



REGULAR MEETING AGENDA

Date: 6/3/2026
Time: 6:30 p.m.
Locations: [Zoom.us/join](https://zoom.us/join) – 865 4847 4804 and
Arrillaga Recreation Center, Oak Room
700 Alma St., Menlo Park, CA 94025

Members of the public can listen to the meeting and participate using the following methods.

How to participate in the meeting

- Access the meeting, in-person, at Arrillaga Recreation Center, Oak Room
- Access the meeting real-time online at:
[Zoom.us/join](https://zoom.us/join) – Meeting ID 865 4847 4804
- Access the meeting real-time via telephone at:
(669) 900-6833
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Press *9 to raise hand to speak

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A. Call To Order

B. Roll Call

C. Public Comment

Under “Public Comment,” the public may address the Commission on any subject not listed on the agenda. Each speaker may address the Commission once under Public Comment for a limit of three minutes. The Commission cannot act on items not listed on the agenda and, therefore, the Commission cannot respond to non-agenda issues brought up under Public Comment other than to provide general information.

D. Regular Business

- D1. Approve the Housing Commission meeting minutes for May 6, 2026 ([Attachment](#))
- D2. Consider and make a recommendation to the Planning Commission to approve a below market rate housing agreement with Park South 624, LLC for a 6-unit housing development project at 624 University Dr. ([Staff Report #26-004-HC](#))
- D3. Review and recommend to City Council approval of the Housing Commission 2026-2027 work plan ([Staff Report #26-005-HC](#))

- D4. Establish Housing Commission ad hoc committees, adopt purpose statements and make selections to the ad hoc committees ([Staff Report #26-006-HC](#))

E. Reports and Announcements

- E1. Commissioner updates
- E2. Subcommittee community outreach and resource fair update
- E3. Future agenda items
- E4. Staff updates and announcements

F. Adjournment

At every Regular Meeting of the Commission, in addition to the Public Comment period where the public shall have the right to address the Commission on any matters of public interest not listed on the agenda, members of the public have the right to directly address the Commission on any item listed on the agenda at a time designated by the Chair, either before or during the Commission's consideration of the item.

At every Special Meeting of the Commission, members of the public have the right to directly address the Commission on any item listed on the agenda at a time designated by the Chair, either before or during consideration of the item.

If you challenge any of the items listed on this agenda in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City of Menlo Park at, or prior to, the public hearing.

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Housing Commission



SPECIAL MEETING MINUTES – DRAFT

Date: 5/6/2026
Time: 6:30 p.m.
Location: Teleconference and
 Belle Haven Community Campus, Event Room
 100 Terminal Ave., Menlo Park, CA 94025

A. Call To Order

Chair Switzer called the meeting to order at 6:30 p.m.

B. Roll Call

Present: Beeli, Chapa, Dumont, Kranen, Oursler, Switzer (remote)
Absent: Wong
Staff: Housing Manager Tim Wong, Management Analyst Arianna Milton

C. Public Comment

None.

D. Regular Business

D1. Approve the Housing Commission meeting minutes for April 1, 2026 (Attachment)

ACTION: Motion and second (Switzer/ Oursler), to approve the Housing Commission meeting minutes for April 1, 2026, passed 6-0-1 (Wong absent).

D2. Review and recommend approval of the City of Menlo Park Anti-displacement Plan (Attachment)

Management Analyst Arianna Milton made the presentation (Attachment).

- Pam Jones spoke in support of the plan recommendations and faster implementation timelines.
- Cade Cannedy spoke in support of the plan recommendations, faster implementation timelines and the exploration of the other 16 strategies.
- Angela Evans spoke in support of the plan recommendations and outlined additional considerations.
- Karen Grove spoke in support of the plan recommendations and faster implementation timelines.
- Linh Dan Do spoke in support of the plan recommendations and the additional considerations from Menlo Spark.

The Housing Commission received clarification on the conditions of the Metropolitan Transportation Commission (MTC) grant, the City's current multi-lingual services, tenant outreach and sources of program funding.

The Housing Commission discussed displacement that has already taken place, increasing tenant rights education, faster implementation timelines and Menlo Spark's additional considerations to the recommendations.

ACTION: Motion and second (Switzer/ Oursler), to recommend approval of the City of Menlo Park Anti-displacement Plan to City Council, with the addition of the considerations brought forward by Menlo Spark, passed 5-0-1-1 (Chapa abstaining, Wong absent).

D3. Selection of Chair and Vice Chair

Management Analyst Arianna Milton introduced the item.

ACTION: Motion and second (Oursler/ Chapa), to select Commissioner Oursler as Chair of the Housing Commission, passed 6-0-1 (Wong absent).

ACTION: Motion and second (Kranen/ Oursler), to select Commissioner Switzer as Vice Chair of the Housing Commission, passed 6-0-1 (Wong absent).

E. Reports and Announcements

E1. Commissioner updates

None.

E2. Subcommittee community outreach and resource fair update

Staff reported out on the resource fair planning progress.

F3. Future agenda items

None.

F4. Staff updates and announcement

Staff reported out on May's Affordable Housing Month and the upcoming developer open house for the proposed downtown parking lot project.

G. Adjournment

Chair Oursler adjourned the meeting at 7:43 p.m.

Management Analyst I Arianna Milton



Anti-displacement Plan Presentation

Menlo Park Housing Commission
May 6, 2026

Staff Recommendation

- Review and recommend approval of the City of Menlo Park's Anti-displacement plan

What is displacement?

- Displacement occurs when people need to relocate from their homes or neighborhoods due to factors that are often out of their control.





Anti-displacement in the Housing Element and Environmental Justice Element

- Program H2.E - Anti-Displacement Strategy
 - Develop strategy to address displacement and evaluate community-identified tools

- Program EJ5.G - Anti-Displacement Strategy
 - To ensure the City's Anti-displacement Strategy supports households and neighborhoods in underserved communities

- Program EJ5.H - Access to Legal Counsel
 - Support access to legal counsel for tenants facing eviction

Timeline

- 2024:
 - August-October - Initial research of strategies
 - November - Held (2) community events in English and Spanish at BHCC to prioritize strategies
- 2025:
 - April - Launched a city-wide survey
 - July-August - Conducted interviews with experts and community stakeholders
 - September - Received feedback from Housing Commission and City Council
- 2026
 - Prepared draft Anti-displacement Plan

Housing Commission feedback

- Reviewed by the Housing Commission on Sept 3, 2025
- Presented draft recommendations:
 1. Rental assistance program
 2. Establish legal assistance program
 3. Extend just cause eviction protection
 4. Implement anti-harassment ordinance
 5. Expand home preservation program
- With 2 additional considerations:
 - Create a rent registry
 - Develop workforce
- Supported review of additional strategies
 - Rent registry
 - Extending relocation assistance
 - Establishing a Tenant/Community Opportunity to Purchase program

City Council feedback

- Study session held on Sept. 9, 2025
- Supported the recommendations
- Supported review of additional strategies
 - Rent registry
 - Extending amount of relocation assistance
 - Workforce development program

Planning Commission feedback

- Presentation given on April 27th
- Overall supportive of Staff's recommendations
 - Expressed interest in electrification education
 - Expressed concern legal assistance and supported tenant's rights education

State anti-displacement efforts

- California Tenant Protection Act (AB 1482)
- Housing Accountability Act (SB 330)

City anti-displacement efforts

- Tenant relocation assistance
- 12-month lease requirement
- Affordable housing production
- Housing assistance program
- Housing preservation program

Anti-displacement Plan Framework

- 23 suggested strategies reviewed

- Divided by the 4 “P’s”
 - Production
 - Preservation
 - Protection
 - Prosperity

Production

1. Increase Affordable Housing Production
2. Explore Changes to BMR Requirements

Protection

3. Expand the Just Cause Eviction Ordinance
4. Extend 12 Month-Lease Ordinance to Single Family Homes
5. Strengthen Tenant Anti-harassment Ordinance
6. Enhance Neighborhood Tenant Preference for Affordable Housing
7. Develop Localized Anti-displacement Programs to Large-Scale Developments
8. Identify new funding sources for Anti-displacement programs
9. Modify Tenant Relocation Assistance
10. Foreclosure Prevention/Mortgage and Rental Assistance
11. Rental Registry/Inventory
12. Create an Eviction Monitoring and Data Collection Program
13. Updated or Expanded Rent Control
14. Provide Legal Assistance to Tenants
15. Increase Multi-Lingual Information and Outreach about Tenant Protections
16. Rental Deposit Assistance (particularly for veterans)
17. Examine Opportunities to Limit Additional Fees Passed on to Tenants

Preservation

18. Home Repair/Renovation Program

19. Community and Tenant Opportunity to Purchase Act
(COPA/TOPA)

20. Purchase and Preservation of Existing Housing

Prosperity

21. Down Payment Assistance for First Time/First Generation Homebuyers
22. Financial Planning Education and Tutoring
23. Building Pathways to the Tech Economy/Workforce Development

Methodology

- Three-prong approach
 - Community Feedback
 - Interviews
 - Research

- Other factors
 - Benefit
 - Cost
 - Time

Recommended strategies

1. Rental assistance program
2. Establish legal assistance program
3. Extend just cause eviction protection
4. Implement anti-harassment ordinance
5. Expand home preservation program
6. Create a rent registry
7. Develop workforce program

Recommended strategies

1. Rental assistance program

- Provide tenants with emergency assistance may help prevent eviction before they begin or resolve a current eviction
- \$250,000 Metropolitan Transportation Commission Transit Oriented Communities (MTC TOC) grant

2. Establish legal assistance program

- Research shows that even a small amount of legal education or counseling has shown tenants have a higher rate of success in challenging their evictions
- MTC TOC grant

3. Extend just cause eviction protections beyond AB 1482 protections

- Just cause is a legally recognized reason to evict a resident

Recommended strategies (cont.)

4. Implement anti-harassment ordinance
 - Lessens potentially abusive behavior or intimidation from landlords to force tenants to vacate unit
5. Expand home preservation program
 - "Prioritize" multi-family unit preservation projects in City's NOFA
6. Create a rent registry
 - Create a database of rental properties in the City
7. Create workforce development program
 - Provide financial independence

Next steps

- City Council consideration – May 19
- Rental Assistance Program implementation - anticipated Fall 2026
- Legal Assistance Program implementation – anticipated Fall 2026

Example of formatted plan



Menlo Park's Anti-displacement Plan

Introduction

Displacement occurs when individuals or families need to relocate from their homes or neighborhoods due to economic pressures, redevelopment, rising housing costs, or other external factors beyond their control. While some degree of neighborhood change is inevitable, displacement disproportionately impacts low-income households and communities of color, often uprooting long-standing residents and weakening social and cultural networks.

Anti-displacement strategies are a set of focused policies and programs designed to reduce displacement impacts by preserving affordability, protecting tenants, and promoting housing stability.

During preparation of the Menlo Park Housing Element¹ and Environmental Justice Element², the Belle Haven neighborhood was identified as the area most at risk for displacement, shaped by a legacy of historical disinvestment, redevelopment

pressures, and ongoing affordability challenges. In response, the two Elements include policies and programs to address displacement and create greater community stability in Menlo Park. In alignment with its commitment to fostering a vibrant and inclusive community, the City of Menlo Park (City) is pursuing holistic approaches to reduce displacement and enhance livability within the city.

The Anti-displacement Plan outlines and evaluates a series of potential programs and policies designed to advance anti-displacement efforts in the City's General Plan Housing Element and Environmental Justice Element. It identifies key drivers of displacement, elevates community-defined priorities, and incorporates expert guidance to propose the most effective tools for ensuring that residents can remain and thrive in their neighborhoods.

Defining Displacement

Displacement occurs when people need to relocate from their homes or neighborhoods due to a variety of factors that are often out of their control.

These factors could include eviction, rising housing costs, deteriorating building conditions, neighborhood redevelopment or gentrification.

A combination of these factors can result in different forms of displacement, including direct, indirect, and cultural displacement.

Table 1 summarizes the different forms of displacement while Table 2 provides important terms relevant to displacement.



Image Source: Realm Apartments, City of Menlo Park BMR Rental Listing

Staff Recommendation

- Review and recommend approval of the City of Menlo Park's Anti-displacement plan

Recommended Strategies:

- Fund additional rental assistance
- Establish legal assistance program
- Extend just cause evictions
- Establish an anti-harassment ordinance
- Expand home preservation program
- Create a rent registry
- Develop a workforce development program

**STAFF REPORT****City Council****Meeting Date:****6/3/2026****Staff Report Number:****26-004-HC****Regular Business:**

Consider and make a recommendation to the Planning Commission to approve a Below Market Rate Housing Agreement with Park South 624, LLC for a 6-unit housing development project at 624 University Dr.

Recommendation

Staff recommends that the Housing Commission recommend approval of the draft Below Market Rate (BMR) Housing Agreement (“Agreement”) to the Planning Commission for two on-site, for-sale, low-income and very low-income BMR units as part of a proposed six-unit townhouse development at 624 University Dr., as described in the draft Agreement (Attachment A).

Policy Issues

The Housing Commission should consider whether the draft BMR Housing proposal is in compliance with the BMR Housing Program Guidelines (BMR Guidelines) and Chapter 16.96 (BMR Housing Program) the “BMR Housing Ordinance”, including the applicant’s requested concessions and waivers pursuant to State Density Bonus Law.

BackgroundSite location

The project site consists of one parcel, approximately 8,877 square feet (0.2 acres) in size, in the R-3 (Apartment) zoning district. The project site currently contains a four-unit apartment building of approximately 2,833 square feet of gross floor area (GFA) and associated site improvements.

For the purposes of this staff report, University Drive is considered to have an east-west orientation, and all compass directions referenced will use this orientation. The project site is located on the north side of University Drive. The parcels to the south, east, and west of the project site are also located in the R-3 district and are developed with apartment and multi-unit buildings of a similar size. To the north of the project site is Nealon Park located in the OSC (Open Space Conservation) zoning district. A location map is provided as Attachment B.

AnalysisProject description

The applicant is proposing to demolish the existing four-unit apartment building and construct four new detached three-story units, and a two-unit three story duplex building. The single-family style units would have two bedrooms and two and a half bathrooms, a one-car garage on the first floor, and an adjacent uncovered parking space. The two attached units in the duplex would have one-bedroom and one bathroom, with a one car garage on the first floor. The duplex building would not include uncovered parking. The project site would be accessed from University Drive through a shared driveway that also serves 632 University Drive (which contains four housing units). A breakdown of the proposed units is included in Table 1. The applicant has submitted a tentative subdivision map to subdivide the development into condominium units that would be sold separately.

Table 1: Project unit types			
Unit type	Bedroom count	Unit size (sf, excluding garage)	BMR unit?
Unit A	2	1,300	No
Unit B	2	1,300	No
Unit C	2	1,300	No
Unit D	2	1,300	No
Unit E	1	600	Yes
Unit F	1	728	Yes

The proposal includes requests for a use permit to allow construction of a six-unit development on a substandard lot with respect to lot width in the R-3 (Apartment) zoning district; architectural control for the design of the residential buildings; and a major subdivision. The applicant’s Below Market Rate (BMR) proposal letter and select sheets from the project plans are included as Attachments D and E, respectively. The Planning Commission will take final action on all requested entitlements associated with the proposed project (unless appealed to the City Council), except for the major subdivision, for which the City Council is the final decision-making body.

Senate Bill (SB 330), State Density Bonus Law (SDBL), BMR housing program & related requirements

The proposed six-unit housing development is subject to several State and local affordable housing regulations, including Senate Bill 330 (SB 330), the City’s Below Market Rate (BMR) Housing Ordinance and BMR Housing Program Guidelines, and the State Density Bonus Law (SDBL). Collectively, these regulations establish requirements related to replacement housing, provision of deed-restricted affordable units, long-term affordability restrictions, and eligibility for density bonus concessions, waivers, and parking reductions. The following section summarizes the project’s affordable housing obligations, the applicant’s proposed BMR program, and the requested concessions and waivers associated with the project.

SB 330 housing replacement

Pursuant to SB 330, the proposed project is required to replace protected residential units demolished on the project site that were occupied within the previous five years. The project would demolish four existing one-bedroom residential units that were previously occupied by tenants and therefore may qualify as protected units under State law. Because the income levels of prior occupants could not be verified, the City applied the statutory rebuttable presumption using HUD Comprehensive Housing Affordability

Strategy (CHAS) data for Menlo Park. Based on this analysis, 14.2 percent of the existing units are presumed to have been occupied by low-income households, and 18.8 percent of the existing units were presumed to have been occupied by very low-income households resulting in the assumption that low income and very low income households are presumed to have occupied 33% (or 1.32 units) of the four existing units that would need to be replaced with restricted units. All replacement calculations resulting in fractional units must be rounded up to the next whole number. Accordingly, two of the existing four units would need to be replaced with deed restricted units affordable to one low-income household and one very low-income household. SB 330 replacement housing units must contain at least the same total number of bedrooms as the units being replaced, but do not require replacement units to replicate the prior unit mix or building configuration on a one-to-one basis. The project proposes to satisfy the replacement housing obligation through the provision of two deed-restricted BMR one-bedroom units, consisting of one low-income unit and one very low-income unit.

State Density Bonus Law

The proposed project is requesting concessions, and waivers under the State Density Bonus Law (Government Code Section 65915 et seq.), which provides development benefits for projects that include qualifying percentage of affordable housing units. Under State law, qualifying projects are entitled to density bonuses, incentives or concessions, waivers or reductions of development standards, and reduced parking requirements, except in limited circumstances.

The applicant proposes to provide two deed-restricted BMR units within the six-unit project, including one unit affordable to a very low-income household and one unit affordable to a low-income household. Because the project provides at least 16 percent of the base units as very low-income units, the project is entitled to four incentives or concessions pursuant to Government Code Section 65915(d)(2)(F), in addition to an unlimited number of waivers or reductions of development standards necessary to physically accommodate the project. Under State Density Bonus Law, the provision of one very low-income unit within the six-unit project independently satisfies the statutory threshold necessary to obtain the maximum number of concessions; therefore, the additional low-income unit does not increase the number of concessions available to the project.

The proposed project requests four concessions as follows:

1. **Dispersed Location (BMR Guidelines § 5.1).** The City's BMR Guidelines require that BMR units be dispersed throughout a residential development project rather than concentrated in a single building or location.

The applicant requests a concession from this requirement to allow the project's BMR units to be clustered into a single duplex building. The applicant states that the site constraints and limited developable area would not allow the BMR units to be distributed throughout the project while maintaining the proposed unit count. The applicant further states that constructing the BMR units in a duplex configuration would result in material and labor cost savings that help facilitate the provision of the proposed BMR units.

2. **Proportionate Bedrooms (BMR Guidelines § 5.1).** The City's BMR Guidelines require that BMR units contain a proportionate number of bedrooms relative to the market-rate units within the

project.

The applicant requests a concession from this requirement to allow the project's BMR units to contain fewer bedrooms than the market-rate units. The applicant states that the requested concession would allow the project to comply with the Housing Crisis Act while facilitating construction of the proposed project. The applicant further states that smaller affordable units would result in actual and identifiable material and labor cost savings because smaller units cost less to construct.

3. **Proportionate Size (BMR Guidelines § 5.1).** The City's BMR Guidelines require that BMR units be comparable in size to the market-rate units within the project.

The applicant requests a concession from this requirement to allow the project's BMR units to be smaller in size than the market-rate units. The applicant states there is insufficient space on the property to increase the size of the affordable units to match the size of the detached market-rate homes without reducing the total number of units in the project by at least one unit. The applicant further states that constructing the affordable units as a duplex results in identifiable material and labor cost savings.

4. **Design (BMR Guidelines § 5.2).** The City's BMR Guidelines require that BMR units be designed to be comparable and visually consistent with the market-rate units within the project

The applicant requests a concession from this requirement to allow the BMR units, proposed as a duplex, to differ in building form and layout from the detached market-rate homes. The applicant states that the project would utilize similar exterior materials for both the BMR and market rate units; however, it is not feasible for a duplex structure to be indistinguishable from detached single-family homes in terms of layout, massing, and overall design. The applicant further states that compliance with the design consistency requirements would effectively preclude the requested concession allowing the BMR units to be constructed as a duplex. The applicant also states that constructing the affordable units within a duplex configuration would result in actual and identifiable material and labor cost savings.

The proposed project includes five waivers:

1. **Front Setback Requirement:** The Menlo Park Municipal Code (MPMC) requires a minimum 20-foot front setback for structures in the R-3 zoning district.

The applicant requests a waiver to reduce the required front setback to five feet for the bubbler box and six feet for portions of the buildings. The applicant states that the waiver is necessary because application of the development standard would physically preclude the construction of the project as proposed and that the waiver is necessary to physically accommodate the project on the site.

2. **Rear Setback Requirement:** The MPMC requires a minimum 15-foot rear setback for structures in the R-3 zoning district.

The applicant requests a waiver to reduce the required rear setback to five feet. The applicant states that the waiver is necessary because application of the development standard would physically preclude the construction of the project as proposed and that the waiver is necessary to physically accommodate the project on the site.

3. **Building Profile Requirement:** The MPMC requires buildings to comply with the applicable daylight plane setback standards.

The applicant requests a waiver to reduce the required daylight plane setback for the front building to six feet. The applicant states the waiver is necessary because application of the development standard would physically preclude the construction of the project as proposed and that the waiver is necessary to physically accommodate the project on the site. The front setback waiver and this waiver are complementary (i.e., the reduced front setback results in the building profile shifting to the reduced setback location).

4. **Parking Location Requirement:** The MPMC limits the placement of covered parking structures within required front setback areas.

The applicant requests a waiver to allow covered parking for Units E and F within the front setback area. The applicant states the waiver is necessary because application of the development standard would physically preclude the construction of the project as proposed and that the waiver is necessary to physically accommodate the project on the site. The front setback waiver and this waiver are complementary (i.e., the reduced front setback results in the covered parking for Units E and F shifting to within the zoning ordinance 20-foot front setback requirement).

5. **Exclusive Open Space Requirement:** The MPMC requires residential units to provide exclusive use open space areas.

The applicant requests a waiver to eliminate the exclusive open space requirement for Units E and F. The applicant states the waiver is necessary because application of the development standard would physically preclude the construction of the project as proposed and that the waiver is necessary to physically accommodate the project on the site.

In addition, the project is entitled to utilize the parking standards established under the State Density Bonus Law, which supersede the City's parking requirements. The project complies with State parking standards by providing one parking space for one-bedroom units and two parking spaces for two-bedroom units, whereas the City of Menlo Park would otherwise require 1.5 parking spaces for one bedroom and two parking spaces for two-bedroom units on this project site. Notwithstanding SDBL parking requirements, the project site is located within one-half mile of the Menlo Park Caltrain Station and per AB 2097, there is no minimum parking requirement for the proposed project.

Menlo Park BMR Housing Program

Since the project includes five or more residential units, the applicant is required to comply with Chapter 16.96 of City's Municipal Code ("BMR Ordinance"), and with the BMR Housing Program Guidelines adopted by the City Council ("BMR Guidelines") to implement the BMR Ordinance. Since the project is

subject to the provisions of SB 330, and is subject to the requirements in effect at the time of application, the BMR Guidelines in effect at the time of application are the BMR Guidelines adopted on March 03, 2022 (Attachment C).

In accordance with the City's BMR Guidelines, projects with 20 or less residential units are required to provide 10% of the units at below market rates. For the proposed six-unit project, the City's Below Market Rate (BMR) requirements result in an obligation to provide 0.6 BMR unit (10 percent of six units), which rounds up to one BMR unit. The applicant is proposing two BMR units, consisting of one low-income unit and one very low-income unit. To satisfy the project's BMR obligation, the developer has designated the very low-income unit as the required BMR unit, resulting in approximately 16 percent of the proposed units being restricted for very low-income households and approximately 16 percent being restricted for low-income households. The second BMR unit restricted to a low-income household is not required to satisfy the City's minimum BMR obligation, and it is being provided to satisfy the project's SB 330 replacement housing obligations. This unit is included in the BMR agreement being considered by the Housing Commission.

The BMR Ordinance requires the applicant to submit a Below Market Rate Housing proposal for review by the Housing Commission (Attachment D). The draft BMR agreement governs the operation of the units as BMR units and includes details including the term that the units need to remain affordable, the process by which an eligible buyer is selected, how the sale price is established, and the process for resale of the units.

Subsection 5.4 of the City's BMR Guidelines states that the maximum sales price for affordable units is to be calculated using a City formula based on the minimum household size identified in Table C of the Guidelines, which identifies a one-person household for a one-bedroom unit. However, because the project is also subject to the State Density Bonus Law, the project is entitled to have the sale price for the project's two one-bedroom BMR units calculated based on a two-person household size, which would be the household size appropriate for a one-bedroom unit under State law.

As previously mentioned, the applicant intends to subdivide the development into condominium units to be sold separately. The BMR Guidelines state that for-sale BMR units may be affordable to extremely low (30% Area Median Income "AMI"), very low (50% AMI), low (80% AMI) or moderate (120% AMI) income households in order to satisfy the City's BMR Ordinance requirements. The proposed project would provide BMR units affordable to low and very low-income households. In addition to the designated affordability level, the maximum sales price is established based on several factors, including the minimum qualifying household size (which, as discussed above, would be consistent with the State Density Bonus Law), current interest rates, an assumed three percent down payment, and other applicable fees such as insurance, taxes, and homeowners association dues. Total monthly housing costs may not exceed 30 percent of the qualifying household income. An initial maximum sales price is established approximately 90 days prior to final building inspection and may be adjusted prior to occupancy to account for changes in interest rates.

At this time, the Housing Commission should review the applicant's proposal and the draft Agreement and provide guidance to staff, the applicant, and the Planning Commission. The draft Agreement would subsequently be reviewed and acted upon by the Planning Commission.

The applicant states that the BMR units would utilize similar exterior materials and architectural detailing as the market-rate units while differing in layout, massing, and building form due to the duplex configuration. Select plan sheets identifying the location of the proposed affordable units, floor plans, and building elevations are included in Attachment E. Staff's evaluation of the requested concessions and waivers, including consistency with applicable State Density Bonus Law requirements and the City's BMR Guidelines, is ongoing as part of the project review process. Staff finds the proposed project consistent with the City's BMR Guidelines except where concessions and waivers are requested pursuant to the State Density Bonus Law.

Correspondence

At the time of the preparation of this staff report, staff has not received any correspondence regarding the draft BMR Housing Agreement.

Conclusion

Staff believes that the applicant's proposal of two on-site BMR units meets the requirements of the BMR Ordinance and BMR Guidelines except where concessions and waivers are requested pursuant to the State Density Bonus Law. Staff recommends that the Housing Commission recommend to the Planning Commission approval of the two on-site for-sale BMR units under the terms stated in the draft BMR Agreement.

Impact on City Resources

The project sponsor is required to pay Planning, Building, and Public Works permit fees, based on the City's Master Fee Schedule, to fully cover the cost of staff time spent on the review of the project.

Environmental Review

In accordance with the California Environmental Quality Act (CEQA), the City is evaluating the proposed project for potential environmental effects. Staff is evaluating whether the project could be exempt from further environmental review pursuant to CEQA Guidelines Section 15195 (Residential Infill Exemption), as the project may satisfy all applicable threshold criteria set forth in CEQA Guidelines Section 15192 (Threshold Requirements for Exemptions). The CEQA evaluation will be provided to the Planning Commission for determination concurrent with the consideration of the requested entitlements and project action. However, the Housing Commission's review and direction regarding the Below Market Rate (BMR) Housing Agreement does not constitute a "project" under CEQA pursuant to CEQA Guidelines Section 15378, and therefore no separate environmental review is required for the Housing Commission action.

Public Notice

Public Notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting.

Attachments

A. Draft BMR Agreement (includes Promissory Note and Deed Restrictions)

Staff Report #: 26-004-HC

- B. Location Map
- C. Applicable BMR Guidelines, Adopted March 02, 2022
- D. 624 University Dr. BMR Proposal
- E. Excerpts of Project Plans

Report prepared by:
Jacob Garcia, Contract Senior Planner

Report reviewed by:
Tim Wong, Housing Manager

This document is recorded for the benefit of the City of Menlo Park and is entitled to be recorded free of charge in accordance with Sections 6103 and 27383 of the Government Code.

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

City of Menlo Park
Attn: City Clerk
701 Laurel Street
Menlo Park, CA 94025

**BELOW MARKET RATE HOUSING AGREEMENT
AND DECLARATION OF RESTRICTIVE COVENANTS**

(624 University Drive, Menlo Park)

This **BELOW MARKET RATE HOUSING AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS** ("**Agreement**") is entered into as of _____, 202_ ("**Effective Date**"), by and between the City of Menlo Park, a California municipal corporation ("**City**"), and Park South 624, LLC, a California limited liability company ("**Developer**"). City and Developer are collectively referred to herein as the "**Parties.**"

RECITALS

A. Developer is the owner of that certain real property that is subject to this Agreement situated at the approximate location commonly known as 624 University Drive in the City of Menlo Park, California, as more particularly described in **Exhibit A** attached hereto and incorporated herein by this reference ("**Property**").

B. Developer intends to demolish an existing four-unit apartment building and construct four new detached three-story units, and a two-unit three story duplex building project on the Property that will consist of six (6) for-sale dwelling units, together with parking and related improvements (collectively, "**Project**").

C. Menlo Park Municipal Code Chapter 16.96 ("**Municipal Code**"), the Below Market Rate Housing Program ("**BMR Ordinance**"), and the Below Market Rate Housing Program Guidelines in effect at the time of Project application, i.e., the BMR Guidelines adopted on March 03, 2022 ("**Guidelines**") require a developer of projects with 20 or less residential units to provide ten percent (10%) of the total number of units in a project as affordable to below market rate ("**BMR**") households. To satisfy the requirements of the BMR Ordinance and Guidelines, Developer has proposed ("**BMR Proposal**") to provide

BMR units as follows: one (1) low-income and one (1) very low income for-sale units to BMR households ("**BMR Units**" or "**BMR Unit**"), as shown in **Exhibit B** attached hereto and incorporated herein by reference.

D. On June 3, 2026, after a duly noticed public hearing, the Housing Commission recommended approval of the BMR Proposal, including one (1) low-income and one (1) very low income for-sale units, the BMR Units, as shown in the Project Plans included in **Exhibit B**.

E. On _____, 2026, after a duly noticed public hearing, and on the recommendation of the Housing Commission, the Planning Commission approved a use permit, architectural control, form affordable housing agreement, and incentives/concessions and waivers in accordance with State Density Bonus Law (Government Code Section 65915) and recommended that the City Council approve a Vesting Tentative Map for the Project.

F. On _____, 2026, after a duly noticed public hearing, and on the recommendation of the Planning Commission, the City Council approved a Vesting Tentative Map for the Project. The Planning Commission and City Council actions are collectively referred to herein as "**Project Approvals**."

G. The Project Approvals require Developer to provide the BMR Units in accordance with the BMR Proposal. Pursuant to the BMR Ordinance and Guidelines and State Density Bonus Law (Government Code Section 65915), Developer is required to execute and record an approved BMR Housing Agreement for the BMR Units as a condition precedent to the issuance of a building permit for the Project. This Agreement is intended to satisfy that requirement.

NOW, THEREFORE, in consideration of the foregoing, which are incorporated herein by references, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows.

1. CONSTRUCTION OF THE IMPROVEMENTS.

1.1 Construction of the Project. Developer agrees to construct the Project in accordance with the Municipal Code and all Applicable Laws (defined in Section 1.3).

1.2 City and Other Governmental Permits. Before commencement of the Project, Developer shall secure or cause its contractor to secure any and all permits and approvals which may be required by City or any other governmental agency with any authority over such construction, including without limitation building permits. Developer shall pay all necessary fees and timely submit to City final drawings with final corrections to obtain such permits; City staff will, without incurring liability or expense therefore, process applications in the ordinary course of business for the issuance of building

permits and certificates of occupancy for construction that meets the requirements of the Municipal Code and all Applicable Laws.

1.3 Compliance with Laws. Developer shall carry out the design and construction of the Project in conformity with all applicable laws, including, without limitation, all applicable state labor standards, City zoning and development standards, City and state building, plumbing, mechanical and electrical codes, and all other provisions of the Municipal Code, and all applicable disability access requirements, including without limitation the Americans With Disabilities Act, 42 U.S.C. Section 12101, *et seq.*, Government Code Section 4450, *et seq.*, Government Code Section 11135, *et seq.*, and the Unruh Civil Rights Act, Civil Code Section 51, *et seq.* (collectively, “**Applicable Laws**”).

2. BMR UNITS

2.1 Effective Date. The effective date of this Agreement shall be the date that Developer obtains a certificate of occupancy or temporary certificate of occupancy from City (“**Effective Date.**”)

2.2 Maintenance. During the term of this Agreement, Developer shall comply with every condition of the Project Approvals applicable to the Project and shall, at all times, maintain or cause the homeowners’ association for the Project and the Property to maintain the Project and the Property in good repair and working order, reasonable wear and tear excepted, and in a safe and sanitary condition, and from time to time to make all necessary and proper repairs, renewals and replacements to keep the Project and the Property good, clean, safe, and sanitary condition, ordinary wear and tear excepted.

2.3 Monitoring and Recordkeeping. During the term of this Agreement, Developer shall comply with all applicable recordkeeping and monitoring requirements set forth in the Guidelines. City shall have the right to inspect the books and records of Developer and its rental agent, sales agent or bookkeeper upon reasonable notice during normal business hours. During any period that any BMR Unit is owned by Developer, representatives of City shall be entitled to enter the Property, upon at least 48-hour prior written notice, which can be provided via email, to monitor compliance with this Agreement, to inspect the records of the Project with respect to the BMR Unit, and to conduct, or cause to be conducted, an independent audit or inspection of such records. Developer agrees to cooperate with City in making the Project and Property available for such inspection or audit. Developer agrees to maintain records in businesslike manner, and to maintain such records for a minimum of five (5) years after the date of sale of the last BMR Unit, and this recordkeeping obligation shall survive the termination of this Agreement, in the event such termination occurs prior to the expiration of such five (5) year period.

2.4 Non-Discrimination Covenants. Developer covenants by and for itself, its successors and assigns, and all persons claiming under or through them that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, religion, sex, marital status, familial status, disability, national origin, ancestry or other class protected by Applicable Laws in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property, nor establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees of the BMR Units. Developer shall include such provision in all deeds, leases, contracts and other instruments executed by Developer, and shall enforce the same diligently and in good faith.

a. If a BMR Unit is sold, the following language shall appear in any BMR grant deed:

(1) Grantee herein covenants by and for itself, its successors and assigns, and all persons claiming under or through it, that there shall be no discrimination against or segregation of a person or of a group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926, 12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property herein conveyed nor shall the grantee or any person claiming under or through the grantee establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees or vendees in the property herein conveyed. The foregoing covenant shall run with the land.

(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1).

b. In contracts pertaining to management, construction, maintenance or other element of the Project, the following language, or substantially similar language prohibiting discrimination and segregation shall appear:

(1) There shall be no discrimination against or segregation of any person or group of persons on account of any basis listed in subdivision (a) or (d) of Section 12955 of the Government Code, as those bases are defined in Sections 12926,

12926.1, subdivision (m) and paragraph (1) of subdivision (p) of Section 12955, and Section 12955.2 of the Government Code, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the Property nor shall the transferee or any person claiming under or through the transferee establish or permit any such practice or practices of discrimination or segregation with reference to selection, location, number, use or occupancy of tenants, lessee, subtenants, sublessees or vendees of the Property.

(2) Notwithstanding paragraph (1), with respect to familial status, paragraph (1) shall not be construed to apply to housing for older persons, as defined in Section 12955.9 of the Government Code. With respect to familial status, nothing in paragraph (1) shall be construed to affect Sections 51.2, 51.3, 51.4, 51.10, 51.11 and 799.5 of the Civil Code, relating to housing for senior citizens. Subdivision (d) of Section 51 and Section 1360 of the Civil Code and subdivisions (n), (o), and (p) of Section 12955 of the Government Code shall apply to paragraph (1).

2.5 Subordination. This Agreement shall be recorded in the Official Records of the County of San Mateo ("**County**"). Developer represents, warrants and covenants that, except for taxes and assessments and Permitted Encumbrances, absent the City's prior written consent this Agreement shall not be subordinated in priority to any lien, encumbrance or other interest affecting the Property or the Project. "Permitted Encumbrances" means easements, rights-of-way, covenants, conditions and restrictions, utility agreements, and other matters of record that do not materially interfere with development or operation of the Project and do not purport to extinguish or materially impair this Agreement. If at the time this Agreement is recorded any lien or encumbrance (other than Permitted Encumbrances) is recorded in priority senior to this Agreement, then upon the City's written request Developer shall promptly (i) obtain a subordination of such interest to this Agreement, or (ii) if subordination is not commercially available, obtain the City's written approval of an alternative arrangement that reasonably preserves the City's ability to enforce this Agreement, and ensures that the provisions of this agreement guaranteeing that the affordable units remain affordable for the life of this agreement will not be subordinated to such lien or encumbrance. The City may condition issuance of the first building permit for vertical construction on recordation of this Agreement and satisfaction of this paragraph. The City shall not unreasonably withhold, condition or delay consent to a subordination or other instrument (such as an estoppel agreement) requested by an institutional lender providing acquisition, construction or permanent financing for the Project, provided that such instrument includes mutually acceptable protections for the City and such lender, including without limitation (a) notice to lender of any Developer default and reasonable opportunity to cure, and (b) an acknowledgment that nothing in this Agreement restricts the lender's right to foreclose (or accept a deed in lieu) and transfer the Property, subject to (1) this Agreement continuing to run with the land and (2) all provisions of this Agreement guaranteeing that the affordable units remain affordable for the life of this agreement continue to be in effect and enforceable by the City.

