



COMMUNITY SERVICES DEPARTMENT

Council Meeting Date: December 16, 2014
Staff Report #: 14-207

CONSENT CALENDAR:

Approve the Annual Report of the Below Market Rate (BMR) Housing Program, including the Status of the BMR In-Lieu Fees Collected as of June 30, 2014, in Accordance with Government Code Section 66000 et.seq. and Approve Redesignation of the remaining Purchase Assistance Loan (PAL) funds and Habitat for Humanity funds to the 2015 Notice of Fund Availability (NOFA) Process

RECOMMENDATION

Staff recommends that the City Council approve the Below Market Rate (BMR) Housing Program Annual Report for fiscal year 2013-14, and make the following findings regarding the unexpended BMR fees:

1. The City has unexpended funds held for more than five years for programs/projects intended to provide affordable housing through the BMR Program;
2. The purpose of the BMR Housing Fund is to develop BMR housing for persons who live and/or work in the City of Menlo Park and have very low, low or moderate incomes and there exists a continuing need for the program given the extremely high cost of living in Menlo Park;
3. There is a reasonable relationship between the BMR Housing Program fee and its purpose; and
4. Housing and new commercial developments are anticipated that will provide housing or financing of approved uses of the BMR Fund within a reasonable time.

Staff also recommends that the City Council redesignate the remaining Purchase Assistance Loan program funds and the \$650,000 previously reserved for Habitat for Humanity to the upcoming NOFA process.

BACKGROUND

The BMR Housing Program requires an annual report on the City's activities focused on production of affordable housing. The annual report is prepared in conjunction with the

annual audit of the BMR Housing Fund. This annual report addresses activities during the 2013-14 fiscal year.

Additionally, the BMR in-lieu fees qualify as development impact fees under California Government Code Sections 66000 through 66003. As required by law, these fees are segregated from the General Fund and accounted for as special revenue funds. Government Code Section 66001 requires that the City make available to the public information regarding development impact fees for each fund within 180 days after the end of each fiscal year. This report meets that requirement.

Government Code Section 66000 et. seq. also requires that findings describing the continuing need for the BMR in-lieu fees be made annually if a jurisdiction has had possession of a developer fee for five or more years and has not expended the money. If the findings are not made, the City must refund the fees collected. As described in the Analysis section of this report, the City has committed the fees held for five or more years but has not yet fully expended the money; therefore, the required findings must be made in order to retain the fees.

ANALYSIS

BMR Housing Program

The BMR Housing Program was established in 1987 to increase the housing supply for people who live and/or work in Menlo Park and have very low, low, or moderate incomes as defined by income limits set by San Mateo County. The primary objective of the program is to create actual housing units rather than generate a capital fund. Currently, all owner-occupied residential developments of five or more units are required to provide a BMR unit. If that is not feasible, developers of five to nine unit projects are required to pay an in-lieu fee that is deposited into the BMR Housing Fund. Residential developments of 10 to 19 units are required to provide 10 percent of the housing at below market rates. Development projects of 20 units or more are required to provide 15 percent of the housing at below market rates. If the number of BMR units required includes a fraction of a unit, the developer must either provide a whole BMR housing unit or make a prorata in-lieu payment.

The BMR Housing Program also applies to new commercial developments of 10,000 square feet or more that generate employment opportunities. The 2013-14 in-lieu fees to mitigate the demand for affordable housing were \$14.92 per square foot of net new gross floor area for most commercial uses and \$8.10 per square foot of net new gross floor area for defined uses that generate fewer employees. Collected in-lieu fees are deposited into the BMR Housing Fund. The fee is adjusted annually on July 1.

In order to ensure the current in-lieu fee is appropriate, the City partnered with other San Mateo County jurisdictions to issue a Request for Proposal (RFP) for the preparation of affordable housing fee nexus and feasibility studies. Participation in this

process helps the City comply with Housing Element program H4.D, which calls for the preparation of an updated nexus study, and will ensure compliance with the State Mitigation Fee Act (AB1600 – Government Code Section 66001 through 66003). The City last prepared a nexus study in 2001. A draft of the nexus report is anticipated in early 2015.

Developers who build five or more housing units enter into BMR Agreements with the City concerning the BMR units’ location, size and other details, including deed restrictions to preserve the BMR units’ affordability. There were no BMR units approved in FY2013-14, but there were the following commercial linkage fees paid:

| Commercial Development | Total Fee Paid |
|-------------------------------|-----------------------|
| 307 Constitution | \$ 5,265 |
| 20 Kelly Court | \$ 74,382 |
| TOTAL | \$ 79,647 |

Attachment G provides a list of all BMR units generated through the history of the program.

In order to make corrections to reflect management of the BMR program by a contractor rather than City staff and to clarify certain points, Council approved minor changes to the BMR Guidelines in May, 2014, including: excluding elderly parents living in the homes of wait list applicants from the home owner education requirement; deleting text that might appear to prohibit use of BMR funds for administrative costs of the program; specifying that BMR funds may be used for administrative costs of the program; and clarifying that the source of income guidelines are those used by the California Department of Housing and Community Development.

BMR Housing Fund

The BMR Housing Fund has a variety of Council-approved uses, all of which are designed to increase or maintain the housing supply for people who live and/or work in Menlo Park and have very low, low, or moderate incomes.

Current BMR Fund Balance

At the end of fiscal year 2013-14, the BMR Housing Fund had total assets of \$11,761,343 including \$1,881,507 in PAL loans receivable, \$16,847 in interest receivable, and \$7,972,431 in cash. A Below Market Rate Housing Fund Balance Sheet is included in this report as Attachment A.

At the end of fiscal year 2013-14, the BMR Housing Fund had a total fund balance of \$11,751,143. This includes \$2,600,493 designated for PAL loans, \$3,860,000 designated for the CORE housing project at the Veterans Affairs Center on Willow Road, 3,200,000 designated for the MidPen 2013-14 NOFA project and \$3,090,650

available for a future NOFA. Total liabilities included an accounts payable balance of \$10,200. The fund balance is also shown on Attachment A. Major uses and substantive changes to the Fund during the 2013-14 fiscal year are described below:

Purchase Assistance Loan Program

On April 26, 2005, the City Council approved a resolution reserving \$3.5 million of the BMR Housing Fund for use in the Purchase Assistance Loan (PAL) program, which would supplement the \$982,000 already dedicated to the program. This brought the total amount dedicated to the PAL program to \$4.482 million as a beginning loan fund. Since the creation of the PAL program, almost 90 loans have been made toward purchases of BMR homes and market rate units. This fund currently has a designated and available balance of approximately \$2.6 million.

