



## REGULAR MEETING MINUTES

**Date:** 5/5/2021

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

**Regular Meeting Location:** [Zoom.us/join](https://zoom.us/join) – ID #997-7506-7654

### A. Call To Order

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

### B. Roll Call

**Present:** Bigelow, Grove, Horst, McPherson, Merriman, Pimentel (exited the meeting at 6:45 p.m.)

**Absent:** Conroy

**Staff:** Deputy Community Development Director Rhonda Coffman,  
Management Analyst II Mike Noce, Contract Principal Planner Payal Bhagat

### C. Public Comment

None.

### D. Regular Business

D1. Approve minutes for the Housing Commission regular meeting on March 3, 2021 ([Attachment](#))

**ACTION:** Motion and second (Bigelow/ Horst), to approve the Housing Commission regular meeting minutes on March 3, 2021, passed 6-0-1 (Conroy absent).

D2. Recommendation of a below market rate housing agreement term sheet with Greystar for the Menlo Portal project ([Staff Report 21-007-HC](#))

Contract Principal Planner Payal Bhagat introduced the item and provided a presentation ([Attachment](#)).

Greystar representative Andrew Marcos provided a presentation ([Attachment](#)).

- Pam Jones spoke about community amenities, schools and a pedestrian overcrossing to the new community center.

**ACTION:** Motion and second (McPherson/ Bigelow), to approve the below market rate term sheet with scenario 2 as proposed in the staff report, passed 5-0-2 (Conroy and Pimentel absent).

D3. Presentation by HouseKeys on below market rate housing program services

Deputy Community Development Director Rhonda Coffman introduced the item.

HouseKeys representative Julius Nyanda made the presentation (Attachment).

D4. Update on tenant and landlord assistance programs

Deputy Community Development Director Rhonda Coffman provided updates and introduced Samaritan House representative LaTrice Taylor and Community Legal Service of East Palo Alto representative Keith Ogden who provided information to Commissioners.

D5. Formation of an ad hoc subcommittee to work on proposed edits to the below market rate (BMR) housing program guidelines

Deputy Community Development Director Rhonda Coffman introduced the item.

**ACTION:** By acclamation, the Commission selected Bigelow, Grove and Horst to serve on the BMR housing program guidelines ad hoc subcommittee, passed (Conroy and Pimentel absent).

**E. Reports and Announcements**

E1. Ad hoc subcommittee reports (10 minutes):

None.

E2. Commissioner updates

Chair Grove highlighted the City Council's review of budget priorities for the next fiscal year.

E3. Recommended future agenda items.

The Commission suggested future agenda items:

- Housing element process updates
- Potential emergency ordinance for eviction moratorium

E4. Staff updates and announcements

Deputy Community Development Director Rhonda Coffman provided updates on:

- Advisory body appointments expected in May by City Council
- Menlo Uptown proposal expected to reach Planning Commission in May or June
- Housing element consultant selected and City Council subcommittee has been created. Expect more information and timelines to be released in May.

**F. Adjournment**

Chair Grove adjourned the meeting at 9:19 p.m.

Mike Noce, Management Analyst II, Community Development

Approved by the Housing Commission on July 7, 2021

## NOVEL CORONAVIRUS, COVID-19, EMERGENCY ADVISORY NOTICE

On March 19, 2020, the Governor ordered a statewide stay-at-home order calling on all individuals living in the State of California to stay at home or at their place of residence to slow the spread of the COVID-19 virus. Additionally, the Governor has temporarily suspended certain requirements of the Brown Act. For the duration of the shelter in place order, the following public meeting protocols will apply.

Teleconference meeting: All members of the Housing Commission, city staff, applicants, and members of the public will be participating by teleconference. To promote social distancing while allowing essential governmental functions to continue, the Governor has temporarily waived portions of the open meetings act and rules pertaining to teleconference meetings. This meeting is conducted in compliance with the Governor's Executive Order N-25-20 issued March 12, 2020, and supplemental Executive Order N-29-20 issued March 17, 2020.