3. SALE AND OPERATION OF BMR UNITS

3.1 Sale to Low Income and Very Low Income Households. The BMR Units shall be sold to an Eligible Buyer (defined below) in accordance with the BMR Ordinance, Guidelines and this Agreement. Commencing on the date the Maximum Sales Price (defined below) is established by City, each BMR Unit shall be sold only to an “**Eligible Buyer,**” which is defined as follows: (a) a low income buyer as defined in Section 50079.5 of the California Health and Safety Code for the one (1) low-income BMR Unit, and a very low income buyer as defined in Section 50105 of the California Health and Safety Code for the one very low income BMR Unit, (b) a BMR buyer that meets all of the requirements set forth in the State Law and/or the Guidelines, (c) a BMR buyer that will occupy the smallest household size eligible for the particular BMR Unit under the State Law, and (d) a BMR buyer that remains on the “**BMR Purchase Legacy List**” (as defined in the Guidelines) if such list remains in effect and any prospective buyers remain on it and otherwise in accordance with the priorities set forth in the Guidelines. The BMR Units shall be sold for no more than the “**Maximum Sales Price**” established based on several factors, including the minimum qualifying household size (which, as discussed above, would be consistent with the State Density Bonus Law), current interest rates, an assumed three percent down payment, and other applicable fees such as insurance, taxes, and homeowners association dues. An initial Maximum Sales Price would be established approximately 90 days prior to final building inspection and may be adjusted prior to occupancy to account for changes in interest rates. The eligibility requirements for BMR buyers, the selection process for BMR buyers, the purchase process, the sale procedures, the occupancy requirements and the process for resale are set forth in the Guidelines and supplemented by this Agreement. As per the requirements of the State Density Bonus Law, if an Eligible Buyer does not purchase a BMR Units within 180 days after the issuance of the certificate of occupancy for that BMR Unit, the BMR Unit would be purchased by a qualified nonprofit housing corporation that meets all of the requirements in Government Code Section 65915(c)(2)(A)(ii) pursuant to a recorded contract and that satisfies all of the requirements specified in paragraph (10) of subdivision (a) of Section 402.1 of the Revenue and Taxation Code. The State Law provisions shall prevail in case of conflict with BMR Ordinance and Guidelines.

3.2 Term; Partial Release.

a. Any and all obligations or responsibilities of Developer under this Agreement with regard to each BMR Unit shall terminate as to the relevant BMR Unit upon recordation on title to the BMR Unit in compliance with the Guidelines of both (a) the grant deed conveying the particular BMR Unit to an Eligible Buyer, City or its designee in accordance with the terms and provisions of this Agreement, and (b) the Resale Restriction Agreement (defined in Section 3.7). Upon recordation of the documents reference in (a) and (b) of the preceding sentence with respect to the second BMR Unit at the Project, this Agreement shall terminate.

b. The City shall execute and cause to be recorded an instrument releasing and reconveying this Agreement with respect to each for-sale dwelling units at the Project that is not a BMR Unit upon the sale of each such unit to initial buyer(s), so that each such unit will no longer be encumbered by this Agreement.

3.3 Conditions of Transfer. For purposes of this Agreement, “**Transfer**” shall mean any voluntary or involuntary sale, assignment or transfer of ownership or any interest in any BMR Unit, including, but not limited to, a fee simple interest, joint tenancy interest, or life estate. A “transfer” shall also include the recording of one or more deeds of trust against a BMR Unit to secure one or more loans or to refinance an existing loan. There shall be no transfer of any BMR Unit to any person or entity, except with the express written consent of City or its designee, which consent shall be consistent with the City’s goal of creating, preserving, maintaining and protecting housing in Menlo Park for persons of low and moderate income. Any transfer of a BMR Unit shall be subject to the conditions set forth in this Agreement, the BMR Ordinance and the Guidelines, and State Density Bonus Law. Nothing in this Agreement shall prohibit the sale and/or purchase of a BMR Unit to an Eligible Buyer if the City fails to make a determination of household eligibility within the time limits set forth in the BMR Ordinance, Guidelines and this Agreement.

3.4 Prohibited Transfer/Default. Any initial transfer which is not in substantial compliance with the conditions set forth in Section 3.3 above shall be deemed a “**Prohibited Transfer**”. Upon receipt of any evidence of a Prohibited Transfer or any other violation of the terms of this Agreement, City shall give written notice to Developer specifying the nature of the violation. If the violation is not corrected to the satisfaction of City within ten (10) business days after the date of the notice, or within such further time as City determines is necessary to correct the violation, City may declare a default under this Agreement. Upon the declaration of a default, City may apply to a court of competent jurisdiction for specific performance of the Agreement, for an injunction prohibiting a proposed sale or transfer in violation of this Agreement, for a declaration that the Prohibited Transfer is void, or for any such other relief as may be appropriate under the circumstances. Developer shall reimburse City for all reasonable costs, including but not limited to attorneys’ fees, incurred in reviewing instruments and other legal documents proposed to affect a Transfer under this Agreement and in reviewing the qualifications and financial resources of a proposed successor, designee, or transferee within ten (10) business days following City’s delivery to Developer of an invoice detailing such costs.

3.5 Owner Occupancy. Developer acknowledges that the City requires prospective purchasers of each BMR Unit to sign a written statement acknowledging their agreement that the particular BMR Unit must be occupied as the purchaser’s principal residence and that the BMR Unit may not be rented or leased (including short term leases, such as through Airbnb, VRBO or comparable rental platform), except as allowed under the Resale Restriction Agreement. Developer further acknowledges that the City

requires each purchaser of a BMR Unit to annually sign a written statement certifying compliance with the foregoing requirements.

3.6 Intentionally Omitted.

3.7 Resale Restriction Agreement. Developer acknowledges that the City requires that the initial buyer and each subsequent buyer of any of BMR Units (except City in connection with its exercise of the City Purchase Option) shall (a) execute and record an Agreement and Deed Restrictions Regarding Resale Controls for Below Market Rate Property substantially in the form of **Exhibit C**, that restricts the future sale of one BMR Unit to low income household and one another BMR Unit to very low income household at no more than the Maximum Sales Price at the time of sale for a period of fifty-five (55) years from the date of recordation of the deed conveying title to the initial buyer and each subsequent buyer of any BMR Unit ("**Resale Restriction Agreement**"), (b) execute a Promissory Note or other document acceptable to City ("**Note**"), and (c) execute and record a Performance Deed of Trust ("**Deed of Trust**"), and with respect to the Note and Deed of Trust, in a form and substance acceptable to City. Developer acknowledges that the City requires that the Resale Restriction Agreement and Deed of Trust must be recorded against each BMR Unit at the closing of the applicable purchase and sale of the relevant BMR Unit. Developer acknowledges that the City requires that, among other things, the Resale Restriction Agreement shall provide that for a term equal to fifty-five (55) years, subsequent sales of each BMR Unit may only be made at no more than the then Maximum Sales Price (as determined by State Density Bonus Law) to an Eligible Buyer that qualifies as a low-income or very-low income household depending on the BMR Unit, that each buyer must occupy the BMR Unit as its principal residence, that each BMR Unit may not be rented or leased except as allowed under the Resale Restriction Agreement, that each buyer may not make the particular BMR Unit available for short term rentals, and that each buyer is required to annually sign a written statement certifying compliance with all of the foregoing requirements. Developer acknowledges that the City requires that, in connection with the sale of each BMR Unit, City may, in its discretion, among other things, require prospective buyers to (i) be pre-qualified by City or its designee, (ii) execute a disclosure agreement that explains the provisions of the Resale Restriction Agreement, (iii) execute the Note, and (iv) execute and record the Deed of Trust that secures performance under the Resale Restriction Agreement. Concurrently with the recordation of each Resale Restriction Agreement and Deed of Trust applicable to a BMR Unit, City shall execute and cause to be recorded an instrument releasing and reconveying this Agreement with respect to the particular BMR Unit, so that the BMR Unit will no longer be encumbered by this Agreement.

4. ADVANCES BY CITY. Developer acknowledges that, in the event City advances any amounts for the payment of mortgages, including the curing of defaults on or the payment in full of senior liens and redeeming any of the BMRs Unit prior to a lien sale, taxes, assessments, insurance premiums, homeowner's fees and/or associated late fees,

costs, interest, attorneys' fees, pest inspections, resale inspections and other expenses related to any of the BMR Units, which the BMR Unit owner failed to pay or permitted to become delinquent, City shall be entitled to a lien against each applicable BMR Unit in the amount of all costs and expenses incurred by City with respect to each such BMR Unit, which sums shall, as elected by City, be due and payable by such BMR Unit owner upon written demand by City or paid to City through the closing of the sale of each BMR Unit for which City has paid or incurred such sums.

5. DEFAULT AND REMEDIES

5.1 Events of Default. The following shall constitute an “**Event of Default**” by Developer under this Agreement: a material breach of any condition, covenant, warranty, promise or representation contained in this Agreement where such breach continues for a period of thirty (30) days after written notice thereof to Developer without Developer curing such breach, or if such breach cannot reasonably be cured within such thirty (30) day period, Developer must commence the cure of such breach within such thirty (30) day period and thereafter diligently proceed to cure such breach; provided, however, that if a different period or notice requirement is specified for any particular breach under any other section of this Agreement, the specific provision shall control.

5.2 Remedies. The occurrence of any Event of Default under Section 5.1 shall give City the right to proceed with an action in equity to require Developer to specifically perform its obligations and covenants under this Agreement or to enjoin acts or things which may be unlawful or in violation of the provisions of this Agreement, and the right to terminate this Agreement.

5.3 Obligations Personal to Developer. The liability of Developer under this Agreement to any person or entity is limited to Developer's interest in the Project, and City and any other such persons and entities shall look exclusively thereto for the satisfaction of obligations arising out of this Agreement or any other agreement securing the obligations of Developer under this Agreement. From and after the date of this Agreement, no deficiency or other personal judgment, nor any order or decree of specific performance (other than pertaining to this Agreement, any agreement pertaining to the Project or any other agreement securing Developer's obligations under this Agreement), shall be rendered against Developer, the assets of Developer (other than Developer's interest in the Project), its partners, members, successors, transferees or assigns and each of their respective officers, directors, employees, partners, agents, heirs and personal representatives, as the case may be, in any action or proceeding arising out of this Agreement or any agreement securing the obligations of Developer under this Agreement, or any judgment, order or decree rendered pursuant to any such action or proceeding. No subsequent Developer or owner of the Property shall be liable or obligated for the breach or default of any obligations of Developer under this Agreement on the part of any prior Developer. Such obligations are personal to the person who was

Developer or owner of the Property at the time the default or breach was alleged to have occurred and such person shall remain liable for any and all damages occasioned thereby even after such person ceases to be Developer or owner of the Property. Each Developer shall comply with and be fully liable for all obligations Developer hereunder during its period of ownership of the Property.

5.4 Force Majeure. Subject to the party's compliance with the notice requirements as set forth below, performance by either party hereunder shall not be deemed to be in default, and all performance and other dates specified in this Agreement shall be extended, where delays or defaults are due to causes beyond the control and without the fault of the party claiming an extension of time to perform, which may include, without limitation, the following: war, insurrection, strikes, lockouts, riots, floods, earthquakes, fires, assaults, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, lack of transportation, governmental restrictions or priority, litigation, unusually severe weather, inability to secure necessary labor, materials or tools, acts or omissions of the other party, or acts or failures to act of any public or governmental entity (except that the City's acts or failure to act shall not excuse performance of the City hereunder). An extension of the time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the party claiming such extension is sent to the other party within 30 days of the commencement of the cause and such notice from the claiming party states the date of commencement of the cause. If notice from the party claiming such extension is not sent within such 30-day period or does not include the date of commencement of the cause, then the extension of time for performance shall only commence from the date of actual receipt of the notice, and not from the time of the commencement of the cause.

5.5 Attorneys' Fees. In addition to any other remedies provided hereunder or available pursuant to law, if either Party brings an action or proceeding to enforce, protect or establish any right or remedy hereunder, the prevailing Party shall be entitled to recover from the other Party its costs of suit and reasonable attorneys' fees. This Section shall be interpreted in accordance with California Civil Code Section 1717 and judicial decisions interpreting that statute.

5.6 Remedies Cumulative. No right, power, or remedy given by the terms of this Agreement is intended to be exclusive of any other right, power, or remedy; and each and every such right, power, or remedy shall be cumulative and in addition to every other right, power, or remedy given by the terms of any such instrument, or by any statute or otherwise.

5.7 Waiver of Terms and Conditions. City may, in its sole discretion, waive in writing any of the terms and conditions of this Agreement. Waivers of any covenant, term,

or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term, or condition.

5.8 Non-Liability of City Officials and Employees. No member, official, employee or agent of City shall be personally liable to Developer or any occupant of the BMR Unit, or any successor in interest, in the event of any default or breach by City or for any amount which may become due to Developer or its successors, or on any obligations under the terms of this Agreement.

5.9 Cure Rights. Notwithstanding anything to the contrary contained herein, City hereby agrees that any cure of any default made or tendered by (i) Developer's limited partner, or (ii) Developer's senior mortgage lender, shall be deemed to be a cure by Developer and shall be accepted or rejected on the same basis as if made or tendered by Developer.

6. GENERAL PROVISIONS

6.1 Below Market Rate Guidelines. This Agreement incorporates by reference the Guidelines, as amended from time to time. In the event of any conflict or ambiguity between this Agreement, the requirements of state and federal fair housing laws and the Guidelines, the terms and conditions of this Agreement and the requirements of state and federal fair housing laws shall control.

6.2 Time. Time is of the essence in this Agreement.

6.3 Notices. Unless otherwise indicated in this Agreement, any notice requirement set forth herein shall be deemed to be satisfied three days after mailing of the notice first-class United States certified mail, postage prepaid, or at the time of personal delivery, addressed to the appropriate party as follows:

Developer: Park South 624, LLC.
571 Eleanor Drive
Woodside, CA 94062
Attention: Cortland Bohacek, Member

With a copy to:
Cox, Castle & Nicholson, LLP
50 California Street, Suite 3200
San Francisco, CA 94111
Attention: Linda C. Klein

City: City of Menlo Park
701 Laurel Street
Menlo Park, California 94025-3483

Attention: City Manager

Such addresses may be changed by notice to the other Party given in the same manner as provided above.

6.4 Successors and Assigns. This Agreement constitutes a covenant and legal restriction on the BMR Unit and shall run with the land, and all of the terms, covenants and conditions of this Agreement shall be binding upon Developer and the permitted successors and assigns of Developer.

6.5 Intended Beneficiaries. City is the intended beneficiary of this Agreement and shall have the sole and exclusive power to enforce this Agreement. It is intended that City may enforce this Agreement in order to, satisfy its obligations to improve, increase and preserve affordable housing within City, as required by the Guidelines, and to provide that a certain percentage of new housing is made available at affordable housing cost to persons and families of very low, low and moderate incomes as required by the Guidelines. No other person or persons, other than City and Developer and their assigns and successors, shall have any right of action hereon.

6.6 Partial Invalidity. If any provision of this Agreement shall be declared invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions hereof shall not in any way be affected or impaired.

6.7 Governing Law. This Agreement and other instruments given pursuant hereto shall be construed in accordance with and be governed by the laws of the State of California. Any references herein to particular statutes or regulations shall be deemed to refer to successor statutes or regulations, or amendments thereto. The venue for any action shall be the County.

6.8 Amendment. This Agreement may not be changed orally, but only by agreement in writing signed by Developer and City.

6.9 Approvals. Where an approval or submission is required under this Agreement, such approval or submission shall be valid for purposes of this Agreement only if made in writing. Where this Agreement requires an approval or consent of City, such approval shall not be unreasonably withheld and may be given on behalf of City by the City Manager or designee. The City Manager or designee is hereby authorized to take such actions as may be necessary or appropriate to implement this Agreement, including without limitation the execution of such documents or agreements as may be contemplated by this Agreement, and amendments which do not substantially change the uses or restrictions hereunder, or substantially add to the costs of City hereunder.

6.10 Indemnification. To the greatest extent permitted by law, Developer shall indemnify, defend (with counsel reasonably approved by City) and hold City, its heirs,

successors, assigns, elected and appointed officials, employees and agents (“**Indemnitees**”) harmless from and against any and all demands, losses, claims, costs and expenses, and any other liability whatsoever, including without limitation, reasonable accountants’ and attorneys’ fees, charges and expense (collectively, “**Claims**”) arising directly or indirectly, in whole or in part, as a result of or in connection with Developer’s construction, management, or operation of the BMR Unit and the Project or any failure to perform any obligation as and when required by this Agreement. Developer’s indemnification obligations under this Section 6.10 shall not extend to Claims to the extent resulting from the gross negligence or willful misconduct of Indemnitees or to Developer’s claims against the City arising under this Agreement. The provisions of this Section 6.10 shall survive the expiration or earlier termination of this Agreement, but only as to claims arising from events occurring prior to such expiration or termination.

6.11 Insurance Coverage. Developer shall comply with the insurance requirements set forth in Exhibit D, attached hereto and incorporated herein by this reference, and shall, at Developer’s expense, maintain in full force and effect insurance coverage as specified in Exhibit D until recordation of both a grant deed conveying the BMR Unit to a third party and the Resale Restriction Agreement at which time the insurance requirements in the Resale Restriction Agreement shall control.

6.12 Recovery of City Costs. Developer shall reimburse City for all commercially reasonable City costs, including but not limited to reasonable attorneys’ fees, incurred in reviewing instruments and other legal documents proposed to effect a Transfer under this Agreement and in reviewing the qualifications and financial resources of a proposed successor, assignee, or transferee within ten (10) days following City’s delivery to Developer of an invoice detailing such costs.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year set forth above.

SIGNATURES ON FOLLOWING PAGES

IN WITNESS WHEREOF, the Parties have entered into this Agreement effective as of the date first written above.

CITY:

City of Menlo Park, a municipal corporation

By: _____

Justin I.C. Murphy, City Manager

DEVELOPER:

Park South 624, LLC.,

a California corporation

By: _____

Cortland Bohacek, Member

SIGNATURES MUST BE NOTARIZED

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____ before me, _____ (here insert name and title of the officer), personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____ before me, _____ (here insert name and title of the officer), personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

List of Exhibits:

Exhibit A: Property Description

Exhibit B: BMR Proposal and Partial Project Plans with Location of BMR Units

Exhibit C1: Resale Restriction Agreement (Low Income BMR Home)

Exhibit C2: Resale Restriction Agreement (Very Low Income BMR Home)

Exhibit D: Insurance Requirements

Exhibit A

Property Description

Exhibit A

Exhibit B

BMR Proposal

Exhibit B

Exhibit C
Resale Restriction Agreement

This document is recorded for the benefit of the City of Menlo Park and is entitled to be recorded free of charge in accordance with Sections 6103 and 27383 of the Government Code.

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

City of Menlo Park
Attn: City Clerk
701 Laurel Street
Menlo Park, CA 94025

**AGREEMENT AND DEED RESTRICTIONS
REGARDING RESALE CONTROLS
FOR BELOW MARKET RATE (BMR) HOME
(LOW INCOE BMR HOME)**

This Agreement and Deed Restrictions Regarding Resale Controls for Below Market Rate Home is junior and subordinate to a first Deed of Trust in favor of _____ in the amount of \$_____.

NOTICE: THIS DOCUMENT IS A LEGALLY BINDING AGREEMENT WHICH IMPOSES SEVERAL OBLIGATIONS AND RESTRICTIONS REGARDING THE USE AND TRANSFER OF YOUR HOME.

READ IT CAREFULLY.

This Agreement and Deed Restrictions Regarding Resale Controls for Below Market Rate Home ("**Agreement**") is entered into as of this _____ day of _____, 202_, by and between the City of Menlo Park, a municipal corporation ("**City**"), and _____ ("**Owner**"). City and Owner may be referred to individually as a "**Party**" or collectively as the "**Parties**" in this Agreement.

RECITALS

A. The City adopted a Below Market Rate Housing Program ("**Program**"), codified in the Menlo Park Municipal Code at Chapters 16.96 and 15.36, as such may be amended and revised from time to time ("**BMR Ordinance**"), and governed by the Below Market Rate Housing Program Guidelines, as such may be amended and revised from time to time ("**Guidelines**"), to provide housing opportunities to persons with low income to purchase homes at prices which are below market rates prevailing in the community.

B. Pursuant to the terms of that certain Below Market Rate Housing Agreement and Declaration of Restrictive Covenants ("**Restrictive Covenant**"), recorded on _____ as Document No. _____ in the Official Records of San Mateo County ("**Official Records**"), that certain home described in Exhibit A attached hereto and incorporated into this Agreement ("**Home**"), was designated as a below market rate unit ("**BMR Unit**"), as described in the Restrictive Covenant. Terms not otherwise defined in this Agreement will have the meaning given to them in the Restrictive Covenant.

C. Each BMR Unit is to be made available for sale only to Low Income Households at a price not to exceed a Low Income Housing Cost for a period of fifty-five (55) years.

D. Owner is a Low Income Household and is purchasing the Home. As a condition of purchasing the Home, and in exchange for having the opportunity to acquire the Home at the Purchase Price, Owner is required to enter into this Agreement to ensure the continued affordability of the Home, consistent with the Restrictive Covenant.

E. This Agreement also provides City with a purchase option to purchase the Home, as further described in this Agreement, in consideration of the economic benefits to Owner resulting from the purchase of the Home at a price not to exceed the Purchase Price.

F. The intent of City is to preserve the number and availability of affordable homes in the City's Program for persons with low or moderate incomes for as long as possible.

NOW, THEREFORE, in consideration of the foregoing, which are incorporated herein by references, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows.

1. Home. As a BMR Unit, the Home shall be subject to the terms and conditions set forth in this Agreement, as well in the BMR Ordinance and Guidelines.

2. Definitions and Exhibits.

A. Definitions. Unless otherwise specified in this Agreement, the following capitalized terms shall have the meanings set forth below:

(i) "**Actual Household Size**" means the actual number of persons in the applicable household, calculated in accordance with the BMR Ordinance and Guidelines.

(ii) "**Additional Financing**", if obtained by Owner, is defined in Section 4.

(iii) "**Agreement**" is defined in the opening paragraph.

(iv) "**Area Median Income**" shall mean the median income for San Mateo County, California, as determined by the U.S. Department of Housing and Urban Development pursuant to Section 8 of the United States Housing Act of 1937, and as published from time to time by the California Department of Housing and Community Development in Section 6932 of Title 25 of the California Code of Regulations or successor provision published pursuant to California Health and Safety Code Section 50079.5(c), adjusted for Actual Household Size.

(v) "**City**" is defined in the opening paragraph.

(vi) "**City Deed of Trust**" shall mean the deed of trust, the form of which is attached hereto as Exhibit C, executed by Owner for the benefit of City and securing the City Note.

(vii) "**City Note**" shall mean the promissory note, the form of which is attached hereto as Exhibit B, executed by Owner securing Owner's payment of Excess Sales Proceeds, as well as all other sums paid or advanced by Owner in connection with the Home.

(viii) "**City Purchase Option**" is defined in Section. 5.D.(ii).

(ix) "**Default**" is defined in Section 9.B.

(x) "**Eligible Capital Improvements**" means improvements that meet all of the following criteria: (a) they are made or installed by Owner following issuance of all required permits and in conformity with applicable building codes at the time of installation; (b) they are approved in writing in advance by City or its designee; (c) they are not a replacement of existing improvements needed as part of routine maintenance of the Home; and (d) in the aggregate, such improvements total more than one percent (1%) of the original purchase price paid by Owner. The value of Eligible Capital Improvements shall be limited to appraised increases in value to the Home as a result of the improvements as documented in an appraisal approved by City. The appraisal shall include an evaluation of the value of any substantial structural or permanent fixed improvements which Owner has made to the Home after purchase of the Home, including any depreciation in value of the capital improvements since the time of installation.

(xi) "**Excess Sales Proceeds**" shall mean the amount by which the gross sales proceeds of the Home received by Owner from a Transfer of the Home exceeds the maximum Purchase Price minus the amount of any Eligible Capital Improvements.

(xii) "**Fair Market Value**" means the value of the Home as determined by an appraisal obtained by City prepared by a certified Member of the Appraisal Institute (MAI) chosen by Owner with experience appraising residential properties in San Mateo County.

(xiii) "**First Lender Loan**" is defined in Section 5.A.

(xiv) "**Home**" is defined in Recital B.

(xv) "**Inheriting Owner**" is defined in Section 5.C.(i).

(xvi) "**Listing Agreement**" is defined in Section 5.D.(vi).

(xvii) "**Low Income Household**" means a household whose Gross Income does not exceed the qualifying limit for low income households as established and amended from time to time by the U.S. Department of Housing and Urban Development ("HUD") pursuant to Section 8 of the United States Housing Act of 1937 and published by the California Department of Housing and Community Development ("HCD") pursuant to Section 50079.5 of the California Health and Safety Code, adjusted for Actual Household Size.

(xviii) "**Low Income Housing Cost**" shall mean a sales price of the Home calculated to result in a monthly obligation to pay mortgage payments (principal and interest), property taxes, property insurance, mortgage insurance, utilities, and homeowners' association dues (if applicable) in an aggregate amount not greater than one-twelfth of thirty-three percent (33%) of eighty percent (80%) of Area Median Income, assuming a fixed 30-year

mortgage at then-current prevailing interest rates and an assumed down payment of ten percent (10%) of the sales price.

- (xix) "**Official Records**" is defined in Recital A.
- (xx) "**Owner**" is defined in the opening paragraph.
- (xxi) "**Owner's Notice of Intent to Sell**" is defined in Section 5.D.
- (xxii) "**Permitted Transfer**" is defined in Section 5.A.
- (xxiii) "**Proposed Purchaser**" is defined in Section 5.D.(vi).
- (xxiv) "**Purchase Agreement**" is defined in Section 5.D.(ii).
- (xxv) "**Program**" is defined in Recital A.

(xxvi) "**Purchase Price**" of the Home shall be the lower of the following:
(1) Fair Market Value where City shall have an appraisal made by an appraiser of its choice to establish the fair market value. Owner, at his or her own expense, may also have an appraisal made by a qualified appraiser of Owner's choice to establish the market value. If Owner elects to obtain its own appraisal, the time period during which City may exercise the City Purchase Option shall be tolled for the period of time between the time City obtains an appraisal and Owner submits a separate appraisal. If an agreement cannot be reached as to the fair market value, the average of the two (2) appraisals shall be deemed the market price, unless the difference between the two appraisals is greater than ten (10) percent of the amount of the higher appraisal, in which case City has the option to request a third appraisal (to be paid for by Owner) be conducted by a qualified appraiser agreed upon by City and Owner, who will make an independent appraisal without knowledge of the results of the first two appraisals. The amount of the first two (2) appraisals which is closer to the amount determined by the third appraiser shall be deemed the fair market value for purposes of this Agreement, or (2) a re-sales price for the BMR Unit computed based on the original selling price of the Home, plus an amount, if any, to compensate for any increase in the cost of living during Owner's ownership of the Home as measured by one-third (1/3) of the Consumer Price Index, All Urban Consumers, for the San Francisco-Oakland-San Jose area, published by the US Department of Labor, Bureau of Labor Statistics ("Index"). The Index prevailing on the date Owner purchased the Home (i.e., the date the grant deed was recorded) shall be compared with the Index available on the date of receipt by City of Owner's Notice of Intent to Sell. One-third (1/3) of the percentage increase in the Index during Owner's ownership of the Home, if any, shall be computed and the base price shall be increased by that percentage; provided, however, that the Purchase Price shall in no event be lower than the purchase price paid by Owner when it purchased the Home. The Purchase Price shall be adjusted to include the amount of any Eligible Capital Improvement, minus costs necessary to bring the Home into a saleable condition and in conformance with the BMR Ordinance and the Guidelines. In establishing the Purchase Price under either method, City shall also consider an owners' dues, insurance and taxes, and conform with the requirements of the State Law, BMR Ordinance and the Guidelines.

- (xxvii) "**Restrictive Covenant**" is defined in Recital A.

(xxviii) "**saleable condition**" is defined in Section 5.D.(iii).

(xxix) "**Spouse**" shall mean, (i) an individual legally married to Owner; (ii) a registered domestic partner of Owner, pursuant to California Family Code Section 297, et seq.; or (iii) a registered domestic partner of Owner pursuant to any local domestic partner registry created by any city, county, or city and county in California.

(xxx) "**Transfer**" is defined in Section 5.A., and does not include a Permitted Transfer.

B. Exhibits. The following exhibits are attached to this Agreement, and are incorporated by this reference:

Exhibit A: Legal Description of the Home

Exhibit B: Form of City Note

Exhibit C: Form of City Deed of Trust

C. Supersedes. This Agreement shall supersede any and all resale agreements, deed restrictions and other similar conditions and/or restrictions previously imposed on the Home whether or not such previous agreements or restrictions were recorded.

3. Misrepresentation of Fact. Owner certifies that the financial and other information previously provided by Owner to qualify to purchase the Home was true and correct as of the date first delivered to City and as of the date first written above.

4. Approved Financing; Lien Priority; Occupancy; Maintenance and Insurance.

A. Approved Financing. City acknowledges that Owner is acquiring the Home, in part, with a first purchase money loan ("**First Lender Loan**"). *[If applicable - City further acknowledges that Owner is acquiring the Home with the following additional financing, which has been approved in advance by City ("**Additional Financing**"):* .]

B. Lien Priority. This Agreement is accompanied by the City Note from Owner to City pursuant to which Owner agrees to pay any Excess Sales Proceeds to City, in addition to any other sums described in this Agreement. The City Note is secured by the City Deed of Trust. The City Deed of Trust is subordinate to this Agreement and the First Lender Loan. However, this Agreement shall be superior to and have lien priority over the lien of the First Lender Loan, Additional Financing, if any, and any other lien, mortgage or deed of trust encumbering the Home.

C. Occupancy. Owner must occupy the Home as its primary residence and remain in residence for the entire term of this Agreement of fifty-five (55) years. Occupy shall mean residing in the Home for at least ten (10) months in every twelve (12) month period. Owner may not allow the Home to be occupied by a relative, friend, tenant or any other party.

D. Maintenance.

(i) Owner shall maintain the Home and all landscaping in good repair and in a neat, clean, sanitary, and orderly condition, in accordance with all applicable laws, so

as not to cause any nuisance. Owner agrees not to commit any waste or to permit deterioration of the Home, and shall make reasonable and appropriate repairs to the Home as necessary to maintain the Home in the above described condition.

(ii) Owner shall pay all any homeowners association assessments (if an) levied against the Home on or before the due date of the assessment, and shall perform all obligations required in any declaration of covenants, conditions, and restrictions recorded against the Home.

(iii) Upon the written request of City, Owner shall bear the expense of providing to City a written report of inspection by a licensed structural pest control company. All work recommended in such report to repair damage caused by infestation or infection of wood-destroying pests or organisms and all work to correct conditions that caused such infestation or infection shall be performed at the expense of Owner.

E. Insurance. Owner shall maintain a standard all risk property insurance policy equal to the replacement value of the Home. Additional insurance requirements are set forth in the City Deed of Trust. Owner shall provide City with evidence of required insurance coverage at the closing on the Home and upon request. If the Home is damaged or destroyed and Owner elects not to rebuild or repair the Home, Owner shall pay City the portion of any insurance proceeds received by Owner for such destruction or damage that is in excess of a Low Income Housing Cost.

5. Resale or Transfer.

A. Transfer. Any Transfer of the Home will be subject to the provisions of this Agreement including, without limitation, the exercise of the City Purchase Option. Any Transfer without satisfaction of the provisions of this Agreement shall constitute a Default. For purposes of this Agreement, "**Transfer**" means any sale, assignment or transfer, voluntary or involuntary, of any interest in the Home, including, but not limited to, a fee simple interest, a joint tenancy interest, a life estate, a leasehold interest, an interest evidenced by a land contract by which possession of the Home is transferred and Owner retains title, any lien, mortgage or a deed of trust, including any refinancing of the First Lender Loan or the Additional Financing, if any, and of any other lien, mortgage or deed of trust. A Transfer shall not include a Transfer of any of the following, which are each a "**Permitted Transfer**":

- (i) To an existing Spouse;
- (ii) By Owner to a Spouse where Spouse becomes the co-owner of the Home;
- (iii) Between Spouses as part of a dissolution proceeding;
- (iv) To an existing Spouse by devise or inheritance following the death of Owner;
- (v) To an existing joint tenant with the right of survivorship upon the death of Owner, provided the joint tenant(s) are listed as parties to this Agreement as of the date of this Agreement; or

(vi) By Owner to an inter vivos revocable trust or living trust for purposes of estate planning in which Owner is the beneficiary, trustor and trustee.

B. Notice of Permitted Transfer; Other Conditions. Owner shall provide written notice of all Permitted Transfers to City within thirty (30) days of the date of the Permitted Transfer; and Owner shall continue to occupy the Home as his, her, their principal place of residence, except where the Permitted Transfer occurs because of Owner's death, in which event the transferee shall owner-occupy the Home and affirmatively assume Owner's obligations under this Agreement, the City Note and the City Deed of Trust.

C. Inheritance. In the event a Transfer occurs by devise or inheritance due to the death of Owner, the administrator of Owner's estate or the person inheriting the Home shall provide written notice to City of Owner's death within sixty (60) days of the date of death.

(i) Prior to taking title to the Home, the person inheriting the Home ("**Inheriting Owner**") shall provide City with income information, to be verified by City, so that City may determine if Inheriting Owner is a Low Income Household. If Inheriting Owner fails to provide required financial information and/or documentation, he, she, they shall be deemed not to qualify as a Low Income Household. If Inheriting Owner qualifies as a Low Income Household, he, she, they shall succeed to Owner's interest and obligations under this Agreement, the City Note, and the City Deed of Trust, and new documents acceptable to City shall be executed between Inheriting Owner and City and recorded against the Home, and the documents with Inheriting Owner shall have a remaining term of fifty-five (55) years.

(ii) If Inheriting Owner fails to qualify as a Low Income Household, he, she, they shall be required to Transfer the Home as set forth in Section 5.D. Inheriting Owner may own and occupy the Home for up to twelve (12) months prior to providing to City an Owner's Notice of Intent to Sell and must remain in compliance with the requirements of this Agreement, the City Note and the City Deed of Trust. Inheriting Owner shall not be required to occupy the Home during this twelve (12)-month time period but shall not rent the Home.

(iii) If Inheriting Owner is a minor child, such Inheriting Owner and his, her, their legal guardian may occupy the Home for the time period prescribed in California Probate Code Section 6500 without City determining that the legal guardian qualifies as a Low Income Household.

D. Sale of the Home; City Purchase Option.

(i) If Owner intends to Transfer or vacate the Home at any time during the term of this Agreement, Owner shall promptly give City written notice of such intent ("**Owner's Notice of Intent to Sell**"). Owner shall give Owner's Notice of Intent to Sell prior to taking any affirmative steps to sell the Home, such as listing the Home on the Multiple Listing Service. Owner's Notice of Intent to Sell shall include: (i) the address of the Home; (ii) the date on which Owner intends to vacate the Home; (iii) the date the Home will be placed on the market; and (iv) Owner's daytime phone number.

(ii) Commencing on the date Owner delivers to City Owner's Notice of Intent to Sell, City or its designee, including another Low Income Household (collectively referred to in this Section 5.D as "**City**"), shall have the right ("**City Purchase Option**") for a period of ninety (90) days ("**Option Exercise Period**") to purchase the Home at the lesser of (i) the Fair Market Value, or (ii) the Purchase Price. The exercise of the City Purchase Option

shall be in City's sole and absolute discretion, and City shall have no obligation to Owner, a successor in interest to Owner, or any other person to exercise the same. City or its designee shall exercise the City Purchase Option by delivering notice of the same to Owner, together with City's calculation of the Purchase Price and a Purchase Agreement and Joint Escrow Instructions acceptable in form and substance by City ("**Purchase Agreement**"), which has been executed by City. Owner shall countersign the Purchase Agreement and promptly return a fully executed copy thereof to City within five (5) days of receipt. Within sixty (60) days of the date of the Purchase Agreement, City shall complete the purchase of the Home, bearing all customary closing costs for buyers in San Mateo County with Owner paying the balance of such costs. Owner shall execute any and all documents, instruments and instructions as may reasonably be required by City or escrow to complete the sale of the Home to City or its designee. Upon close of escrow and recordation of the deed to the Home, this Agreement shall be released from the Home.

(iii) Exercise of the City Purchase Option during the Option Exercise Period shall be in writing and state the Purchase Price. The notice shall be sent via certified mail through USPS to Owner at the Home. The Home shall be sold to City in "**saleable condition**" as defined in the Guidelines following an inspection by City, which inspection Owner shall allow to occur in advance of City's exercise of the City Purchase Option. Owner's Notice of Intent to Sell delivered to City shall be deemed an offer to sell and City's acceptance of Owner's Notice of Intent to Sell shall be deemed an acceptance of such offer and shall collectively constitute a legally binding contract to transfer title to the Home from Owner to City that may not be withdrawn without the written consent of City,

(iv) Within five (5) days of City's exercise of the City Purchase Option and full execution by City of the Purchase Agreement, an escrow account shall be opened by City at a title company selected by City. Closing shall occur within sixty (60) days of opening escrow. At closing, the title insurance company shall issue to City a CLTA owner's title insurance policy, in a form reasonably approved by City and subject only to such title exceptions as reasonably approved by City. Taxes and assessments shall be prorated as of the date of closing. Taxes must be paid current as of the closing date and all liens must be satisfied and removed from title unless City expressly agrees otherwise in writing. City or designee shall pay the cost of the title insurance. The title company shall utilize the form of escrow agreement customarily used for residential transactions with Menlo Park, modified to the extent necessary to conform to the transaction and otherwise acceptable to City. If the Home is sold to a Low Income Household, then prior to closing, City and the Low Income Household shall deliver executed documents acceptable to City in form and substance to replace this Agreement, the City Note and the City Deed of Trust, which City Deed of Trust shall be recorded at closing. The Low Income Household must also certify at closing that he, she, they will occupy the Home as his, her, their primary residence. At closing, Owner shall convey title to City by grant deed and otherwise in conformance with this Agreement, the Guidelines and BMR Ordinance.

(v) In addition to the foregoing, City shall also have the right to exercise the City Purchase Option upon the occurrence of any of the following: (a) a notice of default or notice of sale is recorded against the Home by any lienholder (subject to any rights of Owner to cure the underlying default); (b) a Transfer occurs (excluding a Permitted Transfer) and continues in effect beyond any applicable cure period; (c) Owner fails to occupy the Home as Owner's principal residence in violation of the terms of this Agreement; or (d) the

occurrence of any other Default under this Agreement. City may, in its sole discretion, assign this purchase right to another designee, including a Low Income Household, and may reassign such rights to another Low Income Household if the initial or any subsequent Low Income Household fails or is unable to complete a purchase and sale transaction, and in such event, applicable timelines and deadlines shall be extended, as reasonably determined by City. City's right to exercise the City Purchase Option shall survive any transfer of the Home for the duration of the City Purchase Option.

