



STUDY SESSION

Agenda Item # 1

AGENDA REPORT SUMMARY

Meeting Date: May 12, 2020

Subject: Affordable Housing Unit Waiting List Process (Below Market Rate Units “BMR”)

Prepared by: Jon Biggs, Community Development Director

Approved by: Chris Jordan, City Manager

Attachments:

1. Palo Alto Housing Presentation
2. Launching a BMR Waiting List
3. Current Waiting List Process
4. Waiting List Template

Initiated by:

Palo Alto Housing

Previous Council Consideration:

None

Fiscal Impact:

None Anticipated

Environmental Review:

This agenda item is exempt from CEQA review as the City Council is only providing direction and not taking a formal action.

Policy Question(s) for Council Consideration:

- Does the City Council want a waiting list for affordable housing units to be developed.

Summary:

When affordable housing units become available, the City of Los Altos currently has in place a process where the community is notified of the availability of the affordable unit and the opportunity to apply to be recipient of the unit. The process is cumbersome and can be improved – Palo Alto Housing will be doing a presentation to the City Council on an improved process.

Staff Recommendation:

Receive a report from Palo Alto Housing on the City’s Affordable Housing Unit Waiting List Process and provide feedback and direction

Reviewed By:

City Manager

CJ

City Attorney

JH

Finance Director

SE



Subject: Affordable Housing Unit Waiting List Process (Below Market Rate Units “BMR”)

Purpose

Establish a systematic and timely process for putting those who need affordable housing with that housing as it becomes available.

Background

Palo Alto Housing serves as the City’s affordable housing administrator and handles the administration of affordable housing in the City, including the processing of applications for affordable housing when these affordable units become available.

Palo Alto Housing will be doing a presentation to the City Council on a process intended to improve the selection of residents for the affordable unit that become available. They are seeking guidance and direction from the City Council before returning with the formal plan and seeking approval for that plan.

Discussion/Analysis

This is an updated agenda report that includes the information that Palo Alto Housing will be reviewing with the City Council at its May 12, 2020.

The packet of information includes:

- Palo Alto Housing’s power point presentation
- Information on launching a BMR waiting list
- Information on the current waiting list process for the City of Los Altos
- A waiting list template

As noted earlier, the goal of this workshop is to provide the City Council with an opportunity to provide feedback to Palo Alto Housing prior to their returning with a waiting list program to be considered for adoption.

Options

- 1) Review process and provide guidance and feedback.

Advantages: Will lead to an improved resident selection process for affordable units in Los Altos.

Disadvantages: None identified.

- 2) Decline to provide direction and feedback



Subject: Affordable Housing Unit Waiting List Process (Below Market Rate Units “BMR”)

Advantages: None identified.

Disadvantages: Will not lead to an improved resident selection process for affordable units in Los Altos.

Recommendation

Staff recommends option 1.



Below Market Rate Programs: Establishing Waiting Lists

Georgina Mascarenhas, VP of Property Management

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Recommendation

- Establishing BMR Waiting Lists
 - Advantages of a Waiting List
 - Procedure to Launch, implement & manage Waiting List
- Q&A

Our Role

PAH, day-to-day:

- Manages PAH-owned 700+ affordable housing rental units
- Provides on-site residential services
- Acquires and/or develops affordable housing projects
- Provides **BMR consultation and administration services** to cities
(current clients - Los Altos, Palo Alto and Mountain View)

Establishing BMR Waiting Lists

Currently:

- BMR Ownership - with every new sale a 30-day ad is placed in Los Altos Town Crier
- Ownership applicants submit an application packet consisting of 75+ pages
- BMR Rentals - individual vacancies require marketing efforts similar to above
- One informal “interest” list w/ names and e-mail addresses, does not replace ads

Recommend:

