



REGULAR MEETING MINUTES

Date: 10/1/2025
Time: 6:30 p.m.
Location: Teleconference and
Arrillaga Recreation Center, Oak Room
700 Alma St., Menlo Park, CA 94025

A. Call To Order

Chair Switzer called the meeting to order at 6:31 p.m.

B. Roll Call

Present: Chapa, Dumont, Kranen, Oursler, Switzer, Wong (Remote – AB 2449 Just Cause)
Absent: Beeli
Staff: Housing Manager Tim Wong, Management Analyst Arianna Milton

C. Public Comment

None.

D. Presentations and Proclamations

D1. Presentation: Introduction to the Below Market Rate guidelines

Management Analyst Arianna Milton made the presentation (Attachment).

The Housing Commission received clarification on the Below Market Rate (BMR) Legacy list process, how the BMR income limits are updated and requirements for residing in a BMR unit.

E. Regular Business

E1. Approve the Housing Commission meeting minutes for August 6, 2025 and September 3, 2025 (Attachment)

ACTION: Motion and second (Switzer /Dumont), to approve the Housing Commission meeting minutes for August 6, 2025, passed 5-0-1-1 (Chapa abstaining, Beeli absent).

ACTION: Motion and second (Chapa/ Switzer), to approve the Housing Commission meeting minutes for September 3, 2025, with an update to item E1, passed 6-0-1 (Beeli absent).

E2. Consider and make a recommendation to the City Council on proposed revisions to the Below Market Rate Housing Program Guidelines (Attachment)

Housing Manager Tim Wong made the presentation (Attachment).

The Housing Commission received clarification on proposed changes to maximum occupancy, impacts to existing projects by the proposed revisions and how the ongoing Nexus study may affect future housing requirements and commercial in-lieu fees.

The Commission discussed the proposed and potential future revisions.

ACTION: Motion and second (Oursler/ Kranen), to recommend approval to the City Council on proposed revisions to the Below Market Rate Housing Program Guidelines, passed 6-0-1 (Beeli absent).

F. Reports and Announcements

F1. Commissioner updates

The Commission discussed the Sept. 27 Public Works Open House and Sept. 9 Housing Commission report out to the City Council.

F2. Community Engagement Ad Hoc Committee report out

The Subcommittee reported out on prioritizing brainstormers for Affordable Housing Month next May.

F3. Future agenda items

Staff reported out on a BMR agreement for ownership units at the November Commission meeting and a tentative review of the anti-displacement plan in December.

Staff reported out on potentially having the December Housing Commission meeting at the Belle Haven Community Campus.

F4. Staff updates and announcement

Staff provided an update on the anti-displacement plan recommendations to City Council and the Parkline project approval.

G. Adjournment

Chair Switzer adjourned the meeting at 7:51 p.m.

Management Analyst I Arianna Milton



Introduction to the BMR Guidelines

October 1, 2025

BMR Program

- BMR stands for “Below Market Rate” or is referred to as “Affordable Housing”
- Section 1.1: Goal to increase affordable housing
- Section 3.4: This can be done by either:
 - Requiring a percentage of housing units be BMR units in proposed development
 - Payment of commercial in-lieu fees
 - Land acquisition
 - Rehabilitation of existing units

San Mateo County Income Limits

- The Department of Housing and Community Development (HCD) establishes income limits based on the Area Median Income (AMI) for each county in each state

Number of Persons in Household:		1	2	3	4	5	6	7	8
San Mateo County Area Median Income: \$186,600	Acutely Low	19600	22400	25200	28000	30250	32500	34700	36950
	Extremely Low	41150	47000	52900	58750	63450	68150	72850	77550
	Very Low Income	68550	78350	88150	97900	105750	113600	121400	129250
	Low Income	109700	125350	141000	156650	169200	181750	194250	206800
	Median Income	130600	149300	167950	186600	201550	216450	231400	246300
	Moderate Income	156750	179100	201500	223900	241800	259700	277650	295550

BMR Unit Contribution Requirements

■ Section 3.4:

BMR UNIT CONTRIBUTION REQUIREMENTS		
Rental Units		
# of Units	Affordability level	Quantity
1-4 units	N/A	0
5-9 units	Low, very low or moderate	1
10-19 units	Low, very low or moderate	10%
20+ units	Low, very low or moderate	15%
Ownership Units		
# of Units	Affordability level	Quantity
1-4 units	Moderate	0
5-9 units	Moderate	1
10-19 units	Moderate	10%
20+ units	Moderate	15%

BMR Rental Standards

- Section 11.1.2: BMR units may be rented for monthly amounts **not** exceeding thirty percent (30%) of the income limit for **extremely low, very low, subsidized low, or low** households adjusted for occupancy.
- BMR units cannot exceed 75% of the market rate rents
- BMR unit must be comparable to market rate unit
- Live/Work preference given