- How to participate in the meeting
  - Access the meeting real-time online at:  
[Zoom.us/join](https://zoom.us/join) – Regular Meeting ID #997-7506-7654
  - Access the regular meeting real-time via telephone (listen only mode)  
at: (669) 900-6833 Regular Meeting ID 997-7506-7654

Subject to Change: Given the current public health emergency and the rapidly evolving federal, state, county and local orders, the format of this meeting may be altered or the meeting may be canceled. You may check on the status of the meeting by visiting the City's website [www.menlopark.org](http://www.menlopark.org). The instructions for logging on to the webinar and/or the access code is subject to change. If you have difficulty accessing the webinar, please check the latest online edition of the posted agenda for updated information ([menlopark.org/agenda](http://menlopark.org/agenda)).



# MENLO PORTAL PROJECT

115 Independence Drive and 104 and 110 Constitution Drive  
Staff Presentation to Housing Commission, May 5, 2021



## CLARIFICATION ON FINAL PROJECT APPROVAL PROCESS

- Planning Commission is the final decision maker on project and would need to:
  - Certify the Final EIR
  - Approve the land use entitlements (use permit and architectural control)
  - Approve the BMR Housing Agreement
  - Approve the Community Amenities Agreement
- City Council will hear the item only if it is called up or appealed



## PROJECT LOCATION



## PROJECT OVERVIEW

- Bonus development to construction of:
  - 335 rental units in one apartment building
  - Approximately 34,868 square foot office building including approximately 1,600 square foot community amenities space
  - Other onsite and offsite improvements
- 15% of 320 units or 48 inclusionary housing units provided
- 15 additional market rate units pursuant to City's BMR Housing Program



## BMR PROPOSAL (SCENARIO 1)

Unit Type	Average Sq. Ft.	Total Units	BMR units	
			Low Income	Low Income
Studio	526	63	7	
Junior 1 Bedroom**	621	56	11	
1 Bedroom	719	151	21	
2 Bedrooms	1,094	51	8	
3 Bedrooms	1,616	14	1	
<b>Total / Average</b>	<b>761</b>	<b>335</b>	<b>48</b>	

\*\*Junior 1 bedroom is considered a studio unit for purposes of equivalency calculation



## BMR PROPOSAL (SCENARIO 2)

Unit Type	Average Sq. Ft.	Total Units	BMR units Income Levels		
			Very Low	Low	Moderate
Studio	526	63	2	2	3
Junior 1 Bedroom**	621	56	1	8	2
1 Bedroom	719	151	-	4	17
2 Bedroom	1,094	51	-	-	8
3 Bedroom	1,616	14	-	-	1
<b>Total / Average</b>	<b>761</b>	<b>335</b>	<b>3</b>	<b>14</b>	<b>31</b>

\*\*Junior 1 bedroom is considered a studio unit for purposes of equivalency calculation

## RECOMMENDATION

- Recommend Planning Commission approve the BMR Term Sheet
  - BMR proposal meets the requirements of the Below Market Rate Housing Program Guidelines
  - The project provides inclusionary units affordable to low-income households
  - Evenly distributed throughout the project
  - Comparable in size to market rate units



THANK YOU

## MENLO PORTAL | HOUSING COMMISSION PRESENTATION APRIL 5, 2021



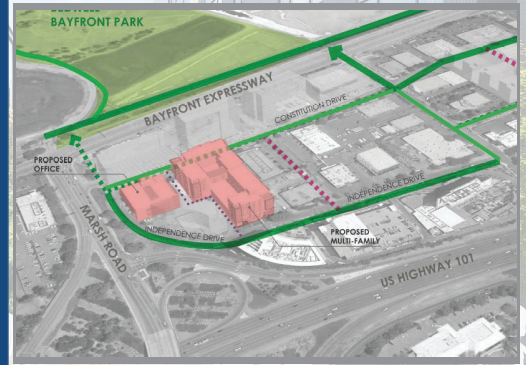
## Menlo Portal Project Overview

### General Info

- 335 rental apartment units
- ~35K sq. ft. commercial office space

### Entitlement Process

- Draft EIR released on 2/25 which started 45-day public review period which closed on 4/14
- Response to comments will be presented to Planning Commission for project approval