- **establishing separate waiting lists for ownership and rental program**

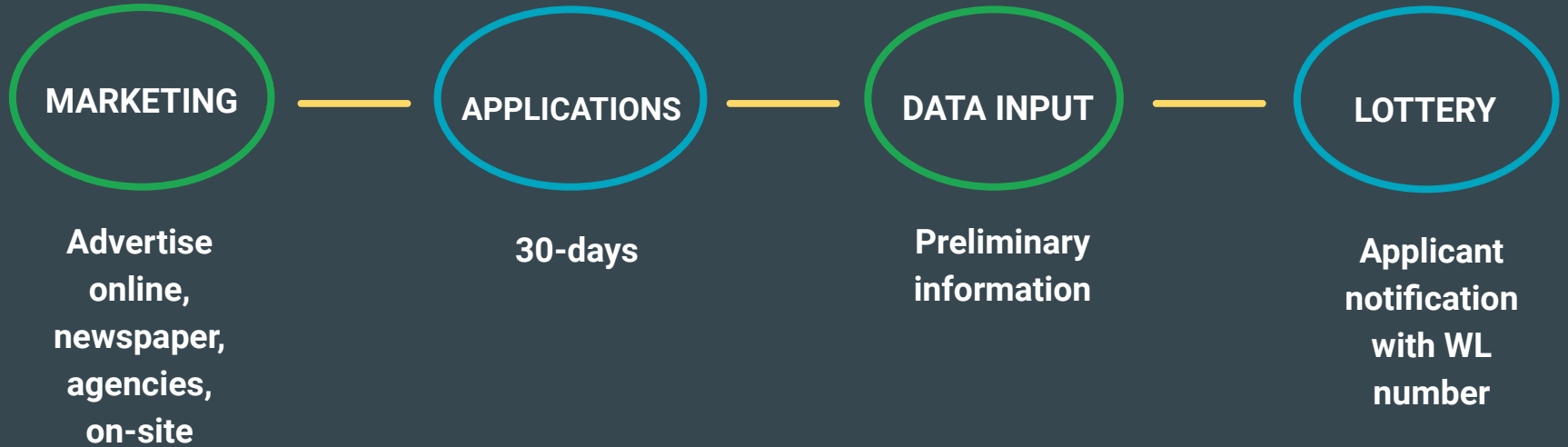
Our Recommendation (cont.)

Advantages of Waiting Lists:

- Saves on cost of ad - \$750.00 for 30 days
- Saves on staff time
- Minimizes rental vacancy loss
- Saves on applicant time compiling application packet
- Eliminates the waste of paper
- No lag time vs. 30 days to start processing applications
- Establishes centralized database and ensures units are assigned fairly
- Decreases the chance that applicants will drop-out due to lack of knowledge

Our Recommendation (cont.)

Procedure to Launch Waiting List (WL):



Questions?

Additional questions can be e-mailed to:

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BMR Program Manager

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VP Property Management

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LAUNCHING A WAITING LIST

1. Prepare Marketing Schedule with timeline;
2. Identify newspapers, agencies, schools, etc. to target priority ranked applicants;
3. Determine/confirm pick up points for application packets e.g. City Hall, public libraries, PAH office & download off PAH website;
4. Prepare waiting list application form & cover letter explaining the process;
5. Allow a minimum of 30 days for return of completed applications
6. Accept completed applications at PAH office (mail or drop-off);
7. Place advertisements in Los Altos Town Crier & other local newspapers; fax/email cover letter and/or flyer to identified agencies, schools, city offices, etc.;
8. Populate waiting list database (MS excel);
9. Enter pertinent information from application (see example of simple spreadsheet);
10. Day of lottery (30-45 days after initial marketing began), do a random sort on the excel spreadsheet which will assign lottery #'s (waiting list #'s) to every applicant;
11. Letters to applicants re: lottery #'s;
12. As units become available, applicants will be screened based on a) preference ranking and b) lottery number.

Note:

- There is only one waiting list each for rental & purchase units which includes preference & non preference applicants.
- When a “preference” applicant at initial application time subsequently becomes a “non-preference” or changes preference ranking or vice-versa, the appropriate box is checked/un-checked on the waiting list spreadsheet so that the applicant ALWAYS retains their lottery/waiting list number and simply changes the order in which their application will be processed i.e. preference vs. non-preference

Affordable Housing Priority Rankings

Approved by Los Altos City Council on March 10, 2015

First Priority (in no order of preference)

- a. Persons who are regular, full-time staff for School District or Charter School who have been employed by a school that serves Los Altos residents, including the following schools outside City limits: Springer Elementary, Mountain View High, Cupertino Jr. High, Homestead High School, Alta Vista High, and West Valley Elementary, for a period of no less than 12 months prior to the time of application;
- b. Persons who are salaried City employees as defined in the City's personnel rules, who have been employed by the City for a period of no less than 12 months prior to the time of application; and
- c. Persons who are salaried Santa Clara County Fire Department employees who are assigned to the two fire stations located in the City of Los Altos.

Second Priority (in no order of preference)

- a. Persons who reside in the City at the time of application and who have lived in the City for at least the prior two years;
- b. Persons who work in the City at the time of application and have worked in the City for at least two years; and
- c. Households which are required to relocate their residence as a result of Council action.

Third Priority

- a. Persons who work in the City at the time of application;
- b. Persons who have lived in the City for at least two years and who have moved out of the City within the five years prior to the time of application; and
- c. Persons whose parents or children live in the City at the time of the application and such persons have lived in the City at some prior time.

Fourth Priority

- a. Persons who live or work within Santa Clara County at the time of application.

