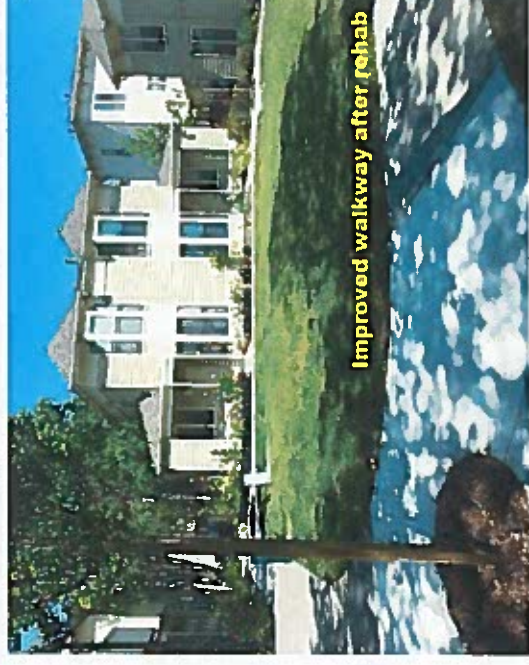
Roof over-lay

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 Housing Commission

Below Market Rate Housing Funds
Applicant: **Willow Court**

May 1, 2019

MidPen Housing Corporation



About MidPen Housing Corporation

Founded in 1970

Work in 11 Counties: Alameda, Contra Costa, Monterey, Napa, San Benito, San Mateo, Santa Clara, Santa Cruz, Solano, Sonoma, and Yuba

Developed and rehabilitated over 8,000 affordable homes

Organizations:

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

MidPen Housing Corporation

MidPen Property Management Corporation

MidPen Services Corporation



MidPen in Menlo Park

MidPen has 29 communities in County of San Mateo and 5 communities in the City of Menlo Park serving low-income residents

PROPERTIES	UNITS	POPULATION
335 Pierce	4	Family
Gateway	82	Family
Sequoia Belle Haven	90	Senior
Willow Court	6	Family
Willow Terrace	31	Family
TOTAL	213	



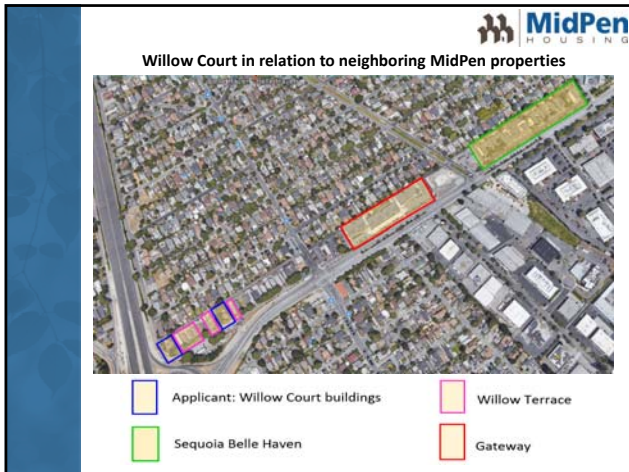
Willow Court


1105, 1141 Willow Rd., Menlo Park, CA 94025

- **Project Info:**
 - Built 1992
 - 2 buildings; 7,380 SQ FT
- **Unit Mix:**
 - 2 two BR; 4 four BR
 - 2 buildings, 7,380 SQ FT
 - Serving low income & very low income families
- **Amenities & Services:**



Washer and dryer in each unit, island kitchen, landscaped yards with garden fences, and wood fenced patios. Services include on-call residential services, crisis management and referrals to community programs.





Project Scope

- Replace existing failed windows with energy efficient dual glazed windows
- Dry-rot repair at window and building envelope trim
- New siding
- Exterior paint
- Roof-overlay & gutter replacement
- Install energy efficient LED lighting
- Install Energy Star refrigerators
- Install low-flow toilets
- Install drip irrigation system to reduce water use



Condition of Existing Gutters



Pictures taken on 4-19-19



Condition of Existing Windows



Pictures taken on 4-19-19



Alignment with Housing Element



Proposed rehab is consistent with the Housing Element's goal to preserve and enhance existing affordable housing units



This map is from the **2015-2023 Housing Element**. It shows result of housing condition survey conducted in the Belle Haven community

Project Financing Request



- Funds are being requested to address the much needed capital improvements
- Improve efficiency of property operations and
- Make the property more environmentally sustainable

We are requesting a total of \$635,502



Next Step and Project Tentative Schedule

TASK	DATES
Housing Commission Presentation	May, 2019
Anticipated Award date	June, 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 (December, 2019)
Construction Completion	Within 12 months of receiving award (May 2020)

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Willow Court

Contact

Aditi Mahmud
Project Asset Manager
650-235-7680
amahmud@midpen-housing.org



Questions?










STAFF REPORT

Housing Commission

Meeting Date:

7/10/2019

Staff Report Number:

19-005-HC

Regular Business:

Adopt a Resolution approving the City of Menlo Park to become an additional member of the California Community Housing Agency

Recommendation

Staff recommends the Housing Commission make the following recommendation to City Council:

1. Adopt a Resolution approving the City to become an additional member of the California Community Housing Agency ("CALCHA") to support CALCHA's issuance of tax-exempt bonds for the production, preservation and protection of essential middle-income rental housing; and authorize the City Manager to execute Purchase Option Agreements with CALCHA for essential middle-income rental housing created within incorporated City limits

Policy Issues

The City of Menlo Park supports a full range of housing options affordable to different income levels, as identified in the City's 2015-2023 Housing Element.

Background

One of the primary goals of the City of Menlo Park ("City") is to meet the housing needs of its residents by actively supporting the production, preservation and protection of market-rate and affordable rental housing. There are currently limited Federal, State or local subsidies or programs to produce or preserve the growing shortfall of below market rate rental housing for moderate and middle-income households. Most existing public subsidies and programs are designed to support very low and low-income households earning between 60% and 80% of the area median income ("AMI").

A new, unique bond-financing program was recently created, designed to support the production and preservation of rental housing affordable for middle and moderate-income households, earning between 81-120% of the AMI. This program aims to target a significant segment of the workforce housing population that includes professions such as teachers, computer technicians, dental hygienists, social workers and safety personnel.

The California Community Housing Agency ("CalCHA") was formed pursuant to a Joint Exercise of Powers Agreement (the "Agreement") between two original members, Kings County and the Housing Authority of Kings County (the "Charter Members"). In accordance with the Agreement, additional cities, counties and other local government entities may, and have, joined CalCHA ("Additional Members"). CalCHA is a political subdivision of the State of California Joint Powers Act (the "Act") and is authorized to issue revenue bonds and to conduct a range of activities including acquisition, ownership,

maintenance and operation of any property. CalCHA has adopted a policy to not issue bonds unless the governing body of an Additional Member in which the proposed project (the "Project") is located approves the issuance of the bonds for the project.

Bonds are issued as limited obligations of CalCHA and not of the Additional Member, in this case the City, and are payable solely out of the revenues and receipts derived from the Project being financed. The Agreement expressly provides that CalCHA is a public entity separate and apart from Members and the debts, liabilities and obligations of CalCHA do not constitute debts, liabilities or obligations of any Members. Bonds issued for any particular Project will be indebtedness solely of CalCHA.

Analysis

To participate in this new program, the City would need to become a member of the CalCHA. Menlo Park's membership would be limited solely for the financing or refinancing of specific projects but would not create any liability for the City.

