



## REGULAR MEETING MINUTES

**Date:** 11/6/2019  
**Time:** 6:30 p.m.  
**Arrillaga Family Recreation Center – Cypress Room**  
**700 Alma St., Menlo Park, CA 94025**

**A.** Chair Merriman called the meeting to order at 6:34 p.m.

### **B. Roll Call**

**Present:** Bigelow, Conroy, Grove, Horst, McGraw-Scherer, Merriman, McPherson  
**Absent:** None  
**Staff:** Deputy Community Development Director Rhonda Coffman,  
Associate Planner Ori Paz

### **C. Public Comment**

- Verle Aebi spoke about secondary dwelling unit laws.
- Pamela Jones spoke about tenant relocation assistance, the need for low-income units to be mapped throughout the City and research regarding vulnerable populations in each district.

### **D. Regular Business**

D1. Approve minutes for the Housing Commission special meeting of September 25, 2019

**ACTION:** Motion and second (Merriman/Conroy) to approve the Housing Commission meeting minutes of September 25, 2019 passed 6-0-1 (McGraw-Scherer abstained).

D2. Recommendation of a below market rate housing agreement term sheet with Goldsilverisland, LLC for 661-687 Partridge Avenue

Associate Planner Ori Paz introduced the item and answered project related questions.

**ACTION:** Motion and second (Grove/Conroy) to approve the recommendation of a below market rate housing agreement term sheet with Goldsilverisland, LLC for 661-687 Partridge Avenue passed unanimously.

D3. Presentation by ~~Housing Land Trust of Silicon Valley~~ Valley Community Land Trust (VCLT)

VCLT representative Pam Dorr made a presentation and distributed a handout (Attachment).

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

E1. Subcommittee reports (10 minutes):

Below Market Rate (BMR) Housing Guidelines Subcommittee (Bigelow/Grove) – Committee will be reviewing the BMR purchase section of the guidelines.

Housing Policy Subcommittee (Conroy/Grove/Horst) – None.

Marketing Subcommittee (Bigelow/Horst/McGraw-Scherer) – None.

Notice of Funding Availability (NOFA) Subcommittee (Grove/McGraw-Scherer) – Working with staff to update criteria and provide an estimated date of release for the 2020 NOFA.

Secondary Dwelling Unit Subcommittee (McPherson/Merriman) – None.

E2. Commissioner reports

Vice Chair Grove shared information about a housing event, “The Color of Law”, being held on November 17.

Chair Merriman provided an update on the Housing Commission quarterly update to the City Council.

Commissioner Horst reported on new state legislation, AB 1482. Other cities have passed urgency ordinances to enact the law at the local level prior to the January 1, 2020 effective date statewide.

E3. Recommended future agenda items.

Commissioner suggested future agenda items:

- Information regarding guidelines for historic homes
- Development of the Housing Commission work plan and Commission retreat

E4. Staff updates and announcements

Deputy Community Development Director Rhonda Coffman provided the following updates:

- Brief summary of November 5 City Council study session on new laws.
- November 12 City Council to consider an urgency ordinance to adopt AB 1482 tenant protections.
- Samaritan House core service center relocated their weekly Menlo Park office hours to the Senior Center.
- Staff are preparing the SB 2 grant application for submittal and one of the projects identified is related to accessory dwelling units (ADUs), including updating the zoning ordinance to comply with new state laws and the creation of user navigation tools and outreach to help promote the development of ADUs.

**F. Adjournment**

Chair Merriman adjourned the meeting at 8:47 p.m.

Mike Noce, Management Analyst II, Community Development

Approved by the Housing Commission on January 8, 2020



## Valley Community Land Trust - Frequently Asked Questions

1. **What is a Housing Land Trust and how does it work?**
  - ♦ Homeowners own improvements (home)
  - ♦ Land Trust owns and holds title to the land
  - ♦ Land Trust leases the land to homeowners for a nominal fee through a 99-year ground lease
  - ♦ Memorandum of Lease and Deed are recorded, enforceable & legally-binding
2. **Benefits of the Living in a Land Trust Home:**
  - ♦ Long-term security of homeownership
  - ♦ Fixed housing expense
  - ♦ Tax deductions
  - ♦ Equity accumulation
3. **Why do we need the Land Trust?** When incomes do not rise as fast as housing prices, many people cannot afford to buy a market-rate house. The Land Trust is a tool to help low and moderate-income people with steady incomes and good credit buy a home.
4. **Where is the Land Trust model used?** The model is widely used around the country and the world, including in the UC system by UC Irvine, Santa Cruz, and Santa Barbara among others. The universities employ the model to recruit and retain faculty and staff who would otherwise be priced out of the housing market and not stay to work in the University area. This “recruitment and retention” concept is being extended to people in our local community such as public safety workers, teachers, and other service providers.
5. **Will banks and other financial institutions make loans for homes on leased land?** Yes. Most of the largest banks in the country are regularly making Land Trust home loans. We can also recommend a local lender who is well versed with the program and with all documents needed to secure loan approval.
6. **How does a Land Trust make homeownership affordable?** The Land Trust owns the land and does not pass that cost to the homeowner. Taking the price of the land out of the equation makes the home more affordable. In return, the home is sold to the next family at a price they too can afford.
7. **What happens if a leaseholder wants to move?** You can move at any time.
8. **What about taxes?** The homeowner pays all the taxes associated with the property. As with all homeowners, if you itemize, the interest portion of your mortgage payment is tax deductible. If you itemize your federal income taxes, the property taxes that are paid are also tax deductible.