Under the PAL program, purchase assistance has previously been given to qualifying low- and moderate-income first-time homebuyers purchasing homes in the City of Menlo Park. The maximum loan was \$75,000, or 20 percent of the home purchase price, whichever was less. The program imposed a 3.5% interest rate. There have been 89 PAL loans made since its inception in fiscal year 1990-91 (Attachment H). In the current reporting period, no new PAL loans were made.

Given the availability of other first-time buyer programs provided through the County and private lenders and the elimination of the City's Housing Division, staff had recommended in July 2013 the elimination of the City's PAL program and allocating those funds to the development of more affordable units through the notice of availability of funds (NOFA) process (described below). Staff suggests that Council officially approve the redesignation of the remaining PAL funds to the NOFA process with approval of this report this year.

The City's existing PAL loans are currently managed through a contract with HELLO Housing, a housing non-profit created in 2005 with experience in a range of housing services in partnership with local governments across the Bay Area. This contract is funded from the BMR program at an annual cost of approximately \$16,000 (varies depending upon number of loans that are more than 90 days past due).

Grant to Habitat for Humanity

In FY 2008-09, City Council approved funding of \$500,000 for Habitat for Humanity's Neighborhood Revitalization Program (NRP), providing \$100,000 per home for up to five foreclosure purchases. These homes were rehabilitated and sold to buyers selected from the City's BMR wait list. On February 10, 2010, Council approved funding of an additional \$625,000 to Habitat for five homes at \$125,000 per home. Habitat closed on the fifth home in this second allocation in early February, 2012. On February 13, 2012, Council approved a third allocation of \$650,000 for five more homes (\$130,000 each), bringing the total allocated to Habitat to \$1,775,000. Habitat has not

yet purchased a home with the third grant as current market conditions have made homes in the neighborhood unaffordable for this program. Habitat has endorsed the City's plan to eliminate the NRP designation and, while they have not yet identified any new opportunities in Menlo Park, they indicate interest in participating in future NOFAs should they include receptivity to affordable homeownership and not strictly affordable rental. Attachment A, the BMR Reserve Balance Sheet, no longer indicates a designation for Habitat and these funds have been transferred into the designation for the 2015-16 NOFA.

City Neighborhood Stabilization Program

Council also approved \$2 million in FY 2008-09 at the height of the housing crisis for a City-run Neighborhood Stabilization Program (NSP) to purchase and rehabilitate foreclosed homes for resale to BMR wait list households. Two homes were purchased and rehabilitated through the program. These homes were completed in the spring of 2012 and one was sold to an eligible family on the BMR waiting list during the 2012-13 fiscal year. The second home was sold during the 2013-14 fiscal year.

CORE Development at the Menlo Park Veterans Affairs Facility

In May of 2013, Council conditionally approved a loan of \$2.5 million to CORE Affordable Housing Development from the BMR fund for a 60-unit affordable project at the Veterans Affairs facility on Willow Road. Since that date, costs for the project were more clearly defined and Council approved a \$2.86 million loan to CORE in January of 2014. The loan closed and all funds were committed on or about December 1, 2014. The loan will be funded next calendar year and will appear as a loan receivable in next year's report.

2014 NOFA

Subsequent to the adoption of the Housing Element, and as a final requirement of the lawsuit brought against the City, staff had advertised the availability of BMR funds for development of affordable housing units through a Notice of Funding Availability, or NOFA. Approximately \$3.2 million in Below Market Rate housing funds was made available under this NOFA to support the acquisition, rehabilitation or new construction of housing that will provide long term affordability. The funding is intended to fill the financing gap between the projected total development costs and other available funding sources.

Qualified non-profit affordable housing developers meeting the NOFA qualifications and demonstrating their ability to design, build, and manage affordable housing were encouraged to submit proposals by November 4, 2013.

A single proposal was received from MidPen Housing to develop 90 units of new construction affordable senior housing in the 1200 block of Willow Road. Council originally reviewed this proposal on May 6, 2014 and supported approval of the award of \$3.2 million to MidPen. On September 9, 2014 Council adopted a Resolution affirming the City's financial commitment to MidPen Housing and authorized the

renegotiation of terms of the MidPen's existing \$4.02 million loan from 1987. Council's final approval of the conditions of the loan and closing on the loan are anticipated in 2015.

2015 NOFA

Staff anticipates issuing a second NOFA in the summer of 2015, making available the approximately \$6 million designated for this purpose that will also include anticipated fees from the Sobrato and Facebook developments. Several changes in the process are anticipated to be recommended by staff when Council approves the NOFA document in the late spring, including relaxing the requirement that eligible developers complete at least three prior projects (this requirement kept Peninsula Volunteers from applying last year, for example). Staff also plans to emphasize the potential for property owners to partner with developers, given the interest in affordable housing projects by Mt. Olive Church and Habitat for Humanity, for example.

St. Anton

The St. Anton's development is a 394-unit, multi-family residential development located at 3639 Haven Avenue. The development will include 22 units targeted to very low include households in compliance with State Density bonus law. In addition to these affordable units, the St. Anton's development also accommodates Facebook's Below Market Rate (BMR) obligation to provide 15 affordable residential units established as part of the City's approval of the Facebook West Campus. The 15 unit will be targeted to low income households. The expected completion date of the development, including the 37 affordable units, is spring of 2016.

389 El Camino Real

In February 2014, three new BMR units became available in the Artisan project at 389 El Camino Real. The units included one 2 bedroom, 2.5 bath, 1,107 square foot unit that sold for \$204,300; one 3 bedroom, 3 bath, 1,307 square foot unit for \$251,500; and one 3 bedroom, 3.5 bath, 1,465 square foot at \$251,500. These units were all sold to eligible families on the BMR wait list and occupied by April, 2014.