(vi) If City does not exercise the City Purchase Option and close on the Home, Owner shall retain a real estate agent, real estate broker or similar professional to assist Owner with the sale of the Home and the identification of a Low Income Household qualified to purchase the Home ("**Proposed Purchaser**"). Any commission or other charge of a real estate agent, real estate broker or similar professional retained by Owner shall be Owner's exclusive obligation, and City shall not be liable for any such cost. Owner shall use bona fide good faith efforts to sell and shall be required to sell the Home in compliance with this Agreement, which shall include listing the Home on the Multiple Listing Service, keeping the Home in an orderly condition, making it available to show agents and Proposed Purchasers, and providing Proposed Purchasers with eligible purchaser requirements, including income qualifications. Owner shall provide to City a fully executed and dated copy of the agreement ("**Listing Agreement**") between Owner and the real estate agent, real estate broker or similar professional engaged by Owner to assist with the sale of the Home within five (5) days of its execution. Any Proposed Purchaser of the Home shall be a Low Income Household. Closing costs paid by the Proposed Purchaser shall be reasonable and customary in San Mateo County.

(vii) City shall verify that the sale of the Home to the Proposed Purchaser fully complies with this Section 5.D. As a condition of City's approval of any sale of the Home, Proposed Purchaser shall execute documents acceptable to City in form and substance to replace this Agreement, the City Note and the City Deed of Trust, which City Deed of Trust shall be recorded at closing. If escrow closes without the foregoing documents being executed by Proposed Purchaser and recorded as part of the escrow, Owner shall be in Default of this Agreement. Further, certified copies of all of the foregoing documents shall be delivered to City within three (3) days of the close of escrow, together with all other information and documentation relating to the escrow that the City may request.

(viii) If Owner does not sell and close (as evidenced by recordation of a grant deed from Owner to a third-party purchaser) on the Home pursuant to the Listing Agreement within one hundred eighty (180) days of the date of the Listing Agreement, Owner shall deliver to City a written notice advising City that a sale and closing have not occurred. Upon City's receipt of such notice, the City Purchase Option and the Option Exercise Period related thereto, shall become effective again in accordance with the terms and conditions of this Section 5.D, except that the Option Exercise Period shall commence on the date City receives the notice from Owner that no sale or closing has occurred. If Owner fails to timely deliver the above described notice to City, Owner shall not be entitled to take any other affirmative steps to sell the Home, including, extending the Listing Agreement, entering into another listing agreement or listing the Home on the Multiple Listing Service.

E. City Approval of Proposed Sale by Owner.

(i) Owner and any Proposed Purchaser shall provide the following information and documents to City within ten (10) days of an offer from Proposed Purchaser:

(a) The name, address and telephone number in writing of Proposed Purchaser.

(b) A signed financial statement of Proposed Purchaser in a form acceptable to City and any other supporting documentation requested by City. Owner acknowledges that City may request the following documentation, (i) pay stubs for the most recent pay periods; (ii) income tax returns for the three (3) most recent tax years; (iii) an income verification form from Proposed Purchaser's current employer; (iv) an income verification form from the Social Security Administration and/or the California Department of Social Services if the applicant receives assistance from either of such agencies; and/or (v) if Proposed Purchaser is unemployed and has no such tax return, another form of independent verification of income. The financial information shall be used by City to determine the income eligibility of Proposed Purchaser.

(ii) The proposed sales contract and all other related documents which shall set forth all the terms of the sale of the Home, including a HUD-1 Settlement Statement.

(iii) Within fifteen (15) days of receipt of the documentation and information described in subsections (i) and (ii) of this Section 5.E., City shall approve or disapprove Proposed Purchaser and the terms of sale. Within ten (10) days of City's approval, Owner and Proposed Purchaser shall notify City of the name of the title company escrow holder for the sale of the Home, the escrow number, and name, address and phone number of the escrow officer.

F. Payment of Excess Sales Proceeds. Owner agrees that it is obligated under this Agreement to execute the City Note and City Deed of Trust and pay any Excess Sales Proceeds to City upon any Transfer of the Home. This amount constitutes a debt of Owner to City, further evidenced by the City Note and secured by the City Deed of Trust. Owner acknowledges that City shall have no obligation to cause termination of this Agreement or reconveyance of the City Deed of Trust until any Excess Sales Proceeds due to City are paid. City shall use such proceeds for the Program.

G. Refinance and Subordinate Loans.

(i) Any refinancing of the First Lender Loan, the Additional Financing (if any), and other subordinate loans shall require City's advance written approval.

(ii) Subordinate loans, including second or junior loans and equity lines of credit, are not permitted except as approved in advance and in writing by City.

H. Prohibition on Leasing. Owner may not lease or rent the Home, or enter into any contract transferring physical possession of the Home, for any period of time without the prior, written consent of City, and such transfer shall be subject to such further conditions as may be necessary to ensure compliance with the purpose and intent of the Program. Any prospective tenant approved by City shall execute a rental agreement or lease in form and substance acceptable to City under the terms of which the tenant shall assume all of the obligations and duties and agree to be bound by the restrictions of this Agreement, provided

that Owner shall not be released from all or any of such obligations and duties herein. Notwithstanding the foregoing, Owner may not lease or rent the Home on a short term basis, including through a rental platform such as Airbnb, VRBO or comparable platform.

I. Senior Lien Holder. Any attempt to transfer title or any interest therein in violation of these covenants shall be void, provided, however, that any deed restrictions contained herein shall be subordinate to any mortgage ("First Deed of Trust") held by a Senior Lien Holder of any of the BMR Units and/or a federally or state chartered bank or savings and loan association qualified to do business in the State of California which mortgage was obtained at the time an owner purchased the particular BMR Unit ("Senior Lien Holder"). City and Owner acknowledge and agree that this Agreement is subject and subordinate in all respects to the liens, terms, covenants and conditions of the First Deed of Trust for each BMR Unit and to all advances heretofore made or which may hereafter be made pursuant to each First Deed of Trust held by a Senior Lien Holder including all sums advanced for the purpose of (a) protecting or further securing the lien of each First Deed of Trust, curing defaults by Owner under each First Deed of Trust or for any other purpose expressly permitted by each First Deed of Trust, or (b) constructing, renovating, repairing, furnishing, fixturing or equipping any of the BMR Units. The terms and provisions of the First Deed of Trust with respect to each BMR Unit are paramount and controlling, and they supersede any other terms and provisions hereof in conflict therewith. In the event of a foreclosure or deed in lieu of foreclosure of a First Deed of Trust applicable to a particular BMR Unit, any provisions herein or any provisions in any other collateral agreement restricting the use of the BMR Unit to low or moderate income households or otherwise restricting Owner's ability to sell the BMR Unit shall have no further force or effect on subsequent owners or purchasers of the particular BMR Unit. Any person, including his or her successors or assigns (other than Owner), receiving title to a BMR Unit through a foreclosure or deed in lieu of foreclosure of the relevant First Deed of Trust shall receive title to the particular BMR Unit free and clear from such restrictions. Further, if the Senior Lien Holder acquires title to a BMR Unit pursuant to a deed in lieu of foreclosure, the lien of this Agreement shall automatically terminate with respect to the particular BMR Unit upon the Senior Lien Holder's acquisition of title, provided that (i) City was given written notice of a default under the relevant First Deed of Trust, (ii) City was given a reasonable period of time under the relevant First Deed of Trust to cure the default, and (iii) City did not timely cure the default or diligently pursue a cure of the default as determined by the relevant Senior Lien Holder, within sixty (60) days of City's receipt of the written notice of default from the Senior Lien Holder. Any and all deeds of trust recorded against a BMR Unit, other than the First Deed of Trust held by the Senior Lien Holder and/or such Senior Lien Holder's successor or designee of its interest, shall be subordinate and subject to the terms and provisions of this Agreement.

6. Advances by City. If City advances any amounts for the payment of mortgages, including, without limitation, the curing of defaults on or the payment in full of the First Lender Loan or any Additional Financing, or cures a default on or pays off any other liens, loans, home equity lines of credit, taxes, assessments, insurance premiums, homeowner's fees, late fees, costs, interest, attorneys' fees, pest inspections, resale inspections and other expenses related to the Home, which Owner failed to pay, permitted to become delinquent or allowed to encumber title to the Home in violation of this Agreement, City shall be entitled to a lien against the Home in the amount of all costs and expenses incurred by City, and such sums shall be added to the principal amount of the City Note, shall be secured by the City Deed of Trust and City may deduct such sums from the proceeds of any sale of the Home.

7. Covenant Running with the Land. The terms and conditions in this Agreement are intended to run with the land and shall bind Owner and all successors, heirs, grantees and assigns, unless and until expressly superseded by subsequently recorded agreements. The terms and conditions contained in this Agreement shall be made part of each deed subsequently recorded and shall bind each successor in interest until the earlier of (a) fifty-five (55) years from the date of recordation, or (b) the recordation of a subsequent and superseding agreement. This Agreement and the covenants contained herein shall survive any Transfer of the Home.

8. Non-Liability of City.

A. Nonliability for Negligence, Loss, or Damage. Owner acknowledges and agrees that the relationship between Owner and City is solely that of an owner and an administrator of the City Program, and City does not undertake or assume any responsibility for, or duty to, Owner, to select, review, inspect, supervise, pass judgment on or inform Owner of the quality, adequacy, or suitability of the Home or any other matter. City owes no duty of care to protect Owner against negligent, faulty, inadequate, or defective building or construction or any condition of the Home, and Owner agrees that neither Owner, or Owner's heirs, successors, or assigns, shall ever claim or have or assert any right or action against City for any loss, damage, or other matter arising out of, or resulting from, any condition of the Home, and will hold City harmless from any liability, loss, or damage for these things.

B. Indemnity. Owner agrees to defend, indemnify, and hold City and its employees, agents, officers and elected and appointed officials harmless from any and all losses, damages, liabilities, claims, actions, judgments, costs, and reasonable attorneys' fees City may incur as a direct or indirect consequence of: (a) any Default by Owner; (b) the failure at any time of any of Owner's representations to City to be true and correct; or (c) Owner's purchase, ownership, use or possession of the Home.

C. Survival. Owner agrees on behalf of itself and its heirs, successors, and assigns, that the provisions of Section 10 A. and B. shall survive the expiration or termination of this Agreement.

9. Security; Default; Remedies.

A. Security. As security for the performance of this Agreement, Owner has executed and delivered to City the City Note dated _____ and the City Deed of Trust dated _____, which City Deed of Trust shall be recorded immediately following recordation of this Agreement.

B. Default. The following events shall constitute a default ("**Default**") by Owner under this Agreement:

(i) Any material misrepresentation by Owner to obtain the benefits of the purchase of the Home or in connection with any of Owner's obligations under this Agreement;

(ii) Owner fails to occupy the Home as required under Section 4.C., and such failure continues uncured sixty (60) days following written notice by City;

- (iii) Owner rents or leases the Home in violation of Section 5.H.;
- (iv) Owner fails to provide information to City required under this Agreement necessary to determine Owner's compliance with the Agreement;
- (v) Owner makes any Transfer in violation of this Agreement, including any refinancing of the First Lender Loan, Additional Financing, if any, and any other lien, mortgage or deed of trust in violation of Section 5;
- (vi) A notice of default or a notice of sale is issued under the First Lender Loan, any Additional Financing or any other financing, lien or debt secured by the Home;
- (vii) A lien is recorded against the Home other than as a result of a Transfer approved in writing by City, and Owner fails to discharge the lien within thirty (30) days of its recordation; provided, however, that nothing herein requires Owner to pay any claims for labor, materials or services which Owner in good faith disputes and is diligently contesting provided that Owner shall, within thirty (30) days after the filing of any claim of lien, record in the Official Records, a surety bond in an amount 1 1/2 times the amount of such claim item to protect against a claim of lien;
- (viii) Owner defaults on the City Note or the City Deed of Trust, subject to any notice and cure provision in such documents;
- (ix) Owner declares bankruptcy or makes an assignment of assets for the benefit of creditors; and
- (x) Owner otherwise commits a material default of this Agreement, and such default remains uncured thirty (30) days following written notice by City, provided that, if the default cannot reasonably be cured within thirty (30) days, Owner shall commence a cure within thirty (30) days, and shall effectuate a cure as soon as reasonably practicable thereafter.

C. Remedies. Upon a Default, City may exercise every remedy available at law, in equity, or under this Agreement (no such remedy being exclusive of any other available remedy), including by declaring Excess Sales Proceeds immediately due and payable, and, without further demand, accelerating payments due under the City Note and exercise the City's power of sale under the City Deed of Trust.

D. Notice of Default.

(i) Owner covenants to cause to be filed for record in the Office of the Recorder a request for City to receive a copy of any notice of default and notice of sale under any deed of trust or mortgage with power of sale encumbering the Home pursuant to Section 2924(b) of the Civil Code of California. Such request shall specify that any such notice shall be mailed to the City of Menlo Park, Attn: Community Development Director, 701 Laurel Street, Menlo Park, CA 94025. If Owner fails to file such request for notice, City's Purchase Option shall commence on the date City obtains actual knowledge of a Transfer or proposed sale. City or its designee shall have the right to cure any notice of default. If the sale is not consummated and Owner retains ownership of the Home, City or its designee shall be entitled to recover its costs directly from Owner.

(ii) If City elects not to exercise City's Purchase Option upon a Default, any surplus to which Owner may be entitled pursuant to Code of Civil Procedure Section 727 shall be paid as follows: (a) to Owner - that portion of surplus, if any, up to but not exceeding the amount that Owner would have received after payment in full of all encumbrances on the Home and calculation of the Purchase Price as of the date of the foreclosure sale in accordance with this Agreement, and (b) to City - the balance, if any, to compensate City for the loss of the Home and to preserve the purposes of the City's Program.

10. Entirety of Agreement. This Agreement comprises the entire agreement between the Parties, and no other terms or conditions shall be deemed to apply, unless by a mutually executed, written amendment, modification or superseding agreement which references this Agreement and is recorded in the Official Records. Owner covenants that he, she, they have not, and will not execute any other agreement with provisions contradictory to or in opposition to the provisions hereof, and that in any event, Owner understands and agrees that this Agreement shall control the rights and obligations between and among the Parties and respective successors.

11. Controlling Law and Venue. The terms of the Agreement shall be interpreted under the laws of the State of California without regard to principles of conflict of laws. The Agreement was entered into and is to be performed in San Mateo County, which is the exclusive venue for any action or dispute arising out of the Agreement.

12. Severability. If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provisions shall be deemed severable from the remaining provisions contained in this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision(s) had never been contained herein.

13. Distribution of Insurance and Condemnation Proceeds. In the event the Home is condemned or destroyed (or in the event the Home is a unit in a condominium project and the condominium project is destroyed and insurance proceeds are distributed to Owner instead of being used to rebuild), if proceeds are distributed to Owner; or in the event of termination of the condominium, liquidation of the association and distribution of the assets of the association to the members thereof, including Owner, any surplus of proceeds so distributed remaining after payment of encumbrances on the Home shall be distributed as follows: (a) to Owner - that portion of surplus, if any, up to but not exceeding the amount that Owner would have received after payment in full of all encumbrances on the Home and calculation of the Purchase Price as of the date of the destruction, condemnation valuation date or liquidation in accordance with this Agreement, and (b) to City - the balance, if any, to compensate City for the loss of the Home and to preserve the purposes of the City's Program.

14. Non-waiver. Any waiver of any term or provision of this Agreement must be in writing. The failure of City to take an action to enforce a right or to seek a remedy under the terms and conditions of this Agreement shall not be deemed to be a waiver by City to take such action or enforce any rights it may otherwise have pursuant to this Agreement.

15. Compliance with the Menlo Park Municipal Code. It is the purpose and intent of this Agreement to fulfill and be consistent with the requirements set forth in the BMR Ordinance and the Guidelines, which are incorporated herein by reference, as such may be amended from time to time hereafter. In the event of a discrepancy or conflict between a

particular provision of this Agreement and any provision of the BMR Ordinance and/or the Guidelines, the provisions of the BMR Ordinance and/or the Guidelines, shall control.

16. Notices. All notices required herein shall be sent to the following addresses:

CITY:

Community Development Director
City of Menlo Park
701 Laurel Street
Menlo Park, CA 94025

OWNER:

Menlo Park, CA 94025

DATED: _____

Menlo Park, CA 94025

City of Menlo Park
Justin I.C. Murphy, City Manager

APPROVED AS TO FORM:

City Attorney

ATTEST:

City Clerk

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA }
COUNTY OF SAN MATEO }

On _____ before me, _____, Notary Public, personally appeared _____ Justin Murphy who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing Section is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA }

COUNTY OF SAN MATEO }

On _____ before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing Section is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A
Legal Description

ALL THAT REAL HOME SITUATED IN THE CITY OF MENLO PARK,
COUNTY OF SAN MATEO, STATE OF CALIFORNIA, DESCRIBED AS
FOLLOWS:

EXHIBIT B
City Note

EXHIBIT C
City Deed of Trust

This document is recorded for the benefit of the City of Menlo Park and is entitled to be recorded free of charge in accordance with Sections 6103 and 27383 of the Government Code.

**RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:**

City of Menlo Park
Attn: City Clerk
701 Laurel Street
Menlo Park, CA 94025

**AGREEMENT AND DEED RESTRICTIONS
REGARDING RESALE CONTROLS
FOR BELOW MARKET RATE HOME**

This Agreement and Deed Restrictions Regarding Resale Controls for Below Market Rate Home is junior and subordinate to a first Deed of Trust in favor of _____ in the amount of \$_____.

NOTICE: THIS DOCUMENT IS A LEGALLY BINDING AGREEMENT WHICH IMPOSES SEVERAL OBLIGATIONS AND RESTRICTIONS REGARDING THE USE AND TRANSFER OF YOUR HOME.

READ IT CAREFULLY.

This Agreement and Deed Restrictions Regarding Resale Controls for Below Market Rate Home ("**Agreement**") is entered into as of this ____ day of _____, 202_, by and between the City of Menlo Park, a municipal corporation ("**City**"), and _____ ("**Owner**"). City and Owner may be referred to individually as a "**Party**" or collectively as the "**Parties**" in this Agreement.

RECITALS

A. The City adopted a Below Market Rate Housing Program ("**Program**"), codified in the Menlo Park Municipal Code at Chapters 16.96 and 15.36, as such may be amended and revised from time to time ("**BMR Ordinance**"), and governed by the Below Market Rate Housing Program Guidelines, as such may be amended and revised from time to time ("**Guidelines**"), to provide housing opportunities to persons with low/very low income to purchase homes at prices which are below market rates prevailing in the community.

B. Pursuant to the terms of that certain Below Market Rate Housing Agreement and Declaration of Restrictive Covenants ("**Restrictive Covenant**"), recorded on _____ as Document No. _____ in the Official Records of San Mateo County ("**Official Records**"), that certain home described in Exhibit A attached hereto and incorporated into this Agreement ("**Home**"), was designated as a below market rate unit ("**BMR Unit**"), as described in the Restrictive Covenant. Terms not otherwise defined in this Agreement will have the meaning given to them in the Restrictive Covenant.

C. Each BMR Unit is to be made available for sale only to Low Income/ Very Low Income Households at a price not to exceed a Low Income/ Very Low Income Housing Cost for a period of fifty-five (55) years.

D. Owner is a Low/ Very Low Income Household and is purchasing the Home. As a condition of purchasing the Home, and in exchange for having the opportunity to acquire the Home at the Purchase Price, Owner is required to enter into this Agreement to ensure the continued affordability of the Home, consistent with the Restrictive Covenant.

E. This Agreement also provides City with a purchase option to purchase the Home, as further described in this Agreement, in consideration of the economic benefits to Owner resulting from the purchase of the Home at a price not to exceed the Purchase Price.

F. The intent of City is to preserve the number and availability of affordable homes in the City's Program for persons with low or moderate incomes for as long as possible.

NOW, THEREFORE, in consideration of the foregoing, which are incorporated herein by references, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows.

1. Home. As a BMR Unit, the Home shall be subject to the terms and conditions set forth in this Agreement, as well in the BMR Ordinance and Guidelines.

2. Definitions and Exhibits.

A. Definitions. Unless otherwise specified in this Agreement, the following capitalized terms shall have the meanings set forth below:

(i) "**Actual Household Size**" means the actual number of persons in the applicable household, calculated in accordance with the BMR Ordinance and Guidelines.

(ii) "**Additional Financing**", if obtained by Owner, is defined in Section 4.

(iii) "**Agreement**" is defined in the opening paragraph.

(iv) "**Area Median Income**" shall mean the median income for San Mateo County, California, as determined by the U.S. Department of Housing and Urban Development pursuant to Section 8 of the United States Housing Act of 1937, and as published from time to time by the California Department of Housing and Community Development in Section 6932 of Title 25 of the California Code of Regulations or successor provision published pursuant to California Health and Safety Code Section 50079.5(c), adjusted for Actual Household Size.

(v) "**City**" is defined in the opening paragraph.

(vi) "**City Deed of Trust**" shall mean the deed of trust, the form of which is attached hereto as Exhibit C, executed by Owner for the benefit of City and securing the City Note.

(vii) "**City Note**" shall mean the promissory note, the form of which is attached hereto as Exhibit B, executed by Owner securing Owner's payment of Excess Sales Proceeds, as well as all other sums paid or advanced by Owner in connection with the Home.

(viii) "**City Purchase Option**" is defined in Section. 5.D.(ii).

(ix) "**Default**" is defined in Section 9.B.

(x) "**Eligible Capital Improvements**" means improvements that meet all of the following criteria: (a) they are made or installed by Owner following issuance of all required permits and in conformity with applicable building codes at the time of installation; (b) they are approved in writing in advance by City or its designee; (c) they are not a replacement of existing improvements needed as part of routine maintenance of the Home; and (d) in the aggregate, such improvements total more than one percent (1%) of the original purchase price paid by Owner. The value of Eligible Capital Improvements shall be limited to appraised increases in value to the Home as a result of the improvements as documented in an appraisal approved by City. The appraisal shall include an evaluation of the value of any substantial structural or permanent fixed improvements which Owner has made to the Home after purchase of the Home, including any depreciation in value of the capital improvements since the time of installation.

(xi) "**Excess Sales Proceeds**" shall mean the amount by which the gross sales proceeds of the Home received by Owner from a Transfer of the Home exceeds the maximum Purchase Price minus the amount of any Eligible Capital Improvements.

(xii) "**Fair Market Value**" means the value of the Home as determined by an appraisal obtained by City prepared by a certified Member of the Appraisal Institute (MAI) chosen by Owner with experience appraising residential properties in San Mateo County.

(xiii) "**First Lender Loan**" is defined in Section 5.A.

(xiv) "**Home**" is defined in Recital B.

(xv) "**Inheriting Owner**" is defined in Section 5.C.(i).

(xvi) "**Listing Agreement**" is defined in Section 5.D.(vi).

(xvii) "**Low Income Household**" means a household whose Gross Income does not exceed the qualifying limit for low income households as established and amended from time to time by the U.S. Department of Housing and Urban Development ("HUD") pursuant to Section 8 of the United States Housing Act of 1937 and published by the California Department of Housing and Community Development ("HCD") pursuant to Section 50079.5 of the California Health and Safety Code, adjusted for Actual Household Size.

(xviii) "**Low Income Housing Cost**" shall mean a sales price of the Home calculated to result in a monthly obligation to pay mortgage payments (principal and interest), property taxes, property insurance, mortgage insurance, utilities, and homeowners' association dues (if applicable) in an aggregate amount not greater than one-twelfth of thirty-three percent (33%) of eighty percent (80%) of Area Median Income, assuming a fixed 30-year

mortgage at then-current prevailing interest rates and an assumed down payment of ten percent (10%) of the sales price.

- (xix) "**Official Records**" is defined in Recital A.
- (xx) "**Owner**" is defined in the opening paragraph.
- (xxi) "**Owner's Notice of Intent to Sell**" is defined in Section 5.D.
- (xxii) "**Permitted Transfer**" is defined in Section 5.A.
- (xxiii) "**Proposed Purchaser**" is defined in Section 5.D.(vi).
- (xxiv) "**Purchase Agreement**" is defined in Section 5.D.(ii).
- (xxv) "**Program**" is defined in Recital A.

(xxvi) "**Purchase Price**" of the Home shall be the lower of the following:
(1) Fair Market Value where City shall have an appraisal made by an appraiser of its choice to establish the fair market value. Owner, at his or her own expense, may also have an appraisal made by a qualified appraiser of Owner's choice to establish the market value. If Owner elects to obtain its own appraisal, the time period during which City may exercise the City Purchase Option shall be tolled for the period of time between the time City obtains an appraisal and Owner submits a separate appraisal. If an agreement cannot be reached as to the fair market value, the average of the two (2) appraisals shall be deemed the market price, unless the difference between the two appraisals is greater than ten (10) percent of the amount of the higher appraisal, in which case City has the option to request a third appraisal (to be paid for by Owner) be conducted by a qualified appraiser agreed upon by City and Owner, who will make an independent appraisal without knowledge of the results of the first two appraisals. The amount of the first two (2) appraisals which is closer to the amount determined by the third appraiser shall be deemed the fair market value for purposes of this Agreement, or (2) a re-sales price for the BMR Unit computed based on the original selling price of the Home, plus an amount, if any, to compensate for any increase in the cost of living during Owner's ownership of the Home as measured by one-third (1/3) of the Consumer Price Index, All Urban Consumers, for the San Francisco-Oakland-San Jose area, published by the US Department of Labor, Bureau of Labor Statistics ("Index"). The Index prevailing on the date Owner purchased the Home (i.e., the date the grant deed was recorded) shall be compared with the Index available on the date of receipt by City of Owner's Notice of Intent to Sell. One-third (1/3) of the percentage increase in the Index during Owner's ownership of the Home, if any, shall be computed and the base price shall be increased by that percentage; provided, however, that the Purchase Price shall in no event be lower than the purchase price paid by Owner when it purchased the Home. The Purchase Price shall be adjusted to include the amount of any Eligible Capital Improvement, minus costs necessary to bring the Home into a saleable condition and in conformance with the BMR Ordinance and the Guidelines. In establishing the Purchase Price under either method, City shall also consider an owners' dues, insurance and taxes, and conform with the requirements of the State Law, BMR Ordinance and the Guidelines.

- (xxvii) "**Restrictive Covenant**" is defined in Recital A.

(xxviii) "**saleable condition**" is defined in Section 5.D.(iii).

(xxix) "**Spouse**" shall mean, (i) an individual legally married to Owner; (ii) a registered domestic partner of Owner, pursuant to California Family Code Section 297, et seq.; or (iii) a registered domestic partner of Owner pursuant to any local domestic partner registry created by any city, county, or city and county in California.

(xxx) "**Transfer**" is defined in Section 5.A., and does not include a Permitted Transfer.

(xxxi) "**Very Low Income Household**" means a household whose Gross Income does not exceed the qualifying limit for very low income households as established and amended from time to time by the U.S. Department of Housing and Urban Development ("HUD") pursuant to Section 8 of the United States Housing Act of 1937 and published by the California Department of Housing and Community Development ("HCD") pursuant to Section 50105 of the California Health and Safety Code, adjusted for Actual Household Size.

(xxxii) "**Very Low Income Housing Cost**" shall mean a sales price of the Home calculated to result in a monthly obligation to pay mortgage payments (principal and interest), property taxes, property insurance, mortgage insurance, utilities, and homeowners' association dues (if applicable) in an aggregate amount not greater than one-twelfth of thirty-three percent (33%) of fifty percent (50%) of Area Median Income, assuming a fixed 30-year mortgage at then-current prevailing interest rates and an assumed down payment of ten percent (10%) of the sales price.

(xxxiii)

B. Exhibits. The following exhibits are attached to this Agreement, and are incorporated by this reference:

Exhibit A: Legal Description of the Home

Exhibit B: Form of City Note

Exhibit C: Form of City Deed of Trust

C. Supersedes. This Agreement shall supersede any and all resale agreements, deed restrictions and other similar conditions and/or restrictions previously imposed on the Home whether or not such previous agreements or restrictions were recorded.

3. Misrepresentation of Fact. Owner certifies that the financial and other information previously provided by Owner to qualify to purchase the Home was true and correct as of the date first delivered to City and as of the date first written above.

4. Approved Financing; Lien Priority; Occupancy; Maintenance and Insurance.

A. Approved Financing. City acknowledges that Owner is acquiring the Home, in part, with a first purchase money loan ("**First Lender Loan**"). [If applicable - City further acknowledges that Owner is acquiring the Home with the following additional financing, which has been approved in advance by City ("**Additional Financing**"): .]

B. Lien Priority. This Agreement is accompanied by the City Note from Owner to City pursuant to which Owner agrees to pay any Excess Sales Proceeds to City, in addition to any other sums described in this Agreement. The City Note is secured by the City Deed of Trust. The City Deed of Trust is subordinate to this Agreement and the First Lender Loan. However, this Agreement shall be superior to and have lien priority over the lien of the First Lender Loan, Additional Financing, if any, and any other lien, mortgage or deed of trust encumbering the Home.

C. Occupancy. Owner must occupy the Home as its primary residence and remain in residence for the entire term of this Agreement of fifty-five (55) years. Occupy shall mean residing in the Home for at least ten (10) months in every twelve (12) month period. Owner may not allow the Home to be occupied by a relative, friend, tenant or any other party.

D. Maintenance.

(i) Owner shall maintain the Home and all landscaping in good repair and in a neat, clean, sanitary, and orderly condition, in accordance with all applicable laws, so as not to cause any nuisance. Owner agrees not to commit any waste or to permit deterioration of the Home, and shall make reasonable and appropriate repairs to the Home as necessary to maintain the Home in the above described condition.

(ii) Owner shall pay all any homeowners association assessments (if any) levied against the Home on or before the due date of the assessment, and shall perform all obligations required in any declaration of covenants, conditions, and restrictions recorded against the Home.

(iii) Upon the written request of City, Owner shall bear the expense of providing to City a written report of inspection by a licensed structural pest control company. All work recommended in such report to repair damage caused by infestation or infection of wood-destroying pests or organisms and all work to correct conditions that caused such infestation or infection shall be performed at the expense of Owner.

E. Insurance. Owner shall maintain a standard all risk property insurance policy equal to the replacement value of the Home. Additional insurance requirements are set forth in the City Deed of Trust. Owner shall provide City with evidence of required insurance coverage at the closing on the Home and upon request. If the Home is damaged or destroyed and Owner elects not to rebuild or repair the Home, Owner shall pay City the portion of any insurance proceeds received by Owner for such destruction or damage that is in excess of a Very Low Income Housing Cost.

5. Resale or Transfer.

A. Transfer. Any Transfer of the Home will be subject to the provisions of this Agreement including, without limitation, the exercise of the City Purchase Option. Any Transfer without satisfaction of the provisions of this Agreement shall constitute a Default. For purposes of this Agreement, "**Transfer**" means any sale, assignment or transfer, voluntary or involuntary, of any interest in the Home, including, but not limited to, a fee simple interest, a joint tenancy interest, a life estate, a leasehold interest, an interest evidenced by a land contract by which possession of the Home is transferred and Owner retains title, any lien, mortgage or a deed of trust, including any refinancing of the First Lender Loan or the

Additional Financing, if any, and of any other lien, mortgage or deed of trust. A Transfer shall not include a Transfer of any of the following, which are each a "**Permitted Transfer**":

- (i) To an existing Spouse;
- (ii) By Owner to a Spouse where Spouse becomes the co-owner of the Home;
- (iii) Between Spouses as part of a dissolution proceeding;
- (iv) To an existing Spouse by devise or inheritance following the death of Owner;
- (v) To an existing joint tenant with the right of survivorship upon the death of Owner, provided the joint tenant(s) are listed as parties to this Agreement as of the date of this Agreement; or
- (vi) By Owner to an inter vivos revocable trust or living trust for purposes of estate planning in which Owner is the beneficiary, trustor and trustee.

B. Notice of Permitted Transfer; Other Conditions. Owner shall provide written notice of all Permitted Transfers to City within thirty (30) days of the date of the Permitted Transfer; and Owner shall continue to occupy the Home as his, her, their principal place of residence, except where the Permitted Transfer occurs because of Owner's death, in which event the transferee shall owner-occupy the Home and affirmatively assume Owner's obligations under this Agreement, the City Note and the City Deed of Trust.

C. Inheritance. In the event a Transfer occurs by devise or inheritance due to the death of Owner, the administrator of Owner's estate or the person inheriting the Home shall provide written notice to City of Owner's death within sixty (60) days of the date of death.

(i) Prior to taking title to the Home, the person inheriting the Home ("**Inheriting Owner**") shall provide City with income information, to be verified by City, so that City may determine if Inheriting Owner is a Very Low Income Household. If Inheriting Owner fails to provide required financial information and/or documentation, he, she, they shall be deemed not to qualify as a Very Low Income Household. If Inheriting Owner qualifies as a Very Low Income Household, he, she, they shall succeed to Owner's interest and obligations under this Agreement, the City Note, and the City Deed of Trust, and new documents acceptable to City shall be executed between Inheriting Owner and City and recorded against the Home, and the documents with Inheriting Owner shall have a remaining term of fifty-five (55) years.

(ii) If Inheriting Owner fails to qualify as a Very Low Income Household, he, she, they shall be required to Transfer the Home as set forth in Section 5.D. Inheriting Owner may own and occupy the Home for up to twelve (12) months prior to providing to City an Owner's Notice of Intent to Sell and must remain in compliance with the requirements of this Agreement, the City Note and the City Deed of Trust. Inheriting Owner shall not be required to occupy the Home during this twelve (12)-month time period but shall not rent the Home.

(iii) If Inheriting Owner is a minor child, such Inheriting Owner and his, her, their legal guardian may occupy the Home for the time period prescribed in California Probate Code Section 6500 without City determining that the legal guardian qualifies as a Very Low Income Household.

D. Sale of the Home; City Purchase Option.

(i) If Owner intends to Transfer or vacate the Home at any time during the term of this Agreement, Owner shall promptly give City written notice of such intent ("**Owner's Notice of Intent to Sell**"). Owner shall give Owner's Notice of Intent to Sell prior to taking any affirmative steps to sell the Home, such as listing the Home on the Multiple Listing Service. Owner's Notice of Intent to Sell shall include: (i) the address of the Home; (ii) the date on which Owner intends to vacate the Home; (iii) the date the Home will be placed on the market; and (iv) Owner's daytime phone number.

(ii) Commencing on the date Owner delivers to City Owner's Notice of Intent to Sell, City or its designee, including another Very Low Income Household (collectively referred to in this Section 5.D as "**City**"), shall have the right ("**City Purchase Option**") for a period of ninety (90) days ("**Option Exercise Period**") to purchase the Home at the lesser of (i) the Fair Market Value, or (ii) the Purchase Price. The exercise of the City Purchase Option shall be in City's sole and absolute discretion, and City shall have no obligation to Owner, a successor in interest to Owner, or any other person to exercise the same. City or its designee shall exercise the City Purchase Option by delivering notice of the same to Owner, together with City's calculation of the Purchase Price and a Purchase Agreement and Joint Escrow Instructions acceptable in form and substance by City ("**Purchase Agreement**"), which has been executed by City. Owner shall countersign the Purchase Agreement and promptly return a fully executed copy thereof to City within five (5) days of receipt. Within sixty (60) days of the date of the Purchase Agreement, City shall complete the purchase of the Home, bearing all customary closing costs for buyers in San Mateo County with Owner paying the balance of such costs. Owner shall execute any and all documents, instruments and instructions as may reasonably be required by City or escrow to complete the sale of the Home to City or its designee. Upon close of escrow and recordation of the deed to the Home, this Agreement shall be released from the Home.

(iii) Exercise of the City Purchase Option during the Option Exercise Period shall be in writing and state the Purchase Price. The notice shall be sent via certified mail through USPS to Owner at the Home. The Home shall be sold to City in "**saleable condition**" as defined in the Guidelines following an inspection by City, which inspection Owner shall allow to occur in advance of City's exercise of the City Purchase Option. Owner's Notice of Intent to Sell delivered to City shall be deemed an offer to sell and City's acceptance of Owner's Notice of Intent to Sell shall be deemed an acceptance of such offer and shall collectively constitute a legally binding contract to transfer title to the Home from Owner to City that may not be withdrawn without the written consent of City,

(iv) Within five (5) days of City's exercise of the City Purchase Option and full execution by City of the Purchase Agreement, an escrow account shall be opened by City at a title company selected by City. Closing shall occur within sixty (60) days of opening escrow. At closing, the title insurance company shall issue to City a CLTA owner's title insurance policy, in a form reasonably approved by City and subject only to such title exceptions as reasonably approved by City. Taxes and assessments shall be prorated as of

the date of closing. Taxes must be paid current as of the closing date and all liens must be satisfied and removed from title unless City expressly agrees otherwise in writing. City or designee shall pay the cost of the title insurance. The title company shall utilize the form of escrow agreement customarily used for residential transactions with Menlo Park, modified to the extent necessary to conform to the transaction and otherwise acceptable to City. If the Home is sold to a Very Low Income Household, then prior to closing, City and the Very Low Income Household shall deliver executed documents acceptable to City in form and substance to replace this Agreement, the City Note and the City Deed of Trust, which City Deed of Trust shall be recorded at closing. The Very Low Income Household must also certify at closing that he, she, they will occupy the Home as his, her, their primary residence. At closing, Owner shall convey title to City by grant deed and otherwise in conformance with this Agreement, the Guidelines and BMR Ordinance.

(v) In addition to the foregoing, City shall also have the right to exercise the City Purchase Option upon the occurrence of any of the following: (a) a notice of default or notice of sale is recorded against the Home by any lienholder (subject to any rights of Owner to cure the underlying default); (b) a Transfer occurs (excluding a Permitted Transfer) and continues in effect beyond any applicable cure period; (c) Owner fails to occupy the Home as Owner's principal residence in violation of the terms of this Agreement; or (d) the occurrence of any other Default under this Agreement. City may, in its sole discretion, assign this purchase right to another designee, including a Very Low Income Household, and may reassign such rights to another Very Low Income Household if the initial or any subsequent Very Low Income Household fails or is unable to complete a purchase and sale transaction, and in such event, applicable timelines and deadlines shall be extended, as reasonably determined by City. City's right to exercise the City Purchase Option shall survive any transfer of the Home for the duration of the City Purchase Option.

(vi) If City does not exercise the City Purchase Option and close on the Home, Owner shall retain a real estate agent, real estate broker or similar professional to assist Owner with the sale of the Home and the identification of a Very Low Income Household qualified to purchase the Home ("**Proposed Purchaser**"). Any commission or other charge of a real estate agent, real estate broker or similar professional retained by Owner shall be Owner's exclusive obligation, and City shall not be liable for any such cost. Owner shall use bona fide good faith efforts to sell and shall be required to sell the Home in compliance with this Agreement, which shall include listing the Home on the Multiple Listing Service, keeping the Home in an orderly condition, making it available to show agents and Proposed Purchasers, and providing Proposed Purchasers with eligible purchaser requirements, including income qualifications. Owner shall provide to City a fully executed and dated copy of the agreement ("**Listing Agreement**") between Owner and the real estate agent, real estate broker or similar professional engaged by Owner to assist with the sale of the Home within five (5) days of its execution. Any Proposed Purchaser of the Home shall be a Very Low Income Household. Closing costs paid by the Proposed Purchaser shall be reasonable and customary in San Mateo County.