CalCHA has proposed purchasing the 195-unit multifamily rental apartment building located at 777 Hamilton Ave., for conversion to below market rate rental housing. The purchase does not include any financial investment from the City and no existing tenants would be displaced. Existing tenants who qualify would be offered below market rents that would increase at no more than 4% per year. As vacancies occur, new tenants would need to income qualify for the below market program to be eligible to lease units.

It is possible that surplus cash may be generated by the property in the future. Should this occur, it is most likely it would be toward the end of the life of the bonds. To provide the City with public benefits, any annual surplus cash and/or on time sale proceeds generated by the property will be provided to the City.

It is recommended that the City also enter into a Purchase Option Agreement that allows the City, at its sole discretion, to purchase or sell the property between year 15 and year 30 (the end of the life) of the bonds. The City may also assign this purchase option to another entity of its choosing. To maintain housing affordability past 30 years, the most likely outcome would be for the City to assign its purchase option to a nonprofit housing organization. CalCHA cannot sell or transfer the property during the initial 15 years and can only sell or transfer the property between years 15 and 30 with the City's approval. The property will be encumbered with a regulatory agreement that will be enforced by CalCHA. As a government owned asset, the property will not be subject to local rent controls or traditional BMR ordinances. The asset manager, property management and CalCHA will ensure that the restrictive covenants are being maintained, which regulatory agreement compliance is a requirement of the bond financing. The property will be managed by FPI, a professional property management company with experience managing market rate and below market rate property.

CalCHA would be acquiring an existing market rate complex. While there is no guarantee CalCHA will be selected as the buyer, passing the resolution creates future opportunities for CalCHA to acquire similar properties to create and preserve affordability.

In evaluating the program, several considerations were weighed against the program benefits. One

consideration is the overall program governance and management. As structured, the City of Menlo Park, as an Additional Member, would not have ownership or management rights, and therefore cannot mandate change if desired in the future. The exception to this would be if the City exercised its purchase option and became the legal owner. The bond and other regulatory agreements over which the CalCHA has authority will control all such considerations, and that CalCHA is governed by a different elected body. Conversely, this is also a program benefit where the City is able to assist with the production of workforce housing without expending financial or staff resources for at least the next 15 years.

A second area of consideration could arise if there is a severe economic downturn. The regulatory agreements (including the bond documents) are structured to closely correspond with the anticipated rental revenues. There could be some risk of insufficient cash flow to cover expenses.

The City of Santa Rosa and the City of Fairfield recently utilized this similar program. The City of Santa Rosa elected to adopt a resolution that restricts any proceeds to affordable housing purposes. The Housing Commission could recommend a modification to the attached draft resolution to include a similar provision to restrict all revenue generated from this program for the Below Market Rate housing fund or for other below market rate and affordable housing purposes.

Impact on City Resources

No financial expenditures, liabilities, or obligations would be created by joining CalCHA or executing the Purchase Option Agreements. If the Purchase Option Agreement is exercised between year 15 and year 30 (the end of the life of the bonds), a fiscal impact could result from the acquisition cost. Should the property generate surplus cash flow on a yearly basis or through onetime proceeds of a sale of the property, the City will receive all such cash.

Environmental Review

This discussion is not a project under CEQA, but any project resulting from this discussion will undergo environment review.

Public Notice

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

Attachments

Attachment A: CalCHA Resolution

Attachment B: Joint Exercise of Powers Agreement Relating to the California Community Housing Agency

Attachment C: CalCHA Purchase Option Agreement

Attachment D: CalCHA No Liability Letter

Report prepared by:

Rhonda Coffman, Deputy Community Development Director – Housing

Reviewed by:

Mark Muenzer, Community Development Director

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK
 AUTHORIZING THE CITY TO BECOME AN ADDITIONAL MEMBER OF THE
 CALIFORNIA COMMUNITY HOUSING AGENCY (“CALCHA”); SUPPORTING
 CALCHA’S ISSUANCE OF TAX-EXEMPT BONDS FOR THE PRODUCTION,
 PRESERVATION AND PROTECTION OF ESSENTIAL MIDDLE-INCOME RENTAL
 HOUSING; AND AUTHORIZING [CITY STAFF] TO ENTER INTO PURCHASE OPTION
 AGREEMENTS WITH CALCHA FOR ESSENTIAL MIDDLE-INCOME RENTAL
 HOUSING CREATED WITHIN CITY LIMITS

WHEREAS, one of the primary goals of the City of Menlo Park (the “City”) is to meet the growing housing needs of its residents by actively supporting the production, preservation and protection of market-rate and affordable rental housing for all; and

WHEREAS, no existing Federal, State or local subsidies, programs or motivations currently exist to meaningfully address the growing shortfall of protected middle-income rental housing; and

WHEREAS, CalCHA is a Joint Powers Authority created specifically to produce, preserve and protect quality affordable rental housing made available to California’s essential middle-income workforce; and

WHEREAS, CalCHA intends to acquire existing rental properties within City limits and restrict future occupancy to middle-income households earning no more than 120% of area median income; and

WHEREAS, CalCHA will avoid the displacement of existing residents, implement regulatory agreements restricting the incomes and rents of future residents, and impose caps on the annual rent increases of qualified middle-income households; and

WHEREAS, CalCHA will finance its acquisitions through the issuance of tax-exempt bonds, and in order for CalCHA to issue tax-exempt bonds in Menlo Park, the City must be an Additional Member of CalCHA; and

WHEREAS, the City proposes to become an Additional Member of CalCHA pursuant to Section 12 of the Joint Exercise of Powers Agreement Relating to the California Community Housing Agency; and

WHEREAS, subsequent to becoming an Additional Member of CalCHA, any existing rental housing within City limits which CalCHA intends to acquire and finance with tax-exempt bonds must receive support and approval from the City; and

WHEREAS the City proposes to support and approve CalCHA’s issuance of tax-exempt bonds for the acquisition of existing rental properties as a means towards the preservation and protection of essential middle-income rental housing within City limits; and

Resolution. No. _____

WHEREAS, CalCHA's issuance of tax-exempt bonds will provide public benefit through the production, preservation and protection of below-market-rate rental housing, as well as the granting of all surplus project revenues to the City; and

WHEREAS, pursuant to one or more purchase option agreements (the "Purchase Option Agreements"), between CalCHA and the City, CalCHA will grant the City the option, but never the obligation, to purchase each essential middle-income rental housing property commencing on the date fifteen (15) years after CalCHA's acquisition of such property; and

WHEREAS, the Purchase Option Agreements will additionally provide the City with all surplus project revenues from each essential middle-income rental housing property; and

WHEREAS, the City will maintain the option to exercise such Purchase Option Agreements for a period of fourteen (14) years following the commencement dates of the Purchase Option Agreements for each essential middle-income rental housing property; and

WHEREAS, the City proposes to authorize its City Manager to enter into Purchase Option Agreements with CalCHA for all essential middle-income rental housing created within City limits.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Menlo Park hereby authorizes the City to become an Additional Member of CalCHA and authorizes its City Manager to execute the Joint Exercise of Powers Agreement Relating to the California Community Housing Agency, subject to approval as to form by the City Attorney.

BE IT FURTHER RESOLVED that the City Council of the City of Menlo Park hereby supports and approves CalCHA's issuance of tax-exempt bonds as a means towards the production, preservation and protection of essential middle-income rental housing within City limits.