Verification of Meeting State Requirements

Attachments B, C, and D illustrate that the City of Menlo Park has dedicated sufficient BMR Funds for development of low- and moderate-income housing to meet the State requirement for collection of BMR fees. The State requires that BMR funds held for five years or more (excluding interest earned) must be designated to affordable housing programs or projects. In fiscal year 2013-14, the City of Menlo Park met this State requirement. At the end of fiscal year 2013-14, the City had collected a total of \$9,599,825 in fees paid, excluding interest earned. Of this, \$5,975,451 had been held for five years or more. At this same time, the City had committed a total of \$8,332,000 for the development of low- and moderate-income housing through the PAL, NOFA, and Habitat NRP, satisfying the State requirement (see Attachment C). It is anticipated that

all funds will be committed or expended within the required timeframe given the receipt of a viable response to the NOFA.

Although the funds have been committed, but not been fully expended, the City Council is required to make a finding that the City continues to need the BMR fund to further BMR development for persons who live and/or work in Menlo Park and that these funds are necessary for that purpose. Without this finding, the fees would need to be returned to the developers.

BMR Residential Program Needs

Through a contract with Hello Housing, the City maintains a waiting list of persons who are interested in and eligible to occupy BMR housing units. To be eligible for the BMR Waiting List, persons must have low or moderate household incomes and must currently live or work in Menlo Park. The City's BMR Waiting List currently shows 103 households. Several dozen BMR Waiting List applications are received every year both for rental and purchase of BMR units. Attachment E provides additional details about the BMR Waiting List.

At the end of the reporting period, the program had 65 BMR housing units located throughout the city. As shown in Attachment G, three new units were occupied in this reporting period. There was one resale during this reporting period.

IMPACT ON CITY RESOURCES

The BMR Housing Fund is a special revenue fund separate from the General Fund. Activities funded in the BMR Housing Program are independent of, but may be used with, other funds, such as State, Federal or private funding sources. There is no impact on City resources resulting from this Annual Report.

State law requires that all BMR in-lieu fees be committed to affordable housing development within five years of collection. In fiscal year 2013-14, this requirement has been met for the City of Menlo Park's BMR Housing Fund. At the end of fiscal year 2013-14, \$5,691,143 in BMR funds had been committed to affordable housing development. This amount includes funding committed to the PAL Program for first-time homebuyers (\$2,600,493) and the Notice of Funding Availability (\$3,090,650) as shown in Attachments A, B, C and D. Although the funds collected have been committed, because the funds have not been fully expended, adoption of findings describing the continuing need for the funds will eliminate the need to refund fees to developers. Other funds, such as the \$3.2 million for the MidPen project, and the \$2.86 million for the CORE project, will be held in the BMR Fund until loan closure occurs.

POLICY ISSUES

The BMR Annual Report was prepared as required in accordance with the BMR Housing Program Guidelines and State requirements related to developer impact fees.

ENVIRONMENTAL REVIEW

The BMR Housing Program Annual Report is not a project under current California Environmental Quality Act Guidelines.

PUBLIC NOTICE

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

ATTACHMENTS

- A. Below Market Rate Housing Fund Balance Sheet
- B. Total BMR Funds Held 5+ Years vs. Total BMR Funds Committed to Projects and Programs Per Fiscal Year 02/03 – 14/15
- C. BMR Reserve Fees and Fund Commitment Summary
- D. BMR Reserve Fees and Fund Commitment
- E. Status Report-BMR Housing Program Waiting List
- F. BMR Housing Agreements
- G. Inventory of Occupied BMR Units
- H. PAL Accounting