(vii) City shall verify that the sale of the Home to the Proposed Purchaser fully complies with this Section 5.D. As a condition of City's approval of any sale of the Home, Proposed Purchaser shall execute documents acceptable to City in form and substance to replace this Agreement, the City Note and the City Deed of Trust, which City Deed of Trust shall be recorded at closing. If escrow closes without the foregoing documents

being executed by Proposed Purchaser and recorded as part of the escrow, Owner shall be in Default of this Agreement. Further, certified copies of all of the foregoing documents shall be delivered to City within three (3) days of the close of escrow, together with all other information and documentation relating to the escrow that the City may request.

(viii) If Owner does not sell and close (as evidenced by recordation of a grant deed from Owner to a third-party purchaser) on the Home pursuant to the Listing Agreement within one hundred eighty (180) days of the date of the Listing Agreement, Owner shall deliver to City a written notice advising City that a sale and closing have not occurred. Upon City's receipt of such notice, the City Purchase Option and the Option Exercise Period related thereto, shall become effective again in accordance with the terms and conditions of this Section 5.D, except that the Option Exercise Period shall commence on the date City receives the notice from Owner that no sale or closing has occurred. If Owner fails to timely deliver the above described notice to City, Owner shall not be entitled to take any other affirmative steps to sell the Home, including, extending the Listing Agreement, entering into another listing agreement or listing the Home on the Multiple Listing Service.

E. City Approval of Proposed Sale by Owner.

(i) Owner and any Proposed Purchaser shall provide the following information and documents to City within ten (10) days of an offer from Proposed Purchaser:

(a) The name, address and telephone number in writing of Proposed Purchaser.

(b) A signed financial statement of Proposed Purchaser in a form acceptable to City and any other supporting documentation requested by City. Owner acknowledges that City may request the following documentation, (i) pay stubs for the most recent pay periods; (ii) income tax returns for the three (3) most recent tax years; (iii) an income verification form from Proposed Purchaser's current employer; (iv) an income verification form from the Social Security Administration and/or the California Department of Social Services if the applicant receives assistance from either of such agencies; and/or (v) if Proposed Purchaser is unemployed and has no such tax return, another form of independent verification of income. The financial information shall be used by City to determine the income eligibility of Proposed Purchaser.

(ii) The proposed sales contract and all other related documents which shall set forth all the terms of the sale of the Home, including a HUD-1 Settlement Statement.

(iii) Within fifteen (15) days of receipt of the documentation and information described in subsections (i) and (ii) of this Section 5.E., City shall approve or disapprove Proposed Purchaser and the terms of sale. Within ten (10) days of City's approval, Owner and Proposed Purchaser shall notify City of the name of the title company escrow holder for the sale of the Home, the escrow number, and name, address and phone number of the escrow officer.

F. Payment of Excess Sales Proceeds. Owner agrees that it is obligated under this Agreement to execute the City Note and City Deed of Trust and pay any Excess Sales Proceeds to City upon any Transfer of the Home. This amount constitutes a debt of Owner to City, further evidenced by the City Note and secured by the City Deed of Trust.

Owner acknowledges that City shall have no obligation to cause termination of this Agreement or reconveyance of the City Deed of Trust until any Excess Sales Proceeds due to City are paid. City shall use such proceeds for the Program.

G. Refinance and Subordinate Loans.

(i) Any refinancing of the First Lender Loan, the Additional Financing (if any), and other subordinate loans shall require City's advance written approval.

(ii) Subordinate loans, including second or junior loans and equity lines of credit, are not permitted except as approved in advance and in writing by City.

H. Prohibition on Leasing. Owner may not lease or rent the Home, or enter into any contract transferring physical possession of the Home, for any period of time without the prior, written consent of City, and such transfer shall be subject to such further conditions as may be necessary to ensure compliance with the purpose and intent of the Program. Any prospective tenant approved by City shall execute a rental agreement or lease in form and substance acceptable to City under the terms of which the tenant shall assume all of the obligations and duties and agree to be bound by the restrictions of this Agreement, provided that Owner shall not be released from all or any of such obligations and duties herein. Notwithstanding the foregoing, Owner may not lease or rent the Home on a short term basis, including through a rental platform such as Airbnb, VRBO or comparable platform.

I. Senior Lien Holder. Any attempt to transfer title or any interest therein in violation of these covenants shall be void, provided, however, that any deed restrictions contained herein shall be subordinate to any mortgage ("First Deed of Trust") held by a Senior Lien Holder of any of the BMR Units and/or a federally or state chartered bank or savings and loan association qualified to do business in the State of California which mortgage was obtained at the time an owner purchased the particular BMR Unit ("Senior Lien Holder"). City and Owner acknowledge and agree that this Agreement is subject and subordinate in all respects to the liens, terms, covenants and conditions of the First Deed of Trust for each BMR Unit and to all advances heretofore made or which may hereafter be made pursuant to each First Deed of Trust held by a Senior Lien Holder including all sums advanced for the purpose of (a) protecting or further securing the lien of each First Deed of Trust, curing defaults by Owner under each First Deed of Trust or for any other purpose expressly permitted by each First Deed of Trust, or (b) constructing, renovating, repairing, furnishing, fixturing or equipping any of the BMR Units. The terms and provisions of the First Deed of Trust with respect to each BMR Unit are paramount and controlling, and they supersede any other terms and provisions hereof in conflict therewith. In the event of a foreclosure or deed in lieu of foreclosure of a First Deed of Trust applicable to a particular BMR Unit, any provisions herein or any provisions in any other collateral agreement restricting the use of the BMR Unit to low or moderate income households or otherwise restricting Owner's ability to sell the BMR Unit shall have no further force or effect on subsequent owners or purchasers of the particular BMR Unit. Any person, including his or her successors or assigns (other than Owner), receiving title to a BMR Unit through a foreclosure or deed in lieu of foreclosure of the relevant First Deed of Trust shall receive title to the particular BMR Unit free and clear from such restrictions. Further, if the Senior Lien Holder acquires title to a BMR Unit pursuant to a deed in lieu of foreclosure, the lien of this Agreement shall automatically terminate with respect to the particular BMR Unit upon the Senior Lien Holder's acquisition of title, provided that (i) City was

given written notice of a default under the relevant First Deed of Trust, (ii) City was given a reasonable period of time under the relevant First Deed of Trust to cure the default, and (iii) City did not timely cure the default or diligently pursue a cure of the default as determined by the relevant Senior Lien Holder, within sixty (60) days of City's receipt of the written notice of default from the Senior Lien Holder. Any and all deeds of trust recorded against a BMR Unit, other than the First Deed of Trust held by the Senior Lien Holder and/or such Senior Lien Holder's successor or designee of its interest, shall be subordinate and subject to the terms and provisions of this Agreement.

6. Advances by City. If City advances any amounts for the payment of mortgages, including, without limitation, the curing of defaults on or the payment in full of the First Lender Loan or any Additional Financing, or cures a default on or pays off any other liens, loans, home equity lines of credit, taxes, assessments, insurance premiums, homeowner's fees, late fees, costs, interest, attorneys' fees, pest inspections, resale inspections and other expenses related to the Home, which Owner failed to pay, permitted to become delinquent or allowed to encumber title to the Home in violation of this Agreement, City shall be entitled to a lien against the Home in the amount of all costs and expenses incurred by City, and such sums shall be added to the principal amount of the City Note, shall be secured by the City Deed of Trust and City may deduct such sums from the proceeds of any sale of the Home.

7. Covenant Running with the Land. The terms and conditions in this Agreement are intended to run with the land and shall bind Owner and all successors, heirs, grantees and assigns, unless and until expressly superseded by subsequently recorded agreements. The terms and conditions contained in this Agreement shall be made part of each deed subsequently recorded and shall bind each successor in interest until the earlier of (a) fifty-five (55) years from the date of recordation, or (b) the recordation of a subsequent and superseding agreement. This Agreement and the covenants contained herein shall survive any Transfer of the Home.

8. Non-Liability of City.

A. Nonliability for Negligence, Loss, or Damage. Owner acknowledges and agrees that the relationship between Owner and City is solely that of an owner and an administrator of the City Program, and City does not undertake or assume any responsibility for, or duty to, Owner, to select, review, inspect, supervise, pass judgment on or inform Owner of the quality, adequacy, or suitability of the Home or any other matter. City owes no duty of care to protect Owner against negligent, faulty, inadequate, or defective building or construction or any condition of the Home, and Owner agrees that neither Owner, or Owner's heirs, successors, or assigns, shall ever claim or have or assert any right or action against City for any loss, damage, or other matter arising out of, or resulting from, any condition of the Home, and will hold City harmless from any liability, loss, or damage for these things.

B. Indemnity. Owner agrees to defend, indemnify, and hold City and its employees, agents, officers and elected and appointed officials harmless from any and all losses, damages, liabilities, claims, actions, judgments, costs, and reasonable attorneys' fees City may incur as a direct or indirect consequence of: (a) any Default by Owner; (b) the failure at any time of any of Owner's representations to City to be true and correct; or (c) Owner's purchase, ownership, use or possession of the Home.

C. Survival. Owner agrees on behalf of itself and its heirs, successors, and assigns, that the provisions of Section 10 A. and B. shall survive the expiration or termination of this Agreement.

9. Security; Default; Remedies.

A. Security. As security for the performance of this Agreement, Owner has executed and delivered to City the City Note dated _____ and the City Deed of Trust dated _____, which City Deed of Trust shall be recorded immediately following recordation of this Agreement.

B. Default. The following events shall constitute a default ("**Default**") by Owner under this Agreement:

(i) Any material misrepresentation by Owner to obtain the benefits of the purchase of the Home or in connection with any of Owner's obligations under this Agreement;

(ii) Owner fails to occupy the Home as required under Section 4.C., and such failure continues uncured sixty (60) days following written notice by City;

(iii) Owner rents or leases the Home in violation of Section 5.H.;

(iv) Owner fails to provide information to City required under this Agreement necessary to determine Owner's compliance with the Agreement;

(v) Owner makes any Transfer in violation of this Agreement, including any refinancing of the First Lender Loan, Additional Financing, if any, and any other lien, mortgage or deed of trust in violation of Section 5;

(vi) A notice of default or a notice of sale is issued under the First Lender Loan, any Additional Financing or any other financing, lien or debt secured by the Home;

(vii) A lien is recorded against the Home other than as a result of a Transfer approved in writing by City, and Owner fails to discharge the lien within thirty (30) days of its recordation; provided, however, that nothing herein requires Owner to pay any claims for labor, materials or services which Owner in good faith disputes and is diligently contesting provided that Owner shall, within thirty (30) days after the filing of any claim of lien, record in the Official Records, a surety bond in an amount 1 1/2 times the amount of such claim item to protect against a claim of lien;

(viii) Owner defaults on the City Note or the City Deed of Trust, subject to any notice and cure provision in such documents;

(ix) Owner declares bankruptcy or makes an assignment of assets for the benefit of creditors; and

(x) Owner otherwise commits a material default of this Agreement, and such default remains uncured thirty (30) days following written notice by City, provided that, if

the default cannot reasonably be cured within thirty (30) days, Owner shall commence a cure within thirty (30) days, and shall effectuate a cure as soon as reasonably practicable thereafter.

C. Remedies. Upon a Default, City may exercise every remedy available at law, in equity, or under this Agreement (no such remedy being exclusive of any other available remedy), including by declaring Excess Sales Proceeds immediately due and payable, and, without further demand, accelerating payments due under the City Note and exercise the City's power of sale under the City Deed of Trust.

D. Notice of Default.

(i) Owner covenants to cause to be filed for record in the Office of the Recorder a request for City to receive a copy of any notice of default and notice of sale under any deed of trust or mortgage with power of sale encumbering the Home pursuant to Section 2924(b) of the Civil Code of California. Such request shall specify that any such notice shall be mailed to the City of Menlo Park, Attn: Community Development Director, 701 Laurel Street, Menlo Park, CA 94025. If Owner fails to file such request for notice, City's Purchase Option shall commence on the date City obtains actual knowledge of a Transfer or proposed sale. City or its designee shall have the right to cure any notice of default. If the sale is not consummated and Owner retains ownership of the Home, City or its designee shall be entitled to recover its costs directly from Owner.

(ii) If City elects not to exercise City's Purchase Option upon a Default, any surplus to which Owner may be entitled pursuant to Code of Civil Procedure Section 727 shall be paid as follows: (a) to Owner - that portion of surplus, if any, up to but not exceeding the amount that Owner would have received after payment in full of all encumbrances on the Home and calculation of the Purchase Price as of the date of the foreclosure sale in accordance with this Agreement, and (b) to City - the balance, if any, to compensate City for the loss of the Home and to preserve the purposes of the City's Program.

10. Entirety of Agreement. This Agreement comprises the entire agreement between the Parties, and no other terms or conditions shall be deemed to apply, unless by a mutually executed, written amendment, modification or superseding agreement which references this Agreement and is recorded in the Official Records. Owner covenants that he, she, they have not, and will not execute any other agreement with provisions contradictory to or in opposition to the provisions hereof, and that in any event, Owner understands and agrees that this Agreement shall control the rights and obligations between and among the Parties and respective successors.

11. Controlling Law and Venue. The terms of the Agreement shall be interpreted under the laws of the State of California without regard to principles of conflict of laws. The Agreement was entered into and is to be performed in San Mateo County, which is the exclusive venue for any action or dispute arising out of the Agreement.

12. Severability. If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provisions shall be deemed severable from the remaining provisions contained in this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision(s) had never been contained herein.

13. Distribution of Insurance and Condemnation Proceeds. In the event the Home is condemned or destroyed (or in the event the Home is a unit in a condominium project and the condominium project is destroyed and insurance proceeds are distributed to Owner instead of being used to rebuild), if proceeds are distributed to Owner; or in the event of termination of the condominium, liquidation of the association and distribution of the assets of the association to the members thereof, including Owner, any surplus of proceeds so distributed remaining after payment of encumbrances on the Home shall be distributed as follows: (a) to Owner - that portion of surplus, if any, up to but not exceeding the amount that Owner would have received after payment in full of all encumbrances on the Home and calculation of the Purchase Price as of the date of the destruction, condemnation valuation date or liquidation in accordance with this Agreement, and (b) to City - the balance, if any, to compensate City for the loss of the Home and to preserve the purposes of the City's Program.

14. Non-waiver. Any waiver of any term or provision of this Agreement must be in writing. The failure of City to take an action to enforce a right or to seek a remedy under the terms and conditions of this Agreement shall not be deemed to be a waiver by City to take such action or enforce any rights it may otherwise have pursuant to this Agreement.

15. Compliance with the Menlo Park Municipal Code. It is the purpose and intent of this Agreement to fulfill and be consistent with the requirements set forth in the BMR Ordinance and the Guidelines, which are incorporated herein by reference, as such may be amended from time to time hereafter. In the event of a discrepancy or conflict between a particular provision of this Agreement and any provision of the BMR Ordinance and/or the Guidelines, the provisions of the BMR Ordinance and/or the Guidelines, shall control.

16. Notices. All notices required herein shall be sent to the following addresses:

CITY:

Community Development Director
City of Menlo Park
701 Laurel Street
Menlo Park, CA 94025

OWNER:

Menlo Park, CA 94025

DATED: _____

Menlo Park, CA 94025

City of Menlo Park
Justin I.C. Murphy, City Manager

APPROVED AS TO FORM:

City Attorney

ATTEST:

City Clerk

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA }
COUNTY OF SAN MATEO }

On _____ before me, _____, Notary Public, personally appeared _____ Justin Murphy who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing Section is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA }

COUNTY OF SAN MATEO }

On _____ before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing Section is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

EXHIBIT A
Legal Description

ALL THAT REAL HOME SITUATED IN THE CITY OF MENLO PARK,
COUNTY OF SAN MATEO, STATE OF CALIFORNIA, DESCRIBED AS
FOLLOWS:

EXHIBIT B
City Note

EXHIBIT C
City Deed of Trust

Exhibit D

Insurance Requirements

Prior to initiating work on the Project and continuing throughout the Affordability Period, Developer shall obtain and maintain the following policies of insurance and shall comply with all provisions set forth in this Exhibit.

1. General Requirements. Developer shall procure and maintain the following insurance providing coverage against claims for injuries to persons or damages to property that may arise from or in connection with the Project, construction, management, or operation of the Property by Developer or Developer's agents, representatives, employees, consultants and contractors, or subcontractors, including the following:

(a) Commercial General Liability: Developer and all contractors working on behalf of Developer on the Property shall maintain a commercial general liability policy in an occurrence policy for protection against all claims arising from injury to person or persons not in the employ of Developer and against all claims resulting from damage to any property due to any act or omission of Developer, its agents, or employees in the conduct or operation of the work or the execution of this Agreement. Such insurance shall include products and completed operations liability, blanket contractual liability, personal injury liability, and broad form property damage coverage. Coverage shall be at least as broad as Insurance Services Office Commercial General Liability coverage.

(b) Commercial Automobile Liability: Developer and all contractors working on behalf of Developer on the Property shall maintain insurance for protection against all claims arising from the use of vehicles, owned, hired, non-owned, or any other vehicle in connection with the Project, construction, operation or management of the Property. Such insurance shall cover the use of automobiles and trucks on and off the site of the Property. Coverage shall be at least as broad as Insurance Services Office covering Commercial Automobile Liability, any auto, owned, non-owned and hired auto.

(c) Workers' Compensation Insurance: Developer (and the general partners thereof) shall furnish or cause to be furnished to City evidence satisfactory to City that Developer (and the general partners thereof), and any contractor with whom Developer has contracted for the performance of work on the Property or otherwise pursuant to this Agreement, shall maintain Workers' Compensation Insurance as required by the State of California and Employer's Liability Insurance.

(d) Builder's Risk: Upon commencement of any construction work on the Property, Developer and all contractors working on behalf of Developer shall maintain a policy of builder's all-risk insurance in an amount not less than the full insurable cost of the Project on a replacement cost basis naming City as loss payee as its interests may appear.

(e) Professional Liability/Errors and Omissions: Developer shall require any architects, engineers, and general contractors working on the Property to maintain Professional Liability/Errors and Omissions insurance with limits not less than Two Million Dollars (\$2,000,000) each claim. Certificates evidencing this coverage must reference both Developer and City, its heirs, successors, assigns, elected and appointed officials, employees and agents (“**Indemnitees**”). If the professional liability/errors and omissions insurance is written on a claims made form: (i) the retroactive date must be shown and must be before the Effective Date, (ii) insurance must be maintained and evidence of insurance must be provided for at least three (3) years after completion of Project construction, and (iii) if coverage is cancelled or non-renewed and not replaced with another claims made policy form with a retroactive date prior to the Effective Date, Developer must purchase, or require the provision of, extended period coverage for a minimum of three (3) years after completion of construction.

(f) Property: Developer shall maintain property insurance covering all risks of loss, including earthquake and flood (if required) for 100% of the replacement value of the Project with deductible, if any, in an amount acceptable to City, naming City as loss payee as its interests may appear.

2. Minimum Limits; Adjustments. Insurance shall be maintained with limits no less than the following:

(a) Commercial General Liability and Property Damage: Two Million Dollars (\$2,000,000) per occurrence and Five Million Dollars (\$5,000,000) annual aggregate for bodily injury, personal injury and property damage; provided however, with City’s advance written approval, subcontractors may maintain liability coverage with limits not less than One Million Dollars (\$1,000,000) per occurrence, Two Million Dollars (\$2,000,000) annual aggregate.

(b) Products and Completed Operations: Three Million Dollars (\$3,000,000) per occurrence/aggregate.

(c) Commercial Automobile Liability: Two Million Dollars (\$2,000,000) combined single limit.

(d) Employer’s Liability:

Bodily Injury by Accident – One Million Dollars (\$1,000,000) each accident.

Bodily Injury by Disease – One Million Dollars (\$1,000,000) policy limit.

Bodily Injury by Disease – One Million Dollars (\$1,000,000) each employee.

(e) Professional Liability/Errors and Omissions: Two Million Dollars (\$2,000,000) per occurrence or claim. If the policy provides coverage on a claims-made basis, the retroactive date must be shown and must be before the date of the Agreement or the beginning of the contract work.

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Exhibit D

Coverage limits, and if necessary, the terms and conditions of insurance, shall be reasonably adjusted from time to time (not less than every five (5) years after the Effective Date nor more than once in every three (3) year period) to address changes in circumstance, including, but not limited to, changes in inflation and the litigation climate in California. City shall give written notice to Developer of any such adjustments, and Developer shall provide City with amended or new insurance certificates or endorsements evidencing compliance with such adjustments within thirty (30) days following receipt of such notice.

3. Deductibles and Self-Insured Retention. Any deductibles or self-insured retention must be declared to, and approved by, City. Payment of all deductibles and self-insured retentions will be the responsibility of Developer. If the City determines that such deductibles or retentions are unreasonably high, either the insurer shall reduce or eliminate such deductibles or self-insurance retentions as respects the Indemnitees or Developer shall procure a bond guaranteeing payment of losses and related investigations, claims administration and defense.

4. Additional Requirements. The required general liability and automobile policies shall contain, or be endorsed to contain, the following provisions:

(a) The Indemnitees are to be covered as Additional Insureds as respects: liability arising out of activities performed by or on behalf of Developer; products and completed operations of Developer; premises owned, occupied or used by Developer; or automobiles owned, leased, hired or borrowed by Developer. The coverage shall contain no special limitations on the scope of protection afforded to the Indemnitees. Additional insured endorsements for the general liability coverage shall use Insurance Services Office (ISO) Form No. CG 20 09 11 85 or CG 20 10 11 85, or equivalent, including (if used together) CG 2010 10 01 and CG 2037 10 01; but shall not use the following forms: CG 20 10 10 93 or 03 94.

(b) All insurance shall be primary insurance as respects the Indemnitees. Any insurance or self-insurance maintained by the Indemnitees shall be excess of Developer's/contractor's insurance and shall not contribute with it.

(c) Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the Indemnitees.

(d) Developer's insurance shall apply separately to each insured against whom claim is made or suit is brought except, with respect to the limits of the insurer's liability.

(e) Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.

(f) If any insurance policy or coverage required hereunder is canceled or reduced, Developer shall, within five (5) days after receipt of notice of such cancellation or reduction in coverage, but in no event later than the effective date of cancellation or reduction, file with City a certificate showing that the required insurance has been reinstated or provided through another insurance company or companies. Upon failure to so file such certificate, City may, without further notice and at its option, procure such insurance coverage at Developer's expense, and Developer shall promptly reimburse City for such expense upon receipt of billing from City.

(g) Developer agrees to waive subrogation rights for commercial general liability, automobile liability and worker's compensation against Indemnitees regardless of the applicability of any insurance proceeds, and to require all contractors, subcontractors or others involved in any way with any construction on the Property to do likewise. Each insurance policy shall contain a waiver of subrogation for the benefit of City. If any required insurance is provided under a form of coverage that includes an annual aggregate limit or provides that claims investigation or legal defense costs are included in such annual aggregate limit, such annual aggregate limit shall be three times the applicable occurrence limits specified above.

(h) It shall be a requirement under this Agreement that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirement and/or limits shall be available to the additional insured. Furthermore, the requirement for coverage and limits shall be (1) the minimum coverage and limits specified in this Agreement, or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured; whichever is greater. For all liability insurance required by this Agreement, Developer (and Developer's contractors, as applicable) shall obtain endorsements that name the Indemnitees as additional insured in the full amount of all applicable policies, notwithstanding any lesser minimum limits specified in this Agreement. This Agreement requires Developer (and Developer's contractors, as applicable) to obtain and provide for the benefit of the Indemnitees, additional insured coverage in the same amount of insurance carried by Developer (or Developer's contractors, as applicable), but in no event less than the minimum amounts specified in this Agreement. In the event that Developer (or Developer's contractors as applicable) obtains insurance policies that provide liability coverage in excess of the amounts specified in this Agreement, the actual limits provided by such policies shall be deemed to be the amounts required under this Agreement. Without limiting the foregoing, the limits of liability coverage specified in this Agreement are not intended, nor shall they operate, to limit City's ability to recover amounts in excess of the minimum amounts specified in this Agreement.

(i) The limits of insurance required in this Agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City before City's own insurance or self-insurance shall be called upon to protect it as a named insured.

5. Acceptability of Insurers. Companies writing the insurance required hereunder shall be licensed to do business in the State of California. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII.

6. Verification of Coverage. Prior to the Effective Date of this Agreement, Developer shall furnish City with certificates of insurance in form acceptable to City evidencing the insurance coverage required under paragraphs (a), (b), (c), and (e) of Section 1, duly executed endorsements evidencing the Indemnitees' status as additional insured, and all other endorsements and coverage required hereunder pertaining to such coverage. Prior to commencement of any construction work on the Property, Developer shall furnish City with certificates of insurance in form acceptable to City evidencing the insurance coverage required under paragraphs (d) and (g) of Section 1. Prior to City's issuance of a final certificate of occupancy or equivalent for the Project, Developer shall furnish City with certificates of insurance in form acceptable to City evidencing the insurance coverage required under paragraph (f) of Section 1. Developer shall furnish City with original endorsements effecting coverage required by this clause. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf.

7. Insurance Certificates and Endorsements. Developer shall submit to City all of the necessary insurance documents, including the applicable amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of required Developer policies listing all required policy endorsements to City. Insurance Certificates and Endorsements are to be received and approved by City within the time periods specified in Section 6. Should Developer cease to have insurance as required at any time, all work by Developer pursuant to this Agreement shall cease until insurance acceptable to City is provided. Upon City's request, Developer shall, within thirty (30) days of the request, provide or arrange for the insurer to provide to City, complete certified copies of all insurance policies required under this Agreement. City's failure to make such request shall not constitute a waiver of the right to require delivery of the policies in the future.

RECORDING REQUESTED BY AND
WHEN RECORDED MAIL TO:

City of Menlo Park
Attn: City Clerk
701 Laurel Street
Menlo Park, CA 94025

APN: _____

Exempt From Recording Fee Per _____ (Space above for Recorder's
Use)
Government Code Section 27383 and Building Homes & Jobs Trust Fund Fee Per
Government Code Section 27388.1(a)(2)(D)

DEED OF TRUST
AND SECURITY AGREEMENT
([Insert Home Address])

This Deed of Trust and Security Agreement ("**Deed of Trust**") is made as of
_____, 20__, by and among _____ ("**Owner**"), as
trustor, whose address is _____,
_____, as trustee ("**Trustee**"), and the City of Menlo Park, a California
municipal corporation ("**City**"), as beneficiary.

Owner, in consideration of valuable consideration and the terms and conditions
contained herein, irrevocably grants, transfers, conveys and assigns to Trustee, in trust,
with power of sale, the following property located in San Mateo County, California:
_____, Menlo Park, California, as described in
Exhibit A attached hereto and incorporated herein ("**Home**").

TOGETHER with all the improvements now or hereafter erected on or about the
Home, and all easements, rights, appurtenances, and all fixtures now or hereafter
attached to the Home, all of which, including replacements and additions thereto, shall
be deemed to be and remain a part of the Home and its property and are covered by
this Deed of Trust; and

TOGETHER with all articles of personal property or fixtures now or hereafter
attached to or used in and about the building or buildings now erected or hereafter to be
erected on the property on which the Home sits, which are necessary to the complete
and comfortable use and occupancy of such Home, building or buildings for the
purposes for which they were or are to be erected, including all other goods and
chattels and personal property as are ever used or furnished in operating the Home or a

building, or the activities conducted therein, similar to the one herein described and referred to, and all renewals or replacements thereof or articles in substitution therefore, whether or not the same are, or shall be attached to said Home, building or buildings in any manner; and all of the foregoing, together with the Home and its property, is herein referred to as the "**Security**";

To have and to hold the Security together with acquittances to Trustee, its successors and assigns forever;

TO SECURE to City the performance of the covenants, conditions and agreements of Owner contained in that certain Agreement and Deed Restrictions Regarding Resale Controls For Below Market Rate Home executed by and between Owner and City of even date herewith ("**Resale Restriction Agreement**");

TO SECURE to City the payment of Excess Sales Proceeds, plus other sums advanced or paid by City in connection with the Home, as described in the Resale Restriction Agreement, that may become due from Owner to City, which payment obligation is further evidenced by that certain Promissory Note Secured by Deed of Trust executed by Owner in favor of City dated of even date herewith ("**Note**"); and

TO SECURE the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Deed of Trust; and the performance of the covenants, conditions and agreements of Owner herein contained.

OWNER AND CITY COVENANT AND AGREE AS FOLLOWS:

1. Owner's Estate. Owner is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Security, that other than this Deed of Trust, the Security is encumbered only by: (a) that deed of trust executed by Owner in connection with a first purchase money loan made to Owner by _____ ("**First Lender**"), securing a promissory note executed by Owner in favor of First Lender ("**First Lender Note**") to assist in the purchase of the Home; (b) the Resale Restriction Agreement, and (c) [*add Additional Financing described in the Resale Restriction Agreement, if any*]. Owner agrees to warrant and defend generally title to the Security against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring City's interest in the Security. As used in this Deed of Trust, the term "First Lender" shall include all successors and assigns of First Lender.

2. Payment of Excess Sales Proceeds. Owner will promptly pay to City, when and if due pursuant to the Resale Restriction Agreement, the Excess Sales Proceeds (as defined in the Resale Restriction Agreement), plus any other advances and sums paid by City and due and owing to City under the Resale Restriction Agreement.

3. Resale Restriction Agreement. Owner will observe and perform all of the covenants and agreements of the Resale Restriction Agreement, the Note, and this Deed of Trust.

4. Charges; Liens. Owner will pay all taxes, assessments and other charges, fines and impositions attributable to the Security which may attain a priority over this Deed of Trust, by Owner making any payment, when due, directly to the payee thereof. Upon request by City, Owner will promptly furnish to City all notices of amounts due under this paragraph. In the event Owner makes payment directly, Owner will promptly discharge any lien which has priority over this Deed of Trust; provided, that Owner will not be required to discharge the lien of the deed of trust securing the First Lender Note ("**First Lender Deed of Trust**") [and - *add Additional Financing described in the Resale Restriction Agreement, if any*], so long as Owner will agree in writing to the payment of the obligation(s) secured by such lien(s) in a manner acceptable to City, or will, in good faith, contest such lien(s) by, or defend enforcement of such lien(s) in, legal proceedings which operate to prevent the enforcement of the lien(s) or forfeiture of the Security or any part thereof.

5. Hazard Insurance. Owner will keep the Security insured by a standard all risk property insurance policy equal to the replacement value of the Security (adjusted every five (5) years by appraisal, if requested by City). If the Security is located in a flood plain, Owner shall also obtain flood insurance.

The insurance carrier providing this insurance shall be licensed to do business in the State of California and be chosen by Owner subject to approval by City.

All insurance policies and renewals thereof will be in a form acceptable to City and will include a standard mortgagee clause with standard lender's endorsement in favor of the holder of the First Lender Note [*add Additional Financing described in the Resale Restriction Agreement, if any*] and City as their interests may appear and in a form acceptable to City. City shall have the right to hold, or cause its designated agent to hold, the policies and renewals thereof, and Owner shall promptly furnish to City, or its designated agent, the original insurance policies or certificates of insurance, all renewal notices and all receipts of paid premiums. In the event of loss, Owner will give prompt notice to the insurance carrier and City or its designated agent. City, or its designated agent, may make proof of loss if not made promptly by Owner. City shall receive thirty (30) days advance written notice of cancellation of any insurance policies required under this Section 5.

Unless City and Owner otherwise agree in writing, insurance proceeds, subject to the rights of the First Lender, will be applied to restoration or repair of the Security damaged, provided such restoration or repair is economically feasible and the security of this Deed of Trust is not thereby impaired. If such restoration or repair is not economically feasible or if the security of this Deed of Trust would be impaired, the insurance proceeds will be used to repay any amounts due under the Resale Restriction Agreement, with the excess, if any, paid to Owner. If the Security is abandoned by

Owner, or if Owner fails to respond to City, or its designated agent, within thirty (30) days from the date notice is mailed by either of them to Owner that the insurance carrier offers to settle a claim for insurance benefits, City, or its designated agent, is authorized to collect and apply the insurance proceeds at City's option either to restoration or repair of the Security or to pay amounts due under the Resale Restriction Agreement.

If the Security is acquired by City, all right, title and interest of Owner in and to any insurance policy and in and to the proceeds thereof resulting from damage to the Security prior to the sale or acquisition will automatically pass to City to the extent of the sums secured by this Deed of Trust immediately prior to such sale or acquisition, subject to the rights of the First Lender.

6. Preservation and Maintenance of Security. Owner will keep the Security in good repair and in a neat, clean, and orderly condition and will not commit waste or permit impairment or deterioration of the Security. If there arises a condition in contravention of this Section 6, and if Owner has not cured such condition within thirty (30) days after receiving a notice of such a condition from City, then in addition to any other rights available to City, City shall have the right (but not the obligation) to perform all acts necessary to cure such condition, and to establish or enforce a lien or other encumbrance against the Security to recover its cost of curing.

7. Protection of the City's Security. If Owner fails to perform the covenants and agreements contained in this Deed of Trust or if any action or proceeding is commenced which materially affects City's interest in the Security, including, but not limited to, default under the First Lender Deed of Trust, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then City, at City's option, upon notice to Owner, may make such appearances, disburse such sums and take such action as it determines necessary to protect City's interest, including but not limited to, disbursement of reasonable attorney's fees and entry upon the Security to make repairs.

Any amounts disbursed, paid or advanced by City pursuant to this Deed of Trust, with interest thereon, shall be added to the principal balance of the Note and will become an indebtedness of Owner secured by this Deed of Trust. Unless Owner and City agree to other terms of payment, such amount will be payable upon notice from the City to Owner requesting payment thereof, and will bear interest from the date of disbursement at the lesser of (i) ten percent (10%); or (ii) the highest rate permissible under applicable law. Nothing contained in this Deed of Trust will require City to incur any expense or take any action hereunder. Notwithstanding anything to the contrary, the original principal amount shall bear no interest, and the only interest payable will be interest incurred as a result of the application of this Section 7.

8. Inspection. City may make or cause to be made reasonable entries upon and inspections of the Security; provided that City will give Owner reasonable notice of inspection.

9. Forbearance by the City Not a Waiver. Any forbearance by City in exercising any right or remedy will not be a waiver of the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by City will not be a waiver of City's right to require payment of any amounts secured by this Deed of Trust.

10. Remedies Cumulative. All remedies provided in this Deed of Trust are distinct and cumulative to any other right or remedy under this Deed of Trust, the Note, the Resale Restriction Agreement or any other document, or afforded by law or equity, and may be exercised concurrently, independently or successively.

11. Successors and Assigns Bound. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of City and Owner subject to the provisions of this Deed of Trust.

12. Joint and Several Liability. All covenants and agreements of Owner shall be joint and several.

13. Notice. Except for any notice required under applicable law to be given in another manner, wherever this Deed of Trust requires any notice from either party, the notice shall be sent by certified mail, return receipt requested, or express delivery service with a delivery receipt, and shall be deemed effective as of the date received or the date delivery was refused as indicated in a return receipt. Unless otherwise provided by either party by written notice to the other party, notice to Owner shall be to the address of the Home, and notice to City shall be to the attention of the City Manager to the then current address of City Hall.

14. Governing Law. This Deed of Trust shall be governed by the laws of the State of California.

15. Severability. In the event that any provision or clause of this Deed of Trust, the Note or the Resale Restriction Agreement conflicts with applicable law, such conflict will not affect other provisions of this Deed of Trust, the Note or the Resale Restriction Agreement which can be given effect without the conflicting provision, and to that end the provisions of the Deed of Trust, the Note and the Resale Restriction Agreement are declared to be severable.

16. Captions. The captions and headings in this Deed of Trust are for convenience only and are not to be used to interpret or define the provisions hereof.

17. Nondiscrimination. Owner covenants by and for itself and its successors and assigns that there shall be no discrimination against or segregation of a person or of a group of persons on account of race, color, religion, creed, age, disability, gender or gender identification, sex, sexual orientation, family or marital status, ancestry, veteran status, or national origin in the sale, transfer, use, occupancy, tenure or enjoyment of the Security, nor shall Owner or any person claiming under or through Owner establish

or permit any such practice or practices of discrimination or segregation with reference to the use, occupancy, or transfer of the Security. The foregoing covenant shall run with the land.

18. Nonliability for Negligence, Loss, or Damage. Owner acknowledges, understands and agrees that the relationship between Owner and City is solely that of an owner and an administrator of a City affordable housing program, and that City neither undertakes nor assumes any responsibility for or duty to Owner to select, review, inspect, supervise, pass judgment on, or inform Owner of the quality, adequacy or suitability of the Security or any other matter. City owes no duty of care to protect Owner against negligent, faulty, inadequate or defective building or construction or any condition of the Security and Owner agrees that neither Owner, or Owner's heirs, successors or assigns shall ever claim, have or assert any right or action against City for any loss, damage or other matter arising out of or resulting from any condition of the Security and will hold City harmless from any liability, loss or damage for these things.

19. Indemnity. Owner agrees to defend, indemnify and hold City and its employees, agents, officers and elected and appointed officials harmless from all losses, damages, liabilities, claims, actions, judgments, costs, and reasonable attorney's fees that City may incur as a direct or indirect consequence of:

(a) Owner's failure to perform any obligations as and when required by the Resale Restriction Agreement, this Deed of Trust or the Note; or

(b) the failure at any time of any of Owner's representations or warranties to be true and correct.