BE IT FURTHER RESOLVED that the City Council of the City of Menlo Park hereby authorizes its City Manager to enter into Purchase Option Agreements with CalCHA for all essential middle-income rental housing created within City limits, subject to approval as to form by the City Attorney.

IN CITY COUNCIL DULY PASSED this 16th day of July 2019.

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST: _____ APPROVED: _____
City Clerk MAYOR

APPROVED AS TO FORM:

City Attorney

Exhibit A – Joint Exercise of Powers Agreement Relating to the California Community
Housing Agency

Exhibit B – Purchase Option Agreement

**JOINT EXERCISE OF POWERS AGREEMENT
RELATING TO THE CALIFORNIA COMMUNITY HOUSING AGENCY**

THIS AGREEMENT, dated as of January 29, 2019, among the parties executing this Agreement (all such parties, except those which have withdrawn as provided herein, are referred to as the "Members" and those parties initially executing this Agreement are referred to as the "Charter Members"):

WITNESSETH

WHEREAS, pursuant to Title 1, Division 7, Chapter 5 of the California Government Code (in effect as of the date hereof and as the same may from time to time be amended or supplemented, the "Joint Exercise of Powers Act"), two or more public agencies may by agreement jointly exercise any power common to the contracting parties; and

WHEREAS, each of the Members is a "public agency" as that term is defined in Section 6500 of the Joint Exercise of Powers Act; and

WHEREAS, each of the Members is empowered by law to promote economic, cultural and community development, including, without limitation, the promotion of opportunities for the creation or retention of employment, the stimulation of economic activity, the increase of the tax base, and the promotion of opportunities for education, cultural improvement and public health, safety and general welfare; and

WHEREAS, each of the Members may accomplish the purposes and objectives described in the preceding preamble by various means; and

WHEREAS, each Member is also empowered by law to acquire, construct, improve, operate and dispose of real property for a public purpose; and

WHEREAS, the Joint Exercise of Powers Act authorizes the Members to create a joint exercise of powers entity with the authority to exercise any powers common to the Members, including but not limited to acquiring, constructing, improving, operating and disposing of real property for a public purpose, all as specified in this Agreement, and to exercise the additional powers granted to it in the Joint Exercise of Powers Act and any other applicable provisions of the laws of the State of California; and

WHEREAS, a public entity established pursuant to the Joint Exercise of Powers Act is empowered to issue or execute non-recourse debt, which may include bonds, notes, commercial paper or any other evidences of indebtedness, leases, installment sale or other financing agreements or certificates of participation therein (herein "Obligations"), and to otherwise undertake financing programs under the Joint Exercise of Powers Act or other applicable provisions of the laws of the State of California to accomplish its public purposes; and

WHEREAS, the Members have determined to specifically authorize a public entity authorized pursuant to the Joint Exercise of Powers Act to issue non-recourse Obligations pursuant to the Joint Exercise of Powers Act or other applicable provisions of the laws of the State of California; and

WHEREAS, it is the desire of the Members to use a public entity established pursuant to the Joint Exercise of Powers Act to undertake the financing and/or refinancing of projects that provide, preserve and support affordable local housing for low-income, moderate-income and middle-income families and individuals within the jurisdictions of the Members, including, but not limited to, capital or working capital projects, purchase or acquisition of property, receivables, commodities, bonds, other revenue streams or assets of any kind, liability or other insurance, or retirement programs, or facilitating Members use of existing or new financial instruments and mechanisms in the furtherance of this purpose; and

WHEREAS, by this Agreement, each Member desires to create and establish the "California Community Housing Agency" for the purposes set forth herein and to exercise the powers provided herein;

NOW, THEREFORE, the Members, for and in consideration of the mutual promises and agreements herein contained, do agree as follows:

Section 1. Purpose.

This Agreement is made pursuant to the provisions of the Joint Exercise of Powers Act. The purpose of this Agreement is to establish a public entity for the joint exercise of powers common to the Members and for the exercise of additional powers given to a joint powers entity under the Joint Powers Act or any other applicable law, including, but not limited to, the issuance of non-recourse Obligations for any purpose or activity permitted under the Joint Exercise of Powers Act or any other law; provided, however that such purpose shall be solely for the acquisition, construction, rehabilitation, ownership, operation, maintenance, administration and/or financing of multifamily housing for low-income, moderate-income and middle-income families and individuals (the "Purpose"). Such Purpose will be accomplished and said power exercised in the manner hereinafter set forth.

Section 2. Term.

This Agreement shall become effective in accordance with Section 17 as of the date hereof and shall continue in full force and effect until such time as it is terminated in writing by all the Members; provided, however, that this Agreement shall not terminate or be terminated until all Obligations issued or caused to be issued by the Agency (defined below) shall no longer be outstanding under the terms of the indenture, trust agreement, resolution or other instrument pursuant to which such Obligations are issued.

Section 3. Agency.

A. CREATION AND POWERS OF AGENCY.

Pursuant to the Joint Exercise of Powers Act, there is hereby created a public entity to be known as the "California Community Housing Agency" (the "Agency"), and said Agency shall be a public entity separate and apart from the Members. Its debts, liabilities and obligations do not constitute debts, liabilities or obligations of any Members, and the Obligations of the Agency shall only be non-recourse obligations.

B. BOARD.

The Agency shall be administered by the Board of Directors (the "Board," or the "Directors" and each a "Director") whose members shall be, at all times, members of the Board of Supervisors (the "Board of Supervisors") of Kings County, California, with each such Director serving in his or her individual capacity as Director of the Board. The term of office as a member of the Board shall terminate when such member shall cease to be a member of the Board of Supervisors and the successor to such member of the Board of Supervisors shall become a member of the Board.

Notwithstanding the preceding paragraph, the Board may by resolution or bylaws provide for changes in the qualifications, composition and number of Directors, the appointment of Directors, successors, their respective terms of office and any other provisions relating to the qualification and office of the Directors, including provision for alternative Directors (in which case all references in this Agreement to any Director shall be deemed to refer to and include the applicable alternate Director, if any, when so acting in place of a regularly appointed Director).

The Board shall be the administering agency of this Agreement and, as such, shall be vested with the powers set forth herein, and shall administer this Agreement in accordance with the purposes and functions provided herein.

Directors shall not receive any compensation for serving as such, but shall be entitled to reimbursement for any expenses actually incurred in connection with serving as a Director, if the Board shall determine that such expenses shall be reimbursed and there are unencumbered funds available for such purpose.

C. OFFICERS; DUTIES; OFFICIAL BONDS.

The officers of the Agency shall be the Chair, Vice-Chair, Secretary and Treasurer (defined below). The Board, in its capacity as administering agent of this Agreement, shall elect a Chair, a Vice-Chair, and a Secretary of the Agency from among Directors to serve until such officer is re-elected or a successor to such office is elected by the Board. The Board shall appoint one or more of its officers or employees to serve as treasurer, auditor, and controller of the Agency (the "Treasurer") pursuant to Section 6505.6 of the Joint Exercise of Powers Act to serve until such officer is re-elected or a successor to such office is elected by the Board.

Subject to the applicable provisions of any resolution, indenture, trust agreement or other instrument or proceeding authorizing or securing Obligations (each such resolution, indenture, trust agreement, instrument and proceeding being herein referred to as an "Indenture") providing for a trustee or other fiscal agent, and except as may otherwise be specified by resolution of the Board, the Treasurer is designated as the depository of the Agency to have custody of all money of the Agency, from whatever source derived and shall have the powers, duties and responsibilities specified in Sections 6505, 6505.5 and 6509.5 of the Joint Exercise of Powers Act.