## RHNA – Regional Housing Needs Allocation

Multifamily Rental BMR units: 48 units (onsite)



**MENLO PARK RHNA BMR ALLOCATION:  
1,735 BMR HOUSING UNITS**

Note: Based on estimates released by Association of Bay Area Governments in Oct. 2020

## Community Outreach Process

### What kind of outreach have we done?

- Robust community outreach process since 2019
  - 3 community meetings at Menlo Park Senior Center in Belle Haven
    - 6,000+ postcards distributed (translated in Spanish)
    - Spanish translators present
  - 50+ one-on-one phone calls with community members
  - Greystar prepared BMR overview brochure to inform community about BMR program

### How has this outreach shaped our project's BMR program?

- Community wants as much affordable housing as quickly as possible!
  - 48 onsite BMR units
  - Two BMR alternatives based on City feedback: (1) All low income BMR mix and (2) Equivalent Alternative mix of income levels (averaging to low)

## BMR Proposal Overview

- Working with City staff and the community since 2019
- 48 units as onsite BMR units
  - City staff providing two BMR alternatives:
    - All low income level (80% AMI)
    - Equivalent Alternative mix of income levels (averaging to low)
  - Helps achieve Menlo Park's latest RHNA target of 1,735 total affordable units
- Project BMR units will be:
  - 100% compliant with the City's BMR guidelines
  - Same proportionate size as market-rate units
  - Distributed throughout the project
  - Indistinguishable from market-rate units
  - Inclusive and available to special needs populations (e.g. senior, veterans, etc.)
- Our team looks forward to cooperating with the City on an ongoing basis to occupy on-site BMR units

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## Proposed BMR Unit Mix

- The proposed BMR unit mix will mirror the overall unit breakdown for the project
- Based on request from Housing Commission on Menlo Uptown, we added an Equivalent Alternative with mix of affordability levels to BMR proposal

### BMR Alternatives

- Alternative 1:
  - Low Income Units: 48
- Alternative 2 (Equivalent Alternative):
  - Very Low Income Units: 3
  - Low Income Units: 14
  - Moderate Income Units: 31

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## Sample Distribution of BMR Units

Indicates BMR location



- Units will be distributed throughout the project, indistinguishable from market-rate units

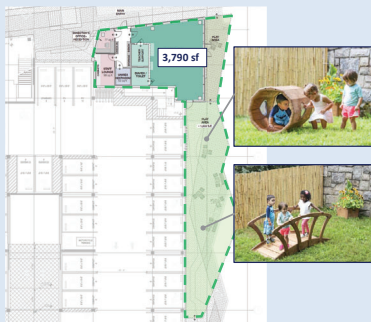
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## Proposed Community Amenity

Overview of proposal	<ul style="list-style-type: none"> <li>Education improvements in Belle Haven (early childhood education)</li> <li>\$8.6 million amenity value includes: 1) 3,790 sf space for education facility + 2) financial contribution for early childhood education</li> </ul>
Why early childhood education?	<ul style="list-style-type: none"> <li>Promotes economic growth</li> <li>Demand underserved in San Mateo County</li> <li>Existing programs are getting less affordable</li> </ul>
What community organization would be involved?	<ul style="list-style-type: none"> <li>All Five - a Belle Haven-based non-profit provider of early childhood education</li> </ul>
What type of early childhood education program would be run?	<ul style="list-style-type: none"> <li>Preschool program (3 – 5 years old) for ~20 – 24 children</li> </ul>
Commitment to Belle Haven	<ul style="list-style-type: none"> <li>Priority for the enrollment subsidy (applies to 75% of program) for Belle Haven families</li> <li>Priority for staff positions for qualified Belle Haven residents</li> </ul>
What are the proposed performance metrics for All Five?	<ul style="list-style-type: none"> <li>All Five proposes a set of performance metrics geared towards kindergarten readiness; more info available in amenity proposal</li> </ul>

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## Proposed Community Amenity



Community amenity space will include 1,600 sf interior classroom space + 2,190 sf outdoor play area

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## Project Endorsements To-Date