20. Acceleration; Remedies. Upon Owner's breach of any covenant or agreement of Owner in this Deed of Trust, including, but not limited to, the covenants to pay, when due, any sums secured by this Deed of Trust, City, prior to acceleration, will mail by express delivery, return receipt requested notice to Owner specifying: (a) the breach; (b) the action required to cure such breach; (c) a date, not less than thirty (30) days from the date the notice is received by Owner as shown on the return receipt, by which such breach is to be cured; and (d) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Deed of Trust, a declaration of default under this Deed of Trust and sale of the Security. The notice will also inform Owner of Owner's right to reinstate after acceleration or declaration of default and the right to bring a court action to assert the nonexistence of default or any other defense of Owner to acceleration and sale. If the breach is not cured on or before the date specified in the notice, City, at the City's option, may: (1) declare all of the sums secured by this Deed of Trust to be immediately due and payable without further demand and may invoke the power of sale and any other remedies permitted by California law; and (2) either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, and without regard to the adequacy of its security, enter upon the Security and take possession thereof (or any part thereof) and of any of the Security, in its own name or in

the name of Trustee, and do any acts which it deems necessary or desirable to preserve the value or marketability of the Home and the Security, or part thereof or interest therein, increase the income therefrom or protect the security thereof. The entering upon and taking possession of the Security shall not cure or waive any breach hereunder or invalidate any act done in response to such breach and, notwithstanding the continuance in possession of the Security, City shall be entitled to exercise every right provided for in this Deed of Trust, the Note, the Resale Restriction Agreement or by law upon occurrence of any uncured breach, including the right to: (A) exercise the power of sale; (B) commence an action to foreclose this Deed of Trust as a mortgage, appoint a receiver, or specifically enforce any of the covenants hereof; (C) deliver to Trustee a written declaration of default and demand for sale, pursuant to the provisions for notice of sale found at California Civil Code Sections 2924, et seq., as amended from time to time; or (D) exercise all other rights and remedies provided herein, in the instruments by which Owner acquires title to any Security, or in any other document or agreement now or hereafter evidencing, creating or securing all or any portion of the obligations secured hereby, or provided by law.

City shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this paragraph, including, but not limited to, reasonable attorney's fees.

21. Owner's Right to Reinstate. Notwithstanding City's acceleration of the sums secured by this Deed of Trust, Owner will have the right to have any proceedings begun by City to enforce this Deed of Trust discontinued at any time prior to five (5) days before sale of the Security pursuant to the power of sale contained in this Deed of Trust or at any time prior to entry of a judgment enforcing this Deed of Trust if: (a) Owner pays City all sums which would be then due under this Deed of Trust and no acceleration under this Deed of Trust, the Note or the Resale Restriction Agreement has occurred; (b) Owner cures all breaches of any other covenants or agreements of Owner contained in the Resale Restriction Agreement, the Note or this Deed of Trust; (c) Owner pays all reasonable expenses incurred by City and Trustee in enforcing the covenants and agreements of Owner contained in the Resale Restriction Agreement, the Note or this Deed of Trust, and in enforcing the City's and Trustee's remedies, including, but not limited to, reasonable attorney's fees; and (d) Owner takes such action as City may reasonably require to assure that the lien of this Deed of Trust, City's interest in the Security and Owner's obligation to comply with the Resale Restriction Agreement and Note secured by this Deed of Trust and to pay the sums secured by this Deed of Trust shall continue unimpaired. Upon such payment and cure by Owner, this Deed of Trust and the obligations secured hereby will remain in full force and effect as if no acceleration had occurred.

22. Due on Transfer of the Home. Upon a Transfer (as defined in the Resale Restriction Agreement) of the Home or any interest in it, City shall require immediate payment in full of all sums secured by this Deed of Trust or due and owing under the Note or Resale Restriction Agreement.

23. Reconveyance. Upon performance of all obligations of the Resale Restriction Agreement and expiration of its term and upon payment of all sums secured by this Deed of Trust, City will request Trustee to reconvey the Security and will surrender this Deed of Trust, the Note and the Resale Restriction Agreement to Trustee. Trustee will reconvey the Security without warranty and without charge to the person or persons legally entitled thereto. Such person or persons will pay all costs of recordation, if any.

24. Substitute Trustee. City, at City's option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. The successor trustee will succeed to all the title, power and duties conferred upon Trustee herein and by applicable law.

25. Superiority of First Lender Loan Documents. *[add Additional Financing described in the Resale Restriction Agreement, if any]* Notwithstanding any provision herein, this Deed of Trust shall not diminish or affect the rights of the First Lender under the First Lender Deed of Trust or any subsequent First Lender deeds of trust hereafter recorded against the Security in compliance with the Resale Restriction Agreement.

Notwithstanding any other provision hereof, the provisions of this Deed of Trust shall be subordinate to the lien of the First Lender Deed of Trust and shall not impair the rights of the First Lender, or such lender's assignee or successor in interest, to exercise its remedies under the First Lender Deed of Trust in the event of default by Owner under the First Lender Deed of Trust. Such remedies under the First Lender Deed of Trust include the right of foreclosure or acceptance of a deed or assignment in lieu of foreclosure. After such foreclosure or acceptance of a deed in lieu of foreclosure, this Deed of Trust shall be forever terminated and shall have no further effect as to the Home and the Security; provided, however, if the holder of such First Lender Deed of Trust acquires title to the Home pursuant to a deed or assignment in lieu of foreclosure and notice of default was recorded against the Home in connection therewith, this Deed of Trust shall automatically terminate upon such acquisition of title, provided that: (a) City has been given written notice of default under such First Lender Deed of Trust with a sixty (60)-day cure period, and (b) City shall not have cured or commenced to cure the default within such sixty (60)-day period or commenced to cure and given its firm commitment to complete the cure in form and substance acceptable to the First Lender.

[signatures on following page]

26. Request for Notice. Owner requests that copies of the notice of default and notice of sale be sent to City in the manner set forth in Section 13.

IN WITNESS WHEREOF, Owner has executed this Deed of Trust as of the date first written above.

Owner

By: _____

Name: _____

By: _____

Name: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, before me, _____,
Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose
name(s) is/are subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized capacity(ies), and that by
his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of
which the person(s) acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of
California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Name: _____
Notary Public

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____, before me, _____,
Notary Public, personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose
name(s) is/are subscribed to the within instrument and acknowledged to me that
he/she/they executed the same in his/her/their authorized capacity(ies), and that by
his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of
which the person(s) acted, executed the instrument.

I certify UNDER PENALTY OF PERJURY under the laws of the State of
California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Name: _____
Notary Public

EXHIBIT A

Legal Description of the Home

The land is situated in the State of California, County of San Mateo, City of Menlo Park, and is described as follows:

[Insert Legal Description Here.]

APN: _____

NOTICE TO OWNER: THIS DOCUMENT CONTAINS PROVISIONS RESTRICTING
RESALES AND ASSUMPTIONS.

PROMISSORY NOTE
SECURED BY DEED OF TRUST

(City of Menlo Park Below Market Rate Housing Unit)

Menlo Park, California

[Date]

For valuable consideration, pursuant to this Promissory Note Secured by Deed of Trust ("**Note**"), the undersigned, _____ ("**Owner**"), promises to pay the City of Menlo Park, a California municipal corporation ("**City**"), at _____, Menlo Park, California, Attn: _____, or such other place as City may designate in writing, all Excess Sales Proceeds and any other advances and sums paid by City pursuant to the Resale Restriction Agreement.

1. Purpose of Note. Owner is purchasing the residential unit located at _____ in the City of Menlo Park ("**Home**") pursuant to the City of Menlo Park's affordable housing program, which provides for the purchase of homes by low income households at affordable prices. Because the Purchase Price has been calculated to accommodate a low income buyer, as described in the Resale Restriction Agreement, Owner has agreed, on the date of any Transfer of the Home, to pay to City any Excess Sales Proceeds, as well as any other advances and sums paid by City. This Note evidences the obligation of Owner to pay to City upon any Transfer of the Home any Excess Sales Proceeds, plus any other sums advanced or paid by City in connection with the Home.

2. Definitions. The terms set forth in this section shall have the following meanings in this Note.

- (a) "**City**" shall have the meaning set forth in the opening paragraph.
- (b) "**Deed of Trust**" shall have the meaning set forth in Section 4.
- (c) "**Excess Sales Proceeds**" shall have the meaning set forth in the Resale Restriction Agreement.
- (d) "**Home**" shall meaning set out in Section 1.
- (e) "**Note**" shall have the meaning set forth the opening paragraph.
- (f) "**Owner**" shall have the meaning set forth in the opening paragraph.

(g) **"Purchase Price"** shall have the meaning set forth in the Resale Restriction Agreement.

(h) **"Resale Restriction Agreement"** shall mean that certain Agreement and Deed Restrictions Regarding Resale Controls for Below Market Rate Home executed by Owner and City and recorded on _____, in the Official Records of San Mateo County as Instrument No. _____, in connection with the Owner's purchase of the Home.

(i) **"Term"** shall mean the term of this Note, which shall be the same as the term of the Resale Restriction Agreement.

(j) **"Transfer"** shall have the meaning set forth in the Resale Restriction Agreement.

3. Payments. In the event any Excess Sales Proceeds and/or other sums become due and payable under the Resale Restriction Agreement, such amounts shall be immediately due and payable hereunder. Failure to declare such amounts due shall not constitute a waiver on the part of City to declare them due in the event of a Transfer.

4. Security. This Note is secured by that certain Deed of Trust and Security Agreement dated the same date as this Note, executed by Owner and City and recorded on _____, in the Official Records of San Mateo County as Instrument No. _____ ("**Deed of Trust**").

5. Due on Transfer. Any amounts due under this Note shall be due and payable in full on the date of any Transfer of the Home.

6. Default and Acceleration. Owner shall be in default under this Note if he, she, they are in default under the Resale Restriction Agreement. Upon the occurrence of a default under this Note, the full amount of any Excess Sales Proceeds and other sums due under the Resale Agreement shall be immediately due and payable.

7. Nondiscrimination. Owner covenants by and for itself and its successors and assigns that there shall be no discrimination against or segregation of a person or of a group of persons on account of race, color, religion, creed, age, disability, gender or gender identification, sex, sexual orientation, family or marital status, ancestry, veteran status, or national origin in the sale, transfer, use, occupancy, tenure or enjoyment of the Home, nor shall Owner or any person claiming under or through Owner establish or permit any such practice or practices of discrimination or segregation with reference to the use, occupancy, or transfer of the Home.

8. Indemnity. Owner agrees to defend, indemnify and hold City and its employees, agents, officers and elected and appointed officials harmless from all losses, damages, liabilities, claims, actions, judgments, costs and reasonable attorney's fees that City may incur as a direct or indirect consequence of Owner's failure to perform any obligations as and when required by this Note, the Deed of Trust or the Resale Restriction Agreement.

9. No Waiver by City. Any failure by City to pursue its legal and equitable remedies upon default shall not constitute a waiver of City's right to declare a default and exercise all of its rights under this Note, the Resale Restriction Agreement and/or the Deed of Trust. Nor shall acceptance by City of any payment provided for herein constitute a waiver of City's right to require prompt payment of any remaining payments owed.

10. Attorney's Fees and Costs. Owner agrees that if any amounts due under this Note are not paid when due, Owner shall pay, in addition to principal and accrued interest, all costs and expenses of collection and reasonable attorney fees paid or incurred in connection with the collection or enforcement of this Note, whether or not suit is filed.

11. Joint and Several Obligations. This Note is the joint and several obligation of all makers, sureties, guarantors and endorsers, and shall be binding upon them and their successors and assigns.

12. No Offset. Owner hereby waives any rights of offset it now has or may hereafter have against City, its successors and assigns, and agrees to make the payments called for herein in accordance with the terms of this Note.

13. Waiver. Owner, any endorsers or guarantors of this Note, for themselves, their heirs, legal representatives, successors and assigns, respectively, severally waive diligence, presentment, protest, and demand, and notice of protest, notice of dishonor and notice of non-payment of this Note, and expressly waive any rights to be released by reason of any extension of time or change in terms of payment, or change, alteration or release of any security given for the payments hereof, and expressly waive the right to plead any and all statutes of limitations as a defense to any demand on this Note or agreement to pay the same, and jointly and severally agree to pay all costs of collection when incurred, including reasonable attorneys' fees.

14. Notices. All notices required in this Note shall be sent by certified mail, return receipt requested, or express delivery service with a delivery receipt, or personally delivered with a delivery receipt obtained and shall be deemed to be effective as of the date shown on the delivery receipt as the date of delivery, the date delivery was refused, or the date the notice was returned as undeliverable as follows:

To Owner:

At the address of the Home.

To City:

City of Menlo Park
701 Laurel Street
Menlo Park, California 94025-3483
Attention: City Manager

The parties may subsequently change addresses by providing written notice of the change in address to the other parties in accordance with this Section.

15. Controlling Law. This Note shall be construed in accordance with and be governed by the laws of the State of California.

16. Assignment by City. City may assign its right to receive the proceeds under this Note to any person and upon notice to Owner by City all payments shall be made to the assignee. 17. Severability. If any provision of this Note shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.

18. Entire Agreement. This Note (along with the Resale Restriction Agreement and Deed of Trust) sets forth the entire understanding and agreement of City and Owner and any amendment, alteration or interpretation of this Note must be in writing signed by both City and Owner.

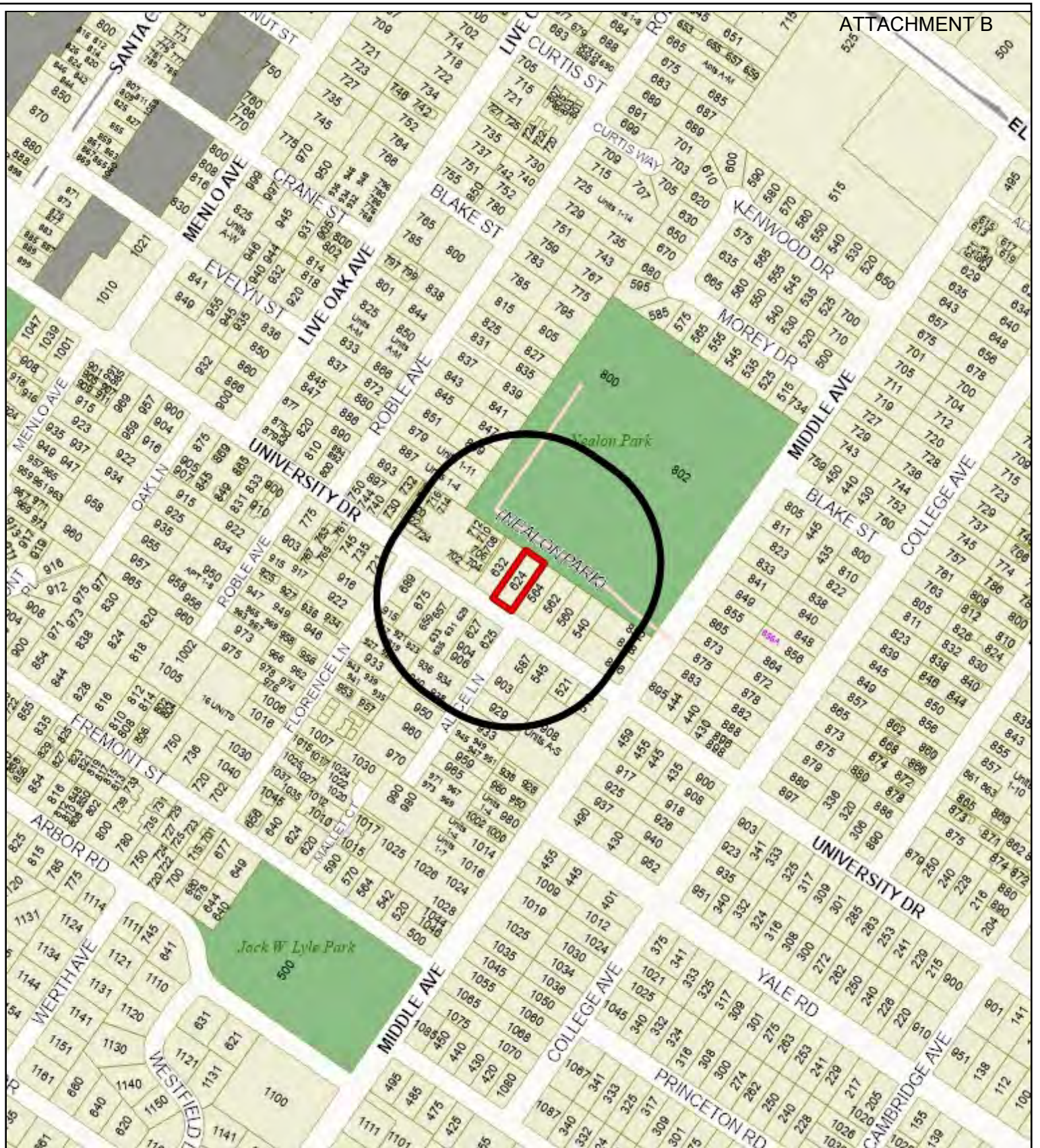
OWNER:

By: _____

Name: _____

By: _____

Name: _____



City of Menlo Park
 Location Map
 624 University Dr.



RESOLUTION NO. 6708

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK
ADOPTING REVISIONS TO THE BELOW MARKET RATE HOUSING
PROGRAM GUIDELINES**

WHEREAS, the City of Menlo Park (“City”) established the Below Market Rate Housing Program Guidelines (“Guidelines”) on the twelfth day of January, 1988; and

WHEREAS, the need to facilitate affordable housing opportunities for extremely low, very low, low and moderate-income households remain in Menlo Park; and

WHEREAS, the City strives to continue improving the implementation of the Below Market Rate Housing Program with continued updates to the program guidelines; and

WHEREAS, the City affirms its commitment to providing affordable housing opportunities to income-qualifying households; and

WHEREAS, the proposed modifications to the Guidelines ensure the City is proactively improving current practices for its affordable housing programs; and

WHEREAS, the Housing Commission reviewed and recommended the City Council adopt the proposed changes to the Guidelines at its meeting on the second day of February, 2022; and

NOW, THEREFORE, BE IT RESOLVED, that the City Council of Menlo Park hereby adopts revisions to the Below Market Rate Housing Program Guidelines recommended by staff and Housing Commission, and presented to the City Council on the first day of March, 2022, incorporated herein as Exhibit A, govern the operation of the program from this date forward.

I, Judi A. Herren, City Clerk of Menlo Park, do hereby certify that the above and foregoing City Council resolution was duly and regularly passed and adopted at a meeting by said City Council on the first day of March, 2022, by the following votes:


AYES: Combs, Mueller, Nash, Taylor, Wolosin

NOES: None

ABSENT: None

ABSTAIN: None

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this third day of March, 2022.

DocuSigned by:

39280A20D0BE491...

Judi A. Herren, City Clerk

CITY OF MENLO PARK BELOW MARKET RATE HOUSING PROGRAM GUIDELINES

Income Limits/Section 15, Tables A and B Updated for 2021-22

Originally Adopted by City Council on January 12, 1988

Revised by City Council on the following dates:

- December 17, 2002 (No Resolution)
- March 25, 2003 (Resolution No. 5433)
- January 13, 2004 (No Resolution)
- March 22, 2005 (Resolution No. 5586)
- March 2, 2010 (Resolution No. 5915)
- May 10, 2011 (No Resolution)
- May 6, 2014 (Resolution No. 6196)
- April 17, 2018 (Resolution No. 6432)
- June 19, 2018 (Resolution No. 6446)
- March 1, 2022 (Resolution No. 0000)

BELOW MARKET RATE HOUSING PROGRAM GUIDELINES

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1. OVERVIEW

The high cost and scarcity of housing in Menlo Park have been caused in large part because the number of jobs in Menlo Park has grown, but the supply of housing has not increased significantly. A majority of new employees earn low- and moderate-incomes and are most severely impacted by the lack of affordable housing in Menlo Park. Because of the high cost of housing, families who seek to live in Menlo Park cannot afford to purchase homes here and are forced to rent. Many renters pay a disproportionately high amount of their incomes in rent.

1.1 Purpose. The City of Menlo Park's Below Market Rate ("BMR") Housing Program is intended to increase the housing supply for households that have very low, low- and moderate-incomes compared to the median income for San Mateo County. The primary objective is to obtain actual housing units, either "rental" or "for sale," rather than equivalent cash.

1.2 Enabling Legislation. The BMR Housing Program is governed by Chapter 16.96 of the Municipal Code. The BMR Housing Program is administered under these BMR Housing Program Guidelines ("Guidelines").

2. BMR HOUSING AGREEMENT AND REVIEW PROCESS

2.1 BMR Housing Agreement. Before acceptance of plans for review by the City of Menlo Park staff, a developer should provide a proposal for meeting the requirements of the BMR Housing Program. The proposal should include one or a combination of the following alternatives: a) Provision of BMR units on site; and/or b) Provision of BMR units off-site; and/or c) Payment of an in-lieu fee. These alternatives are listed in order of preference.

2.2 Review Steps. The following review steps apply to most development projects:

- City staff will review a BMR For-Sale Agreement or an Affordability Housing Agreement (either, a "BMR Housing Agreement"), that has been prepared by the developer's attorney on a form substantially similar to that provided by the City and shall make a recommendation with respect to it to the Housing Commission, and, if applicable, to the Planning Commission and/or the City Council. The City Attorney must approve as to form the BMR Housing Agreement prior to its review by the Planning Commission.
- The City Council grants approval of the BMR Housing Agreement for projects which it reviews. For all other projects, the BMR Housing Agreement shall be approved by the entity having final approval authority over the project.

3. REQUIREMENTS FOR DEVELOPMENTS BY TYPE

3.1 Commercial Developments. The BMR Housing Program requires commercial developments which bring employees to Menlo Park to provide BMR units or to contribute to the BMR Housing Fund that is set up to increase the stock of housing for very low, low and moderate income households, with preference for workers whose employment is located in the City of Menlo Park, and for City residents.

3.1.1 Commercial Development Requirements. Commercial buildings of 10,000 square feet or more gross floor area are required to mitigate the demand for affordable housing created by the commercial development project. In order to do so, it is preferred that a commercial development project provide BMR housing on-site (if allowed by zoning) or off-site (if on-site BMR units are infeasible). A density bonus of up to 15% above the density otherwise allowed by zoning may be permitted when BMR housing is provided on-site. The BMR Housing Agreement will detail the BMR Housing Program participation of a particular development.

Although the provision of actual BMR units is strongly preferred, it is not always possible to provide BMR housing units. In such cases, the developer shall pay a commercial in-lieu fee rather than provide actual BMR housing units. Commercial in-lieu fees must be paid prior to the issuance of a building permit.

Commercial in-lieu fees are charged at different rates to two groups based on the employee housing demand the uses produce. Group A uses are office and research and development ("R&D"). Group B uses are all other uses not in Group A.

Commercial in-lieu fee rates are adjusted annually on July 1st. The amount of the adjustment is based on a five-year moving average of the percentage increase in the Consumer Price Index (Shelter Only) for All Urban Consumers in the San Francisco-Oakland-San Jose area. Refer to Section 15, Table D, for the Commercial In-lieu Fee Rates, which may be updated by City staff from time to time.

3.1.2 Applicability. The BMR Housing Program applies to conditional use permits, conditional development permits, planned development permits, subdivision approvals, architectural control approvals, variance approvals and building permits for any commercial development. The BMR Housing Program also applies to the construction of any new square footage or any square footage that is converted from an exempt use to a non-exempt use. Finally, the BMR Housing Program applies to the conversion of floor area from a less intensive use (Commercial/Industrial uses) to a more intensive use (Office/R&D).

3.1.3 Exemptions. The following are exempted from the BMR Housing Program:

- (a) Private schools and churches;

- (b) Public facilities;
- (c) Commercial development projects of less than 10,000 square feet; and
- (d) Projects that generate few or no employees.

3.2 Residential Developments. The BMR Housing Program requires residential developments which use scarce residentially zoned land in Menlo Park to provide BMR units or to contribute to the BMR Housing Fund. The BMR Housing Fund is set up to increase the stock of housing for very low-, low- and moderate-income families, with preference for workers whose employment is located in the City of Menlo Park, and for City residents.

3.2.1 Residential Development Requirements. Residential developments of five or more units are subject to the requirements of the BMR Housing Program. These requirements also apply to condominium conversions of five units or more. As part of the application for a residential development of five or more units, the developer must submit a BMR Housing Agreement, in a form substantially similar to that provided by the City, which details the developer's plan for participation in the BMR Housing Program. No building permit or other land use authorization may be issued or approved by the City unless the requirements of the BMR Program have been satisfied.

3.2.2 Condominium Conversions. If an apartment complex already participating in the BMR Housing Program elects to convert the complex to condominiums, then the existing BMR rental apartments shall be converted to BMR condominium units under the BMR Housing Program.

When market rate rental units are removed from the rental housing stock for conversion to condominiums, and they are not already participating in the BMR Housing Program, then the project shall meet the same requirements as new developments to provide BMR units in effect at the time of conversion. When the property owner notifies the City of the intent to sell, the property owner shall notify any BMR tenants of such units of the pending sale and non-renewal of lease. Such tenant(s) shall be given the right of first refusal to purchase the unit. If the tenant seeks to purchase the unit, at the close of escrow the unit shall exist as a for-sale BMR unit. If the tenant does not seek to purchase, the tenant shall vacate the unit at the expiration of the current lease term and the unit will be sold to an eligible third party according to the BMR Guidelines and held as a for-sale BMR unit. The tenant who vacates will have priority to move to other vacant BMR rental units in the City for two years from the date the lease expired, regardless of the place of residence of the displaced BMR tenant.

3.3 Mixed Use Developments. Mixed use developments must comply with the requirements for commercial developments in the commercial portion of the development and must comply with the requirements for residential developments for the residential portion of the development.

3.4 Required Contribution for Residential Development Projects. All

residential developments of five units or more are required to participate in the BMR Housing Program. The preferred BMR Housing Program contribution for all residential developments is on-site BMR units. For rental residential development projects, the applicant may comply with the City's BMR requirements by providing in-lieu fees, land dedication, off-site construction, or acquisition and rehabilitation of existing units. Any alternative means of compliance shall be approved by the City Council upon findings that the alternative is commensurate with the applicable on-site requirement and complies with applicable BMR Guidelines.

For ownership residential development projects, if providing on-site BMR units is not feasible as confirmed by the City, developers are required to pay an in-lieu fee as described in Section 4.3. The requirements for participation increase by development size as shown below:

One (1) to Four (4) Units. Developers are exempt from the requirements of the BMR Housing Program.

Five (5) to Nine (9) Units. It is preferred that the developer provide one unit at below market rate to a very low, low, or moderate income household.

Ten (10) to Nineteen (19) Units. The developer shall provide not less than 10% of the units at below market rates to very low-, low- and moderate-income households.

Twenty (20) or More Units. The developer shall provide not less than 15% of the units at below market rates to very low-, low- and moderate-income households. On a case-by-case basis, the City will consider creative proposals for providing lower cost units available to lower income households such as smaller unit size, duet-style, and/or attached units that are visually and architecturally consistent with the market-rate units on the exterior, and that meet the City's requirements for design, materials, and interior features of BMR units.

3.4.1 Fraction of a BMR Housing Unit. If the number of BMR units required for a residential development project includes a fraction of a unit, the developer shall provide either a whole unit, the preferred form of participation, or make a pro rata residential in lieu payment on account of such fraction per Section 4.3 or 4.4, as applicable.

Example: A residential project is developed with 25 condominium units. The BMR requirement of 15% equates to 3.75 units. The preferred BMR Housing Program participation is four BMR units. If four BMR units are provided, the developer would pay no in-lieu fee. Alternatively, if three BMR units are provided, the developer would have to pay an in-lieu fee for the remaining fractional BMR unit.

4. BMR PROGRAM REQUIREMENTS FOR ON-SITE BMR UNITS, OFF-SITE BMR UNITS AND IN-LIEU FEES

4.1 On-Site BMR Units.

4.1.1 Initial Price for For-Sale Unit. The initial selling price of BMR for-sale units for extremely low (30% AMI), very low (50% AMI), subsidized low (60% AMI), low (80% AMI) or moderate (120% AMI) income households is based on what is affordable to households with incomes at the identified percentage of area median income ("AMI") related to household size, as established from time to time by the State of California Housing and Community Development Department ("HCD") for San Mateo County. See Section 15, Table A, which may be updated by City staff from time to time.

4.1.2 Initial Price for Rental Unit. The initial monthly rental amounts for BMR rental units will be equal to or less than thirty percent (30%) of the applicable income limits for extremely low, very low, subsidized low, low and moderate income households adjusted for occupancy, as established from time to time by the HCD for San Mateo County. In no case shall the monthly rental amounts for BMR units exceed seventy-five percent (75%) of comparable market rate rents. The maximum rent for specific BMR units will be based on Section 15, Table B of the BMR Guidelines, which may be updated by City staff from time to time. See also Sections 11.1.1 and 11.1.2.

The purchase or rental price for BMR units shall be established and agreed upon in writing in the BMR Housing Agreement per Section 2.2, prior to final building inspection for such BMR units. The provision of affordable units at extremely low, very low, low and/or moderate income levels shall be roughly equivalent to the provision of all of the affordable units at the low income level.

4.1.3 Bonus Unit. For each BMR unit provided, a developer shall be permitted to build one additional market rate (bonus) unit. However, in no event shall the total number of units in a development be more than fifteen percent (15%) over the number otherwise allowed by zoning.

4.2 Off-Site BMR Units. If authorized by the City as described in Section 2.2, developers may propose to provide BMR units at a site other than the proposed development. These off-site BMR units must be provided on or before completion of the proposed development and must provide the same number of units at below market rates to very low, low and moderate income households as required for on-site developments. Such units may be new or existing. Provision by the developer and acceptance by the City of off-site units shall be described in the BMR Housing Agreement. Size, location, amenities and condition of the BMR units shall be among the factors considered by the City in evaluating the acceptability of the off-site BMR units. For existing units, the developer shall be responsible for correcting, at developer's expense, all deficiencies revealed by detailed inspection of the premises by qualified inspectors, including a certified pest inspector.

The initial price or rent for the BMR units shall be established as stated in Sections 4.1.1 and 4.1.2 and in accordance with the BMR Income Guidelines in Section 15 in effect at the time the BMR unit is ready for sale or rent. Fractions of required BMR units shall be

handled by provision of an in-lieu fee for the market rate units for which no BMR unit is provided.

4.3 Ownership Residential In Lieu Payments Based on Sales Price.

4.3.1 Developments of Ten (10) or More Units. In developments of 10 or more units, the City will consider an in-lieu payment alternative to required BMR units only if the developer substantiates to the City's satisfaction that the BMR units cannot be provided on or off-site. In developments of 10 or more units which provide BMR units, upon the close of escrow on the sale of each unit in the subdivision for which a BMR unit has not been provided, the developer shall pay to the City an in-lieu payment calculated at three percent (3%) of the actual sales price of each unit sold. In lieu payments for fractions of BMR units shall be determined by disregarding any bonus units and as three percent (3%) of selling price of each market rate unit sold if the developer substantiates to the City's satisfaction that the BMR units cannot be provided on or off-site.

If a portion of a BMR requirement is met by a provision of BMR units, and the developer substantiates to the City's satisfaction that a sufficient number of BMR units cannot be provided on or off-site, then BMR in-lieu payments will be required from the sales of the number of market rate units (excluding bonus units) that is in proportion to the BMR requirement that is not met.

4.3.2 Developments of Five (5) to Nine (9) Units.

Residential In-Lieu Payments Based on Sales Price. In developments of five to nine units, the City will consider an in-lieu payment alternative to required BMR units only if the developer cannot provide an additional BMR unit. If providing an additional BMR unit is not feasible, developers are required to pay a residential in lieu fee as described below.

<u>Unit No.</u>	<u>In lieu fee for each unit</u>
1, 2 and 3	1% of the sales price
4, 5 and 6	2% of the sales price
7, 8 and 9	3% of the sales price

Example: In a development of seven units, the BMR contribution would be, in order of preference: a) One BMR unit out of the seven units, with the possibility of a density bonus of one unit, or, if that is not feasible, b) Three units designated to pay an in-lieu fee of one percent (1%) of the sales price, three units to pay in-lieu fees of two percent (2%) of their sales prices and one unit to pay three percent (3%) of its sales price.

Units paying in-lieu fees are designated so that they are distributed by unit size and location throughout the project.

In developments of 10 or more units which provide BMR units, upon the close of escrow on the sale of each unit in the subdivision for which a BMR unit has not been provided, the developer shall pay to the City an in-lieu payment calculated at three percent (3%) of the actual sales price of each unit sold.

Example: Two possible plans to meet the BMR requirement for a project of 15 housing units are, in order of preference: a) Two BMR units are provided, and no in-lieu fees are paid, or b) One BMR unit is provided out of the first 10 units, one bonus unit is granted for the provision of the BMR unit, and four units pay in-lieu fees.

Units held as rental, in-lieu fee. If the developer retains any completed unit as a rental, either for its own account or through subsidiary or affiliated organizations, the BMR contribution including BMR housing unit or in-lieu payment for such unit shall be negotiated between the developer and the City. If an in-lieu fee is paid, the market value shall be based on an appropriate appraisal by an appraiser agreed upon by the City and the developer and paid for by the developer. The basis for such appraisal shall be as a condominium rather than as a rental.

4.4 Rental Residential In Lieu Payments Based on Cost. The City Council shall establish a rental residential in-lieu fee by resolution, which fee may be updated from time to time. The fee shall be based on the cost to develop, design, construct, and maintain a standard one-bedroom unit in Menlo Park. The fee shall also include the proportionate costs of associated common area as well as land acquisition costs. The fee shall be adjusted on a project-by-project basis depending on size, location and other factors relevant to cost. The fee can be adjusted by a pre-set formula or by a consultant selected by the City and funded by the applicant.

5. CHARACTERISTICS OF BMR UNITS

5.1 Size and Location of BMR Units. BMR housing units shall generally be of the same proportionate size (number of bedrooms and square footage) as the market-rate units. The BMR units should be distributed throughout the development, and should be indistinguishable from the exterior. BMR units shall contain standard appliances common to new units, but need not have luxury accessories, such as Jacuzzi tubs. The Planning Commission and/or City Council shall have the authority to waive these size, location and appearance requirements of BMR units in order to carry out the purposes of the BMR Housing Program and the Housing Element.

5.2 Design and Materials in BMR Units. The design and materials used in construction of BMR units shall be of a quality comparable to other new units constructed in the development but need not be of luxury quality.

5.3 The BMR Price Must Be Set Before Final Building Inspection. There shall be no final inspection of BMR housing units until their purchase or rental prices have been agreed upon in writing by the developer and the City Manager, or his or her designee. Also, the sale or rental process will not begin until the sales price is set.

5.3.1 Final Inspection Schedule for Smaller and Larger Developments.

Less Than Ten (10) Units. In developments of less than 10 units with one or more BMR units, all BMR units must pass final inspection before the last market rate unit passes final inspection.

Ten (10) to Nineteen (19) Units. In developments of 10 or more units, including developments that are constructed in phases, for the first 10 housing units, a BMR unit must pass final inspection before nine market rate units may pass final inspection. For each additional group of 10 housing units, one additional BMR unit must pass final inspection before nine additional market rate units may pass final inspection.

Twenty (20) or More Units. In developments of 20 or more units, including developments that are constructed in phases, for the first 10 housing units, a BMR unit must pass final inspection before nine market rate units may pass final inspection. In addition, two additional BMR units must pass final inspection before eight additional market rate units may pass final inspection. For each additional group of 20 housing units, three additional BMR units must pass final inspection before 17 additional market rate units may pass final inspection. No project or phase may pass final inspection unless all the BMR units, which equal 15% or more of the housing units in that phase or project, have passed final inspection for that phase or project.

Last Unit. In no case may the last market rate unit pass final inspection before the last BMR unit has passed final inspection.

5.4 Sales Price Determination for BMR For-Sale Units. The maximum sales price for BMR units shall be calculated as affordable to BMR households, which are eligible by income at the time that the maximum prices are set and which are of the smallest size eligible for the BMR units (excluding two-bedroom units, which shall be based on incomes for two person households even when units are made available to one person households). See Section 15, Table A, for income eligibility limits, and Table C, for occupancy standards, which tables may be updated by City staff from time to time. The affordability of maximum prices will take into consideration mortgage interest rates, minimum down payments, mortgage debt-to-income ratios and other qualifying criteria used by lenders at the time the sales prices are set, as well as cost of insurance, taxes, homeowners' dues and any other necessary costs of homeownership.

5.4.1 Price Determination for Projects with Condominium Maps That Will Rent for an Indefinite Period of Time. Projects with condominium subdivision maps that will rent BMR units for an indefinite period shall have basic sales prices established at the outset for such BMR units in accordance with the Guidelines. Such initial sales prices shall be adjusted for the period between the month of completion of the BMR units and the month of notification of intent to sell the units, with further adjustments for improvements and deterioration per the Guidelines. The adjustments shall be based on one-third of the increase in the Consumer Price Index ("CPI"), All Urban Consumers, San Francisco-Oakland-San Jose, published by the U.S. Department of Labor, Bureau of Labor Statistics, plus certain other equitable

adjustments.

5.5 Legal Characteristics of BMR Units: Right of First Refusal and Deed Restrictions. All BMR units shall be subject to deed restrictions and conditions which include a right of first refusal in favor of the City for a period of 55 years under which the City or its designee will be entitled to purchase the property at the lower of (1) market value, or (2) the purchase price paid by seller, plus one-third of the increase (during the period of seller's ownership) in the CPI, All Urban Consumers, San Francisco-Oakland-San Jose, published by the U.S. Department of Labor, Bureau of Labor Statistics, plus certain other equitable adjustments. The deed restrictions will also prohibit sales or transfers of the property except with the written consent of the City and at a price computed as above. Exceptions from all prohibitions against sale or transfer will include:

- (1) Demonstrated unlikelihood of obtaining a qualified buyer within a reasonable period;
- (2) Transfer by termination of joint tenancy or by gift or inheritance to parents, spouse, children, grandchildren or their issue.

The prohibition against sales or transfers will not terminate at the end of 55 years in the event of an exempt transfer by termination of joint tenancy or by gift or inheritance to family members. The prohibition against sales or transfers will terminate in the event of an exempt sale or transfer when there is a demonstrated unlikelihood of obtaining a qualified buyer within a reasonable period of time.

In the event of an exempt sale when there is a demonstrated unlikelihood of obtaining a qualified buyer within a reasonable period of time, the seller will be entitled to receive the lesser of (A) market value or (B) the purchase price paid by the seller plus one-third of the increase (during the seller's ownership) in the CPI, plus certain other equitable adjustments, as specified in the deed restrictions. The balance of the proceeds shall be paid to the City of Menlo Park to be deposited in the BMR Housing Fund. Any transferee pursuant to an exempt transfer by termination of joint tenancy or by gift or inheritance to family members must reside in the BMR unit and must qualify under the income criteria of the BMR Program at the time of the transfer of the BMR unit.

6. HOUSEHOLD DEFINITION AND CRITERIA

For purposes of sections 7 and 8 of these Guidelines, the following definition of household and provisions establishing household composition shall apply.

6.1 Definition of Household. For the purposes of this program, "household" is defined as all persons who occupy a housing unit. A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit such as partners or roomers, is also counted as a household. To be considered a household, all applicants/household members must live together in a home that is their primary residence. To be considered

part of the household and included in household size, children under the age of 18 (including foster children) must reside in the home at least part-time or parents must have at least partial (50%) custody of the child/children.