Report prepared by:
Cherise Brandell
Community Services Director

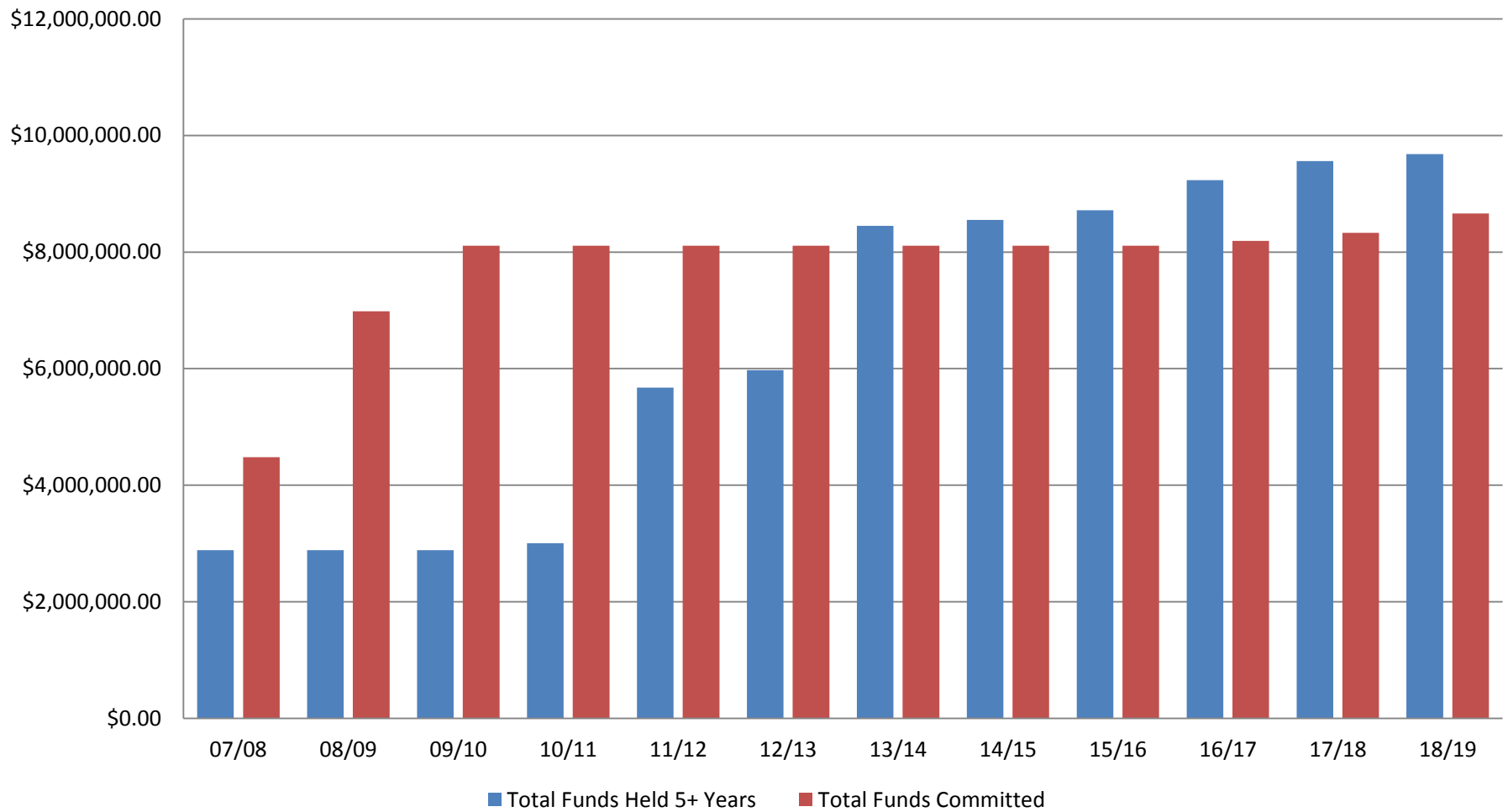
Drew Corbett
Finance Director

**BELOW MARKET RATE HOUSING RESERVE
BALANCE SHEET
6/30/13 AND 6/30/14**

| | 6/30/2013 | 6/30/2014 |
|---|-------------------|-------------------|
| ASSETS | | |
| BMR Housing Reserve Cash | 5,949,007 | 7,972,431 |
| BMR Accounts Receivable | 0 | 41,511 |
| BMR Interest Receivable | 20,304 | 16,847 |
| PAL Loans Receivable | 2,092,562 | 1,881,507 |
| HIP Housing Development Loan Receivable | 1,849,047 | 1,849,047 |
| Real Estate Held for Resale | 733,597 | - |
| TOTAL ASSETS | 10,644,517 | 11,761,343 |
| LIABILITIES | | |
| Accounts Payable | 14,613 | 10,200 |
| TOTAL LIABILITIES | 14,613 | 10,200 |
| FUND BALANCE | | |
| Designated for PAL Loans | 2,389,438 | 2,600,493 |
| Designated for CORE Housing | 2,860,000 | 2,860,000 |
| Designated for Notice of Funding Availability (NOFA) MidPen | - | 3,200,000 |
| Available for Notice of Funding Availability (NOFA) 2015-16 | 5,380,466 | 3,090,650 |
| TOTAL FUND BALANCE | 10,629,904 | 11,751,143 |
| TOTAL LIABILITIES AND FUND BALANCE | 10,644,517 | 11,761,343 |

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Total BMR Funds Held 5+ Years vs. Total BMR Funds Committed Per Fiscal Year 07/08 - 18/19



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BMR Reserve Fees and Fund Commitment Summary
Fiscal Year 2013-2014

I. Fees Paid to Date

| | | |
|---|--------------------|---------------------|
| Total Fees Held 5 or More Years as of Fiscal Year 2013-2014: | \$8,451,663 | |
| Fees paid (per annum) | 6/14-6/15 | \$102,000 |
| Reaching 5+ years in: | 6/15-6/16 | \$165,168 |
| | 6/16-6/17 | \$515,720 |
| | 6/17-6/18 | \$365,274 |
| | 6/18-6/19 | \$79,647 |
| | | |
| Fees Paid Through 6/30/14: | | \$9,679,472 |
| Interest Earned Through 6/30/14 on Paid Fees: | | \$3,407,528 |
| Total Fees Paid + Interest Earned Through 6/30/14 = | | \$13,087,001 |
| Total Expenditures Through 6/30/14: | | -\$1,335,858 |
| Total BMR Fund Balance (rounded) as of 6/30/14 = | | \$11,751,143 |
| | | |
| <u>II. Committed and Designated Funds in FY 2013-2014</u> | | |
| | | |
| PAL Loan Funds (Committed): | | \$2,600,493 |
| Core Housing | | \$2,860,000 |
| Notice of Funding Availability (NOFA) Mid-Pen | | \$3,200,000 |
| Total Funds Committed as of 6/30/14 = | | \$8,660,493 |
| Accounts Payable/Liabilities | | \$10,200 |
| Available for Notice of Funding Availability (NOFA) for 2015-2016: | | \$3,090,650 |
| Total BMR Fund Balance as of 6/30/14 = | | \$11,751,143 |
| Total Liabilities and BMR Fund Balance as of 6/30/14 = | | \$11,761,343 |

Note: Fees paid and fees held include miscellaneous fee payments for years 1989-1999. Total miscellaneous fee payments equal \$3,826.97. Miscellaneous fees are not required to be included in the Fees Held 5+ Years vs. Funds Committed requirement and are included in this report for accounting purposes only.

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**BMR Reserve Fees and Fund Commitment
Annual Report 2013-14**