## **Land Trust Homeownership: Example of a Resale for San Mateo County**

### **How is the resale price of a home determined?**

- **Permanently Affordable Homeownership (PAH)** - The price of the house is tied to the appreciation in Area Median Income (AMI) for family of four. Example:
  - Initial AMI 2006, 100% AMI: **\$75,100**
  - 10 years later in 2016 – AMI 2016, 100% AMI: **\$82,400**
    - Change in Median Income from 2006 to 2016 = 9.72%
  - Example:
    - Initial Purchase Price: \$300,000
    - With Change in AMI = 9.72%
    - Then, the new Maximum Sales Price = **\$329,161.12**
      - Total Appreciation from AMI = **\$29,161.12**
  - Note: It is important that no additions or changes to the home are allowed or the unit may become unaffordable by the next family. Maintenance is encouraged but not improvements.
  - Total equity = Appreciation + Debt Reduction + Down payment + (optional: 10% bonus if in good condition)



## Developer Menu of Services

VCLT can manage all aspects of your affordable housing requirements. From project support and entitlements to marketing and buyer qualification to long term management of the units, VCLT can help you meet City requirements and produce a great product. Provided below is a list of the potential services that we can provide.

Site Acquisition / Predevelopment	Project Design/ Approvals/Construction	Marketing and Sales	Post Purchase / Resales
<ul style="list-style-type: none"> <li>• Identify parcels of land</li> <li>• Entitle/Subdivide land</li> <li>• Acquire land</li> <li>• Work with neighborhood and community to garner support for project</li> <li>• Serve as liaison between the developer and the City</li> </ul>	<ul style="list-style-type: none"> <li>• Assist in gaining city support for project</li> <li>• Attend public hearings</li> <li>• Assist in obtaining city approval for plans</li> <li>• Set up buyer selection criteria</li> <li>• Construction management</li> <li>• Oversee MOU/agreements negotiation with all parties</li> <li>• Evaluate/determine initial affordability levels and unit pricing</li> </ul>	<ul style="list-style-type: none"> <li>• Provide all marketing and outreach activities</li> <li>• Provide pre-purchase homebuyer education</li> <li>• Assist in buyer selection</li> <li>• Assure approval/execution of all Regulatory documents</li> <li>• Assist in homebuyer financing of units</li> <li>• Assure buyer qualifications</li> <li>• Manage escrow process</li> <li>• Plan/Execute Grand Opening event</li> </ul>	<ul style="list-style-type: none"> <li>• Oversee all ongoing affordability restrictions</li> <li>• Provide all post-purchase support, to include monitoring compliance with ground lease, collecting ground lease fees and providing ongoing education</li> <li>• Manage all aspects of resales including identifying buyers, calculating resale price, educating buyers and executing all necessary documentation</li> </ul>



## Stewardship Services

VCLT can help cities meet their housing goals. We provide a broad array of housing related education and services that can assist the city in developing permanently affordable housing. Below is a list of services that we can provide, broken out into general housing related services and project specific services.

### **General Services**

- VCLT will study the City's housing policies and show how the permanently affordable model is consistent with meeting the goals in the housing element.
- VCLT will educate City staff on the Community Land Trust model to achieve perpetual affordability.
- VCLT will prepare a presentation to the City Council Members on the permanently affordable housing model. This presentation will showcase the model and will highlight housing issues the community faces and solutions we offer.
- VCLT will provide community outreach to build consensus. This will include working with neighbors and schools, fire and police chiefs to show how we can help meet their housing needs.
- VCLT can survey the housing need for your community, specifically among teachers, medical, fire and police personnel.