6.2 Household Requirement. To constitute a household, all members of the applicant household must currently live together (in a location that is their primary residence) at the time of application. Also, at the time of application and regardless of where they currently live, all members who make up the applicant household must have continuously lived together for a minimum of one year prior to the date of application.

6.2.1 Exceptions. Exceptions to this minimum one year joint-residency requirement include:

- Children under the age of 18 who have recently joined the household in conjunction with marriage, separation, or divorce, or similar family re-organization, and for whom there is evidence of a custody agreement or arrangement. This also applies to foster children.
- Children born or adopted into a household.
- Households newly formed as a result of marriage or domestic partnership.
- Other circumstances regarding the addition of a family member over the age of 18 may be reviewed by the City or its designee.

7. ELIGIBILITY REQUIREMENTS FOR HOUSEHOLDS APPLYING TO PURCHASE BMR UNITS

Note: Preference criteria for households entering a BMR unit lottery drawing are identified in Section 8. The City no longer maintains a ranked purchase waitlist. Previously ranked households have been transferred to a legacy purchase list, as more fully set forth in Section 8.2. The provisions identified below apply at the time of submission of an application to purchase a BMR unit. In order for a household to be eligible at the time of submission of application, all of the following provisions shall apply and/or be met:

7.1 First Time Homebuyer. All members of the applicant household must be first time homebuyers, defined as not having owned a home as a primary residence within the last three years prior to the date of application. A primary residence is a property occupied by the applicant household for the majority of a calendar year. A household may have only one primary residence. First time homebuyers include owners of mobile homes, as well as applicants whose names are on title for properties they have not lived in as their primary residences for the last three years (for instance rental properties, which must be considered as part of the applicant's eligible assets).

7.1.1 Exceptions. Exceptions to this requirement are:

- Applicants who are current BMR homeowners and are otherwise eligible for the BMR Housing Program, are eligible to apply for BMR ownership opportunities and to purchase a smaller or larger home needed due to changes in household size or family needs, such as for accessibility needs (per Section 7.2.6, below).
- Applicants whose names were placed on the BMR Purchase Waiting List prior to March 2, 2010.
- Applicant households that currently and/or within the last three years prior to the date of application own homes as their primary residences more than 50 miles outside Menlo Park city limits, that are otherwise eligible for the BMR Housing Program.

7.2 Complete First Time Pre-Purchase Homebuyer Education. All adult applicants/household members must complete a one-time homebuyer education workshop, class, or counseling session. Program staff provides households with a list of approved local organizations that provide pre-purchase homebuyer education. Applicants choose an education provider or program from the approved list and may choose to attend in either a group or individualized setting. It is the applicants' responsibility to provide the City or the City's BMR Housing Program provider with evidence that a pre-purchase homebuyer education workshop or session was completed. In most cases, the education providers will provide applicants with certificates of completion, typically good for two year, that applicants can submit to the City's BMR Housing Program provider as proof that the pre-purchase education requirement was completed. Only households that have completed the education requirement will be invited to apply when units become available. Adult parents of applicants living in the household need not complete the education requirement.

7.2.1 Prior Completion of Pre-Purchase Homebuyer Education. Applicants who provide written evidence of having completed an approved homebuyer education workshop, class, or counseling session within the previous twelve months prior to the date of submission of the BMR unit purchase application are not required to complete an additional workshop, class, or counseling session.

7.2.2 Homebuyer Education Provider. At the City's discretion, the City may elect to work exclusively with one or more homebuyer education providers/organizations. The City may also choose to contract with a particular person or organization to provide this educational component.

7.2.3 Long-Term Education or Counseling Required for Certain Applicants. Applicants who are invited to apply to purchase BMR units and are twice denied (on separate occasions) due to long-term or significant credit problems, will be required to meet individually with a credit counseling professional. The applicant must provide evidence of completion of credit counseling before they can be approved to purchase a BMR ownership unit. The credit counseling requirement does not exclude the applicant from applying to future BMR purchase opportunities.

7.3 Ownership Interest. A minimum of 50% of the ownership interest in the property must be vested in the qualifying applicant(s), regardless of income.

7.4 Income and Asset Limits for Purchasers of BMR Units. Income eligibility limits are established by HCD for San Mateo County. Income limits are updated on an annual basis. BMR units shall only be sold to very low, low, and moderate income households. Only households having gross incomes at or below 120% of the AMI for San Mateo County, adjusted for household size, are eligible to purchase and occupy BMR for-sale units, either upon initial sale or upon any subsequent resale, as specified in the deed restrictions. Refer to Section 15, Table A, for the income eligibility limits, which may be updated by City staff from time to time.

An asset is a cash or non-cash item that can be converted into cash. Only households having non-retirement assets that do not exceed the purchase price of the BMR units are considered eligible.

- Assets Include: cash held in checking accounts, savings accounts, and safe deposit boxes; equity in real property; cash value of stocks (including options), bonds, Treasury bills, certificates of deposit, money market accounts, and revocable trusts; personal property held as an investment such as gems, jewelry, coin and art collections, antiques, and vintage and/or luxury cars; lump sum or one-time receipts such as inheritances, capital gains, lottery winnings, victim's restitution, and insurance settlements; payment of funds from mortgages or deeds of trust held by the applicant(s); boats and planes; and motor homes intended for primary residential use.
- Assets DO NOT Include: cars and furniture (except cars and furniture held as investments such as vintage and/or luxury cars, and antiques); company pension and retirement plans; Keogh accounts; dedicated education funds/savings accounts; and funds dedicated to federally recognized retirement programs such as 401K's and IRA's.

Note that equity in real property or capital investments is defined as follows: the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and all reasonable costs (e.g. broker/realtor fees) that would be incurred in selling the asset.

7.4.1 Senior or Disabled Households That Use Assets for Living Expenses. An exception to the income and asset limit requirement is a household whose head is over 62 years of age, or permanently disabled and unable to work, with assets valued up to two times the price of the BMR unit. The applicant must be able to demonstrate that the sole use of his/her assets has been for household support for at least the three previous years, and that the total annual household income meets the BMR Guidelines.

8. BMR PURCHASE AND RENTAL INTEREST LIST PREFERENCE CRITERIA

8.1 BMR Purchase and Rental Interest List Preference Criteria. A BMR purchase and rental interest list, (herein referred to as the “interest list”), is maintained by the City or the City's designee.

An applicant must meet the current income eligibility limit requirements (per household size) to purchase and/or rent a BMR unit. See Section 15, Table A, for income eligibility limits, which may be updated by City staff from time to time.

Income qualified households shall apply for available BMR units via a lottery drawing held by the City or the City's designee. The lottery drawing will rank applicants at random followed by a final ranking to account for households meeting the City's preference criteria. All income eligible persons and households that do not qualify under one of the preferences will receive a final lottery rank lower than persons or households meeting preference criteria.

Preference criteria will be utilized at the time of a BMR unit drawing submission and verified during the application process. If an applicant does not meet a preference or cannot provide sufficient evidence establishing they meet a preference, that applicant will lose their preference ranking. In no circumstances shall the preference criteria and/or eligibility requirements of these Guidelines be applied in a manner that is contrary to State and/or Federal fair housing laws.

In addition to the below criteria, a tenant of a Menlo Park BMR rental unit who is required to vacate the BMR rental unit due to its conversion to a BMR for-sale unit, shall have first priority for vacant BMR rental units for which the tenant is eligible and qualifies for two years from the expiration of the lease, regardless of the place of residence of the displaced tenant.

Preference criteria are set forth below. All preferences, aside from the accessible unit preference, shall be given the same weight and/or ranking significance in formation of the final lottery ranking list.

Live and/or Work Preference: The applicant household's primary residence is within incorporated Menlo Park or a member of the applicant household currently works or volunteers within incorporated Menlo Park.

- Criteria for residing within incorporated Menlo Park. To qualify as living in Menlo Park, the applicant household's primary residence must be within incorporated Menlo Park.
- Criteria for working within incorporated Menlo Park. To qualify as a household that works in Menlo Park, a member of the applicant's household must currently work in Menlo Park at least 20 hours per week, or (if currently less than 20 hours per week) hours worked over the course of the one year prior to application averages a minimum of 20 hours per week.

- Types of work. Work is defined as (1) owning and operating a business at a Menlo Park location; (2) employment for wages or salary by an employer located at a Menlo Park location; (3) contract employment where the actual work is conducted at a Menlo Park location for one year; (4) commission work, up to and including a 100% commission arrangement, conducted in Menlo Park, or (5) volunteering for a community or civic serving entity located within Menlo Park, without receipt of compensation, wages or salary in exchange for such time and work.
- Employer-based work. If employed for wages or salary by an employer, working in Menlo Park is defined as the employer is located in Menlo Park and the employment/actual work is performed within incorporated Menlo Park.
- Owning (either wholly or in part) a residential or commercial property for investment purposes only shall not qualify as working within incorporated Menlo Park.

Unhoused Preference: For purposes of these Guidelines, unhoused persons may show local residency by providing evidence that their last permanent residence was located in Menlo Park and/or documentation from a case manager or homeless services provider demonstrating current residency in Menlo Park, including places or structures other than a bona fide dwelling unit (i.e. vehicle or tent).

Displacement Preference: A person or household residing within incorporated Menlo Park for three or more years that was subsequently displaced from such housing and does not reside in Menlo Park at the date of submission of application, shall not be disqualified based on current lack of residency, provided they can show their displacement was due to economic conditions beyond their control (including but not limited to job loss, rent increase, eviction, foreclosure or other form of economic hardship resulting in loss of housing). Evidence of such economic displacement shall be in the form of direct evidence (i.e. job termination letter) or declarations submitted under penalty of perjury.

Accessible Unit Preference: If the BMR unit is an accessible unit, then persons and/or persons within a household with accessibility needs who are otherwise eligible for the BMR unit, including by household size and income, will receive preference for units with features serving those accessibility needs ahead of applicants without an accessibility need. Ranking of persons and households for accessible units shall follow the below list from highest to lowest in the order of lottery ranking:

- Person or household with an accessibility need meeting an existing Menlo Park preference, such as live and/or work, unhoused or displacement preference.

- Person or household with an accessibility need not meeting an existing Menlo Park preference
- Person or household meeting an existing Menlo Park preference
- Person or household not meeting an existing Menlo Park preference

8.2 BMR Purchase Legacy List. The City no longer maintains a ranked BMR purchase waitlist and no longer adds persons or households to this list. To honor households that maintained their ranking and were required to annually recertify, the City created a BMR Purchase Legacy List. Households on the previous ranked BMR purchase list as of January 1, 2021 were effectively notified and transferred to the BMR Purchase Legacy List, which allows these identified households to have priority over all other applicants. Once there are no longer any households remaining on the BMR Purchase Legacy List (either because households on the list have been placed in units pursuant to these Guidelines, or because households have withdrawn from the list), the list will be considered terminated.

9. THE BMR UNIT PURCHASE PROCESS: BUYER SELECTION AND SALE PROCEDURES

9.1 New Units and Condominium Conversions.

9.1.1 The participating developer informs the City or its designee in writing that the BMR unit has received its final building inspection and that the BMR unit is ready for sale and occupancy. "The City" shall mean the City Manager, or his or her designee.

9.1.2 City of Menlo Park staff or the City's BMR Housing Program provider inspects the BMR unit. After approval of the unit, the City or the City's BMR Housing Program provider writes a certifying letter that states the BMR unit meets the BMR Housing Program's requirements and satisfies the BMR Agreement's provisions. The certifying letter will also state the price for the BMR unit. The price for the BMR unit will be determined based on the information described in the next three sections.

9.1.3 The City or its designee obtains necessary information for determining the price of the BMR unit. These include, but may not be limited to, the estimated tax figures from the developer and the County Assessor, as well as Homeowner's Association dues, Covenants, Conditions and Restrictions, and insurance figures from the developer. Also included will be all associated Homeowner Association documentation.

9.1.4 Household size and income qualifications are established. In households in which an adult holds 50% or more custody of a minor child or children through a legally binding joint custody settlement, each such child shall count as a person in determining the household size.

9.1.5 The City or its designee determines the maximum price of the BMR unit based on an income up to 120% of AMI (“AMI”) related to household size, as established from time to time by HCD for San Mateo County, monthly housing costs including current mortgage rates, insurance costs, homeowners' dues, taxes, closing costs and any other consideration of costs of qualifying for a first mortgage and purchase of the BMR unit. See Section 15, Table A, for income eligibility limits, which may be updated by City staff from time to time. When these documents and the information described in this and preceding sections have been received, the City will provide the developer with a certifying letter in which the City states the price for the BMR unit, accepts the BMR unit as available for purchase and the purchase period will commence.

9.1.6 If there is a standard pre-sale requirement by the BMR applicant's lender for a certain percentage of units in the project to be sold before the BMR applicant's lender will close, then the time for the City's purchase or the buyer's purchase will be extended until that requisite number of units has closed.

9.1.7 The City may retain a realtor to facilitate the sale of the property.

9.1.8 Contact is established between the City or its designee and the developer's representative to work out a schedule and convenient strategy for advertisements, if needed, when the units will be open for viewing, and for when the interested applicants may obtain detailed information about the units.

9.1.9 All marketing and sales procedures for BMR units must be approved by the City and will be subject to review on a periodic basis for compliance.

9.1.10 An information packet and application forms are designed and duplicated by the City or its designee. The developer provides information about the unit, including a floor plan of the unit and of the building showing the location of the unit, dimensions, appliances, amenities, and finishes.

9.1.11 The City or the City's BMR Housing Program provider holds an application orientation meeting(s). All person and households are invited to attend the orientation meeting(s). Only households that are eligible by household size and have completed the one-time pre-purchase education requirement are contacted and invited to attend the orientation. Applications to purchase BMR units can only be obtained by attending an application orientation meeting. At the meeting, potential applicants are provided with the following information:

- A detailed description of the BMR Housing Program, including the rights, restrictions, and responsibilities of owning a BMR unit.
- A complete description of the property or properties being offered for sale including buyer eligibility requirements, the purchase price, home owner association costs (if any), estimated property taxes, and home features.

- An overview of the home loan application process and description of necessary costs including down payment (if required), closing costs, real estate taxes, and mortgage insurance.
- A description of the BMR and home loan approval process. Potential applicants are informed they must work with one of the program's approved mortgage providers. Per the City's discretion the potential applicants are also informed of the kinds of acceptable mortgage financing, and also of mortgage financing not allowed at that time (for instance negative amortizing loans).
- Based on the purchase price, estimates are provided on the minimum annual income required to purchase, as well as possible monthly housing costs including principal and interest, property taxes, and insurance payments.
- A step-by-step explanation of the BMR purchase application. If there are several sizes of units for which applicants may be eligible, applicants are instructed where to indicate their unit size preferences.

Potential applicants are invited to ask questions. Meeting attendees are invited to sign up to tour the property or properties for sale. Attendees are given applications and a reasonable deadline to submit their completed applications.

9.1.12 Completed applications are submitted to the City or its designee along with income and asset verifications.

9.1.13 When the application period closes, the City or its designee reviews the completed applications. The complete, eligible, qualifying applications are ranked according to legacy list order and/or lottery ranking.

9.1.14 If the leading applicant for a unit fails to contact the developer, provide a deposit, or obtain appropriate financing within the period of time specified in the notification letter, the City or its designee will contact the next household on the list.

9.1.15 The City of Menlo Park or its designee submits to the title insurance company the Grant Deed, BMR Agreement and Deed Restrictions, and Request for Notice to be recorded with the deed to the property.

9.1.16 The developer shall be free to sell a BMR unit without restriction as to price or qualification of buyer if all of the following criteria are met, unless the BMR applicant's lender has a loan condition that a specific number of units in the development must be sold before the loan can be approved: (1) the City and the developer are unable to obtain a qualified buyer within six months after the City has provided written notice both certifying that the unit is available for purchase and setting the price for the BMR unit, (2) the City or its designee does not offer to purchase the BMR unit within said six months period, and complete said purchase within not more than 60 days following the

end of the six month period, (3) the developer has exercised reasonable good faith efforts to obtain a qualified buyer. A qualified buyer is a buyer who meets the eligibility requirements of the BMR Housing Program and who demonstrates the ability to complete the purchase of the BMR unit. Written notice of availability shall be delivered to the City Manager, City of Menlo Park, 701 Laurel Street, Menlo Park, CA 94025. Separate written notice of availability shall also be delivered to the City Manager, City of Menlo Park, 701 Laurel Street, Menlo Park, CA 94025.

10. OCCUPANCY REQUIREMENTS FOR OWNER-OCCUPIED BMR UNITS

10.1 Primary Residence. The owners listed on title to the BMR property must occupy it as their primary residence and remain in residence for the duration of the Deed Restrictions (55 years). Occupancy is defined as a minimum stay of 10 months in every 12 month period. BMR owners may not terminate occupancy of the BMR property and allow the property to be occupied by a relative, friend, or tenant. Failure of the purchaser to maintain a homeowner's property tax exemption shall be construed as evidence that the BMR property is not the primary place of residence of the purchaser. As necessary, the City may request that BMR owners provide evidence that their units are currently occupied by them as their primary residences. Examples of such evidence may include current copies of any of the following: homeowner's insurance, car/vehicle registration, and utility bills.

10.2 Refinancing and BMR Valuations. BMR owners may refinance the debt on their property at any time following purchase, however, they must contact the City's designated BMR Housing Program provider first, prior to a refinance or equity line. The City's BMR Housing Program provider will provide the owner with clear instructions to ensure program compliance. At that time and at any other time the owner requests it, the BMR Housing Program provider will provide the owner and/or the lender with the current BMR value of the home, in accordance with the formula specified in the Deed Restrictions. Only the City's BMR Housing Program provider can determine the appraised value of a BMR unit and it is the owner's responsibility to inform their lender that the property is a BMR unit. BMR owners are not allowed to take out loans against their property that exceed the BMR value of the home. There is a fee for refinancing a BMR unit that is set by the City's BMR Housing Program provider.

10.3 Transfers of Title. Prior to adding an additional person to title or transferring title to the BMR unit, BMR owners must contact the City for clear instructions to ensure program compliance.

The following transfers of title are exempt from the City's right of first refusal and do NOT re-start the 55 year deed restriction clock:

- Transfer by devise or inheritance to the owner's spouse.
- Transfer of title by an owner's death to a surviving joint tenant, tenant in common, or a surviving spouse of community property (that is, another owner already on title).

- Transfer of title to a spouse as part of divorce or dissolution proceedings.
- Transfer of title or an interest in the property to the spouse in conjunction with marriage.

Transfers by devise or inheritance (such as to a child or other family member), are permitted under certain terms and conditions identified in the Deed Restrictions. These kinds of transfers must first be reviewed and approved by the City or the BMR Housing Program provider. If the person inheriting the property meets the following terms and conditions, then that person may take title, assume full ownership, and reside in the BMR unit. This would then restart the 55 year deed restriction clock. If the person inheriting the property does NOT meet the following terms and conditions they may still inherit the property but are not allowed to live there. In such case, the inheriting party must sell the property and shall be entitled to receive any proceeds from the sale after payment of sales expenses and all liens against the property. The property would then be sold by the City through the BMR Housing Program to an eligible, qualified household. For transfers of title by devise or inheritance, the inheriting party ("Transferee") must meet the following terms and conditions in order to live in the BMR unit:

- Transferee shall occupy, establish and maintain the property as the Transferee's primary residence.
- The Transferee must meet all current eligibility requirements for the BMR Housing Program, as identified at the time of transfer in the BMR Guidelines.
- The Transferee must sign a new BMR Agreement and Deed Restrictions for the property. This restarts the 55 year clock.

11. PROCESS FOR RESALE OF BMR UNITS

11.1 The seller notifies the City by certified mail that he/she wishes to sell the unit. The City notifies its designee, if applicable. The unit must be provided in good repair and salable condition, or the cost of rehabilitating the unit will be reimbursed to the City out of the proceeds of the sale. The definition of "salable condition" for any given unit shall be provided on a case-by-case basis following the City's inspection of the unit, and shall be at the discretion of the City Manager or his/her designee. "Salable condition" shall refer to the general appearance, condition, and functionality of all: flooring; painted surfaces; plumbing, heating, and electrical systems; fixtures; appliances; doors; windows; walkways; patios; roofing; grading; and landscaping. In addition for each unit, the City reserves the right to withhold the cost of having it professionally cleaned from the seller's proceeds. Once cleaning is complete, the seller will be refunded any difference between the amount withheld and the actual cost to clean the unit.

11.2 When the seller notifies the City or the City's BMR Housing Program provider, and it has been determined that the unit is in good repair and salable condition, and the City has set the price for the BMR unit, then the City or the City's BMR Housing

Program provider will state in writing that the 180 day period for completing the sale of the BMR unit shall commence. The price will be set using information in Sections 11.3 through 11.6 below.

11.3 The City or its designee obtains an appraisal made to ascertain the market value of the unit, giving consideration to substantial improvements made by the seller, if needed.

11.4 The City or its designee obtains figures for homeowners' dues, insurance, and taxes from the seller.

11.5 The City or its designee checks major lending institutions active in this market to ascertain current mortgage information (prevailing interest rates, length of loans available, points, and minimum down payments). Monthly housing costs are estimated.

11.6 The City or its designee establishes a sales price, based on the original selling price of the unit, depreciated value of substantial improvements made by the seller, and 1/3 of the increase in the cost of living index for the Bay Area. The selling price is established for the unit at the appraised market value or the computed price whichever is the lower.

11.7 The City retains a realtor to facilitate the sale of the property.

11.8 Agreement is reached between seller and the City or its designee for a schedule of open houses for the unit, at the seller's convenience.

11.9 The procedure continues the same as in Sections 9.1.7 – 9.1.16 above, with the seller substituted for the developer.

11.10 The City or its designee submits to the title insurance company the Grant Deed, BMR Agreement and Deed Restrictions, and Request for Notice and the seller's release from the previous Deed Restrictions, to be recorded with the new deed to the property.

12. REQUIREMENTS FOR BMR RENTAL DEVELOPMENTS

12.1 Income and Rent Standards.

12.1.1 Income Limits upon Occupancy of BMR Rental Units. Unless otherwise approved by the Planning Commission or City Council in the BMR Housing Agreement for the proposed project, only households having gross incomes at or below Low Income for San Mateo County, adjusted for household size, are eligible to occupy BMR rental units, either when initially rented or upon filling any subsequent vacancy. See Section 15, Table A (Below Market Rate Household Income Limits), which may be updated by City staff from time to time. Any variation in the affordability mix to assist the City in meeting its Regional Housing Needs Assessment (including very low, low or

moderate income households) shall require a finding by the approving body that the mix is roughly equivalent to the provision of all of the affordable units at the low income level.

12.1.2 BMR Rent. BMR units may be rented for monthly amounts not exceeding thirty percent (30%) of the income limit for extremely low, very low, subsidized low, low or moderate income households adjusted for occupancy, as established from time to time by the HCD for San Mateo County. In no case shall the monthly rental amounts for BMR units exceed 75% of comparable market rate rents. The maximum rental amounts are listed in Section 15, Table B, (Maximum Monthly Housing Cost Limits for BMR Rental Units), which may be updated by City staff from time to time. BMR rents may be adjusted from time to time to reflect any changes to the then current Income limits.

12.1.3 Tenant Selection and Certification Procedures. Priority for occupancy of all BMR rental units shall be given to those income eligible households who meet the preference criteria defined in section 8.1 of these Guidelines.

12.1.4 BMR Interest List. The qualifications of BMR rental tenants as described in Section 8.1, above, will be independently verified by the owner. The City of Menlo Park or the City's designee shall maintain a BMR Interest List and shall make it available to any owner/developer upon request.

12.1.5 One-Year Lease Offer. Each BMR tenant shall be offered the opportunity to enter into a lease, which has a minimum term of one year. Such offer must be made in writing. If the tenant rejects the offer, such rejection must also be in writing. A lease may be renewed upon the mutual agreement of both parties.

12.1.6 Vacation of Units and Re-Renting. When a BMR tenant vacates, the owner must provide notice to the City, and re-rent the unit to a qualified BMR tenant in accordance with these BMR Guidelines and the BMR Housing Agreement for the unit.

12.1.7 Annual Recertification of BMR Units. The City of Menlo Park or the City's BMR Housing Program provider will recertify annually, by procedures to be established in the BMR Housing Agreement, the provision of BMR rental units as agreed at the time of application for the permit. A qualified BMR tenant shall continue to qualify unless at the time of recertification, for two consecutive years, the household's income exceeds the eligibility requirements, then the tenant shall no longer be qualified. Upon the owner's determination that any such household is no longer qualified, the unit shall no longer be deemed a BMR Unit, and the owner shall make the next available unit, which is comparable in terms of size, features and number of bedrooms, a BMR (the "Next Available Unit Requirement"), or take other actions as may be necessary to ensure that the total required number of units are rented to qualifying BMR households. The owner shall notify the City annually if it substitutes a different unit for one of the designated BMR Units pursuant to this paragraph.

12.1.8 Annual Report. On an annual basis on or before July 1 of each year, the developer or subsequent owner shall submit a report (the "Annual Report") to

the City which contains, with respect to each BMR unit, the name of the eligible tenant, the rental rate and the income and household size of the occupants. The Annual Report shall be based on information supplied by the tenant or occupant of each BMR unit in a certified statement executed yearly by the tenant on a form provided or previously approved by the City or designee. Execution and delivery thereof by the tenant may be required by the terms of the lease as a condition to continued occupancy at the BMR rate. In order to verify the information provided, City shall have the right to inspect the books and records of developer and its rental agent or bookkeeper upon reasonable notice during normal business hours. The Annual Report shall also provide a statement of the owner's management policies, communications with the tenants and maintenance of the BMR unit, including a statement of planned repairs to be made and the dates for the repairs.

13. EQUIVALENT ALTERNATIVES

Nothing set forth herein shall preclude the City from approving reasonably equivalent alternatives to these BMR Guidelines, including, but not limited to, in lieu fees, land dedication, off-site construction or acquisition and rehabilitation of units. Additionally, the City reserves the right to approve reasonably equivalent alternatives to the characteristics of the proposed BMR units and the affordability mix. Any modifications to these Guidelines shall be approved by the City Council and shall contain findings that the alternative is commensurate with the applicable requirement(s) in the BMR Guidelines and is consistent with the goals of the BMR Guidelines.

14. BELOW MARKET RATE HOUSING FUND AND SEVERABILITY CLAUSE

14.1 Purpose. The City of Menlo Park Below Market Rate Housing Fund ("BMR Housing Fund") is a separate City fund set aside for the specific purpose of assisting the development of housing that is affordable to very low, low and moderate income households. The BMR Housing Fund is generated by such income as in-lieu fees. All monies contributed to the BMR Housing Fund, as well as repayments and interest earnings accrued, shall be used solely for this purpose, subject to provisions set forth below.

14.2 Eligible Uses. The BMR Housing Fund will be used to reduce the cost of housing to levels that are affordable to very low, low and moderate income households, as defined in the Housing Element of the City's General Plan. A preference will be given to assisting development of housing for households with minor children; however, this preference does not preclude the use of funds for other types of housing affordable to households with very low, low and moderate incomes.

14.3 Eligible Uses in Support of Very Low, Low and Moderate Income Housing Development. The BMR Housing Fund may be used for, but is not limited, to the following:

- Provision of below market rate financing for homebuyers.

- Purchase of land or air rights for resale to developers at a reduced cost to facilitate housing development for very low, low or moderate income households.
- Reduction of interest rates for construction loans or permanent financing, or assistance with other costs associated with development or purchase of very low, low or moderate income housing.
- Rehabilitation of uninhabitable structures for very low, low or moderate income housing.
- On-site and off-site improvement costs for production of affordable housing.
- Reduction of purchase price to provide units that are very low, low or moderate cost.
- Rent subsidies to reduce the cost of rent for households with limited incomes.
- Emergency repair and/or renovation loan program for BMR owners of older units.
- Loan program to assist BMR condominium owners who have no other way to pay for major special assessments.
- City staff time and administrative costs associated with implementation of the BMR Housing Program.

14.4 Procedures. Requests for use of BMR Housing Fund money shall be submitted to staff for review and recommendation to the City Council. A request for funding shall provide the following minimum information:

- A description of the proposal to be funded and the organizations involved in the project. Public benefit and relevant Housing Element policies and programs should be identified.
- Amount of funding requested.
- Identification of the number of very low, low and moderate income households to be assisted and the specific income range of those assisted.
- Reasons why special funding is appropriate.
- Identification of loan rate, financial status of applicants, and source of repayment funds or other terms.

- Identification of leverage achieved through City funding.

14.5 Annual Report. At the close of each fiscal year, City staff shall report on activity during the previous year (deposits and disbursements) and available funds. The City's auditor shall periodically examine this report and all other BMR Housing Fund financial records, and shall report the results of this examination. In addition, City staff shall report annually on activities assisted by monies from the BMR Housing Fund. The report will review how the program is serving its designated purpose. It will include a discussion of the timely use of funds for actions taken to provide BMR housing units, a review of management activities, and staff recommendations for policy changes to improve the program's performance. In addition, it will provide, for each activity, information corresponding to that required of funding requests listed above in Section 13.4.

14.6 Severability Clause. If any one or more of the provisions contained in the BMR Guidelines shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, then such provisions shall be deemed severable from the remaining provisions contained in the BMR Guidelines, and the BMR Guidelines shall be construed as if such invalid, illegal or unenforceable provision(s) had never been contained herein.

14.7 Administrative Updates. Future updates to tables in Section 15 may be made annually without City Council approval when data becomes available from the appropriate state and federal agencies.

15. TABLES

Table A

Below Market Rate Household Income Limits

2021 Income Limits

Area Median Income: \$149,600 (for a household of 4 persons) effective April 26, 2021

Income Category	Household Size						
	1	2	3	4	5	6	7
Extremely Low Income	38400	43850	49350	54800	59200	63600	68000
Very Low Income	63950	73100	82250	91350	98700	106000	113300
Low Income	102450	117100	131750	146350	158100	169800	181500
Median Income	104700	119700	134650	149600	161500	173550	185550
Moderate Income	125650	143600	161550	179500	193850	208200	222600

<https://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits/docs/income-limits-2021.pdf>

Table B

Maximum Affordable Rent Payment

2021 Rent Limits

Area Median Income: \$149,600 (for a household of 4 persons) effective April 26, 2021

Maximum Rents	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Very Low Income	1598	1713	2056	2375	2650
Low Income	2561	2738	3293	3805	4245
Moderate Income	3141	3365	4038	4666	5205

NOTE 1: The maximum rent is based on the following household size for each unit: Studio: 1 person; 1-bedroom: 1.5 persons; 2-bedroom: 3 persons; 3-bedroom: 4.5 persons; 4-bedroom: 6 persons.

NOTE 2: Per the City of Menlo Park BMR Guidelines (Section 4.1.2), the monthly rental amounts for BMR unit shall not exceed seventy-five percent (75%) of comparable market rate rents. Additional calculations may be necessary for each project to ensure BMR rents comply with this requirement.

<https://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits/docs/income-limits-2021.pdf>

Table C

Occupancy Standards

Occupancy of BMR units shall be limited to the following:

<u>Unit Size</u>	<u>Number of Persons</u>	
	<u>Minimum</u>	<u>Maximum</u>
Studio	1	2
1	1	3
2	2	5
3	3	7
4	4	9

Note: The City Manager or his/her designee has the discretion to vary the persons per unit for unusually large units, not to exceed one person per bedroom, plus one.

Table D

Commercial In-Lieu Fees for July 1, 2021 – June 30, 2022

Group A uses are Research & Development and Office.	Fee: \$20.46 per square foot of gross floor area.
--	---

Group B uses are all other Commercial Uses not in Group A.	Fee: \$11.10 per square foot of gross floor area.
---	---

Commercial In-Lieu Fees are adjusted annually on July 1. Annual fee adjustments are posted on the City's website.

624 University Below-Market Rate Proposal

The housing development project (“Project”) proposed at 624 University Drive (“Property”) consists of six residential units, with four market-rate two-bedroom units, and two one-bedroom affordable units. Of the affordable units, one would be offered at a price that is affordable to a very low-income household, and one would be offered at a price that is affordable to a low-income household.

<i>Summary of the Market Rate Units and Affordable Units</i>				
	Number	Product Type	Bedrooms	Size (avg. sq. ft.)
Market Rate	4	Detached homes	2	1,300
Affordable	2	Duplex	1	664

As discussed below, the Project’s Below Market Rate (“BMR”) proposal is designed to satisfy state and local requirements. This results in the Project providing more affordable units at deeper affordability than required by the City of Menlo Park’s (“City’s”) BMR Ordinance. But the BMR units deviate from the City’s BMR Guidelines through the use of State Density Bonus Law (“SDBL”) concessions/incentives.

Summary of the Project’s Legal Requirements

Housing Crisis Act (Gov. Code, § 66300.5). The Housing Crisis Act (“HCA”) requires a developer proposing to demolish protected units to replace those units. (Gov. Code, § 66300.6, subd. (b)(1)(a).) The HCA requires that those replacement units meet the requirements in SDBL. (Gov. Code, § 66300.5, subd. (i).)

Density Bonus Law (Gov. Code, § 65915). SDBL requires replacement units to be of “equivalent size” and affordable to the households that were occupying the units to be demolished. (Gov. Code, § 65915, subd. (3)(B)(i).) Equivalent size “means that the replacement units contain at least the same total number of bedrooms as the units being replaced.” (*Id.*, subd. (3)(D).)

BMR Ordinance. The BMR Ordinance requires that residential projects of less than 20 units provide 10 percent of the units at below market rates to very low-, low- and moderate-income households. (Mun. Code, § 16.96.020, subd. (b).) Accordingly, the Project requires one BMR unit ($6 * 0.10 = 0.6$). The BMR Ordinance also notes that additional requirements are in the BMR Guidelines, discussed below. (*Id.*, 16.96.060.)

BMR Guidelines.¹ The BMR Guidelines require BMR units to be proportionate in size to the market-rate units, distributed, and indistinguishable from the exterior. (BMR Guidelines, § 5.1.) In addition, BMR units must be of comparable quality in design and materials as the other new units (but not of luxury quality). (*Id.*, § 5.2.)

Application to the Project

The Project's BMR Proposal is shaped by the laws listed above. The Project would demolish two protected, one-bedroom units occupied by lower income households. Consistent with the HCA and SDBL, the Project would replace those protected units with two new, one-bedroom units in a duplex, with one unit affordable to a very low-income household and one affordable to a low-income household.

The Project's one very low-income unit comprises over 16 percent of the total Project units and entitles the Project to a 50 percent density bonus (Gov. Code, § 65915, subd. (f)(2)), four incentives or concessions (*id.*, subd. (d)(2)(F)), unlimited waivers (*id.*, subd. (e)), and use of SDBL parking standards (*id.*, subd. (p)). Under SDBL, a project is eligible for incentives/concessions, waivers, and DBL parking standards even if it does not need to increase its density. (*Id.*, subd. (f).)

To meet its HCA, SDBL, BMR Ordinance, and BMR Guidelines requirements, the Project applicant is using three SDBL incentives/concessions to deviate from the following BMR Guidelines requirements: (i) dispersal, (ii) proportionate size as measured by square footage and bedroom count, and (iii) requirement for the BMR units to be "indistinguishable from the exterior." (BMR Guidelines, § 5.1) Out of an abundance of caution, the applicant also requested a concession/incentive in case the City disagrees that its BMR units have a design and use materials of quality comparable to the other new units. (BMR Guidelines, § 5.2.) These incentive/concessions result in actual and identifiable cost savings and allow the Project to provide replacement units at the size and affordability levels required by the HCA and SDBL.

In sum, the Project provides twice as many affordable units as required by the City's BMR Ordinance and, through SDBL, is able to meet both the State and the City's requirements for affordable units.

¹ The BMR Guidelines applicable to the Project are those that were in effect in December 2023.



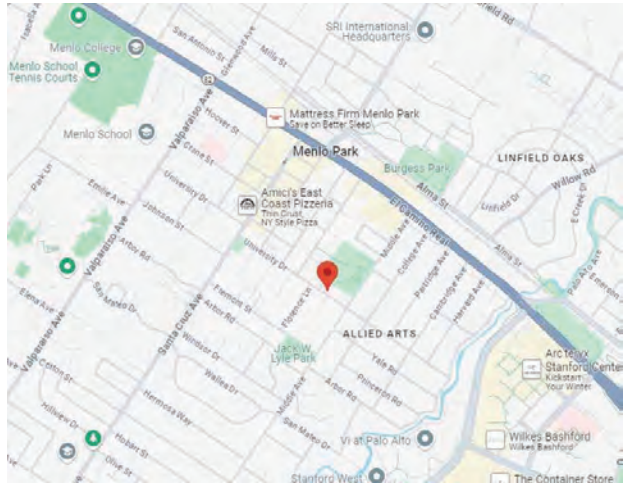
Interior Driveway View



University Drive View

624 University Drive, Menlo Park

Vicinity Map:



**COMMUNITY DEVELOPMENT DEPARTMENT
PLANNING DIVISION**
701 Laurel Street
Menlo Park, CA 94025
phone: (650) 330-6702
fax: (650) 327-1653
planning@menlopark.org
http://www.menlopark.org

DATA SHEET

Please provide the appropriate information pertaining to your application. It is important to complete the existing and proposed development items even if the existing structure is being demolished or if there is no specific zoning ordinance requirement.