The Treasurer of the Agency is designated as the public officer or person who has charge of, handles, or has access to any property of the Agency, and such officer shall file an official bond with the Secretary of the Agency in the amount specified by resolution of the Board but in no event less than \$1,000.

The Board shall have the power to appoint such other officers and employees as it may deem necessary and to retain independent counsel, consultants and accountants.

The Board shall have the power, by resolution, to the extent permitted by the Joint Exercise of Power Act or any other applicable law, to delegate any of its functions to one or more of the Directors or officers, employees or agents of the Agency and to cause any of said Directors, officers, employees or agents to take any actions and execute any documents or instruments for and in the name and on behalf of the Board or the Agency.

D. MEETINGS OF THE BOARD.

(1) Ralph M. Brown Act.

All meetings of the Board, including, without limitation, regular, adjourned regular, special, and adjourned special meetings shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with Section 54950 of the Government Code of the State of California), or any successor legislation hereinafter enacted (the "Brown Act").

(2) Regular Meetings.

The Board shall provide for its regular meetings; provided, however, it shall hold at least one regular meeting each year. The date, hour and place of the holding of the regular meetings shall be fixed by resolution of the Board. To the extent permitted by the Brown Act, such meetings may be held by telephone conference.

(3) Special Meetings.

Special meetings of the Board may be called in accordance with the provisions of Section 54956 of the Government Code of the State of

California. To the extent permitted by the Brown Act, such meetings may be held by telephone conference.

(4) Minutes.

The Secretary of the Agency shall cause to be kept minutes of the regular, adjourned regular, special, and adjourned special meetings of the Board and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each Director.

(5) Quorum.

A majority of the Board shall constitute a quorum for the transaction of business. No action may be taken by the Board except upon the affirmative vote of a majority of the Directors present at the meeting, except that less than a quorum may adjourn a meeting to another time and place.

E. RULES AND REGULATIONS.

The Agency may adopt, from time to time, by resolution of the Board such bylaws, policies or rules and regulations for the conduct of its meetings and affairs as may be required.

Section 4. Powers.

The Agency shall have the power, in its own name, to exercise the common powers of the Members and to exercise all additional powers given to a joint powers entity under any of the laws of the State of California, including, but not limited to, the Joint Exercise of Powers Act, for the Purpose authorized under this Agreement. Such powers shall include the common powers specified in this Agreement and may be exercised in the manner and according to the method provided in this Agreement. The Agency is hereby authorized to do all acts necessary for the exercise of such power, including, but not limited to, any of all of the following: to make and enter into contracts; to employ agents and employees; to acquire, construct, improve, own, maintain and operate, or provide for maintenance and operation, and sell, lease, pledge, assign, mortgage or otherwise dispose, of any property, improvements, commodities, leases, contracts, receivables, bonds or other revenue streams or assets of any kind relating to the Purpose; to exercise the power of condemnation; to incur debts, liabilities or obligations; to receive gifts, contributions and donations of property, funds, services, and other forms of assistance from person, firms, corporations and any governmental entity; to sue and be sued in its own name; to establish and collect fees; to form public benefit nonprofit corporations or other affiliate entities to accomplish any of its Purposes; to make grants, loans or provide other financial assistance to governmental, nonprofit and for profit organizations to accomplish any of its Purposes; and generally to do any and all things necessary or convenient to accomplish its Purposes. The boundaries of the Agency shall encompass the boundaries of all the Members and the powers of the Agency may be exercised anywhere within those boundaries or to the extent permitted by the laws of the State of California, including, but not limited to the Joint Exercise of Powers Act,

outside of those boundaries, which may be outside of the State of California, provided that the power of condemnation may only be exercised within the jurisdictional boundaries of the Charter Members.

Without limiting the generality of the foregoing, the Agency may issue or cause to be issued Obligations, and pledge any property, contracts or revenues as security to the extent permitted under the Joint Exercise of Powers Act, or any other applicable provision of law.

The manner in which the Agency shall exercise its powers and perform its duties is and shall be subject to the restrictions upon the manner in which a California county could exercise such powers and perform such duties. The manner in which the Agency shall exercise its powers and perform its duties shall not be subject to any restrictions applicable to the manner in which any other public agency could exercise such powers or perform such duties, whether such agency is a party to this Agreement or not.

Section 5. Fiscal Year.

For the purposes of this Agreement, the term “Fiscal Year” shall mean the fiscal year as established from time to time by resolution of the Board, being, at the date of this Agreement, the period from July 1 to and including the following June 30, except for the first Fiscal Year which shall be the period from the date of this Agreement to June 30, 2019.

Section 6. Disposition of Assets.

At the end of the term hereof or upon the earlier termination of this Agreement as set forth in Section 2, after payment of all expenses and liabilities of the Agency, all property of the Agency both real and personal shall automatically vest in the Members in the manner and amount determined by the Board in its sole discretion and shall thereafter remain the sole property of the Members; provided, however, that any surplus money on hand shall be returned in proportion to the contributions made by the Members.

Section 7. Obligations.

From time to time the Agency shall issue Obligations, in one or more series, for the purpose of exercising its powers and raising the funds necessary to carry out its Purposes under this Agreement, including but not limited to acquiring, constructing, improving, operating and disposing of real property for a public purposes.

The services of bond counsel, financing consultants and other consultants and advisors working on the projects and/or their financing or refinancing or on post-issuance compliance or administration may be used by the Agency. The expenses of the Board shall be paid from the proceeds of the Obligations, payments made by Obligation obligors or other third parties, or any other unencumbered funds of the Agency available for such purpose.

Section 8. Obligations Only Limited and Special Obligations of Agency.

The Obligations, together with the interest and premium, if any, thereon, shall not be deemed to constitute a debt of any Member or pledge of the faith and credit of the Members or the Agency. The Obligations shall be only special non-recourse obligations of the Agency, and the Agency shall under no circumstances be obligated to pay the Obligations except from revenues and other funds pledged therefor. Neither the Members nor the Agency shall be obligated to pay the principal of, premium, if any, or interest on the Obligations, or other costs incidental thereto, except the Agency from the revenues and funds pledged and available therefor, and neither the faith and credit nor the taxing power of the Members nor the faith and credit of the Agency shall be pledged to the payment of the principal of, premium, if any, or interest on the Obligations nor shall the Members or the Agency in any manner be obligated to make any appropriation for such payment.

No covenant or agreement contained in any Obligation or related document shall be deemed to be a covenant or agreement of any Director, or any officer, employee or agent of the Agency in his or her individual capacity, and neither the Board of the Agency nor any Director or officer thereof executing the Obligations shall be liable personally on any Obligation or be subject to any personal liability or accountability by reason of the issuance of any Obligations.

Section 9. Accounts and Reports.

All funds of the Agency shall be strictly accounted for. The Agency shall establish and maintain such funds and accounts as may be required by good accounting practice and by any provision of any Indenture (to the extent such duties are not assigned to a trustee of Obligations). The books and records of the Agency shall be open to inspection at all reasonable times by each Member.

The Treasurer of the Agency shall cause an independent audit to be made of the books of accounts and financial records of the Agency by a certified public accountant or public accountant in compliance with the provisions of Section 6505 of the Joint Exercise of Powers Act. In each case the minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code of the State of California and shall conform to generally accepted auditing standards. When such an audit of accounts and records is made by a certified public accountant or public accountant, a report thereof shall be filed as a public record with each Member and also with the county auditor of each county in which a Member is located; provided, however, that to the extent permitted by law, the Agency may, instead of filing such report with each Member and such county auditor, elect to post such report as a public record electronically on a website designated by the Agency. Such report if made shall be filed within 12 months of the end of the Fiscal Year or Years under examination.