| Fee Payments and Interest Earned per Year | | | | | Total Funds Held 5 or More Years vs. Total Funds Committed | | |
|---|---------------------|-------------------------|--------------------------|-------------------------|---|---|---|
| Fiscal Year | Fees Paid Per Year | Total Fees Paid To Date | Interest Earned Per Year | Fees + Interest To Date | 5 Year Commitment Date for Fees Paid | *Total Funds Held 5 or More Years as of Commitment Date | Total Funds Committed as of Commitment Date |
| <i>Balance Carryover 88/89-89/90</i> | 441,430.89 | 441,430.89 | 51,705.70 | 493,136.59 | | | |
| 1990-1991 | 9,004.26 | 450,435.15 | 35,735.22 | 537,876.07 | 1995-1996 | 450,435.15 | 832,000 |
| 1991-1992 | 5,180.00 | 455,615.15 | 29,846.88 | 572,902.95 | 1996-1997 | 455,615.15 | 832,000 |
| 1992-1993 | - | 455,615.15 | - | 572,902.95 | 1997-1998 | 455,615.15 | 2,782,000 |
| 1993-1994 | 662,448.40 | 1,118,063.55 | 59,522.30 | 1,294,873.65 | 1998-1999 | 1,118,063.55 | 2,932,000 |
| 1994-1995 | 872,076.80 | 1,990,140.35 | 115,252.86 | 2,282,203.31 | 1999-2000 | 1,990,140.35 | 2,932,000 |
| 1995-1996 | 14,265.00 | 2,004,405.35 | 120,352.23 | 2,416,820.54 | 2000-2001 | 2,004,405.35 | 3,482,000 |
| 1996-1997 | 227,977.66 | 2,232,383.01 | 138,744.83 | 2,783,543.03 | 2001-2002 | 2,232,383.01 | 3,782,000 |
| 1997-1998 | 308,157.01 | 2,540,540.02 | 169,307.66 | 3,261,007.70 | 2002-2003 | 2,540,540.02 | 3,782,000 |
| 1998-1999 | 164,573.25 | 2,705,113.27 | 170,809.00 | 3,596,389.95 | 2003-2004 | 2,705,113.27 | 3,785,061 |
| 1999-2000 | 89,300.04 | 2,794,413.31 | 192,902.01 | 3,878,592.00 | 2004-2005 | 2,794,413.31 | 4,482,000 |
| 2000-2001 | 89,112.36 | 2,883,525.67 | 267,906.54 | 4,235,610.90 | 2005-2006 | 2,883,525.67 | 4,482,000 |
| 2001-2002 | - | 2,883,525.67 | 185,907.22 | 4,421,518.12 | 2006-2007 | 2,883,525.67 | 4,482,000 |
| 2002-2003 | - | 2,883,525.67 | 129,772.02 | 4,551,290.14 | 2007-2008 | 2,883,525.67 | 4,482,000 |
| 2003-2004 | - | 2,883,525.67 | 47,072.18 | 4,598,362.32 | 2008-2009 | 2,883,525.67 | 6,983,909 |
| 2004-2005 | - | 2,883,525.67 | 94,648.47 | 4,693,010.79 | 2009-2010 | 2,883,525.67 | 8,107,000 |
| 2005-2006 | 123,705.52 | 3,007,231.19 | 144,410.00 | 4,961,126.31 | 2010-2011 | 3,007,231.19 | 8,107,000 |
| 2006-2007 | 2,668,170.50 | 5,675,401.69 | 253,842.00 | 7,883,138.81 | 2011-2012 | 5,675,401.69 | 8,107,000 |
| 2007-2008 | 300,050.00 | 5,975,451.69 | 395,933.30 | 8,579,122.11 | 2012-2013 | 5,975,451.69 | 8,107,000 |
| 2008-2009 | 2,476,211.80 | 8,451,663.49 | 348,457.00 | 11,403,790.91 | 2013-2014 | 8,451,663.49 | 8,107,000 |
| 2009-2010 | 102,000.00 | 8,553,663.49 | 123,558.00 | 11,629,348.91 | 2014-2015 | 8,553,663.49 | 8,107,000 |
| 2010-2011 | 165,168.00 | 8,718,831.49 | 79,220.00 | 11,873,736.91 | 2015-2016 | 8,718,831.49 | 8,107,000 |
| 2011-2012 | 515,720.00 | 9,234,551.49 | 53,399.00 | 12,442,855.91 | 2016-2017 | 9,234,551.49 | 8,189,815 |
| 2012-2013 | 365,274.00 | 9,599,825.49 | 65,659.00 | 12,873,788.91 | 2017-2018 | 9,599,825.49 | 8,332,000 |
| 2013-2014 | 79,647.00 | 9,679,472.49 | 133,565.00 | 13,087,000.91 | 2018-2019 | 9,679,472.49 | 8,660,493 |
| Total (all years) | 9,679,472.49 | 9,679,472.49 | 3,407,528.42 | 13,087,000.91 | | | |

**Includes only fees paid. Interest earned is not required to be included in the Funds Held 5+ Years vs. Funds Committed requirement.*

Notes regarding the "Fees Paid" columns and the column "Total Funds Held 5 or More Years as of Commitment Date":

"Fees Paid" columns include miscellaneous fee payments for years 1989-1999. Total miscellaneous fee payments equal \$3,826.97

"Total Funds Held 5 or More Years..." reflects/includes these miscellaneous fee payments. Miscellaneous fees are not required to be included in the Funds Held 5+ Years vs. Funds Committed requirement and are included in this report for accounting purposes only.

Note regarding "Fees + Interest To Date" for 2013-2014: The total of \$13,087,001 minus total expenditures equals a final fund balance of \$11,751,143

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STATUS REPORT
CITY OF MENLO PARK
BELOW MARKET RATE HOUSING PROGRAM WAITING LIST
NOVEMBER 24, 2014

| | |
|---|-----|
| Total households on BMR Waiting List | 118 |
| >Total households on list that <u>only</u> want to OWN | 31 |
| >Total households on list that <u>only</u> want to RENT | 23 |
| >Total households on list that want to OWN or RENT | 64 |

Cities of Residence

| | |
|---|----|
| Menlo Park | 89 |
| Redwood City | 3 |
| East Palo Alto, Sunnyvale | 9 |
| Mountain View, San Mateo | 5 |
| Newark | 2 |
| Berkeley, Campbell, Dublin, Fremont, Los Altos, Newark, Orangevale, San Carlos, San Jose, Santa Clara and Woodside | 10 |

Places of Work

43 households have a worker/workers in Menlo Park.
17 households live and have a worker/workers in Menlo Park.
46 households live in Menlo Park but work elsewhere.

Household Size Information

| | | | | | | | | |
|----------------------|----------|----------|----------|----------|----------|----------|----------|-----------|
| Household Size | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> | <u>7</u> | <u>8+</u> |
| Number of Households | 34 | 33 | 22 | 16 | 8 | 3 | 1 | 1 |

Households with Children

| | | | | | | | |
|----------------------|----------|----------|----------|----------|----------|----------|----------|
| Children | <u>0</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> | <u>6</u> |
| Number of Households | 63 | 29 | 16 | 6 | 3 | 0 | 1 |

Number of Workers in the Household

| | | | | |
|----------------------|----------|----------|----------|----------|
| Workers | <u>0</u> | <u>1</u> | <u>2</u> | <u>3</u> |
| Number of Households | 10 | 76 | 30 | 2 |