### **Project Specific Services**


Site Acquisition / Predevelopment	Project Design/ Approvals/Construction	Marketing, Sales & Pre-purchase Education	Post Purchase / Resales
<ul style="list-style-type: none"> <li>• Identify parcels of land</li> <li>• Entitle/Subdivide land</li> <li>• Acquire land</li> <li>• Identify/Manage Development Team</li> <li>• Work with neighborhood and community to garner support for project</li> <li>• Maintain a waitlist of potential buyers</li> </ul>	<ul style="list-style-type: none"> <li>• Oversee project design</li> <li>• Attend public hearings</li> <li>• Set up buyer selection criteria</li> <li>• Construction management</li> <li>• Oversee MOU/agreements negotiation with all parties</li> <li>• Evaluate/determine initial affordability levels and unit pricing</li> </ul>	<ul style="list-style-type: none"> <li>• Provide Homebuyer education</li> <li>• Provide CLT education</li> <li>• Assist in buyer selection</li> <li>• Assure approval of all Regulatory documents</li> <li>• Provide all marketing and outreach activities</li> <li>• Assure buyer qualifications</li> <li>• Manage escrow process</li> <li>• Execute all CLT documents</li> <li>• Plan/Execute Grand Opening event</li> </ul>	<ul style="list-style-type: none"> <li>• Provide post-purchase education and services to buyers including monitoring compliance with ground lease, collecting ground lease fees and providing ongoing education.</li> <li>• Manage Refinance to ensure compliance affordability criteria.</li> <li>• Manage all aspects of resales including identifying buyers, calculating resale price, educating buyers and executing all necessary documentation.</li> </ul>





## CLT'S ROLE

- CLT is a free partner to support City staff with capacity to execute strategy
- Lessens the burden of government and help achieve housing goals
- CLT works directly with the developer and becomes part of the development team for inclusionary requirements
- CLT brings qualified homebuyers



## HOW DOES COMMUNITY LAND TRUST HOMEOWNERSHIP WORK?

### A BRIEF INTRODUCTION



## CLT'S ROLE

- The land trust owns the land forever: it serves as the steward of the land.
- The land trust ground leases the land to the homeowner for a renewable 99-year lease
- Homeowners own the home and all improvements.


Ground lease and deed are recorded, enforceable, legally-binding documents.

The land trust asks homeowners to share the affordability with future homeowners.




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## HOW DOES THE CLT KEEP THE HOUSING AFFORDABLE?

- In order to keep the homes affordable to future buyers, homeowners agree to sell their home for a limited price when they decide to move.
- The maximum price is calculated based on what is paid + the annual increase based on changed in area median income (AMI).



## SAN MATEO COUNTY 2019 AMI

County	Income Category	Number of Persons in Household							
		1	2	3	4	5	6	7	8
Last page instructs how to use income limits to determine applicant eligibility and calculate affordable housing cost and rent									
San Mateo County	Extremely Low	33850	38700	43550	48350	52750	56100	60000	63850
	Very Low Income	58450	64500	70550	76600	82050	87500	93550	106400
	Low Income	80450	103350	116250	129150	138500	148850	160150	170500
Area Median Income:	Median Income	92750	109450	123100	136800	147750	158700	169650	180600
\$136,800	Moderate Income	114900	131300	147750	164150	177300	190400	203550	216700



## CLT STEWARDSHIP TO HOME OWNER

- Assist Homebuyer in Qualifying for Mortgage
- Help Homebuyer Understand What it Means to Live on CLT Land
- Help Homebuyer to Understand Ground Lease and Resale Formula
- Help Homeowner Find Eligible Buyers When They Decide to Sell.
- Assist the Homebuyer Avoid Foreclosure When There is Financial Difficulties




## BENEFITS OF LIVING ON CLT LAND

- Long Term Security of Homeownership
- Fixed Housing Expense without Displacement
- Tax Deduction
- Equity Accumulation
- Stewardship



## THE GROUND LEASE RIGHTS, RESPONSIBILITIES & REQUIREMENTS

- No Mortgage Changes without Written Permission. Including:
  - Refinancing
  - Loan Modifications



## BENEFITS OF LIVING ON CLT LAND

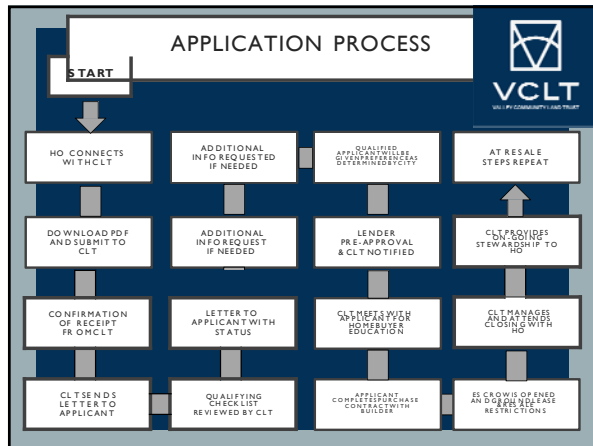
- Long Term Security of Homeownership
- Fixed Housing Expense without Displacement
- Tax Deduction
- Equity Accumulation
- Stewardship



## ADDITIONAL CLT SERVICES

- Existing BMR homes can be managed by the CLT and transition into the CLT at resale.





**VCLT**  
VALLEY COMMUNITY LAND TRUST

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