The Treasurer is hereby directed to report in writing on the first day of July, October, January, and April of each year to the Board and the Charter Members which report shall describe the amount of money held by the Treasurer for the Agency, the amount of receipts since the last such report, and the amount paid out since the last such report (which may exclude

amounts held by a trustee or other fiduciary in connection with any Obligations to the extent that such trustee or other fiduciary provided regular reports covering such amounts.)

Any costs of the audit, including contracts with, or employment of, certified public accountants or public accountants in making an audit pursuant to this Section, shall be borne by the Agency and shall be a charge against any unencumbered funds of the Agency available for that purpose.

In any Fiscal Year the Board may, by resolution adopted by unanimous vote, replace the annual special audit with an audit covering a two-year period.

Section 10. Funds.

Subject to the applicable provisions of any Indenture, which may provide for a trustee or other fiduciary to receive, have custody of and disburse Agency funds, the Treasurer of the Agency shall receive, have the custody of and disburse Agency funds pursuant to the accounting procedures developed under Sections 3.C and 9, and shall make the disbursements required by this Agreement or otherwise necessary to carry out any of the provisions of purposes of this Agreement.

Section 11. Notices.

Notices and other communications hereunder to the Members shall be sufficient if delivered to the clerk of the governing body of each Member; provided that, to the extent permitted by law, the Agency may provide notices and other communications and postings electronically (including, without limitation, through email or by posting to a website).

Section 12. Additional Members/Withdrawal of Members.

Qualifying public agencies may be added as parties to this Agreement and become Charter Members upon: (1) the filing by such public agency with the Agency of an executed counterpart of this Agreement, together with a copy of the resolution of the governing body of such public agency approving this Agreement and the execution and delivery hereof; and (2) adoption of a resolution of the Board approving the addition of such public agency as a Charter Member. Upon satisfaction of such conditions, the Board shall file such executed counterpart of this Agreement as an amendment hereto, effective upon such filing.

Qualifying public agencies may also be added as Non-Charter Members ("Additional Members") of the Agency upon: (1) the filing by such public agency with the Agency of a resolution of the governing body of such public agency requesting to be added as an Additional Member of the Agency, and (2) adoption of a resolution of the Board approving the addition of such public agency as an Additional Member. An Additional Member may limit in the aforementioned resolution the scope of its Additional Membership to what is necessary or appropriate to facilitate the financing or refinancing of one or more specified projects or programs.

A Member may withdraw from this Agreement upon written notice to the Board; provided, however, that at least one Member shall be a Charter Member and no such withdrawal shall result in the dissolution of the Agency so long as any Obligations remain outstanding. Any such withdrawal shall be effective only upon receipt of the notice of withdrawal by the Board, which shall acknowledge receipt of such notice of withdrawal in writing and shall file such notice as an amendment to this Agreement effective upon such filing.

Section 13. Indemnification.

To the full extent permitted by law, the Board may authorize indemnification by the Agency of any person who is or was a Director or an officer, employee or other agent of the Agency, and who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such person is or was such a Director or an officer, employee or other agent of the Agency, against expenses, including attorneys fees, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, if such person acted in good faith in a manner such person reasonably believed to be in the best interests of the Agency and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful and, in the case of an action by or in the right of the Agency, acted with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. The Board may purchase a policy or policies of insurance in furtherance of any indemnification obligation created or otherwise in protection of Directors, officers, employees or other agents.

Section 14. Contributions and Advances.

Contributions or advances of public funds and of the use of personnel, equipment or property may be made to the Agency by the Members for any of the Purposes of this Agreement. Payment of public funds may be made to defray the cost of any such contribution or advance. Any such advance may be made subject to repayment, and in such case shall be repaid, in the manner agreed upon by the Agency and the Member making such advance at the time of such advance. It is mutually understood and agreed to that no Member has any obligation to make advances or contributions to the Agency to provide for the costs and expenses of administration of the Agency, even though any Member may do so. The Members understand and agree that a portion of the funds of the Agency that otherwise may be allocated or distributed to the Members may instead be used to make grants, loans or provide other financial assistance to governmental units and to nonprofit organizations to accomplish any of the governmental unit's or nonprofit organization's purposes.

Section 15. Immunities.

All of the privileges and immunities from liabilities, exemptions from laws, ordinances and rules, and other benefits which apply to the activity of officers, agents or employees of Members when performing their respective functions within the territorial limits of their respective public agencies, shall apply to the same degree and extent to the Directors, officers, employees, agents or other representatives of the Agency while engaged in the performance of any of their functions or duties under the provisions of this Agreement.

Section 16. Amendments.

Except as provided in Sections 3B and 12 above, or to cure any error, omission or ambiguity in this Agreement, this Agreement shall not be amended, modified, or altered except with (i) written consent of all holders of any outstanding bonds of the Agency, (ii) written consent of each of Charter Member, and (iii) negative consent of each Additional Member. To obtain the negative consent of each such Additional Member, the following negative consent procedure shall be followed: (a) the Agency shall provide each such Additional Member with a notice at least sixty (60) days prior to the date such proposed amendment is to become effective explaining the nature of such proposed amendment and this negative consent procedure; (b) the Agency shall provide each such Additional Member who did not respond a reminder notice with a notice at least thirty (30) days prior to the date such proposed amendment is to become effective; and (c) if no such Additional Member objects to the proposed amendment in writing within sixty (60) days after the initial notice, the proposed amendment shall become effective with respect to all Members.

Section 17. Effectiveness.

This Agreement shall become effective and be in full force and effect and a legal, valid and binding obligation of each of the Members on the date that the Board shall have received from two of the Charter Members an executed counterpart of this Agreement, together with a certified copy of a resolution of the governing body of each such Charter Member approving this Agreement and the execution and delivery hereof.

Section 18. Partial Invalidity.

If any one or more of the terms, provisions, promises, covenants or conditions of this Agreement shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants and conditions of this Agreement shall not be affected thereby, and shall be valid and enforceable to the fullest extent permitted by law.

Section 19. Successors.

This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties hereto. Except to the extent expressly provided herein, no Member may assign any right or obligation hereunder without the consent of the other Members.

Section 20. Miscellaneous.

This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The section headings herein are for convenience only and are not to be construed as modifying or governing the language in the section referred to.

Wherever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

This Agreement shall be governed under the laws of the State of California.

This Agreement is the complete and exclusive statement of the agreement among the Members, which supercedes and merges all prior proposals, understandings, and other agreements, whether oral, written, or implied in conduct, between and among the Members relating to the subject matter of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their duly authorized representatives as of the day and year first above written.

