

**PAHC HOUSING SERVICES, LLC
BELOW MARKET RATE (BMR) HOUSING SERVICES
City of Los Altos
January to December 2021 ANNUAL REPORT**

NARRATIVE

I. BMR SALES / RESALES

A. 124 Second Street Unit#7- One-Bd/One-bath- Condo sale

On the spring of 2021 the owner, a single woman contacted Alta Housing of the intent to sell the unit, because she intended to move to a nursing home. A one-bed/ one-bath condominium located near downtown of Los Altos, which consists of two more Below Market Rate condos. The gated community consist of senior citizens and in order to qualify one member of the household must be 62 years or older. First priority is given to Senior Citizens who currently reside in the City and have lived in the City for at least the prior two years.

On the first week of March 2021, a unit inspection was made to evaluate the current condition the property and capital improvements.

A termite inspection was done and complete on March 18, 2021.

Alta Housing provided the owner with a price calculation on in May,2021 and the owner agreed with the price.

Alta Housing posted on the website about the sale and reached out to the local Town Crier to place an ad on the newspaper for 30 days commencing May and end date of June 18,2021, when the applications were due.

During the period of selecting applicants, about three were among the top eligible applicants, the first applicant was selected. A 66 year-old single woman that lived and worked in Los Altos for over 25 years as a Family Therapist.

Escrow opened in August 2021, the buyer was intended to pay all cash for the property, using her life savings, therefore did not needed a loan. During this time Alta prepared the escrow instructions, and BMR program documents. Collected signatures from the city attorney, approval from the city officials. Program documents consisted of Deed of Trust, and Deed Restrictions. All to be recorded when escrow closes.

B. 38 Third Street #200, Los Altos- One Bd/One-Bath –Condo Sale- Owner Moved out of town

Sometime in March of 2021 the seller a married woman reached out to Alta Housing for her intent to sell her unit because her family grew out of the unit and relocated to northern California. A one-bed/one-bath condominium, the located in the vicinity close to downtown Los Altos.

On May 19, 2021, a unit inspection was performed to evaluate the current condition of the property and capital improvements.

Alta Housing provided the owner with a price calculation on May 17, 2021.

Alta Housing posted on the website about the sale and reached out to the local Town Crier to place an ad on the newspaper for 30 days commencing May and end date of July 30,2021,

Applications were due September 2021.

During the period of selecting applicants, three were among the top eligible applicants, the second applicant was selected based on her ranking. A divorced 60 year-old woman that lived and works in Los Altos.

The contract was generated through Docusign. All parties involved signed off on the contract agreement on August 5, 2021.

Escrow opened in August 2021, the buyer paid all cash for the condo, using her life savings, therefore did not need a loan. During this time Alta prepared the escrow instructions, and BMR program documents, coordinated & obtained signatures from the city attorney, and City Manager. Program documents consisted of Deed of Trust, and Deed Restrictions. All to be recorded when escrow closes.

A termite inspection was completed on August 20, 2021

Escrow closed in late September 2021.

C. 396 First Street #3-One-bd/One-bth- Condo Sale

On July 16, 2021, the owner and her son reached out to Alta Housing with the intent to sell the unit, the owner a single woman in her 70s was moving to a nursing home in Palo Alto, where she has worked as a volunteer for many years.

Alta scheduled an inspection of the unit on July 27, 2021.

Alta Housing provided the owner with a price calculation on in September 2021 and the owner signed off on the price.

Alta Housing posted on the website about the sale and reached out to the local Town Crier to place an ad on the newspaper for 30 days commencing May and end date of June 18,2021.

Applications were due October 6, 2021.

During the period of selecting applicants, about approximately seven to eight applicants submitted applications. The first three were processed, within the three the second applicant had first priority. A single woman in her 30s that lived and works in Los Altos School District as a school teacher.

Escrow opened in October 2021, the buyer took out a mortgage loan for the property. During this time Alta prepared the escrow instructions, and BMR program documents. Collected signatures from the city attorney, approval from the city officials and submitted to the title company. Program documents consisted of Deed of Trust, Deed Restrictions, and a Promissory Note. All to be recorded when escrow closed.

Escrow closed January 4, 2022.

II. BMR RENTALS

A. Certifications, Agreements, Turnover and Vacancies

Typically, analyzing the data and projecting out an income for a household can take between 30-60 days, which is why we begin the process 90 days before any deadline. This amount of time ensures compliance.

Notices for all 17 households at Colonnade were sent out 90 days in advance to schedule households for recertification interviews. All households appeared for their interviews.

One household decided to downgrade from a two-bedroom to a one-bedroom. A single mother and her daughter who is in college.

A vacancy at Los Altos Gardens, was filled by a single mother and her two minor children. This applicant is a school teacher at Los Altos School District. The unit was marketed at 50% Area Median Income. The maximum annual income for a three person household was \$74,600.

Due to the COVID-19 pandemic, many tenants have lost their jobs therefore they were obligated to seek unemployment and other means for financial assistance. This has impacted existing BMR residents assigned the higher AMI BMR rents.