Single Heads of Household (One Adult with Dependent Child/Children) = 17

Households with a Person Confined to a Wheelchair = 1

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City of Menlo Park
BMR Agreements Approved by City Council for Residential Developments
Since Inception of the BMR Program in 1987
Through June 30, 2014

| Development | Date Agreement Approved by City Council | Number of BMR Units Approved and Occupied | Number of BMR Units Approved But <u>Not Yet</u> Occupied |
|------------------------------------|---|--|---|
| 2160 Santa Cruz (Pacific Hill) | June 22, 1995 | 2 | |
| 600 Willow Rd. (Pacific Parc) | September 18, 1996 | 2 | |
| Vintage Oaks | Phase I – May 15, 1996 Phase II – Dec. 24, 1996 Phase III – Dec. 24, 1996 | 14 | |
| Classics Communities | May 19, 1998 | 3 | |
| 20 Willow Rd. (Park Lane) | June 28, 1998 | 4 | |
| Menlo Square | December 7, 2000 | 3 | |
| 1050-60 Pine St. | August 30, 2005 | 1 | |
| 966-1002 Willow | September 20, 2005 | 2 | |
| 507-555 Hamilton (Hamilton Park) | October 25, 2005 | 20 | |
| 1944-48 Menalto | March 13, 2006 | | 1 |
| 110-175 Linfield (Morgan Lane) | March 21, 2006 | 8 | |
| 1460 El Camino Real (Beltramo's) | August 1, 2006* (for 3 BMR units) *Amended on January 11, 2011 (for 1 BMR unit + in lieu fees + profit sharing of revenues) | 0 | 1 |
| 75 Willow Road (Lane Woods) | November 14, 2006 | 2 | |
| 1382 Hollyburne (NSP Program) | January 12, 2010 | 1 | |
| 1441 Almanor (NSP Program) | September 14, 2010 | 1 | |
| 389 El Camino Real | July 31, 2012 | 3 | |
| 3605-3639 Haven Avenue (St. Anton) | October 7, 2013 (Rental units only) | 0 | 15 |
| TOTALS = | | 66 | 17 |

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City of Menlo Park
Below Market Rate Housing Program
Inventory of Occupied BMR Units
As of June 30, 2014

| <u>Development</u> | <u>Location (Street Only)</u> | <u>Initial Date of Sale</u> | <u>Initial Sale Price</u> | <u># BR/BA</u> |
|--------------------------|-------------------------------|-----------------------------|---------------------------|----------------|
| Pacific Hill | BMR #1 Santa Cruz Ave | 5/29/96 | \$150,820 | 2/1.0 |
| Pacific Hill | BMR #2 Santa Cruz Ave* | 1/23/96 | \$135,490 | 1/1.0 |
| Pacific Parc | BMR #1 Willow Road | 4/2/1996 | \$192,780 | 3/2.5 |
| Pacific Parc | BMR #2 Willow Road | 8/27/96 | \$182,888 | 2/2.5 |
| Vintage Oaks | BMR #1 Gloria Circle | 12/18/96 | \$217,895 | 3/2.5 |
| Vintage Oaks | BMR #2 Gloria Circle | 1/28/97 | \$217,895 | 3/2.5 |
| Vintage Oaks | BMR #3 Gloria Circle* | 4/11/97 | \$217,895 | 3/2.5 |
| Vintage Oaks | BMR #4 Gloria Circle | 3/21/97 | \$217,895 | 3/2.5 |
| Vintage Oaks | BMR #5 Seminary Drive | 9/26/97 | \$232,630 | 3/2.5 |
| Vintage Oaks | BMR #6 Seminary Drive | 9/26/97 | \$232,630 | 3/2.5 |
| Vintage Oaks | BMR #7 Seminary Drive | 11/26/97 | \$232,630 | 3/2.5 |
| Vintage Oaks | BMR #8 Seminary Drive* | 11/25/97 | \$232,630 | 3/2.5 |
| Vintage Oaks | BMR #9 Santa Monica* | 12/10/97 | \$232,630 | 3/2.5 |
| Vintage Oaks | BMR #10 Santa Monica | 12/9/97 | \$232,630 | 3/2.5 |
| Vintage Oaks | BMR #11 Hanna Way | 7/22/98 | \$251,990 | 3/2.5 |
| Vintage Oaks | BMR #12 Hanna Way | 7/22/98 | \$251,990 | 3/2.5 |
| Vintage Oaks | BMR #13 Riordan Place | 8/28/98 | \$251,990 | 3/2.5 |
| Vintage Oaks | BMR #14 Riordan Place* | 8/28/98 | \$251,990 | 3/2.5 |
| Park Lane | BMR #1 Willow Road | 1/6/99 | \$205,630 | 1/1.0 |
| Park Lane | BMR #2 Willow Road* | 2/12/99 | \$253,500 | 3/2.0 |
| Park Lane | BMR #3 Willow Road | 2/24/99 | \$234,390 | 2/2.0 |
| Park Lane | BMR #4 Willow Road* | 3/16/99 | \$234,390 | 2/2.0 |
| Classics at Burgess Park | BMR #1 Barron Street | 3/1/99 | \$264,900 | 3/2.5 |
| Classics at Burgess Park | BMR #2 Barron Street | 4/6/99 | \$264,900 | 3/2.5 |
| Classics at Burgess Park | BMR #3 Hopkins Street | 4/22/99 | \$286,530 | 4/2.5 |
| Menlo Square | BMR #1 Merrill Street | 9/4/02 | \$257,290 | 3/2.0 |
| Menlo Square | BMR #2 Merrill Street | 1/23/03 | \$223,520 | 2/2.0 |
| Menlo Square | BMR #3 Merrill Street* | 3/2/04 | \$190,540 | 1/1.0 |
| Hamilton Avenue Park | BMR #1 Sandlewood Street* | 5/11/07 | \$331,150 | 3/2.5 |
| Hamilton Avenue Park | BMR #2 Sandlewood Street | 5/11/07 | \$331,150 | 3/2.5 |
| Hamilton Avenue Park | BMR #3 Sandlewood Street | 5/18/07 | \$375,270 | 4/2.5 |
| Hamilton Avenue Park | BMR #4 Sandlewood Street | 5/17/07 | \$331,150 | 3/2.5 |
| Hamilton Avenue Park | BMR #5 Sandlewood Street | 5/22/07 | \$331,150 | 3/2.5 |
| Hamilton Avenue Park | BMR #6 Sandlewood Street | 5/25/07 | \$375,270 | 4/2.5 |
| Hamilton Avenue Park | BMR #7 Sandlewood Street | 5/31/07 | \$331,150 | 3/2.5 |
| Hamilton Avenue Park | BMR #8 Sandlewood Street | 6/12/07 | \$331,150 | 3/2.5 |
| Hamilton Avenue Park | BMR #9 Sandlewood Street | 7/17/07 | \$331,150 | 3/2.5 |
| Hamilton Avenue Park | BMR #10 Sandlewood Street | 9/28/07 | \$331,150 | 3/2.5 |
| Hamilton Avenue Park | BMR #11 Rosemary Street | 7/17/07 | \$331,150 | 3/2.5 |
| Hamilton Avenue Park | BMR #12 Rosemary Street | 7/17/07 | \$375,270 | 4/2.5 |