Charter Member:

KINGS COUNTY

By Joe Neves
Name: Joe Neves
Title: Chairman JAN 29 2019

ATTEST:

By Melanie Curtis
Name: Melanie Curtis
Title: Deputy Clerk to the Board of Supervisors

Charter Member:

HOUSING AUTHORITY OF THE
COUNTY OF KINGS

By Joe Neves
Name: Joe Neves
Title: Chairman

ATTEST:

By Jennifer Molinar
Name: Jennifer Molinar
Title: Deputy Clerk to the Board of Supervisors

RECORDING REQUESTED BY
California Community Housing Agency

WHEN RECORDED RETURN TO:
Orrick, Herrington & Sutcliffe LLP
405 Howard Street
San Francisco, CA 94105
Attention: Jesse Albani

PURCHASE OPTION AGREEMENT

By and Between

CALIFORNIA COMMUNITY HOUSING AGENCY

and

CITY OF [CITY]

Dated as of [DATE]

Relating to

**CALIFORNIA COMMUNITY HOUSING AGENCY
ESSENTIAL HOUSING REVENUE BONDS, [SERIES]
([PROPERTY NAME])**

and

**CALIFORNIA COMMUNITY HOUSING AGENCY
SUBORDINATE ESSENTIAL HOUSING REVENUE BONDS, [SERIES]
([PROPERTY NAME])**

PURCHASE OPTION AGREEMENT

This PURCHASE OPTION AGREEMENT ("Option Agreement") is made effective as of [DATE] ("Effective Date") by and between the CALIFORNIA COMMUNITY HOUSING AGENCY a joint exercise of powers agency organized and existing under the laws of the state of California (including its successors and assigns, "Owner") and City of [CITY] ("Host").

BACKGROUND

WHEREAS, the Owner proposes to issue Bonds (as hereinafter defined) to finance Owner's acquisition of the certain multifamily rental housing project (the "Project") located at [ADDRESS] in [CITY], California, located on the real property site described in Exhibit A hereto; and

WHEREAS, the Owner intends to offer the Project to the Host pursuant to this Option Agreement.

AGREEMENT

In consideration of the mutual covenants herein contained, and such other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, Owner and Host mutually agree as follows:

Section 1. Grant of Option. Owner hereby grants to Host an option ("Option") to purchase the Optioned Property (as herein defined) upon payment of the Option Price (as herein provided) within the Option Term (as herein defined) and in compliance with and observance of all of the terms and conditions of this Option Agreement.

Section 2. Definitions. Capitalized terms used in this Option Agreement shall have the meanings assigned to them in this Section 2; capitalized terms used in this Option Agreement and not defined in this Section 2 or elsewhere herein shall have the meanings assigned to them in the Indenture (herein defined).

(a) "Authority Indemnified Parties" – the Owner and each of its officers, governing members, directors, officials, employees, attorneys, agents and members.

(b) "Bonds" – collectively, (i) the California Community Housing Agency Essential Housing Revenue Bonds, [SERIES] ([PROPERTY NAME]) (the "Series A Bonds"), and (ii) the California Community Housing Agency Subordinate Essential Housing Revenue Bonds, [SERIES] ([PROPERTY NAME]) (the "Series B Bonds"), with such other series and sub-series designations as may be set forth in the Indenture, originally issued to finance Owner's acquisition of the Project and related transaction costs.

(c) "Bond Trustee" – Wilmington Trust, National Association or any successor trustee under the Indenture.

(d) "Closing" – shall have the meaning set forth in Section 9 hereof.

(e) “Conveyance” – that transaction or series of transactions by which Owner shall transfer, bargain, sell and convey any and all right, title or interest in and to the Optioned Property to Host.

(f) “Extraordinary Costs and Expenses” – shall have the meaning set forth in the Indenture.

(g) “Indenture” – the Indenture of Trust dated as of [DATE] between Owner, as issuer, and the Bond Trustee, as trustee, pursuant to which the Bonds were issued.

(h) “Manager” – Catalyst Housing Group LLC and its successors and assigns.

(i) “Option Price” – the sum of the amounts set forth below:

i. an amount sufficient to either prepay, redeem in whole or fully defease for redemption on the earliest call date all Project Debt; plus

ii. any fees or other amounts not identified in clause (i) that may be necessary to effect the complete release from and discharge of any lien, mortgage or other encumbrance on the Optioned Property; plus

iii. any amounts due to Owner (including the Authority Indemnified Persons, as provided in the Indenture), the Bond Trustee or any predecessor or successor, or any other Person under any indenture, loan agreement, bond, note or other instrument relating to any Satisfied Indebtedness (including, without limitation, indemnification amounts, Owner’s Extraordinary Costs and Expenses, recurrent and extraordinary fees and expenses, and reimbursable costs and expenses of any kind or nature); plus

iv. Transaction Costs; minus

v. The amount of any Project Debt assumed by Host; and minus

vi. Any funds held by or for Owner under the Indenture applied to the retirement of Project Debt.

(j) “Option Exercise Date” – the date fifteen (15) years from the issuance of the Bonds.

(k) “Option Term” – shall commence on the Option Exercise Date and, if not exercised, shall terminate at 11:59 p.m. local time on the date that is fourteen (14) years from the Option Exercise Date.

(l) “Optioned Property” – means all of Owner’s right, title and interest (which includes fee simple title to the real property) in and to all property and assets used in or otherwise related to the operation of the Project including, without limitation, all real property and interests in real property, all tangible and intangible personal property including furniture, fixtures, equipment, supplies, intellectual property, licenses, permits, approvals, and contractual rights of any

kind or nature together with the right to own and carry on the business and operations of the Project.

(m) “Outstanding” – with respect to Bonds, as of any given date, all Bonds which have been authenticated and delivered by the Trustee under the Indenture, except: (i) Bonds cancelled at or prior to such date or delivered to or acquired by the Trustee or prior to such date for cancellation; (ii) Bonds deemed to be paid in accordance with Article VIII of the Indenture; and (iii) Bonds in lieu of which other Bonds have been authenticated under the Indenture.

(n) “Project Debt” – any debt secured by the Project and incurred to finance or re-finance Owner’s acquisition of the Project and related transaction costs, including any portion of the Bonds and any bonds, notes or other indebtedness issued by Owner to refund the Bonds in whole or in part.

(o) “Transaction Costs” – to the extent not otherwise described herein, any costs or expenses of any kind or nature associated with or incurred by Owner and Host in connection with the consummation of the Conveyance, any refinancing of the Project or assumption of Project Debt regardless of whether such costs and expenses are customarily borne by the seller or purchaser in any such transaction, including but not limited to taxes, recording fees and other impositions, Owner’s and Host’s legal and other professional fees, fees for verification agents, bidding agents, escrow agents, custodians or trustees, assumption fees, prepayment fees, the cost of the appraisal, surveys, inspections, title commitments, title insurance premiums and other title-related fees, and all amounts required for indemnification of Authority, Trustee and Manager.

Section 3. Effectiveness; Term and Termination. The Option shall become effective on the Option Exercise Date and may be exercised during the Option Term. Owner agrees that it will not enter into any agreement to sell all or any part of the Optioned Property during the Option Term, without the specific written request of the Host and written consent of the Owner, which consent shall not be unreasonably withheld, and delivery of an Opinion of Bond Counsel to the Owner substantially to the effect that such sale will not, in and of itself, adversely affect the exclusion of interest on the Bonds from gross income for purposes of federal income taxation. After expiration of the Option Term, Host shall not be precluded from purchasing all or any portion of the Optioned Property from Owner at a price and on the terms agreed upon by Host and Owner, but Owner shall not be precluded from seeking or agreeing to sell, or consummating the sale of, all or any portion thereof to any third person.

Section 4. Manner of Exercise.

(a) Owner’s Notice. At least six (6) months prior to the Option Exercise Date, Owner shall provide Host notice of the Option Exercise Date; provided, however, that failure to provide such notice shall not affect the sufficiency or validity of any proceedings taken in connection with the exercise of the Option.

(b) Host’s Notice. To exercise the Option, Host shall provide a notice (an “*Exercise Notice*”) to Owner at any time prior to the end of the Option Term.