Interest List

Background - The City of Los Altos BMR guidelines do not include maintaining a waiting list, instead the guidelines require a 30 day advertisement in the Los Altos Town Crier and targeted outreach to the school district each time a unit becomes available. As a result, we were receiving a lot of concern and complaints from prospective applicants because they did not see the advertisement in time and/or had seen it too late and thus missed the opportunity to apply. In keeping with the City's guidelines while also trying to be fair and alleviate concerns, Alta began maintaining an 'interest list'. Each time a unit becomes available, in addition to advertising & emailing the school district, Alta does an email blast to the entire interest list. Applications continue to be processed based on the City's BMR priority ranking and date and time of receipt of completed application packets.

Update:

Currently there are 840 households on the interest list. Update of contact information for households on the interest list was pending based on the BMR contract renewal delay. Alta staff will email out an update form at the end of February 2022. Households will be given until the end of March to send back in their updated information.

- 60 Households of 840 Current LA Residents
- 80 Households of 840 Work in LA
- 700 Households Neither Live nor Work in LA

III. GENERAL BMR ADMINISTRATION

A. Probate/Conservator Issues

No record of units on probate.

B. Refinances and Approved Lenders

Alta Housing continues to work with the owners and lenders to make sure that both parties remain in compliance. Loan Depot and Boston Private have been BMR preferred lenders for several years and First Republic was recently added as a preferred lender. Wells Fargo Bank is no longer performing assistance with loans for BMR households.

No refinances were performed during this period.

SCOPE OF BMR ADMINISTRATIVE SERVICES

PROGRAM OUTREACH:

- Responding to telephone, email and walk in questions and comments from BMR owners, renters, property managers, developers and the general public, Monday thru Friday from 9:00 AM to 4:00 PM (*even during the pandemic*).
- Updating the Alta website and posting the application packet available for download each time a new or resale BMR unit became available
- Maintain and update interest list for people who express an interest in the City of Los Altos BMR program
- Respond to developers referred by the City, who are considering/exploring developing properties in the City of Los Altos and providing rental and ownership pricing for various bedroom sizes and AMI levels
- Email blasts to school district and interest list as units become available for rent, sale and/or resale

OWNERSHIP PROGRAM:

1. Annual Owner Occupancy updates to verify BMR home is the primary residence of the BMR owner + follow up with BMR owners who fail to respond by the deadline
2. Contact city staff for assistance with owners who fail to respond and maybe in violation of BMR guidelines
3. Price calculations to owners, upon request
4. Annual BMR price calculations to the Assessor's office to determine property taxes for the BMR units
5. Inspecting resale units to determine condition of unit i.e. deferred maintenance, depreciation value of capital improvements etc. which could impact resale price. Calculate price.
6. Preparing application and informational packet for BMR resales and new sales
7. Placing advertisement in the Los Altos Town Crier
8. Review all application packets received by the deadline to determine priority ranking. Screen and calculate income and assets of applicants, in priority ranking order, to determine eligibility for the available unit.
9. Maintain an updated list of primary lender contacts, serve as an intermediary between the buyer and lender to make sure the buyer understands all costs and details associated with the loan and if needed, point the buyer towards other subordinate loans to assist with the purchase. Add new lenders to the BMR lender list, as available
10. Coordinate with seller regarding dates and times of open *house (social distancing and general safety continue to create tremendous challenges during the pandemic)*.
11. Prepare & review, with buyer and seller, purchase documents. Coordinate opening of escrow with Buyer and escrow company
12. Prepare BMR documents & review with Buyer and coordinate with city attorney and city manager for signature
13. Prepare escrow instructions and ensure that recorded BMR documents are received in our office for property records
14. Committing to promoting longevity of the BMR housing inventory Alta staff makes every effort to ensure BMR owners' compliance by maintaining contact with relevant HOA's and to investigate every complaint and/or concern received regarding a BMR owner potentially renting out a portion of or the entire BMR home.

RENTAL PROGRAM:

1. Respond to emails and telephone calls from the general public regarding the City's BMR program guidelines & providing contact information for sites with BMR units.
2. Work closely with households referred by Property Managers for upcoming vacancies; complete eligibility interviews, collect relevant documentation to determine BMR eligibility per the specific property's BMR Regulatory Agreement.
3. Calculate income & assets & email approval and/or denial letters to applicants and copy property manager.
4. Email notices to all BMR residents approximately 120 days prior to anniversary date requesting that they schedule a date and time to schedule a recertification interview along with a list of documents they need to provide
5. Calculate income and assets and determine continued eligibility for the BMR program
6. Email approval letter OR notify resident and property manager that the household no longer qualifies for the property's BMR program OR no longer qualifies for the specific AMI set aside and needs to be reassigned to a higher AMI unit if available.
7. Calculate and provide property management with allowable rent increase calculations based on CPI
8. Periodic monitoring of rent charges for the BMR units to ensure that on site staffing changes do not inadvertently result in incorrect rents being charges