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**Thank you!**

We welcome the opportunity to stay in touch:

- Visit our website: [www.greystaropenpark.com](http://www.greystaropenpark.com)
- Send us an email: [amorcos@greystar.com](mailto:amorcos@greystar.com)

# HouseKeys Inc

Julius Nyanda  
 Founder & CEO  
 358 Digital Drive  
 Morgan Hill, CA 95037  
[julius@housekeys.org](mailto:julius@housekeys.org)

## What is local government affordable housing?

### Housing Spectrum

<b>100% Subsidized Housing</b> <small>Price based on Federal &amp; State Subsidy Requirements</small>	 <b>Local Government Affordable Housing</b>	<b>100% Market Housing</b> <small>Price based on Market Comparables</small>
----------------------------------------------------------------------------------------------------------	------------------------------------------------	--------------------------------------------------------------------------------

Local Government Affordable Housing (AKA "Inclusionary Housing") is created when a private developer is required or incentivized to **include** 10-25% of their project to be sold or rented to income-eligible households. Eligible Income limits range between 80% and 120% of the Local Median Income.

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## Well-Intended Policy w/ Operational Challenges

**Local Government**

- Increased time and cost to Planners
- Record, Transaction, and Compliance Management Challenges

**Builder**

- Increased time and cost to developers
- Difficulty finding eligible buyers and renters
- Every jurisdiction has different requirements

**Consumers**

- Hard to find and apply for programs
- Complying with the rules once they get the home is difficult
- Ending a lease, selling a home, or refinancing all carry added difficulty

COVID Restrictions are forcing offline processes to be handled online

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## National Landscape (More states need it)

**Pioneers**

**Virginia**  
First Inclusionary Zoning (IZ) Policy in Fairfax County (1971)

**Maryland**  
First Legally Defensible IZ Policy in Montgomery County (1974)

**New Jersey**  
State Supreme Court Ruling on "Fair Share" housing for Low and Moderate-Income Families. Mount Laurel 1 (1975) and expanded statewide requirement with Mount Laurel 2(1983)

**Leader**

**California**  
LA City Council passed the first municipal zoning ordinance in 1908. Statewide Housing Element Law (1969). Created the Largest Redevelopment Program until dissolution (2012). Most aggressive Affordable Housing Law SB330, Housing Crisis Act (2019)

**"Early" Adopters**

These states are all evaluating how to use statewide preemption to shape local affordable housing policy.

Indiana

Washington

Nebraska

Oklahoma

Texas

Georgia

Florida

Pennsylvania

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## HouseKeys' Role as Program Administrator

**Service & Software** to handle workflows and processes for local government agencies and homebuilders.

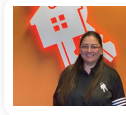
**Marketplace** of available affordable units for sale and rent

**Network** of Professionals handling their affordable housing-related workflows.

**Buyers & Renters** creating **Application Profiles** in the HouseKeys system to certify eligibility for Affordable Housing.

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## Team Leaders



**Mandy Israde**  
Program Operations & Product



**Christina Enriquez**  
Program Asset Management



**Kathie Wells**  
Program Underwriting & Compliance



**Abraham Valle**  
Assistant Program Manager

10-Member Administration Team



**Bobby Gasper**  
System Architect & Database Engineer



**Kunal Bohra**  
Full Stack Developer & Interface Engineer



**Nathan Hermens**  
Full Stack Developer & Server-Side Engineer

5-Member Technology Team

## Our Founder



**JULIUS NYANDA**  
Founder, CEO

- 22-year career in the real estate finance industry
- 14 Years as a Government Consultant
- Created Below Market Rate Program Administration Team ("BMR Team") to serve Bay Area Local Governments
- Nationally-Recognized Expert on Affordable Housing and Affordable Housing Finance



## What is Inclusionary Housing?

1. Homebuilder must include affordable units in their housing projects that meet certain thresholds
2. Buyer and/or Renters must meet the Income Requirements with limits that range from 30% to 120%
3. Homes are priced for rent or sale based on an affordability percentage that ranges from 30% to 35%