(c) Owner's Response. Within fifteen (15) business days of its receipt of the Exercise Notice, Owner shall provide Host with written estimate of the amounts comprising the Option Price.

(d) Host's Response. Within fifteen (15) business days of its receipt of Owner's estimate under Subsection (c), Host shall notify Owner in writing either (i) that it is withdrawing its Exercise Notice, or (ii) that it intends to proceed with the purchase of the Optioned Property.

(e) Fixing of Option Price; Contractual Obligation. Unless Host notifies Owner in writing that it is withdrawing its Exercise Notice within fifteen (15) business days of its receipt of Owner's estimate under Section 4(c) hereof, Host shall deliver to Owner a purchase agreement therefor in form and substance satisfactory to Owner and its counsel subject to the terms and conditions of this Option Agreement. Unless Owner shall have objected to the form of purchase agreement within fifteen (15) business days of its receipt thereof, Owner shall be deemed to have accepted the terms of the purchase agreement without the need for the signature of Owner thereon, and Host shall be obligated to purchase and Owner shall be obligated to sell and convey to Host good and marketable title to the Optioned Property at the Option Price within ninety (90) days thereafter.

Section 5. Determination of Option Price. Unless the parties otherwise agree, Owner shall cooperate with Host and provide Host with all information and records in its possession, and access to counsel and other professionals, to assist Host in determining and updating the Option Price.

Section 6. Surplus Cash. The Owner shall cause the Trustee to create an account (the "Excess Revenue Fund") under (i) the Indenture or (ii) in the event that the Bonds have been retired and the Indenture discharged, a separate trust agreement identifying Owner as trustor, a trustee selected by Owner as trustee, and Host as beneficiary, into which excess revenue over expenses shall be deposited. Upon the commencement of the Option Term, after full payment of the fees, charges and expenses of the Owner and the Trustee and other amounts required to be paid pursuant to the Indenture or other documents relating to then-outstanding Project Debt, amounts remaining in the Excess Revenue Fund shall be transferred to the Host. Thereafter, amounts in the Excess Revenue Fund shall be transferred to the Host periodically.

The Host shall apply amounts in the Excess Revenue Fund to the payment of the Option Price and thereafter shall apply such funds in its sole discretion.

Section 7. Terms of Conveyance.

(a) The Conveyance shall be in the nature of a grant deed in which Owner shall deliver one or more deeds, bills of sale, or other instruments of transfer without recourse or warranty of any kind or nature.

(b) The Optioned Property will be conveyed to Host in AS IS CONDITION, WITH ALL FAULTS, and without representations or warranties of any kind or nature as to the condition of the Property. Host acknowledges that Owner will convey the Optioned Property AS IS and that OWNER IS MAKING NO WARRANTIES AND REPRESENTATIONS, EXPRESS OR IMPLIED, with reference to the condition of the Property. HOST WAIVES ANY AND ALL

CLAIMS AGAINST OWNER, INCLUDING BUT NOT LIMITED TO, CLAIMS BASED IN PART, INCLUDING, BUT NOT LIMITED TO, NEGLIGENCE, STRICT LIABILITY AND STRICT RESPONSIBILITY, IN CONTRACT, IN WARRANTY, IN EQUITY, OR UNDER ANY STATUTE, LAW OR REGULATION ARISING DIRECTLY OR INDIRECTLY OUT OF ANY CONDITION OF THE PROPERTY.

(c) There shall be no partial transfer and that, upon consummation of the Conveyance, Owner shall be fully divested of any and all right, title or interest in and to the Optioned Property.

(d) Upon payment of the Option Price, as adjusted for any prorations, credits and charges, Owner shall convey title to the Optioned Property by quit claim deed reasonably satisfactory in form and substance to Host.

Section 8. Closing. The closing of the Conveyance ("Closing") shall take place not later than the ninetieth (90th) calendar day following the date on which the parties agree on the terms of the purchase agreement pursuant to Section 4(e) hereof at such time within normal business hours and at such place as may be designated by Host.

(a) Prorations. All general and special real property taxes and assessments, and rents shall be prorated as of the Closing, with Host responsible for all such items to the extent arising or due at any time following the closing. General real property taxes shall be prorated at the time of Closing based on the net general real property taxes for the year of Closing.

(b) Limitation. If, after taking into account all adjustments and prorations, the net amount due Owner at Closing is less than the Option Price, the Option Price, as the case may be, shall instead be the Option Price, it being understood and agreed that in no event shall Owner receive proceeds less than the amount necessary to fully retire or defease, as the case may be, the Series A Bonds and the Series B Bonds and otherwise satisfy all of the payments constituting the components of the Option Price.

Section 9. Recording. This Option Agreement, and any amendment thereto, shall be recorded with the recorder's office of the County of Solano; *provided*, that in the event Host fails to exercise the Option, then upon termination of the term of this Option Agreement, Host shall cooperate with Owner to remove any such recorded Option Agreement or amendment thereto from title to the Optioned Property upon Owner's reasonable request therefor and, in any event, by no later than thirty (30) days after the expiration of the original term of this Option Agreement. In the event that, within said time, Host fails to so cooperate and provide its original signature to a termination of such recorded Option Agreement or amendment thereto, then Host hereby irrevocably constitutes and appoints Owner as Host's true and lawful attorney (and agent-in-fact) to execute in Host's name any such termination.

Section 10. Possession. Physical possession of the Optioned Property shall be delivered to Host at the time of Closing.

Section 11. Title Insurance, Title Defects.

(a) Within fifteen (15) business days after it receives the Option Exercise Notice, Owner shall provide Host with a title commitment (the “Title Commitment”) in the customary ALTA form of Standard Owner’s Policy of Title Insurance in Host’s favor, for the amount equivalent to the Option Price (whichever is applicable), with a commitment to insure good and marketable fee simple title to the Optioned Property in Host, issued by a title insurance company licensed to do business in the State of California and acceptable to Host (the “Title Company”). The policy shall show the status of title to the Optioned Property and show all exceptions, including easements, restrictions, rights-of-way, covenants, reservations, and other conditions of record, if any, affecting the subject real estate. Accompanying the Title Commitment, Owner shall also have Title Company furnish Host with true, correct, complete, and legible copies of all documents affecting title to the subject real estate. The cost and expense of such Standard Owner’s Title Commitment shall be payable as a Transaction Cost. Host shall pay the additional premium due if Host elects to obtain an extended coverage policy of title insurance and/or extended coverage endorsements. Owner shall cooperate with Host, at no expense to Owner, by providing an affidavit to Title Company to induce Title Company to issue to Host at Closing a “GAP” endorsement to the Title Commitment showing the effective date of the Title Commitment to be the time and date of Closing.

(b) If the Title Commitment shows exceptions to title which are unacceptable to Host, Host shall, within ten (10) business days after receipt of the Title Commitment and not later than twenty (20) business days before the date for Closing, notify Owner of such fact and Owner shall have twenty (20) business days after Owner receives Host’s written objections to cure such defects and to present a Title Commitment on the basis of which Closing may occur or to notify Host that Owner will not cure same. If Owner cannot or will not cure such defects within such twenty (20) day period and thereafter convey title to the Property as required in this Agreement, then Host shall have the right (at Host’s option) to either:

(i) Rescind the Option Exercise Notice and Owner may proceed to close the sale under the terms of the third-party offer, if there is a third-party offer; or

(ii) Accept whatever title Owner can or will convey, without reduction in the purchase price because of such title defects. Any exceptions to title disclosed on the Title Commitment to which Host does not timely object to in writing or to which Host objects but thereafter accepts by Closing shall be included as a “Permitted Exception.”

