



**TOWN OF LOS GATOS  
COUNCIL POLICY COMMITTEE REPORT**

MEETING DATE: 1/28/2020

ITEM NO: 3

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DATE: January 24, 2020  
TO: Council Policy Committee  
FROM: Laurel Prevetti, Town Manager  
SUBJECT: Discuss and Provide Direction on Potential Modifications to the Below Market Price Housing Program Regulations.

**RECOMMENDATION:**

Discuss and provide direction on potential modifications to the Below Market Price (BMP) Housing Program Regulations.

**BACKGROUND:**

On April 9, 2019, August 27, 2019, September 24, 2019, and November 25, 2019, the Policy Committee discussed potential amendments to the Town Code regarding BMP regulations and modifications to the BMP Housing Program Guidelines. At the meeting of November 25, 2019, the Policy Committee provided direction to staff to modify the Town Code and BMP Housing Program Guidelines to correspond with each other and other revisions as identified by the Committee members.

**DISCUSSION:**

Staff has prepared modified potential amendments to the Town Code (Attachment 1) and the BMP Housing Program Guidelines (Attachment 2) based on the direction of the Policy Committee at the November 25, 2019 meeting for the Committee's consideration. In addition, staff reached out to Hello Housing, the administrator of the Town's BMP program for their input on the proposed modifications.

The potential amendments as proposed by the Committee are shown in ~~strike through~~ and underline font (black type), while the amendments proposed by Hello Housing are shown in ~~strike through~~ and underline font (red type).

**PREPARED BY:** Joel Paulson  
Community Development Director

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Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

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DISCUSSION (continued):

Should the Committee choose, the modifications as proposed by Hello Housing could be included in a separate Administrative Policies and Procedures document that would be attached to the BMP Housing Program Guidelines.

One of the Committee members was in favor of modifying the Median Family Income (MFI) for rental units from 80 to 100 percent (current parameters) to 80 to 120 percent. If the MFI limits were modified to create a category to allow a household's annual income up to 120 percent, these units would still be counted towards the Town's Regional Housing Needs Allocation (RHNA) for moderate housing units based on the limits provided by the California Department of Housing and Community Development. This modification to the MFI limits for rental units was included in the potential amendments (Attachment 2) for the Committee's discussion.

The following questions were posed by the Committee at the November 25, 2019 meeting with staff's response in italics.

1. How many BMP units does the Town have?

*The Town has approximately 310 rental units and approximately 54 for sale units.*

2. Why are Los Gatos Monte-Sereno Police officers mentioned twice in items e. and h. on page seven and eight of the BMP Housing Program Guidelines?

*The Los Gatos Monte-Sereno Police officers are specifically called out as being excluded from item e., as being regular full-time and regular part-time employees so that they do not receive double points for the buyer selection as being a regular or full-time employee, in addition to being a certified emergency first responder as identified in item h.*

3. Does the calculation contained on page 12, item a. of the BMP Housing Program Guidelines still make sense for determining how the minimum household income is determined?

*Staff confirmed with Hello Housing, the administrator of the Town's BMP Housing Program, that the calculation provided in the BMP Housing Program Guidelines is still consistent with current practices for determining the minimum household income.*

Staff will be available at the meeting to answer questions and looks forward to receiving direction on potential modifications to the Town's BMP Housing Program Regulations.

COORDINATION:

The preparation of this report was coordinated with the Town Manager's Office.

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SUBJECT: BMP Housing Program Regulations Modifications

DATE: January 24, 2020

Attachments:

1. Modified potential Town Code amendments
2. Modified potential BMP Housing Program Guidelines with a sample BMP application