BMR Rent Calculation

- Maximum affordable rent is based on **an assumed** household's monthly income and utilities.
- Maximum BMR rents are calculated as 30% of the income category adjusted for household size
- Assumed household is based 1.5 persons per bedroom

2 Bedroom at Low Income Level Example

- 2 BD unit x 1.5 persons = 3 person assumed HH size
- \$141,000 (3 person assumed household size)
- \$141,000 x 30% = \$42,300
- \$42,300 / 12 months = **\$3,525** (Max BMR rent payment)

Other Requirements

- Section 11.1.8-Annual tenant recertification
- Section 11.1.7- Over income tenants

BMR Ownership

- Must be deed restricted w/ a 55-year condition for City to purchase
- Post purchase restrictions include:
 - Appreciation
 - City right to purchase
 - Live primarily in the unit
- Any sale or transfer requires City consent

2 Bedroom at Moderate Income Level Example

- 2 BD unit x 1.5 persons = 3 person assumed HH size
- \$201,500 (3 person assumed household size)
- $\$201,500 / 12 = \$16,791$
- $\$16,791 \times 30\% = \text{\textcolor{red}{\$5,037}}$ (Max BMR household payment)
- $5,037 - \$1,250$ (estimated HOA, utilities, tax/insurance) = \$3,787 available for mortgage
- 6.3% average interest rate resulting in \$550-800

BMR Ownership- Monitoring

- By July 1st, all BMR owners must verify unit is their primary residence
- Monitoring certification form is sent out to each owner
- Requires verification in form of
 - Insurance
 - Utility bill

BMR Ownership- Legacy List

- City no longer makes updates to the BMR Purchase waiting list
- Annually, the City will request the updated information from each household on the list
- Failure to respond will result in removal from the list

Non-Residential In-Lieu Fees

- Fees paid go into the BMR Housing Fund
- Organizations can apply to access funds for future development by submitting a Notice of Funding Availability (NOFA) application
- Fund is used to finance 100% affordable housing projects
- Eligible projects include:
 - Preservation of existing affordable housing
 - Acquisition or new construction
 - Ownership housing for low-income households



Thank You

Utility Allowance

- Set by the U.S. Department of Housing and Urban Development and used as a reference for Menlo Park's BMR Program
- Can also include anything that the landlord dictates like rental insurance, etc.
- Utilities are either paid by the landlord or must be subtracted from the **maximum** rental amount.

Utility Allowance	Studio	1 Bedroom	2 Bedroom	3 Bedroom
	\$ 205.00	\$ 223.00	\$ 281.00	\$ 341.00



BMR Housing Guidelines - Proposed Revisions

October 1, 2025

BMR Guidelines Overview

- The BMR Guidelines:
 - Implement the City's BMR Housing Program
 - Govern administrative practices, such as:
 - Compliance requirements for different development types
 - Calculating BMR rents and sales prices
 - Establishing commercial linkage fees
 - BMR tenant selection
 - Help implement certain Housing Element programs

Revisions Overview

- Minimum of two rounds of planned revisions
- Round 1 (current)
 - Administrative clarifications
 - BMR unit delivery expectations
- Round 2 (future)
 - More substantial program changes expected

Proposed Revisions

- Parking
 - Included as a utility (section 4.1.2)
 - Requires proportional ratio (section 5.1)
- Size and location of BMR units
 - Separates requirements into subsections and clarifies through examples (section 5.1)
- Design and materials in BMR units
 - Separates requirements into subsections (section 5.2)
- Tenant selection and certifications procedures
 - Prohibits onsite property managers from occupying BMR units onsite (section 11.1.3)

Proposed Revisions Continued

- Table A: BMR Household Income Limits
 - Updated with 2025 data
- Table B: Maximum Affordable Rent Payment
 - Updated with 2025 data
 - Assumed household size calculation method reflected in section 4.1.2
- Table C: Occupancy Standards
 - Updated maximum occupancy limit to two persons per bedroom, plus one
 - Removed provision that is now inconsistent with updated standards
- Table D: Commercial In-Lieu Fees
 - Updated with 2025 data

Future Revisions

- Second round of revisions anticipated near the end of 2026
- Dependent on a County-wide Grand Nexus Study and expected to address:
 - BMR inclusionary percentage requirement
 - Commercial linkage fee
 - Area Median Income (AMI) percentage at which rents are set
- Other revisions being evaluated include clarifying the process for changes to title on ownership units and the requirements for 100% affordable residential projects

Staff Recommendation

- Staff recommends that the Housing Commission consider the proposed revisions to the BMR guidelines and recommend approval to the City Council



Thank You