Section 12. Assignment. The Host shall not assign the Option without the prior written consent of the Owner, which consent shall not be unreasonably withheld, and delivery of an Opinion of Bond Counsel to the Owner substantially to the effect that such assignment will not, in and of itself, adversely affect the exclusion of interest on the Bonds from gross income for purposes of federal income taxation. Notwithstanding the foregoing, neither party to this Option Agreement shall assign its interests, obligations, rights and/or responsibilities under this Option Agreement without the prior written consent of the other party.

Section 13. No Individual Liability. No Authority Indemnified Person shall be individually or personally liable for the payment of any sum hereunder or be subject to any personal liability or accountability by reason of the execution and delivery of this Option Agreement , or

by any proceedings for the determination of the Option Price, or Host's exercise or waiver of same, or otherwise except in the case of such Authority Indemnified Person's own willful misconduct.

Section 14. Notices, Governing Law, Binding Effect and Other Miscellaneous Provisions.

(a) Notices. All notices provided for in this Option Agreement shall be in writing and shall be given to Owner or Host at the address set forth below or at such other address as they individually may specify thereafter by written notice in accordance herewith:

If to Owner: California Community Housing Agency
1400 W. Lacey Blvd., Building 1
Hanford, California 93230
Attention: Michael LaPierre

With a copy to: Catalyst Housing Group
21 Ward Street, Suite 2
Larkspur, California 94939
Attention: Jordan Moss

If to Host: City of [CITY]
[ADDRESS]
Attention: [NAME, DEPARTMENT]

Such notices shall be deemed effective upon actual delivery or upon the date that any such delivery was attempted and acceptance thereof was refused, or if mailed, certified return receipt requested, postage prepaid, properly addressed, three (3) days after posting.

(b) Consents and Approvals. All consents and approvals and waivers required or asserted hereunder shall be in writing, signed by the party from whom such consent, approval, waiver or notice is requested, provided that no written consent or approval of Owner shall be required for any action that Host may, in its reasonable good faith judgment, find it necessary to take in the event of an emergency.

(c) Cooperation. Owner will keep Host advised of its complete name at all times, including any change of such name. Host will keep Owner advised of its complete name at all times, including any change of such name.

(d) Pronouns. Where appropriate to the context, words of one gender include all genders, and the singular includes the plural and vice versa.

(e) Amendments. This Option Agreement may not be modified except in a written instrument signed by Host and Owner.

(f) Complete Agreement. This Option Agreement together with all schedules and exhibits attached hereto and made part thereof supersedes all previous agreements, understandings and representations made by or between the parties hereto.

(g) Governing Law. This Option Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to conflicts of law principles. All claims of whatever character arising out of this Option Agreement, or under any statute or common law relating in any way, directly or indirectly, to the subject matter hereof or to the dealings between Owner and any other party hereto, if and to the extent that such claim potentially could or actually does involve Owner, shall be brought in any state or federal court of competent jurisdiction located in Kings County, California. By executing and delivering this Option Agreement, each party hereto irrevocably: (i) accepts generally and unconditionally the exclusive jurisdiction and venue of such courts; (ii) waives any defense of forum non-conveniens; and (iii) agrees not to seek removal of such proceedings to any court or forum other than as specified above. The foregoing shall not be deemed or construed to constitute a waiver by Owner of any prior notice or procedural requirements applicable to actions or claims against or involving governmental units and/or political subdivisions of the State of California that may exist at the time of and in connection with such matter.

(h) Legal Construction. In case any one or more of the provisions contained in this Option Agreement shall for any reason be held by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such invalid provision shall be deemed severable, and shall not affect the validity or enforceability of any other provisions of this Option Agreement, all of which shall remain fully enforceable.

(i) Term. This Agreement shall terminate upon the earlier of (a) the Conveyance or (b) the first date on which all Project Debt has been retired and Owner has made an absolute assignment to Host of all future Surplus Cash.

(j) Captions. The captions used in this Option Agreement are solely for convenience, and shall not be deemed to constitute a part of the substance of the Option Agreement for purpose of its construction.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Option Agreement as of the date set forth above.

**CALIFORNIA COMMUNITY HOUSING
AGENCY**

By:

CITY OF [CITY]

By:

Signature Page to Purchase Option Agreement

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of _____)

On _____, before me, _____,
(insert name and title of the officer)

Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that
the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

EXHIBIT A

LEGAL DESCRIPTION OF REAL PROPERTY



May 30, 2019

Orrick, Herrington & Sutcliffe LLP

The Orrick Building
405 Howard Street
San Francisco, CA 94105-2669

+1 415 773 5700
orrick.com

Justin Cooper

E jcooper@orrick.com
D +1 415 773 5908
F +1 415 773 5759

California Community Housing Agency
2999 Oak Road, Suite 710
Walnut Creek, CA 94597
Attn: Michael LaPierre

Re: California Community Housing Agency

The California Community Housing Agency (“CalCHA”) was formed pursuant to a Joint Exercise of Powers Agreement (the “Agreement”) between two original members, Kings County and the Housing Authority of Kings County (the “Charter Members”). In accordance with Section 12 of the Agreement, additional cities, counties and other local government entities may, and have, joined CalCHA (each a Non-Charter Member or “Additional Member” and, together with the Charter Members, the “Members”). You have asked whether an Additional Member is exposed to liability by virtue of its decision to become a member of CalCHA and/or its approval of bonds proposed to be issued by CalCHA.

CalCHA is a political subdivision of the State of California created under the California Joint Powers Act (California Government Code Section 6500 and following) (the “Act”) and the Agreement. Pursuant to the Act and the Agreement, CalCHA is authorized to issue revenue bonds and to acquire, construct, improve, own, maintain and operate, or provide for maintenance and operation, and sell, lease, pledge, assign, mortgage or otherwise dispose, of any property.

In order to meet state law, federal income tax law, and policy requirements for the issuance of certain bonds, CalCHA has adopted a policy to not issue bonds or other forms of indebtedness unless the governing body of an Additional Member (or Charter Member, as the case may be) in which the proposed project (the “Project”) is located approves the issuance of bonds for the Project.



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Pursuant to applicable state law, CalCHA policies, and the documents providing for the issuance of bonds by CalCHA, the bonds are issued as limited obligations of CalCHA, not of any Charter Member or Additional Member, and are payable solely out of the revenues and receipts derived from the Project being financed.

Specifically, Section 8 of the Agreement provides that “[t]he Bonds, together with the interest and premium, if any, thereon, shall **not** be deemed to constitute a debt of any Member or pledge of the faith and credit of the Members...Neither the Members nor...shall be obligated to pay the principal of, premium, if any, or interest on the Bonds, or other costs incidental thereto...” (emphasis added). The Agreement also expressly provides that CalCHA is a public entity separate and apart from the Members, and “[i]ts debts, liabilities and obligations do not constitute debts, liabilities or obligations of any Members.”¹ Accordingly, bonds issued for any particular Project will be indebtedness solely of CalCHA.

Please do not hesitate to contact me if you have further questions with respect to this matter.

Sincerely yours,

/s/ Justin Cooper

Justin Cooper

¹ See Cal. Government Code Section 6508.1. “...the debts, liabilities, and obligations of the agency shall be debts, liabilities, and obligations of the parties to the agreement unless the agreement specifies otherwise.”