**City of Menlo Park
Below Market Rate Housing Program
Inventory of Occupied BMR Units
As of June 30, 2014**

| <u>Development</u> | <u>Location (Street Only)</u> | <u>Initial Date of Sale</u> | <u>Initial Sale Price</u> | <u># BR/BA</u> |
|----------------------|-------------------------------|-----------------------------|---------------------------|----------------|
| Hamilton Avenue Park | BMR #13 Rosemary Street | 7/27/07 | \$331,150 | 3/2.5 |
| Hamilton Avenue Park | BMR #14 Rosemary Street | 8/14/07 | \$375,270 | 4/2.5 |
| Hamilton Avenue Park | BMR #15 Rosemary Street | 8/17/07 | \$331,150 | 3/2.5 |
| Hamilton Avenue Park | BMR #16 Sage Street* | 9/11/07 | \$331,150 | 3/2.5 |
| Hamilton Avenue Park | BMR #17 Sage Street | 9/11/07 | \$331,150 | 3/2.5 |
| Hamilton Avenue Park | BMR #18 Hamilton Avenue | 9/28/07 | \$375,270 | 4/2.5 |
| Hamilton Avenue Park | BMR #19 Hamilton Avenue | 10/4/07 | \$331,150 | 3/2.5 |
| Hamilton Avenue Park | BMR #20 Ginger Street | 10/4/07 | \$331,150 | 3/2.5 |
| Morgan Lane | BMR #1 Linfield Drive | 4/29/08 | \$273,600 | 3/2.5 |
| Morgan Lane | BMR #2 Linfield Drive | 4/29/08 | \$273,600 | 3/2.5 |
| Willow Road | BMR #1 Heritage Place | 5/9/08 | \$277,084 | 3/2.5 |
| Willow Road | BMR #2 Heritage Place | 5/15/08 | \$277,084 | 3/2.5 |
| Morgan Lane | BMR #3 Morgan Lane | 9/12/08 | \$273,600 | 3/2.5 |
| Morgan Lane | BMR #4 Morgan Lane | 12/16/08 | \$273,600 | 3/2.5 |
| Morgan Lane | BMR #5 Ballard Lane | 12/18/08 | \$273,600 | 3/2.5 |
| Lane Woods | BMR #1 Paulson Circle | 10/21/08 | \$272,000 | 3/2.5 |
| Lane Woods | BMR #2 Paulson Circle | 3/27/09 | \$313,000 | 4/2.5 |
| Morgan Lane | BMR #6 Morandi Lane | 7/29/09 | \$273,600 | 3/2.5 |
| Pine Court | BMR #1 Pine Street | 9/3/09 | \$270,058 | 2/1.5 |
| Morgan Lane | BMR #7 Homewood Place | 5/12/11 | \$273,600 | 3/2.5 |
| Morgan Lane | BMR #8 Linfield Drive | 6/9/11 | \$273,600 | 3/2.5 |
| NSP Program | BMR #1 Almanor Street | 4/30/13 | \$295,000 | 4/2.0 |
| NSP Program | BMR #2 Hollyburne Avenue | 1/17/14 | \$255,000 | 3/1.0 |
| Artisan | BMR #1 Artisan Way | 6/10/14 | \$250,900 | 3/3.0 |
| Artisan | BMR #2 Artisan Way | 6/13/14 | \$203,600 | 2/2.5 |
| Artisan | BMR #3 Artisan Way | 6/26/14 | \$250,900 | 3/3.5 |

***Unit was later resold (see Resales, below)**

RESALES

| | | | | |
|--------------|-----------------------------|----------|-----------|-------|
| Vintage Oaks | BMR #9 Santa Monica | 1/28/99 | \$239,353 | 3/2.5 |
| Vintage Oaks | BMR #8 Seminary Drive | 12/24/99 | \$243,642 | 3/2.5 |
| Vintage Oaks | BMR #3 Gloria Circle | 6/29/00 | \$252,000 | 3/2.5 |
| Pacific Hill | BMR #2 Santa Cruz Ave | 4/1/04 | \$151,685 | 1/1.0 |
| Park Lane | BMR #2 Willow Road (Note 1) | 12/16/05 | \$280,570 | 3/2.0 |
| Park Lane | BMR #4 Willow Rd. | 10/10/06 | \$258,100 | 2/2.0 |
| Park Lane | BMR #2 Willow Road | 10/12/06 | \$283,640 | 3/2.0 |
| Vintage Oaks | BMR #14 Riordan Place | 12/8/09 | \$281,810 | 3/2.5 |
| Menlo Square | BMR #3 Merrill Street | 7/16/10 | \$190,540 | 1/1.0 |

**City of Menlo Park
Below Market Rate Housing Program
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As of June 30, 2014**

| <u>Development</u> | <u>Location (Street Only)</u> | <u>Initial Date of Sale</u> | <u>Initial Sale Price</u> | <u># BR/BA</u> |
|----------------------|-------------------------------|-----------------------------|---------------------------|----------------|
| Hamilton Avenue Park | BMR #1 Sandlewood Street | 7/16/10 | \$335,460 | 3/2.5 |
| Pacific Hill | BMR #2 Santa Cruz Ave | 10/14/10 | \$158,764 | 1/1.0 |
| Hamilton Avenue Park | BMR #16 Sage Street* | 1/14/14 | \$345,955 | 3/2.5 |