## Household Income Limits

State of California Household Income Limits for 2021

### San Mateo County (as of 4/26/2021)

	1	2	3	4	5	6	7	8
Extremely Low	38,400	43,850	49,350	54,800	59,200	63,600	68,000	72,350
Very Low	63,950	73,100	82,250	91,350	98,700	106,000	113,300	120,600
Low	102,450	117,100	131,750	146,350	158,100	169,800	181,500	193,200
<b>Median</b>	<b>104,700</b>	<b>119,700</b>	<b>134,650</b>	<b>149,600</b>	<b>161,550</b>	<b>173,550</b>	<b>185,500</b>	<b>197,450</b>
Moderate	125,650	143,600	161,550	179,500	193,850	208,200	222,600	236,950

Note: According to the U.S. Census, California has the 6<sup>th</sup> highest median household income at \$80,440



## What is an Affordable Price?

**Median Income for Household of 3 = \$134,650\***  
**Monthly Breakdown of Income = \$11,220.83**  
**Affordable Payment Percentage = 35%**

**Affordable Payment = \$3,927.29**

**Taxes, Insurance, Utilities, Maintenance = \$1,027.29**

**\$\$\$ Available for Mortgage Payment = \$2,900 a month**

**Maximum 30-Yr Mortgage at 4% Interest = \$607,437.60**

\*changes annually



## Program Application Requirements

Requirement	Requirement Description
REQUIREMENT #1	All members of the household (who intend to reside in the BMR home) <b>must currently live together</b> in a residence that is their primary home.
REQUIREMENT #2	The household must <b>currently live</b> in Menlo Park OR a member of the household must currently work in Menlo Park.
REQUIREMENT #3	The household's current gross (pre-tax) annual income <b>may not exceed program income limits</b> , adjusted for household size (please see the chart below).

Requirements for New Affordable Housing Program Applicants



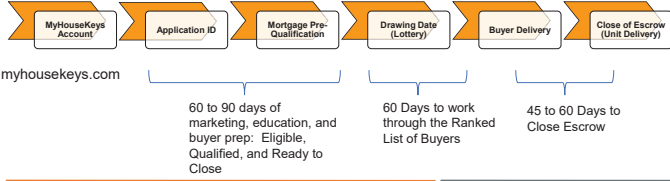


## Program Application Workflow (Homeownership)



7 to 21 Applicants for Every 1 Delivered Buyer

Program Eligible	Opportunity Qualified
Income Limits (Maximum)	Afford the Payment (Minimum)



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## Program Events Calendar



Upcoming Dates	Event Description
Friday, May 14, 2021	FAQ Webinar
Wednesday, May 19, 2021	Menlo Park Rental Program Orientation
Friday, May 21, 2021	FAQ Webinar
Saturday, May 22, 2021	FAQ Webinar
Wednesday, June 2, 2021	Menlo Park Ownership Program Orientation

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## Program Application Requirements



If you have questions, please email us:

[programs@housekeys.org](mailto:programs@housekeys.org)

..or call 1-877-460-5397 (KEYS)

[www.housekeys10.com](http://www.housekeys10.com)

[www.MenloPark.org/housing](http://www.MenloPark.org/housing)

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**JULIUS NYANDA**  
Founder, CEO

Thank you!

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## Appendix Slides



## Traction: Municipalities and Transactions



Local government agencies pay HouseKeys to help them manage their programs and inventory  
To date, we manage a portfolio of over 3,000 Units valued at over \$1.5 Billion

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## Traction: Homebuilder Clients

We've gone from builders being "required" to use HouseKeys in its role as the City's Program Administrator, to builders contracting directly with HouseKeys by choice.

## Solution: SaaS-Powered Store Front/Back-Office & Opportunity Marketplace

Local Government  
Builder  
Consumers

Handle complicated workflows for **local governments** and **homebuilders**  
Easy-to-use marketplace for **consumers**

## Solution: Multi-Tenant Program Network

MyHouseKeys 1.0  
Existing Homeowners  
Loan Officers & Escrow Officers  
Real Estate Agents  
Program Administrators

## HouseKeys Inc

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