



AGENDA REPORT SUMMARY

Meeting Date: May 24, 2022

Subject Approve or Modify Recommended Process to Establish a Below Market Rate (BMR) Waiting List and Provide Direction to Staff

Prepared by: Laura Simpson, Interim Community Development Director

Approved by: Gabriel Engeland, City Manager

Initiated by:
Council request.

Fiscal Impact:
None. The City has a 3-year contract ending in June 2023, for a total of \$195,000, with Alta Housing to administer the City’s Below Market Rate (BMR) housing program.

Summary:

The City of Los Altos contracts with Alta Housing to administer aspects of the City’s BMR housing program for both homeownership and rental housing. In rental developments, it is the private property management firm for each complex, not Alta, that maintains a waiting list for BMR apartments. Once a new tenant is selected, Alta certifies their income, and then annually recertifies if they still are income qualified. For ownership housing, Alta qualifies eligible buyers for new and existing homes that come onto the market under the City’s program. Alta has an interest list for affordable housing in Los Altos of over 800 households; however, this is not an established waiting list of qualified moderate or low-income buyers. Alta recommends the City establish a waiting list for the BMR program.

Staff Recommendation:

Review and approve the process proposed by Alta Housing for establishing a BMR waiting list for ownership housing for the City of Los Altos. Consider having Alta Housing also establish and manage one BMR waiting list for rental units in Los Altos, rather than have individual property management firms establish separate waiting list.

Reviewed By:

City Manager

City Attorney

Finance Director

GE

JH

JE



Subject: Establishing a BMR Waiting List

Discussion:

The City of Los Altos has an active BMR portfolio of 105 affordable housing units, including 54 ownership units and 51 rental units. The City initially contracted with Alta Housing in 2018 and renewed the contract in 2021 for \$195,000 to administer the City's BMR program. In the development pipeline, the city now has 56 Low or Moderate-income units, 8 of which are in construction and 48 of which have been approved but are not yet in construction.

The current process when a BMR unit becomes available is as follows:

1) Alta Housing initiates a marketing process, letting those on its interest list know about the new unit. Alta does this through direct mail to those in BMR rental units and via email with a link to the application packet to those on the interest list. Alta also notifies the LASD staff contact Erin Green, who forwards the information to all Los Altos School District schools. Alta also notifies the Los Altos Community Development Director, Planning Manager and City Manager. Alta also places an ad in the Los Altos Town Crier for a period of 30 days.

2) Households may then submit application packets for a full eligibility review by the given deadline.

3) The priority for ranking is determined by applications that are submitted by the deadline, with candidates ranked and processed based on the date and time of receipt of the completed application packet and Los Altos BMR priority ranking based on the following:

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;



Subject: Establishing a BMR Waiting List

- 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.

Alta strongly recommends implementing a waiting list. City Council held a study session regarding this process in early 2020, however, the process was delayed after the pandemic began. Alta recommends the City Council review and approve the following BMR waiting list process to establish a waiting list for Los Altos.

Alta and staff recommend discontinuing the priority rankings as listed above or allow only priorities for those who live or work in Los Altos.

The proposed process would be as follows:

- 1) Extensive marketing to regional and local businesses, the school district, countywide agencies, and providing website updates, as well as the Los Altos Town Crier with information regarding the implementation of a waiting list.
- 2) Application and flyer with information regarding the lottery process and the deadline for submission of applications will be available for download on the Alta website and the City of Los Altos website.
- 3) All applications received by the deadline will be entered on a spreadsheet.
- 4) A lottery process for ownership lists will be conducted to establish a household's place on the waitlist, with applicants certifying that they live or work in Los Altos.
- 5) Once a lottery order is established, applicants will be reviewed and qualified in that order, with those meeting preference criteria moving to a priority position on the list.



Subject: Establishing a BMR Waiting List

Once the list is established, it can remain active for a year or more before it would be updated. This saves time and money and gets families into affordable housing more quickly, and efficiently.

Additionally, Council could recommend the establishment of a BMR rental waiting list by Alta Housing for all BMR apartments in Los Altos. This would then be shared with property management firms when rental BMR units become vacant throughout the city.