LOCATION: 624 University Drive			
EXISTING USE: Units for Lease		APPLICANT: Doug McBeth Mark Gross & Assoc, Inc. Architects	
PROPOSED USE: Units for Sale		PROPERTY OWNER(S): Park South 624, LLC	
ZONING: R-3 (apartment) District		APPLICATION(S): Use Permit, Architectural Control, Major Subdivision	
DEVELOPMENT STANDARDS	PROPOSED PROJECT	EXISTING DEVELOPMENT	ZONING ORDINANCE
Lot area	8,877 sf	8,877 sf	7,000 sf min.
Lot width	59 ft.	59 ft.	70 ft. min.
Lot depth	150 ft.	150 ft.	100 ft. min.
Setbacks			
Front	6' (see note sht A-1-2)	29'-10"	20 ft. min.
Rear	5' (see note sht A-1-2)	18'-6"	15 ft. min.
Side (left)	10 ft.	13 ft.	10 ft. min.
Side (right)	10 ft.	5'-4"	10 ft. min.
Building coverage	2,988.67 sf	2,822 sf	4,882 sf max.
FAR (Floor Area Ratio)**	5,857.24 %	4,456.25 %	6,528.14 sf max.
FAL (Floor Area Limit)**	66 %	50.2 %	66 % max.
Square Footage by floor			
below grade	n/a	n/a	sf
±1st	714.39 sf	2,157 sf	sf
±2nd	2,555.8 sf	676 sf	sf
garage	1571.77 sf	n/a	sf
accessory building(s) other Third Floor	2,586.05 sf	n/a	sf
Square footage of buildings	7,428.01 sf	2,833 sf	sf max.
Building height	30.3 ft.	20'-8"	35 ft. max.
Landscaping***	3,131.86 sf	3,381 sf	2,219 sf min.
	35.3 %	38 %	25 % min.
Paving***	1,774.9 sf	1,784 sf	1,775 sf min.
	20 %	20.01 %	20 % min.
Parking	5-covered, 4-uncovered spaces	4-covered spaces	6-covered, 4-uncovered spaces
Define Basis for Parking	(Example: 1 covered/1 uncovered per residential unit or # of spaces/X square feet) 1-covered for ea. 1-BR unit, 1-covered and .5 for each 2-BR unit		
Trees			
	# of existing Heritage trees	# of existing non-Heritage trees	# of new trees
	2	5	24
	# of existing Heritage trees to be removed	# of non-Heritage trees to be removed	Total # of trees
	0	4	26

* Commercial and Multiple-residential properties | ** Single family residential and R-2 zoned properties | *** Commercial, Multiple-residential, and R-2 zoned properties
Updated March 2008
V:\HANDOUTS\ApprovedDataSheet.doc

Project Data:

Scope of Work:
1. Remove existing 2-story 4-unit building.
2. Construct 6-new 3-story detached units each with an attached garage.

Construction Type: VB
Occupancy: R-3, U
Stories: 3
Fire Sprinklers: Yes
Height: Limited by third floor and Fire Department Limits for 20' wide drive

Owner:
Park South 624, LLC
571 Eleanor Drive
Woodside, CA 94062
949-387-3800
Contact: Doug McBeth

Architect:
Mark Gross & Associates, Inc.
8881 Research Drive
Irvine, CA 92618
(949) 374-0166
Contact: Doug McBeth

Civil Engineer:
MacLeod & Associates, Inc.
965 Center Street
San Carlos, CA 94070
(650) 593-8580
Contact: Dan Koss

Arborist:
Kielly Arborist Services, LLC
PO Box 6187
San Mateo, CA 94403
(650) 532-4418
Contact: David Beckham

Landscape Architect:
Carson Douglas Landscape Architecture
(619) 995-1306
Contact: Michael Brennan

Sheet Index:

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- T-2 Prelim. Grading, Drainage and Utility Plan
- T-3 Erosion and Sedimentation Plan
- T-4 Construction Best Management Practices Plan
- TP-1 Tree Protection Plan
- TP-2 Tree Protection Notes
- TP-3 Tree Protection Construction Phasing Plan
- CP-1 Preliminary Construction Phasing Plan
- TCP Traffic Control Plan Exhibits
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- A-19.1 Existing Second Floor Plans
- A-20 Existing Elevations
- AP-1 Area Plan
- AP-2 Streetscape
- L-1 Landscape Concept Plan
- L-2 Landscape Concept Plan

Title
Cover Sheet

Date
October 7, 2024

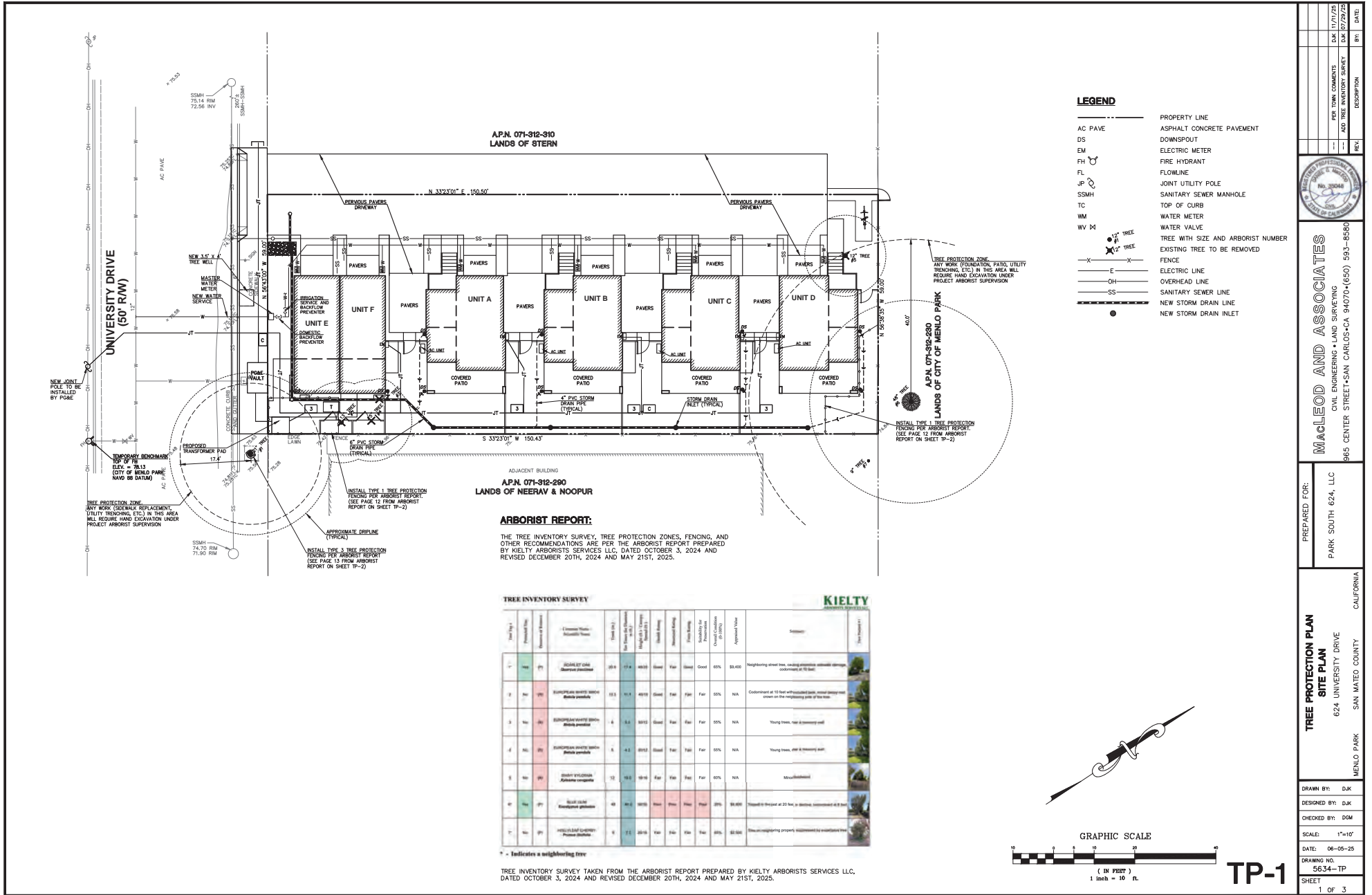
Project Number
4544

Scale
1/4" = 1'-0"

Revision
5-13-2025 Planning 2
7-30-2025 Planning 3
11-11-2025 Planning 4
1-20-2026 Planning 5
3-24-2026 Planning 6
Sheet No.

Mark Gross & Associates, Inc.
8881 Research Drive, Irvine, California 92618
(949) 387-3800 Fax (949) 387-7600
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Park South 624 LLC
624 University Dr, Menlo Park, CA



- LEGEND**
- PROPERTY LINE
 - ASPHALT CONCRETE PAVEMENT
 - DOWNSPOUT
 - ELECTRIC METER
 - FIRE HYDRANT
 - FLOWLINE
 - JOINT UTILITY POLE
 - SANITARY SEWER MANHOLE
 - TOP OF CURB
 - WATER METER
 - WATER VALVE
 - TREE WITH SIZE AND ARBORIST NUMBER
 - X TREE TO BE REMOVED
 - E ELECTRIC LINE
 - OH OVERHEAD LINE
 - SS SANITARY SEWER LINE
 - NEW STORM DRAIN LINE
 - NEW STORM DRAIN INLET

REV.	DATE	DESCRIPTION
1	11/17/24	PER TOWN COMMENTS
2	02/22/25	ADD TREE INVENTORY SURVEY



MACLEOD AND ASSOCIATES
 CIVIL ENGINEERING • LAND SURVEYING
 865 CENTER STREET • SAN CARLOS, CA 94070 • (650) 593-6550

PREPARED FOR:
 PARK SOUTH 624, LLC
 624 UNIVERSITY DRIVE
 MENLO PARK, CALIFORNIA

TREE PROTECTION PLAN
SITE PLAN
 624 UNIVERSITY DRIVE
 MENLO PARK, CALIFORNIA

DRAWN BY:	DJK
DESIGNED BY:	DJK
CHECKED BY:	DOM
SCALE:	1"=10'
DATE:	06-05-25
DRAWING NO.:	65-34-TP
SHEET:	1 OF 3

APN 071-912-910
 LANDS OF STERN

APN 071-912-290
 LANDS OF CITY OF MENLO PARK

ADJACENT BUILDING
 APN 071-912-290
 LANDS OF NEERAV & NOOPUR

ARBORIST REPORT:

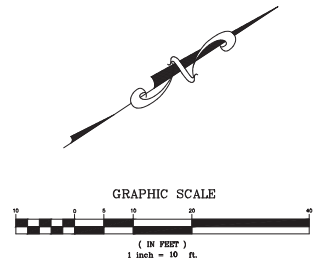
THE TREE INVENTORY SURVEY, TREE PROTECTION ZONES, FENCING, AND OTHER RECOMMENDATIONS ARE PER THE ARBORIST REPORT PREPARED BY KIELTY ARBORISTS SERVICES LLC, DATED OCTOBER 3, 2024 AND REVISED DECEMBER 20TH, 2024 AND MAY 21ST, 2025.

TREE INVENTORY SURVEY

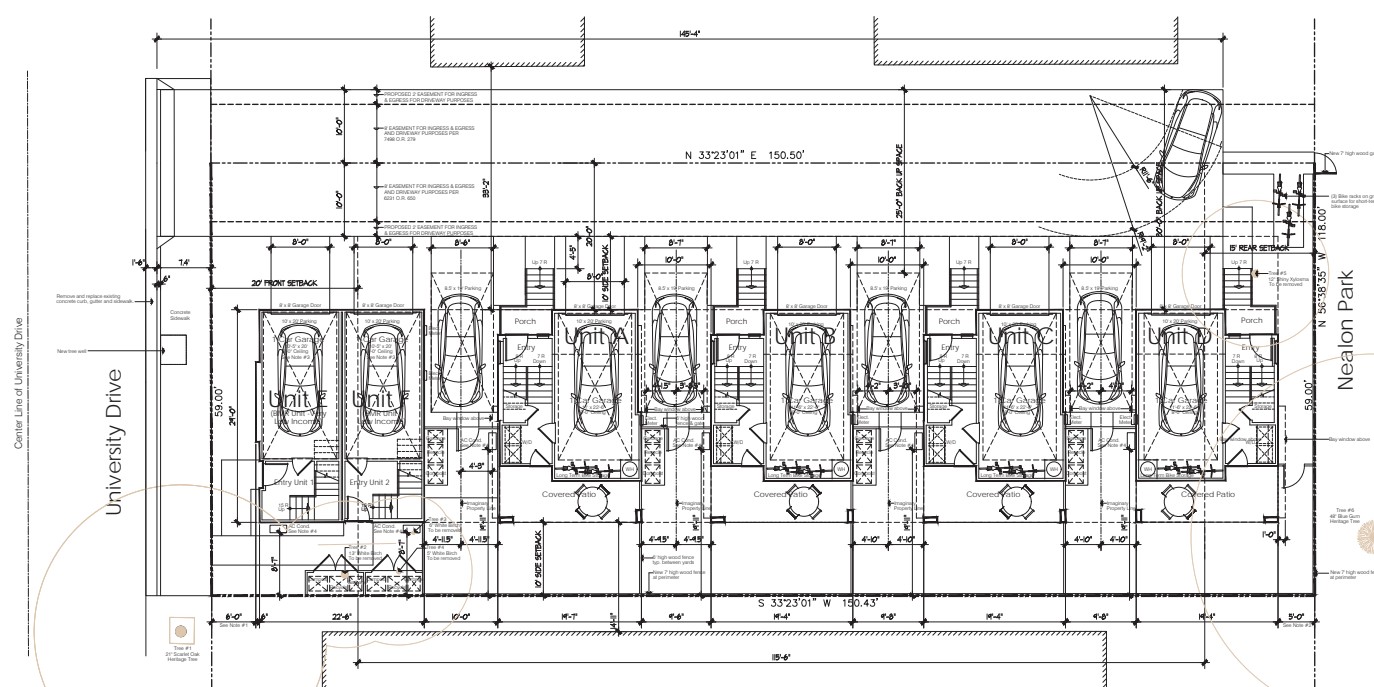
Tree Tag #	Species	Trunk DBH (inches)	Height (ft)	Health	Form	Location	Notes	Photo
1	SHRUBBY OLEA (Shrub)	2.8	17.4	Good	Fair	Good	Neighboring street tree, no sign of stress or damage, well-maintained at 10 ft.	
2	SHRUBBY QUERCUS (Shrub)	1.3	11.4	Good	Fair	Fair	Colonialist at 10 feet with significant stress signs on the neighboring side of the tree.	
3	SHRUBBY QUERCUS (Shrub)	4	8.4	Good	Fair	Fair	Young trees, fair to good condition.	
4	SHRUBBY QUERCUS (Shrub)	5	8.4	Good	Fair	Fair	Young trees, fair to good condition.	
5	SHRUBBY QUERCUS (Shrub)	12	10.8	Good	Fair	Fair	Neighboring street tree, no sign of stress or damage, well-maintained at 10 ft.	
6	SHRUBBY QUERCUS (Shrub)	40	30.5	Good	Fair	Fair	Neighboring street tree, no sign of stress or damage, well-maintained at 10 ft.	
7	SHRUBBY QUERCUS (Shrub)	9	7.1	Good	Fair	Fair	Neighboring street tree, no sign of stress or damage, well-maintained at 10 ft.	

* - Indicates a neighboring tree

TREE INVENTORY SURVEY TAKEN FROM THE ARBORIST REPORT PREPARED BY KIELTY ARBORISTS SERVICES LLC, DATED OCTOBER 3, 2024 AND REVISED DECEMBER 20TH, 2024 AND MAY 21ST, 2025.



TP-1



Site Plan

Site Plan Notes for Development Standard Waivers:

1. Front setback - Applicant requests a reduction of the front setback to 5' from the property line.
2. Rear setback - Applicant requests a reduction of the rear setback to 5' from the property line.
3. Parking in front setback - Applicant requests that covered parking for Units E & F be allowed in the required front setback.

General Site Plan Notes:

4. HVAC equipment will not exceed 50 dBA at night, and 40BPA during the day at the nearest residential property line.
5. All city utilities must be underground.

Tree Protection Notes:

6. A Tree protection verification letter from the Project Architect is required before issuing the associated demolition and building permits.
 - a. Tree protection should be installed in compliance with city tree protection requirements and project-specific recommendations in the Arborist Report.
 - b. The Project Architect should visit the property, verify that the protection measures comply, take photos, and prepare a brief verification letter for City Arborist review.
 - c. For tree protection verification:
 - i. Tree protection fencing needs signage.
 - ii. There should be a plan to provide consistent irrigation to the trees before, during and after construction (this helps the trees tolerate root loss better).
 - iii. Tree protection zones need mulch and/or plywood soil compaction protection.
7. Please note, the Project Architect must also provide monthly tree protection monitoring inspections during active construction and demolition.
8. PLEASE NOTE, THE PROJECT ARCHITECT MUST BE ON SITE TO SUPERVISE AND DOCUMENT WORK NEAR REFUGE TREES AT AND A. THIS WORK SHOULD BE CONDUCTED WITH HAND TOOLS TO MINIMIZE ROOT IMPACTS.

COMMUNITY DEVELOPMENT DEPARTMENT PLANNING DIVISION			
DATA SHEET			
LOCATION: 624 University Drive EXISTING USE: Units for Lease PROPOSED USE: Units for Sale ZONING: R-3 (apartment) District			
APPLICANT: (Drug Mfg.) Mark Gross & Assoc., Inc. Architects PROPERTY OWNER(S): Park South 624, LLC APPLICATION(S): Use Permit, Architectural Control, Major Subdivision			
DEVELOPMENT STANDARDS	PROPOSED PROJECT	EXISTING DEVELOPMENT	ZONING ORDINANCE
Lot area	8,177	8,177	2,000
Lot width	50	50	30
Lot depth	165	165	100
Front	8' (see note 2)(A-1-2)	30'-10"	30
Rear	8' (see note 2)(A-1-2)	18'-6"	10
Side (left)	8'	8'-4"	10
Side (right)	8'	8'-4"	10
Building coverage	2,588.67	2,520	4,882
FAR (Floor Area Ratio)	313.8	30.8	24
FAR (Floor Area Ratio)	5,857.24	4,458.25	6,528.14
FAR (Floor Area Ratio)	86	50.2	86
Square footage by floor	sq ft	sq ft	sq ft
1st	714.50	714.50	714.50
2nd	2,368.8	2,368.8	2,368.8
3rd	1,571.77	1,571.77	1,571.77
4th	2,588.05	2,588.05	2,588.05
5th	2,588.05	2,588.05	2,588.05
6th	2,588.05	2,588.05	2,588.05
7th	2,588.05	2,588.05	2,588.05
8th	2,588.05	2,588.05	2,588.05
9th	2,588.05	2,588.05	2,588.05
10th	2,588.05	2,588.05	2,588.05
11th	2,588.05	2,588.05	2,588.05
12th	2,588.05	2,588.05	2,588.05
13th	2,588.05	2,588.05	2,588.05
14th	2,588.05	2,588.05	2,588.05
15th	2,588.05	2,588.05	2,588.05
16th	2,588.05	2,588.05	2,588.05
17th	2,588.05	2,588.05	2,588.05
18th	2,588.05	2,588.05	2,588.05
19th	2,588.05	2,588.05	2,588.05
20th	2,588.05	2,588.05	2,588.05
21st	2,588.05	2,588.05	2,588.05
22nd	2,588.05	2,588.05	2,588.05
23rd	2,588.05	2,588.05	2,588.05
24th	2,588.05	2,588.05	2,588.05
25th	2,588.05	2,588.05	2,588.05
26th	2,588.05	2,588.05	2,588.05
27th	2,588.05	2,588.05	2,588.05
28th	2,588.05	2,588.05	2,588.05
29th	2,588.05	2,588.05	2,588.05
30th	2,588.05	2,588.05	2,588.05
31st	2,588.05	2,588.05	2,588.05
32nd	2,588.05	2,588.05	2,588.05
33rd	2,588.05	2,588.05	2,588.05
34th	2,588.05	2,588.05	2,588.05
35th	2,588.05	2,588.05	2,588.05
36th	2,588.05	2,588.05	2,588.05
37th	2,588.05	2,588.05	2,588.05
38th	2,588.05	2,588.05	2,588.05
39th	2,588.05	2,588.05	2,588.05
40th	2,588.05	2,588.05	2,588.05
41st	2,588.05	2,588.05	2,588.05
42nd	2,588.05	2,588.05	2,588.05
43rd	2,588.05	2,588.05	2,588.05
44th	2,588.05	2,588.05	2,588.05
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46th	2,588.05	2,588.05	2,588.05
47th	2,588.05	2,588.05	2,588.05
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60th	2,588.05	2,588.05	2,588.05
61st	2,588.05	2,588.05	2,588.05
62nd	2,588.05	2,588.05	2,588.05
63rd	2,588.05	2,588.05	2,588.05
64th	2,588.05	2,588.05	2,588.05
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67th	2,588.05	2,588.05	2,588.05
68th	2,588.05	2,588.05	2,588.05
69th	2,588.05	2,588.05	2,588.05
70th	2,588.05	2,588.05	2,588.05
71st	2,588.05	2,588.05	2,588.05
72nd	2,588.05	2,588.05	2,588.05
73rd	2,588.05	2,588.05	2,588.05
74th	2,588.05	2,588.05	2,588.05
75th	2,588.05	2,588.05	2,588.05
76th	2,588.05	2,588.05	2,588.05
77th	2,588.05	2,588.05	2,588.05
78th	2,588.05	2,588.05	2,588.05
79th	2,588.05	2,588.05	2,588.05
80th	2,588.05	2,588.05	2,588.05
81st	2,588.05	2,588.05	2,588.05
82nd	2,588.05	2,588.05	2,588.05
83rd	2,588.05	2,588.05	2,588.05
84th	2,588.05	2,588.05	2,588.05
85th	2,588.05	2,588.05	2,588.05
86th	2,588.05	2,588.05	2,588.05
87th	2,588.05	2,588.05	2,588.05
88th	2,588.05	2,588.05	2,588.05
89th	2,588.05	2,588.05	2,588.05
90th	2,588.05	2,588.05	2,588.05
91st	2,588.05	2,588.05	2,588.05
92nd	2,588.05	2,588.05	2,588.05
93rd	2,588.05	2,588.05	2,588.05
94th	2,588.05	2,588.05	2,588.05
95th	2,588.05	2,588.05	2,588.05
96th	2,588.05	2,588.05	2,588.05
97th	2,588.05	2,588.05	2,588.05
98th	2,588.05	2,588.05	2,588.05
99th	2,588.05	2,588.05	2,588.05
100th	2,588.05	2,588.05	2,588.05

TREE INVENTORY SURVEY											
Address	Parcel No.	Tree ID	Species	Height	DBH	Health	Location	Notes	Photo	Map	Scale
123 Main St	12345	T1	Oak	15'	12"	Good	Front	...			
123 Main St	12345	T2	Maple	10'	8"	Fair	Side	...			
123 Main St	12345	T3	Pine	8'	6"	Poor	Rear	...			
123 Main St	12345	T4	Redwood	20'	18"	Excellent	Back	...			
123 Main St	12345	T5	Juniper	12'	10"	Good	Front	...			
123 Main St	12345	T6	Cedar	9'	7"	Fair	Side	...			
123 Main St	12345	T7	Walnut	11'	9"	Good	Rear	...			
123 Main St	12345	T8	Aspen	13'	11"	Good	Back	...			
123 Main St	12345	T9	Birch	7'	5"	Fair	Front	...			
123 Main St	12345	T10	Spruce	14'	12"	Good	Side	...			
123 Main St	12345	T11	Fir	16'	14"	Good	Rear	...			
123 Main St	12345	T12	Douglas	18'	16"	Good	Back	...			



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Park South 624 LLC
 624 University Dr, Menlo Park, CA

Title
 Proposed Site Plan
 Date
 October 7, 2024
 Project Number
 4544
 Scale
 1/8" = 1'-0"
 Revision
 12-18-2024 Planning 1
 1-9-2025 Fire Review
 7-30-2025 Planning 3
 11-11-2025 Planning 4
 3-24-2026 Planning 6
 Sheet No.

A-1

16.20.030 Development Regulations

Development regulations are as follows in the R-3 district:

16.20.030 Table 1

		All R-3 Zoned Properties Around the El Camino Real/Downtown Specific Plan Area	Proposed	Development Standard Waivers
Minimum Lot Area		7,000	8,877	
Minimum Lot Dimensions		70 ft. wide by 100 ft. deep (lots <10,000 sq. ft. in area)	Parcel is 59' x 150' and is non-conforming. Use permit is part of this application.	
Land Area Required Per Dwelling Unit		Minimum 3,333 sq. ft. Maximum 1,452 sq. ft.	6-Units (1,452 / 8,877 = 6.1 Max Units)	
Minimum Yards	Front	20'	6'	Note #1
	Interior side	10'	10' from easement	
	Corner Side	15'	N/A	
	Rear	15'	5'	Note #2
	Distance btwn Main Bldgs on the Same Lot Distance btwn Main Buildings Located on One Property and Adjacent Prop.	N/A	N/A	
Max. Floor Area Ratio		Floor area ratio shall decrease on an even gradient from 75% for 30 du/ac to 35% for 13.1 du/ac	8,877 s.f. x 73.54% = 6,528.14 Max. Proposed = 5,857.24 s.f. or 66%. See note below for calculations	
Max. Building Coverage		55%	8,877 x 55% = 4,882 Max. 2,988.67 s.f. or 33.7% Proposed	
Max. Driveways and Open Parking Areas (Paving)		20%	8,877 x 20% = 1,775 Max. 1,774.9 s.f. or 20% Proposed	
Minimum Open Space (Landscaping)		25%	8,877 x 25% = 2,219 Min. Refer to sheet A-1.1 for Proposed	
Height		13.1 du/ac 35' 20 du/ac 40'	30'-3"	
Building Profile		Starting at a height of 28', a 45-degree building profile shall be set at the minimum setback line contiguous with a public right-of-way or single-family zoned property or public park.	Per 16.2.040 (3)(A) Angled building profile starts a setback line, up 25' and then 45-degree angle to building height limit. Provided on building facade facing University Dr.	Note #3
Parking		2 or more bedrooms 1.5 Spaces 1-bedroom 1 space Each unit must have at least one covered space. Parking spaces cannot be located in the required front yard. Minimum bicycle parking: 1.5 long-term per unit, 10% additional short-term for guests	One covered space is provided for each 1-bedroom unit. One covered space and one uncovered space is provided for each of the four 2-bedroom units 9-spaces required. Total of 11 bike parking spaces provided. 2-in units A-D garages and 3- exterior spaces.	Note #4

Max Floor Area Ratio Calculation:

Lot Area = 8,877 s.f.
 43,560 (acre) / 8,877 = 4.9% of an acre.
 4.9 x 6 (number of units proposed) = 29.4 du/ac.
 For the gradient, a multiplier of 2.35, which is the difference between 75% and 35% (40) divided by the difference between 30 du/ac and 13 du/ac (17). 40/17 = 2.35
 The difference between 29.4 du/ac and 13 is 16.4 x 2.35 = 38.54
 38.54% x 35% = 73.54 % Maximum Floor Area Ratio or 6,582.14 s.f.

16.20.040 Residential Design Standards

Summarized compliance to pertinent items that apply to this project due to having (3) or more units:

16.20.040 (1)(C) The North facade of Building D has a bay window projection that extended 12" into the rear yard setback. The surface area of the rear building plane is 795 s.f. Maximum allowed projection is 35%. 795 x 35% = 278.25. Proposed projection is 1.6.3 s.f. or 13.3%

16.20.040 (3)(A) Building Profile. The daylight plane is shown on the South side of the site that faces University. Refer to sheet A-6.

16.20.040 (5)- Exterior Materials
 (A) There is no stucco on the exterior.
 (B) There is no stucco on the exterior
 (C) All exterior windows are shown to have a 2" recess.
 (D) All simulated divided light windows will include mullions on the exterior of the glazing and contain internal dividers (space bars) between the window panes.

16.20.040 (6) Building Design
 (A) Entrance to each unit is from an elevated porch served by stairs that extend beyond the building facade which indicates where the unit entrance is located.
 (B) Utility meters are located at the rear in the parking space between the buildings.
 (C) Trash carts are located in the rear yard behind the fencing.
 (D) Trash carts are not in an enclosure and are located in the rear yard behind fencing.
 (E) N/A
 (F) Roof mounted solar panels will meet the requirements of Section 16.08.095.

16.20.040 (7) Open Space
 Each unit shall have a private open space of 80 sq. ft. and shall have a minimum open space of 6' x 6'.
 Proposed units meet the minimum as shown on sheet A-1.

16.20.040 (8) Lighting
 Exterior lighting fixtures shall use fixtures with low cutoff angles, appropriately positioned, to minimize glare into dwelling units and light pollution into the night sky. Additionally, lighting in parking garages shall be screened and controlled so as not to disturb surrounding properties, but shall ensure adequate public security.

Development Standard Waivers Notes:

- Front setback - Applicant requests a reduction of the front setback to 6' from the property line.
- Rear setback - Applicant requests a reduction of the rear setback to 5' from the property line.
- Daylight plane - Related to the reduction in front setback, Applicant requests reduction in the daylight plane requirements. While the Project incorporates a step-back in the building design that would meet daylight plane requirements, technically, it will no longer fully comply due to the buildings placement as compared to the front setback.
- Allow the covered parking for Units E & F to be located in the required front yard setback.

16.20.050 Residential green and sustainable building

16.20.050 (1) Green Building
 Any new construction, addition or alteration of a building with residential uses shall be required to comply with Table 16.20.050(1)(B)

16.20.050 (2)
 (2) Energy.

(A) For all new construction, the project will meet one hundred percent (100%) of energy demand (electricity and natural gas) through any combination of the following measures:

- On-site energy generation:
- Purchase of one hundred percent (100%) renewable electricity through Peninsula Clean Energy or Pacific Gas and Electric Company in an amount equal to the annual energy demand of the project:
- Purchase and installation of local renewable energy generation within the city of Menlo Park in an amount equal to the annual energy demand of the project:
- Purchase of certified renewable energy credits and/or certified renewable energy offsets annually in an amount equal to the annual energy demand of the project.

If a local amendment to the California Energy Code is approved by the California Energy Commission (CEC), the following provision becomes mandatory:

The project will meet one hundred percent (100%) of energy demand (electricity and natural gas) through a minimum of thirty percent (30%) of the maximum feasible on-site energy generation, as determined by an on-site renewable energy feasibility study, and any combination of the measures in subsections (2)(A)(i) to (iv) of this section. The on-site renewable energy feasibility study shall demonstrate the following cases at a minimum:

- Maximum on-site generation potential.
- Solar feasibility for roof and parking areas (excluding roof-mounted HVAC equipment).
- Maximum solar generation potential solely on the roof area.

16.20.050 (3) Water Use Efficiency and Recycled Water
 (A) Single-pass cooling systems shall be prohibited in all new buildings.

(B) All new buildings shall be built and maintained without the use of well water.

(D) All new buildings shall be dual plumbed for the internal use of recycled water.

16.20.050 Waste Management
 Completed Form provided.

16.20.050 Bird-Friendly Design
 Refer to elevation sheets A-9 thru A-13 for bird-friendly mitigation measures.

Preliminary Building Code Compliance

- Project is subject to the California Building Standards Code and any adoption of Reach Codes and local ordinances in effect at the time of building permit application.
- Project is subject to the California Green Building Code in effect at the time of building permit application and any local amendments to Cal Green.
- All deferred submittals other than trusses are to be approved by the Building Official prior to building permit application.

Preliminary compliance documentation for select design elements:

- Egress: Bedroom window sizes are noted on the floor plans. Bedroom windows are min. 2'-6" x 5' casement and provide the required clear openings and sill heights.
- Third floor area complies with Table 1006.3.4(1) and only requires one exit route.

- Fire-Resistant Construction:
 Imaginary property lines added to the site plan (sheet A-1) show that no wall surface is closer than 3'-10" and there are no overhangs in these areas. No fire-resistant construction is required per Table R302.1(2). Automatic fire sprinklers will be installed in accordance with Section R3132 and the requirements of the Menlo Park Fire Protection District.



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Park South 624 LLC
 624 University Dr, Menlo Park, CA

Title
**Unit A
 Floor Area
 Diagrams**

Date
 October 7, 2024

Project Number
 4544

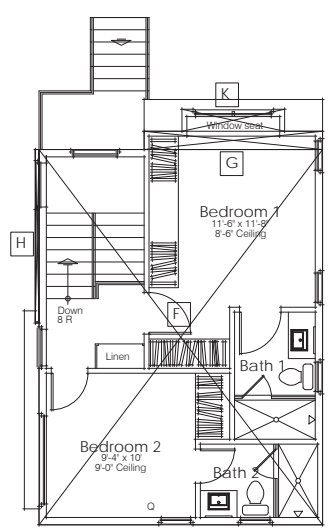
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Revision
 11-11-2025 Planning 4

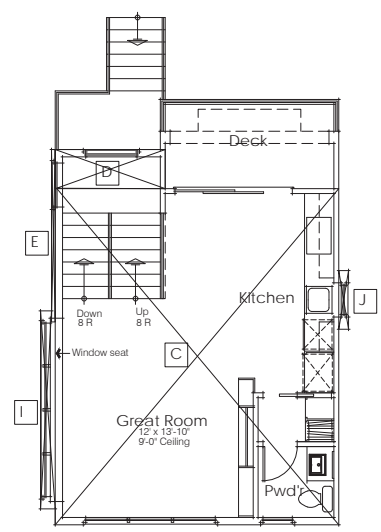
Sheet No.
A-6

FLOOR AREAS (for F.A.R)		
LABEL	DIMENSION	AREA (SQ. FT.)
A	7'-6" X 17'-11"	134.4
B	3' X 11'-9"	3
C	19'-4" X 22'-11"	442
D	7'-4" X 2'-8"	20
E	3' X 11'-9"	3
F	19'-4" X 25'-7"	495
G	12'-2" X 1'-3"	15.2
H	3' X 11'-9"	3
I	9' X 16'-6"	10.13
J	8' X 4'	2.67
K	7' X 1'-6"	10.5
Total		1,138.9 SF

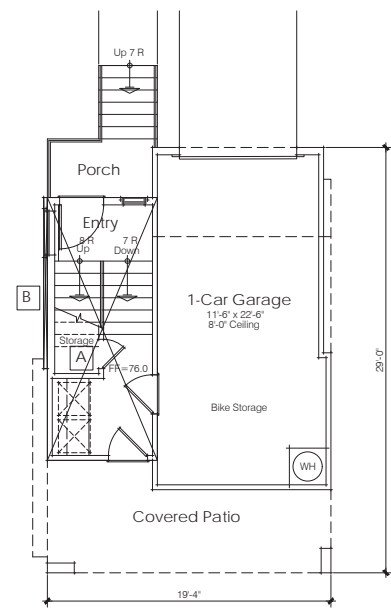
Unit A Floor Area Diagram



Third Floor



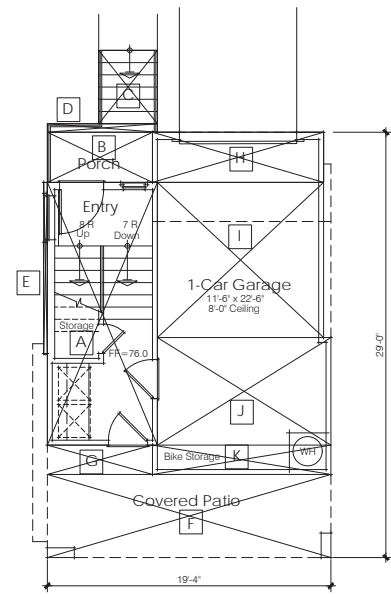
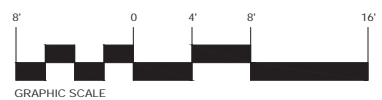
Second Floor



First Floor

FLOOR AREAS (for Building Coverage)			
LABEL	DIMENSION	AREA (SQ. FT.)	Garage Area Total
A	7'-6" X 17'-11"	134.4	
B	7'-2" X 3'-6"	25	
C	4' X 5'-7"	22.33	
D	7'-6" X 7"	4.37	
E	3' X 11'-9"	3	
F	19'-4" X 5'-8"	109.6	
G	7'-2" X 2'	14.32	
H	11'-8" X 3'-5"	39.8	
I	11'-4" X 10'-7"	119.87	
J	11'-20" X 7'-4"	86.71	
K	12'-2" X 2'	24.3	
Total building coverage		584.0	270.68

Unit A Building Coverage Diagram



First Floor



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Park South 624 LLC
 624 University Dr, Menlo Park, CA

Title
 Units B & C
 Floor Area
 Diagrams

Date
 October 7, 2024

Project Number
 4544

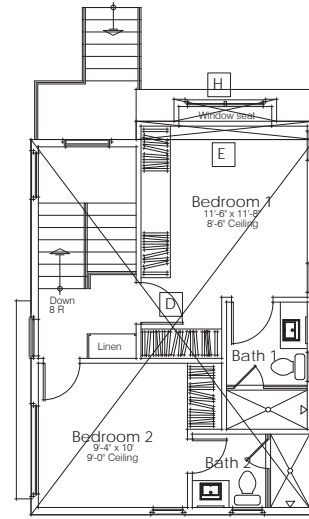
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Revision
 11-11-2025 Planning 4

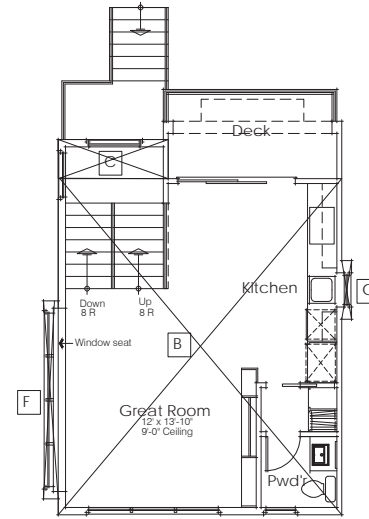
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 A-7

FLOOR AREAS (for F.A.R)		
LABEL	DIMENSION	AREA (SQ. FT.)
A	7'-6" X 17'-11"	134.4
B	19'-4" X 22'-11"	442
C	7'-4" X 2'-8"	20
D	19'-4" X 25'-7"	495
E	12'-2" X 1'-3"	15.2
F	9' X 16'-6"	10.13
G	8' X 4'	2.67
H	7' X 1'-6"	10.5
Total		1,129.9 SF

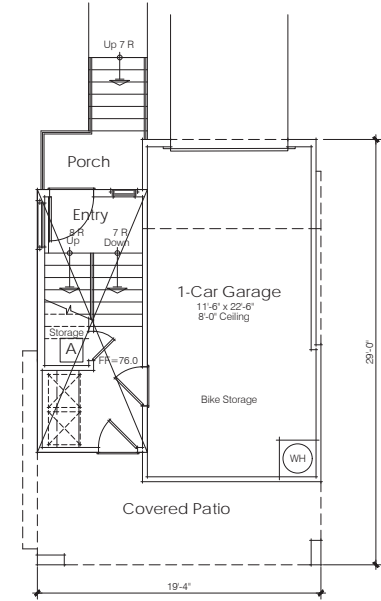
Units B & C Floor Area Diagram



Third Floor



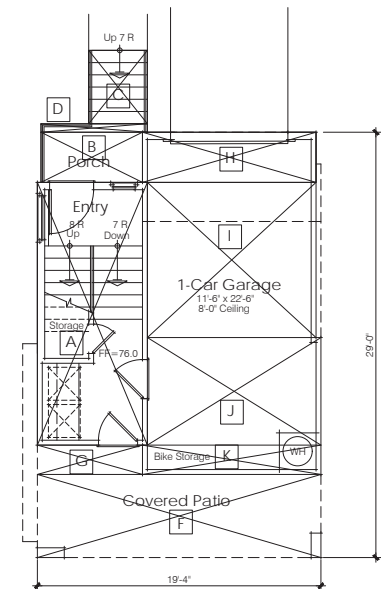
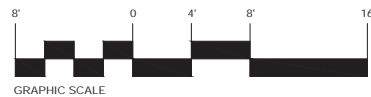
Second Floor