Note 1: Unit was purchased by City and resold to someone on the BMR Waiting List

Total Number of Occupied BMR Units = 66

Total Number of BMR Units Resold = 12

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| CITY OF MENLO PARK - PAL ACCOUNTING | | | | |
|-------------------------------------|---|-------------------------|-----------------------|-----------------------|
| PAL LOAN ACTIVITY | | | | |
| DATE | SOURCE | CASH | LOANS | HSG 832-199 |
| | | | | \$0.00 |
| 2003-2004 | New Loans #48, #49, #50, #51, #52, #53 | (\$368,445.00) | \$368,445.00 | |
| 2003-2004 | Loans Principal Paid | \$25,496.16 | (\$25,496.16) | |
| 2003-2004 | Paidoff Loans #42, #34, #46 | \$126,974.20 | (\$126,974.20) | |
| 6/30/2004 | | \$92,742.81 | \$889,257.19 | \$889,257.19 |
| | | | | \$0.00 |
| 6/30/2005 | PAL Ln Allocation-transf fr BMR reserve | \$3,500,000.00 | | |
| 2004-2005 | New Loans | \$0.00 | \$0.00 | |
| 2004-2005 | Loans Principal Paid | \$8,881.91 | (\$8,881.91) | |
| 2004-2005 | Paid Off Loans | \$0.00 | \$0.00 | |
| 6/30/2005 | | \$3,601,624.72 | \$880,375.28 | \$880,375.28 |
| | | | | \$0.00 |
| 9/30/2005 | PAL Ln Allocation-transf fr BMR reserve | \$0.00 | | |
| 2005-2006 | New Loans #36A | (\$52,270.00) | \$52,270.00 | |
| 2005-2006 | Loans Principal Paid | \$9,516.86 | (\$9,516.86) | |
| 2005-2006 | Paid Off Loans #53, #12, #48, #36 | \$204,218.13 | (\$204,218.13) | |
| 6/30/2006 | | \$3,763,089.71 | \$718,910.29 | \$718,910.29 |
| | | | | \$0.00 |
| 2006-2007 | New Loans #54, 55, 57, 59, 62, 65, 66, 67 | (\$532,770.00) | \$532,770.00 | |
| 2006-2007 | Loans Principal Paid | \$11,236.49 | (\$11,236.49) | |
| 2006-2007 | Paid Off Loans #40, #47, #52 | \$180,217.18 | (\$180,217.18) | |
| 6/30/2007 | | \$3,421,773.38 | \$1,060,226.62 | \$1,060,226.62 |
| | | | | \$0.00 |
| 2007-2008 | New Loans #56, 58, 60, 61, 63, 64, 68, 69, 70, 71, 72, 73, 74 | (\$825,080.00) | \$825,080.00 | |
| 2007-2008 | Loans Principal Paid | \$9,975.20 | (\$9,975.20) | |
| 2007-2008 | Paid Off Loans #28 & #43 | \$51,600.42 | (\$51,600.42) | |
| 6/30/2008 | | \$2,658,269.00 | \$1,823,731.00 | \$1,823,731.00 |
| | | | | \$0.00 |
| 2008-2009 | New Loans #75, 76, 77, 78 & 79 | (\$281,160.00) | \$281,160.00 | |
| 2008-2009 | Loans Principal Paid | \$6,272.75 | (\$6,272.75) | |
| 2008-2009 | Paid Off Loans #30 & #32 | \$52,058.97 | (\$52,058.97) | |
| 6/30/2009 | | \$2,435,440.72 | \$2,046,559.28 | \$2,046,559.28 |
| | | | | \$0.00 |
| 2009-2010 | New Loans #80, 81, 82 Plus Modification to Loan #56 | (\$187,989.80) | \$187,989.80 | |
| 2009-2010 | Loans Principal Paid | \$6,734.41 | (\$6,734.41) | |
| 2009-2010 | Paid Off Loan #44 | \$71,818.96 | (\$71,818.96) | |
| 6/30/2010 | | \$2,326,004.29 | \$2,155,995.71 | \$2,155,995.71 |
| | | | | \$0.00 |
| 2010-2011 | New Loans #83, #84, #85, #86, #87, #88 | (\$303,392.00) | \$303,392.00 | |
| 2010-2011 | Loans Principal Paid | \$4,364.78 | (\$4,364.78) | |
| 2010-2011 | Paid Off Loans #17, #31, #49, #50, #51, #66 | \$241,974.31 | (\$241,974.31) | |
| 6/30/2011 | | \$2,268,951.38 | \$2,213,048.62 | \$2,213,048.62 |
| | | | | \$0.00 |
| 2011-2012 | New Loans #89 | (\$71,800.00) | \$71,800.00 | |
| 2011-2012 | Loans Principal Paid | \$5,817.97 | (\$5,817.97) | |
| 2011-2012 | Paid Off Loans | \$0.00 | \$0.00 | |
| 6/30/2012 | | \$2,202,969.35 | \$2,279,030.65 | \$2,279,030.65 |
| | | | | \$0.00 |
| 2012-2013 | New Loans #90 | (\$75,000.00) | \$75,000.00 | |
| 2012-2013 | Loans Principal Paid | \$9,563.75 | (\$9,563.75) | |
| 2012-2013 | Paid Off Loans | \$251,905.10 | (\$251,905.10) | |
| 6/30/2013 | | \$2,389,438.20 | \$2,092,561.80 | \$2,092,561.80 |
| | | | | \$0.00 |
| 2013-2014 | New Loans | \$0.00 | \$0.00 | |
| 2013-2014 | Loans Principal Paid | \$27,505.04 | (\$27,505.04) | |
| 2013-2014 | Paid Off Loans -# 79, #81 | \$117,320.00 | (\$117,320.00) | |
| 2013-2014 | Write Off Loan- # 60 | \$66,230.00 | (\$66,230.00) | |
| 6/30/2014 | | \$2,600,493.24 | \$1,881,506.76 | \$1,881,506.76 |
| | | | | \$0.00 |
| SUMMARY | | | | |
| | Total PAL Loan Allocation | \$4,482,000.00 | | |
| | Total Loans Funded | | \$4,209,986.80 | |
| | Loans Paid Off / Written Off | | (\$2,061,535.25) | |
| | Total Monthly Loan Principal Paid | | (\$266,944.79) | |
| | Total Loans Receivable | (\$1,881,506.76) | \$1,881,506.76 | HSG 832-199 |
| | Funds Available for Loans: | \$2,600,493.24 | | |

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