First Floor

FLOOR AREAS (for Building Coverage)			
LABEL	DIMENSION	AREA (SQ. FT.)	Garage Area Total
A	7'-6" X 17'-11"	134.4	
B	7'-2" X 3'-6"	25	
C	4' X 5'-7"	22.33	
D	7'-6" X 7'	4.37	
E	Not Used		
F	19'-4" X 5'-8"	109.6	
G	7'-2" X 2'	14.32	
H	11'-10" X 3'-5"	40.34	
I	11'-6" X 10'-7"	121.67	
J	11'-20" X 7'-4"	86.71	
K	12'-2" X 2'	24.3	273.02
Total building coverage		583.04	

Units B & C Building Coverage Diagram



First Floor



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Park South 624 LLC
 624 University Dr, Menlo Park, CA

Title
 Unit D
 Floor Area
 Diagrams

Date
 October 7, 2024

Project Number
 4544

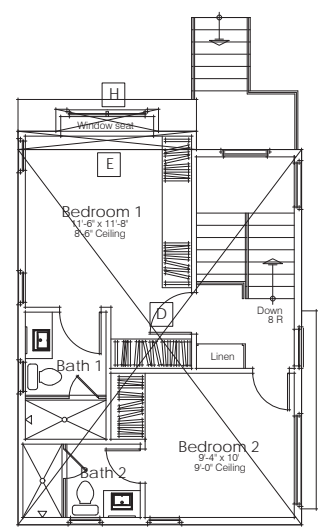
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Revision
 11-11-2025 Planning 4

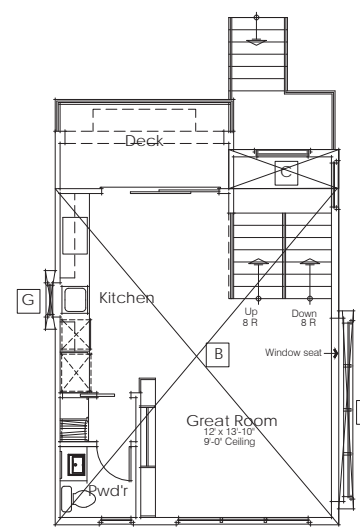
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 A-7.1

FLOOR AREAS (for F.A.R)		
LABEL	DIMENSION	AREA (SQ. FT.)
A	7'-6" X 17'-11"	134.4
B	19'-4" X 22'-11"	442
C	7'-4" X 2'-8"	20
D	19'-4" X 25'-7"	495
E	12'-2" X 1'-3"	15.2
F	9' X 16'-6"	10.13
G	8' X 4'	2.67
H	7' X 1'-6"	10.5
Total		1,129.9 SF

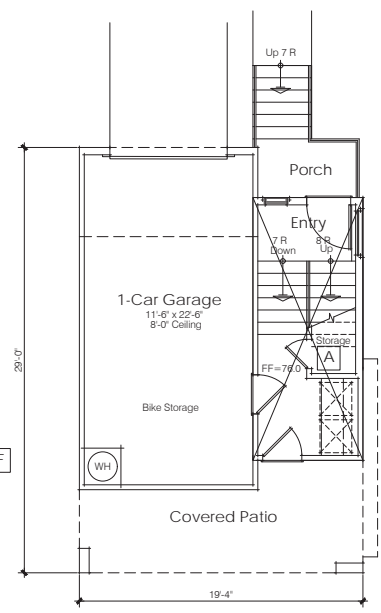
Unit D Floor Area Diagram



Third Floor



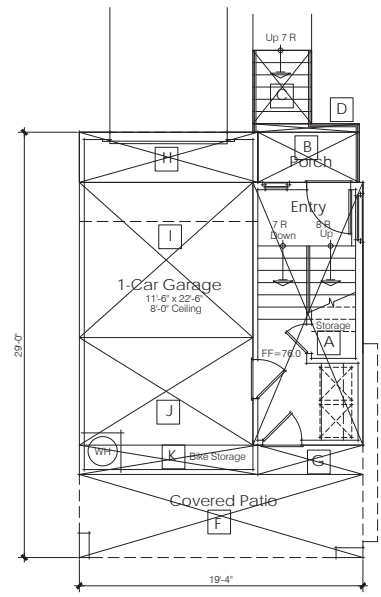
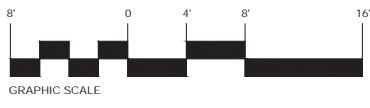
Second Floor



First Floor

FLOOR AREAS (for Building Coverage)			
LABEL	DIMENSION	AREA (SQ. FT.)	Garage Area total
A	7'-6" X 17'-11"	134.4	
B	7'-2" X 3'-6"	25	
C	4' X 5'-7"	22.33	
D	7'-6" X 7'	4.37	
E	Not Used		
F	19'-4" X 5'-8"	109.6	
G	7'-2" X 2'	14.32	
H	12'-2" X 3'-5"	41.46	
I	11'-10" X 10'-7"	125.16	
J	11'-20" X 7'-4"	86.71	
K	12'-2" X 2'	24.3	
Total building coverage		587.65	277.63

Unit D Building Coverage Diagram



First Floor



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Park South 624 LLC
 624 University Dr, Menlo Park, CA

Title
Units E & F
Floor Area
Diagrams

Date
 October 7, 2024

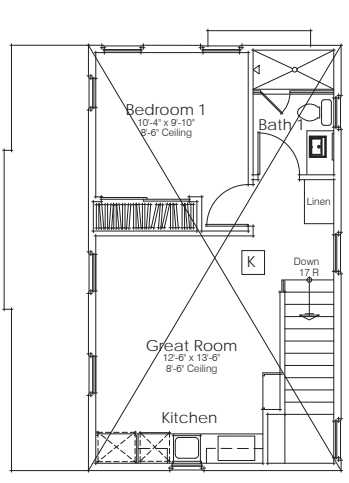
Project Number
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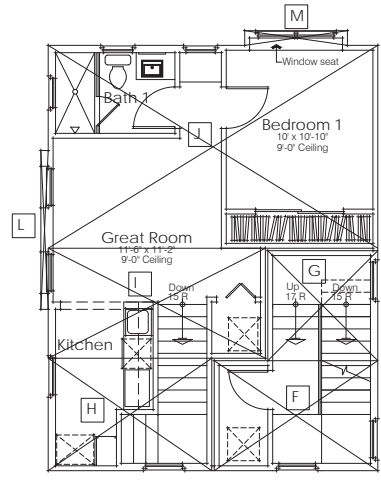
Revision
 5-13-20254 Planning 2
 11-11-2025 Planning 4

Sheet No.
 A-8

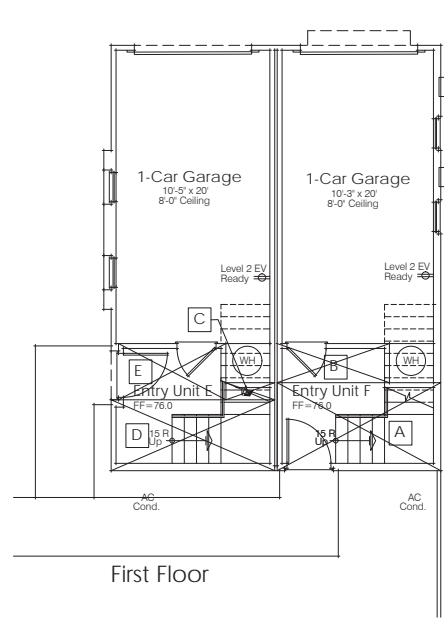
FLOOR AREAS (for F.A.R)		
LABEL	DIMENSION	AREA (SQ. FT.)
A	11'-2" x 6'	67
B	7'-8" x 2'-8"	20.44
C	3'-8" x 1'-2"	4.27
D	11'-2" x 4'-10"	53.97
E	7'-4" x 3'-10"	28.11
F	11'-2" x 7'-6"	83.75
G	7'-6" x 7'-6"	56.25
H	11'-2" x 7'-8"	85.61
I	14'-10" x 7'-6"	111.25
J	22'-6" x 13'-10"	304.33
K	17'-3" x 29'	500.25
L	6' x 10'-10"	5.41
M	7' x 1'	7.0
Total		1,327.64 SF



Third Floor



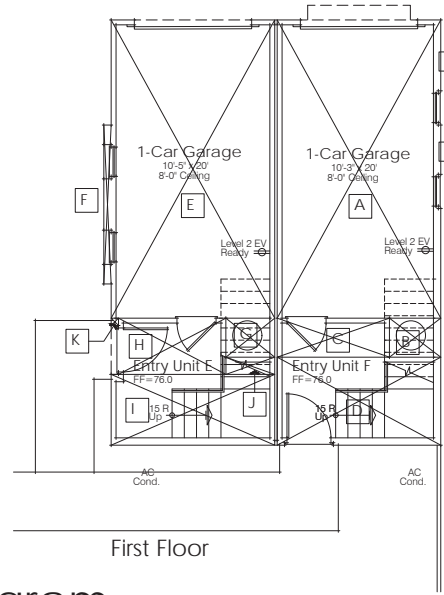
Second Floor



First Floor

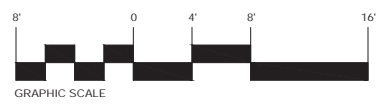
Units E & F Floor Area Diagram

FLOOR AREAS (for Building Coverage)			
LABEL	DIMENSION	AREA (SQ. FT.)	Garage Area total
A	11'-2" x 20'-4"	226.88	236.23
B	3'-6" x 2'-8"	9.35	
C	7'-8" x 2'-8"	20.48	241.19
D	11'-2" x 6'	66.96	
E	11'-2" x 20'-4"	226.88	241.19
F	6' x 10'-10"	5.42	
G	3'-4" x 2'-8"	8.89	241.19
H	7'-4" x 3'-10"	28.07	
I	11'-2" x 4'-10"	53.9	241.19
J	3'-4" x 1'-2"	3.86	
K	6' x 6"	.25	241.19
Total building coverage		650.94 SF	



First Floor

Units E-F Building Coverage Diagram



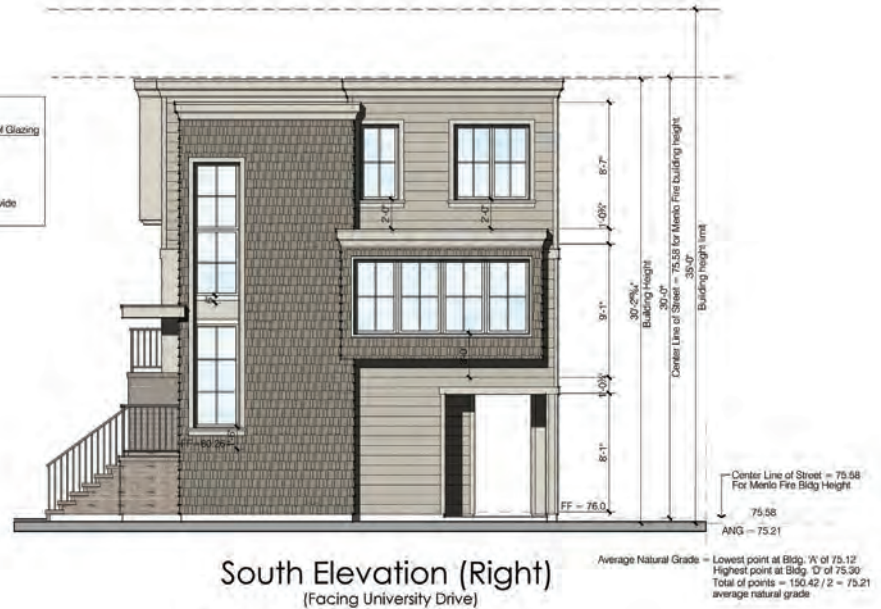


West Elevation (Front)

Bird-Friendly Design Study

Wall Plane	Area s.f.	Glazing Area s.f.	Percentage of Glazing
West	586	122	20.8
East	580	84	14.4
South	795	147.7	18.5
North	795	38	4.7

Note: All windows and glass doors have paneled glass to provide bird-friendly design.



South Elevation (Right)
(Facing University Drive)



East Elevation (Rear)



North Elevation (Left)



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Park South 624 LLC
624 University Dr, Menlo Park, CA

Title
**Unit A
Conceptual
Elevations**

Date
October 7, 2024
Project Number
4544
Scale
1/4" = 1'-0"
Revised
12-18-2024 Planning 1
7-30-2025 Planning 3
11-11-2025 Planning 4
Sheet No.

A-9



West Elevation (Front)

Bird Friendly Design Study

Wall Plane	Area s.f.	Glazing Area s.f.	Percentage of Glazing
West	585	122	20.8
East	590	94	14.4
South	766	147.7	18.5
North	793	38	4.7

Note: All windows and glass doors have paned glass to provide bird friendly design.

Note: All exterior windows are recessed 2"



South Elevation (Right)

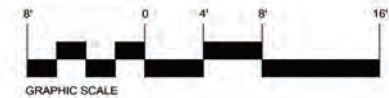
Average Natural Grade = Lowest point at Bldg. 'A' of 75.12
 Highest point at Bldg. 'D' of 75.30
 Total of points = 150.42 / 2 = 75.21
 average natural grade



East Elevation(Rear)



North Elevation (Left)



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 624 University Dr, Menlo Park, CA

Title
Unit B Conceptual Elevations

Date
 October 7, 2024

Project Number
 4544

Scale
 1/4" = 1'-0"

Revision
 12-18-2024 Planning 1
 11-11-2025 Planning 4

Sheet No.
A-10



West Elevation (Front)

Bird-Friendly Design Study

Wall Plane	Area s.f.	Glazing Area s.f.	Percentage of Glazing
West	585	122	20.8
East	580	84	14.4
South	795	147.7	18.5
North	795	38	4.7

Note: All windows and glass doors have paned glass to provide bird-friendly design.

Note: All exterior windows are recessed 2"



South Elevation (Right)

Average Natural Grade = Lowest point at Bldg. 'A' of 75.12
 Highest point at Bldg. 'D' of 75.30
 Total of points = 150.42 / 2 = 75.21 average natural grade



East Elevation (Rear)



North Elevation (Left)



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Park South 624 LLC
 624 University Dr, Menlo Park, CA

Title
**Unit C
 Conceptual
 Elevations**

Date
 October 7, 2024

Project Number
 4544

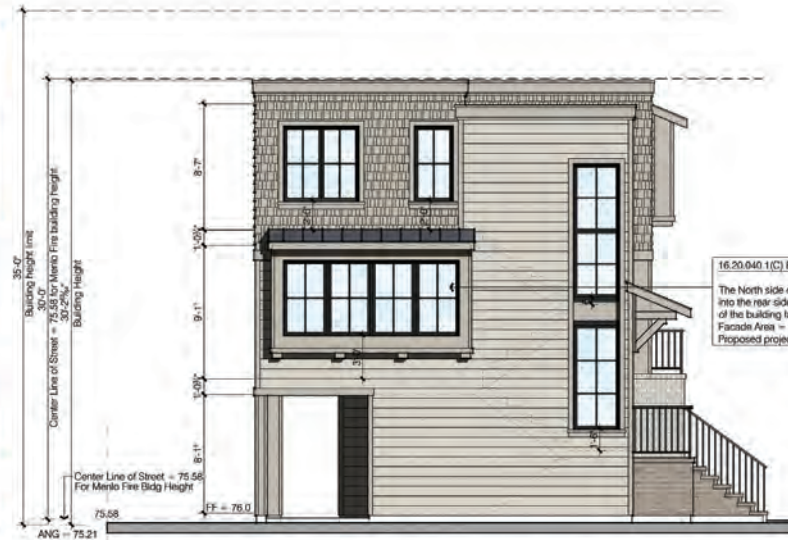
Scale
 1/4" = 1'-0"

Revision
 12-18-2024 Planning 1
 11-11-2025 Planning 4

Sheet No.
A-11



East Elevation (Front)



North Elevation (Left)

16.20.040.1(C) Building Projections
 The North side of Building D has a 12" projection into the rear side yard. Projections are limited to 35% of the building facade:
 Facade Area = 795 s.f. x 35% = 278.25 s.f. allowed
 Proposed projection is 106.3 s.f. or 13.3%

Average Natural Grade = Lowest point at Bldg. 'A' of 75.12
 Highest point at Bldg. 'D' of 75.30
 Total of points = 150.42 / 2 = 75.21
 average natural grade



West Elevation (Rear)

Bird-Friendly Design Study

Wall Plane	Area s.f.	Glazing Area s.f.	Percentage of Glazing
East	585	122	20.8
West	580	84	14.4
North	795	147.7	18.5
South	795	38	4.7

Note: All windows and glass doors have paned glass to provide bird-friendly design.



South Elevation (Right)



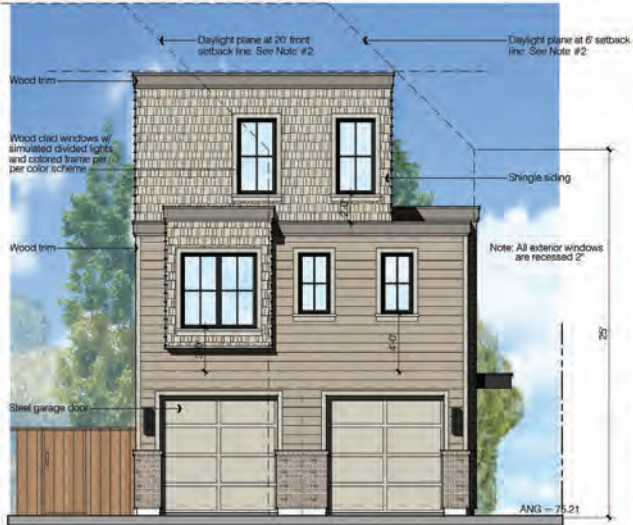
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Park South 624 LLC
 624 University Dr, Menlo Park, CA

Title
 Unit D
 Conceptual
 Elevations

Date
 October 7, 2024
 Project Number
 4544
 Scale
 1/4" = 1'-0"
 Revision
 12-18-2024 Planning 1
 11-11-2025 Planning 4

Sheet No.
 A-12



West Elevation (Front)

Bird-Friendly Design Study

Wall Plane	Area s.f.	Gazing Area s.f.	Percentage of Glazing
West	637	66	10.3
East	637	30.5	4.7
South	871	98.75	11.3
North	871	51.5	5.9

Note: All windows have paned glass to provide bird-friendly design.

Development Standard Waivers Notes:

1. Front setback - Applicant requests a reduction of the front setback to 6' from the property line.
2. Daylight plane - Related to the reduction in front setback, Applicant requests reduction in the daylight plane requirements. While the Project incorporates a step-back in the building design that would meet daylight plane requirements, technically, it will no longer fully comply due to the buildings placement as compared to the front setback.



South Elevation (Right)
(Facing University Drive)



East Elevation (Rear)



North Elevation (Left)



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Park South 624 LLC
624 University Dr, Menlo Park, CA

Title
Units E & F Conceptual Elevations

Date
October 7, 2024

Project Number
4544

Scale
1/4" = 1'-0"

Revised

12-18-2024	Planning 1
5-13-2025	Planning 2
7-30-2025	Planning 3
11-11-2025	Planning 4

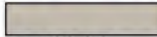
Sheet No.

A-13

EXTERIOR COLOR AND MATERIAL PALETTE



Park South 624 LLC
UNIT A
PROJECT: 624 UNIVERSITY DRIVE
LOCATION: MENLO PARK, CALIFORNIA
DATE: 11.11.25



SHIPLAP WOOD SIDING:
 "FARBODY AND BALL PAINTS"
 No. 229 (Eggshead's Beauty) (or equivalent)



WOOD SHINGLE SIDING:
 "FARBODY AND BALL PAINTS"
 No. 243 (Chardonnay Gray) (or equivalent)



WOOD FASCIA / WOOD TRIM:
 "FARBODY AND BALL PAINTS"
 No. 241 (Shimmering Stone) (or equivalent)



ENTRY DOOR:
 Farrow & Ball
 "FARBODY AND BALL PAINTS"
 No. 229 (Eggshead's Beauty) (or equivalent)



WINDOWS:
 SERA PACIFIC GREEN CASHEM
 No. 229 (Eggshead's Beauty) (or equivalent)



BRICK:
 Thin Brick Painted -
 "FARBODY AND BALL PAINTS"
 No. 243 (Chardonnay Gray) (or equivalent)



STEEL GARAGE DOOR:
 "FARBODY AND BALL PAINTS"
 No. 241 (Shimmering Stone) (or equivalent)



METAL RAILING:
 PAINTED STEEL - FARBODY & BALL PAINT
 No. 229 (Eggshead's Beauty) (or equivalent)



SLIDING DOORS:
 SERA PACIFIC GREEN CASHEM
 No. 229 (Eggshead's Beauty) (or equivalent)

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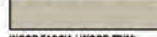
EXTERIOR COLOR AND MATERIAL PALETTE



Park South 624 LLC
UNIT C
PROJECT: 624 UNIVERSITY DRIVE
LOCATION: MENLO PARK, CALIFORNIA
DATE: 11.11.25



SHIPLAP WOOD SIDING:
 "FARBODY AND BALL PAINTS"
 No. 229 (Eggshead's Beauty) (or equivalent)



WOOD FASCIA / WOOD TRIM:
 "FARBODY AND BALL PAINTS"
 No. 241 (Shimmering Stone) (or equivalent)



ENTRY DOOR:
 Farrow & Ball
 "FARBODY AND BALL PAINTS"
 No. 229 (Eggshead's Beauty) (or equivalent)



METAL RAILING:
 PAINTED STEEL - FARBODY & BALL PAINT
 No. 229 (Eggshead's Beauty) (or equivalent)



SLIDING DOORS:
 SERA PACIFIC GREEN CASHEM
 No. 229 (Eggshead's Beauty) (or equivalent)



WINDOWS:
 SERA PACIFIC GREEN CASHEM
 No. 229 (Eggshead's Beauty) (or equivalent)

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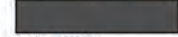
EXTERIOR COLOR AND MATERIAL PALETTE



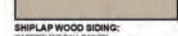
Park South 624 LLC
UNIT E & F
PROJECT: 624 UNIVERSITY DRIVE
LOCATION: MENLO PARK, CALIFORNIA
DATE: 11.11.25



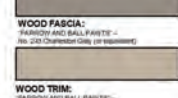
WOOD SHINGLE SIDING:
 "FARBODY AND BALL PAINTS"
 No. 229 (Eggshead's Beauty) (or equivalent)



METAL EYEBROWS:
 NYLARE COATING - Charcoal Gray 229 (Eggshead's Beauty) (or equivalent)



SHIPLAP WOOD SIDING:
 "FARBODY AND BALL PAINTS"
 No. 229 (Eggshead's Beauty) (or equivalent)



WOOD FASCIA:
 "FARBODY AND BALL PAINTS"
 No. 229 (Eggshead's Beauty) (or equivalent)



WOOD TRIM:
 "FARBODY AND BALL PAINTS"
 No. 229 (Eggshead's Beauty) (or equivalent)



BRICK:
 Thin Brick - "GENERAL SEAL"
 (concrete Plan) (or equivalent)



STEEL GARAGE DOOR:
 "FARBODY AND BALL PAINTS"
 No. 229 (Eggshead's Beauty) (or equivalent)



SLIDING DOORS:
 SERA PACIFIC GREEN CASHEM
 No. 229 (Eggshead's Beauty) (or equivalent)



WINDOWS:
 SERA PACIFIC GREEN CASHEM
 No. 229 (Eggshead's Beauty) (or equivalent)

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EXTERIOR COLOR AND MATERIAL PALETTE



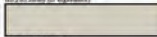
Park South 624 LLC
UNIT B
PROJECT: 624 UNIVERSITY DRIVE
LOCATION: MENLO PARK, CALIFORNIA
DATE: 11.11.25



METAL STANDING SEAM ROOF:
 NYLARE COATING -
 Charcoal Gray 229 (Eggshead's Beauty) (or equivalent)



WOOD SHINGLE SIDING:
 "FARBODY AND BALL PAINTS"
 No. 229 (Eggshead's Beauty) (or equivalent)



WOOD FASCIA:
 "FARBODY AND BALL PAINTS"
 No. 229 (Eggshead's Beauty) (or equivalent)



ENTRY DOOR:
 Farrow & Ball
 "FARBODY AND BALL PAINTS"
 No. 229 (Eggshead's Beauty) (or equivalent)



SLIDING DOORS:
 SERA PACIFIC GREEN CASHEM
 No. 229 (Eggshead's Beauty) (or equivalent)



WINDOWS:
 SERA PACIFIC GREEN CASHEM
 No. 229 (Eggshead's Beauty) (or equivalent)



BRICK:
 Thin Brick -
 "GENERAL SEAL"
 (concrete Plan) (or equivalent)



STEEL GARAGE DOOR:
 "FARBODY AND BALL PAINTS"
 No. 241 (Shimmering Stone) (or equivalent)



METAL RAILING:
 PAINTED STEEL - FARBODY & BALL PAINT
 No. 229 (Eggshead's Beauty) (or equivalent)

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EXTERIOR COLOR AND MATERIAL PALETTE



Park South 624 LLC
UNIT D
PROJECT: 624 UNIVERSITY DRIVE
LOCATION: MENLO PARK, CALIFORNIA
DATE: 11.11.25



METAL STANDING SEAM ROOF:
 NYLARE COATING -
 Charcoal Gray 229 (Eggshead's Beauty) (or equivalent)



SHIPLAP WOOD SIDING:
 "FARBODY AND BALL PAINTS"
 No. 241 (Shimmering Stone) (or equivalent)



WOOD SHINGLE SIDING:
 "FARBODY AND BALL PAINTS"
 No. 229 (Eggshead's Beauty) (or equivalent)



WOOD FASCIA / WOOD TRIM:
 "FARBODY AND BALL PAINTS"
 No. 229 (Eggshead's Beauty) (or equivalent)



WINDOWS:
 SERA PACIFIC GREEN CASHEM
 No. 229 (Eggshead's Beauty) (or equivalent)



BRICK:
 Thin Brick Painted -
 "FARBODY AND BALL PAINTS"
 No. 241 (Shimmering Stone) (or equivalent)



STEEL GARAGE DOOR:
 "FARBODY AND BALL PAINTS"
 No. 241 (Shimmering Stone) (or equivalent)



METAL RAILING:
 PAINTED STEEL - FARBODY & BALL PAINT
 No. 229 (Eggshead's Beauty) (or equivalent)



SLIDING DOORS:
 SERA PACIFIC GREEN CASHEM
 No. 229 (Eggshead's Beauty) (or equivalent)



ENTRY DOOR:
 Farrow & Ball
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 No. 229 (Eggshead's Beauty) (or equivalent)

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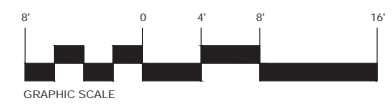


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Park South 624 LLC
 624 University Dr, Menlo Park, CA

Title
Color and Materials

Date
 October 7, 2024
 Project Number
 4544
 Scale
 1/4" = 1'-0"
 Revision
 12-18-2024 Planning 1
 5-13-2025 Planning 2
 11-11-2025 Planning 4
 Sheet No.



A-17

**STAFF REPORT****Housing Commission****Meeting Date:****6/4/2026****Staff Report Number:****26-005-HC****Regular Business:****Review and recommend to City Council approval of the Housing Commission 2026-2027 work plan****Recommendation**

Staff recommends that the Housing Commission review and recommend to the City Council approval of the Housing Commission 2026-2027 work plan (Attachment A).

Policy Issues

Per City Council policy CC-22-004 (Attachment B), each commission must develop an annual work plan and seek City Council approval no later than Sept. 30 of each year.

Background

The Housing Commission is charged primarily with advising the City Council on housing matters including housing policies and programs in the City. The current Housing Commission work plan was approved by the City Council Sept. 30, 2025. The commission created an ad hoc subcommittee to work towards crafting the 2025-2026 work plan. Overall, the work plan focused on three goals:

1. Housing Development
2. Community Engagement
3. Anti-Displacement Efforts

In addition to an expanded description of each work plan goal, the work plan included the following:

- An itemized list of high to low priority deliverables related to each goal;
- Projected timelines and potential resources that may be needed to make progress towards the achievement of each goal;
- Projected beneficial impacts of each goal;
- A measure of success that can be attributed to the achievement of each goal; and
- Connection to relevant items in the City Council Work Plan and the Housing Element

This year, the City Council is tentatively scheduled to review Commission work plans at its Aug. 11 meeting.

Analysis

The 2025-2026 work plan was adopted in September 2025 and is still in progress. The Housing Commission accomplished work plan goal #2 (Community Engagement) of its current plan through participation at the May 2026 Housing and Neighborhood Resource Fair in honor of Affordable Housing Month and holding its May Housing Commission meeting at the Belle Haven Community Campus. These were considered both high priorities according to the current work plan. The Commission also has plans to hold future events highlighting anti-displacement efforts now that the City of Menlo Park's Anti-displacement

Plan has been adopted as of May 20.

Staff recommends that the Commission maintain the current work plan for 2026-2027, to build on the progress achieved this year. This would align with the Commission's desire to form additional subcommittees, which was discussed at the Jan. 7 Housing Commission meeting. The formation of additional subcommittees has been agendaized for the June 4 meeting. If the Commission chooses to make changes, staff suggests that the Commission discuss potential changes prior to Aug. 5.

Impact on City Resources

Resources expended for the preparation of the Housing Commission work plan are considered part of the City's baseline operations.

Environmental Review

This action is not a project within the meaning of the California Environmental Quality Act (CEQA) Guidelines §§ 15378 and 15601(b)(3) as it will not result in any direct or indirect physical change in the environment.

Public Notice

Public notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting.

Attachments

- A. Housing Commission 2025-2026 Work Plan
- B. City Council Policy #CC-22-004 – Commissions/Committees Policies and Procedures, Roles, and Responsibilities

Report prepared by:
Arianna Milton, Management Analyst I

Report reviewed by:
Tim Wong, Housing Manager

Housing Commission work plan

Community Development Department
701 Laurel Street, Menlo Park CA 94025
Approved Choose City Council approval date



Work plan goals

1. Housing Development: Encourage development of affordable housing, aiming to exceed the targeted unit yield outlined in the 2023-2031 Housing Element. Support existing housing commitments. Review Below Market Rate (BMR) policy and make recommendations to support future housing stock.

Beneficial Impacts: Improve and maintain Housing Stock. Ensure housing policies and programs are effective.

Timeline: On-going

Resources Needed: Staff Time

Measure Of Success: Issuance of recommendations on anti-displacement policy.

High Priority:

- Support Housing on downtown parking lots.
- Review and recommend to the City Council BMR policy / agreements.

Low Priority:

- Encourage developers to exceed the targeted unit yields as outlined in the Housing Element

Related Efforts:

- Housing Element Program H4.G
- City Council Work Plan Priority:
 - Pursue affordable housing development on City-owned downtown parking lots
 - Finalize NOFA funding agreement for 320 Sheridan Drive & 123 Independence Drive for BMR funds
 - Initiate second phase of BMR Guidelines update
 - Process funding & development application for 100% affordable, for-sale units at 335 Pierce Rd.
 - Process Parkline master plan

2. Community Engagement: Provide public resources and communication regarding tenant rights and protections and available legal resources. Increase quantity and diversity of community participation and input.

Beneficial Impacts: Increased participation to better inform housing policy and community attitudes about housing.

Timeline: Goal 2 to begin in the first quarter of 25/26 FY and continue throughout the 25/26 FY.

Resources Needed: Staff and an Ad Hoc committee would be tasked to make progress. Multi-lingual Resources, (e.g. interpreters, translation resources)

Measure Of Success: Hold one (1) community event in the City and one (1) Housing Commission meeting at Belle Haven Community Campus . City Website with links to information resources.

High Priority:

- Hold one (1) community event in the City
- Hold one (1) Housing Commission Meeting at Belle Haven Community Campus

Low Priority:

- Hold additional community meetings and events.
- Create community resources (See Goal 3)

Related Efforts:

City Council Work Plan:

- Enhance information sharing about current development projects and regulations

3. Anti-Displacement: Review and recommend anti-displacement policy and programs. Develop resources and information to support current residents. Aim to better monitor and quantify the causes and impacts of displacement.

Beneficial Impacts: Reduced displacement, program and policy recommendations. Communicate the impacts of displacement.

Timeline: Work with staff to propose specific code language for Council adoption by the end of FY 25/26.

Resources Needed: Staff Time

Measure Of Success: Issuance of recommendations on anti-displacement policy.

High Priority:

- Review and support Staff Anti-Displacement study.
- Review and Recommend Policies to Quantify Displacement.

Low Priority:

- Create a collection of personal accounts to demonstrate the impacts of displacement.

Related Efforts:

- Housing Element Program H2.E
- City Council Work Plan:
 - Create anti-displacement strategy
 - Implement homeownership preservation program with Habitat for Humanity

Work plan history

Action	Date	Notes
Work plan recommended	Choose date sent to commission	Click or tap here to enter text.

COMMISSIONS/COMMITTEES POLICIES AND PROCEDURES, ROLES AND RESPONSIBILITIES

City Council Policy #CC-24-004

Adopted Feb. 13, 2024

Resolution No. 6890



<p>Purpose</p>
<p>To define policies and procedures and roles and responsibilities for Menlo Park appointed commissions and committees.</p>
<p>Authority</p>
<p>Upon its original adoption, this policy replaced the document known as “Organization of Advisory Commissions of the City of Menlo Park.”</p>
<p>Background</p>
<p>The City of Menlo Park currently has seven active Commissions. The active advisory bodies are: Complete Streets Commission, Environmental Quality Commission, Finance and Audit Commission, Housing Commission, Library Commission, Parks and Recreation Commission, and Planning Commission. Those not specified in the City Code are established by City Council ordinance or resolution. Most of these advisory bodies are established in accordance with Resolution No. 2801 and its amendments. Within specific areas of responsibility, each advisory body has a primary role of advising the City Council on policy matters or reviewing specific issues and carrying out assignments as directed by the City Council or prescribed by law.</p> <p>Six of the seven commissions listed above are advisory in nature. The Planning Commission is both advisory and regulatory and organized according to the City Code (Ch. 2.12) and State statute (Government Code §65100 et seq., §65300-65401).</p> <p>The City has an adopted Anti-Harassment and Non-Discrimination Policy (CC-21-0022), and a Travel, Meal, and Lodging Policy (CC-19-002), which are also applicable to all advisory bodies.</p>
<p>Policies and Procedures</p>
<p><u>Relationship to City Council, staff and media</u></p> <ul style="list-style-type: none"> • Upon referral by the City Council, the commission/committee shall study referred matters and return their recommendations and advise to the City Council. With each such referral, the City Council may authorize the City staff to provide certain designated services to aid in the study. • Upon its own initiative, the commission/committee shall identify and raise issues to the City Council's attention and from time to time explore pertinent matters and make recommendations to the City Council. • At a request of a member of the public, the commission/committee may consider appeals from City actions or inactions in pertinent areas and, if deemed appropriate, report and make recommendations to the City Council. • Each commission/committee is required to develop an annual work plan which will be the foundation for the work performed by the advisory body in support of City Council annual work plan. The plan, once finalized by a majority of the commission/committee, will be formally presented to the City Council for direction and approval no later than September 30 of each year and then reported out on by a representative of the advisory body at a regularly scheduled City Council meeting at least annually, but recommended twice a year. The proposed work plan must align with the City Council's adopted work plan. When modified, the work plan must be taken to the City Council for approval. The Planning Commission is exempt from this requirement as its functions are governed by the Menlo Park municipal code (Chapter 2.12) and State law (Government Code §65100 et seq., §65300-65401). • Commissions and committees shall not become involved in the administrative or operational matters of City departments. Members may not direct staff to initiate major programs, conduct large studies or establish department policy. City staff assigned to furnish staff services shall be available to provide general staff assistance, such as preparation of agenda/notice materials and minutes, general review of department programs and activities, and to perform limited studies, program reviews, and other services of a general staff nature. Commissions/Committees may not establish department work programs or determine department program priorities. The responsibility for setting policy and allocating scarce City resources rests with the City's duly elected representatives, the City Council. • Additional or other staff support may be provided upon a formal request to the City Council. • The staff liaison shall act as the commission/committee's lead representative to the media concerning matters before the commission/committee. Commission/Committee members should refer all media inquiries to their respective liaisons for response. Personal opinions and comments may be expressed so long as the commission/committee member clarifies that their statements do not represent the position of the City Council. • Commission/Committee members will have mandatory training every two years regarding the Brown Act Page D-3.5

COMMISSIONS/COMMITTEES POLICIES AND PROCEDURES, ROLES AND RESPONSIBILITIES

City Council Policy #CC-24-004

Adopted Feb. 13, 2024

Resolution No. 6890

2

parliamentary procedures, anti-harassment training, ethics training, and other training required by the City Council or State Law. The commission/committee members may have the opportunity for additional training, such as training for chair and vice chair. Failure to comply with the mandatory training will be reported to the City Council and may result in replacement of the member by the City Council.

- Requests from commission/committee member(s) determined by the staff liaison to take one hour or more of staff time to complete, must be directed by the City Council.

Role of City Council commission/committee liaison

City Councilmembers are assigned to serve in a liaison capacity with one or more city commission/committee. The purpose of the liaison assignment is to facilitate communication between the City Council and the advisory body. The liaison also helps to increase the City Council's familiarity with the membership, programs and issues of the advisory body. In fulfilling their liaison assignment, City Councilmembers may elect to attend commission/committee meetings periodically to observe the activities of the advisory body or simply maintain communication with the commission/committee chair on a regular basis.

City Councilmembers should be sensitive to the fact that they are not participating members of the commission/committee, but are there rather to create a linkage between the City Council and commission/committee. In interacting with commissions/committee, City Councilmembers are to reflect the views of the City Council as a body. Being a commission/committee liaison bestows no special right with respect to commission/committee business.

Typically, assignments to commission/committee liaison positions are made at the beginning of a City Council term in December. The Mayor will ask City Councilmembers which liaison assignments they desire and will submit recommendations to the full City Council regarding the various committees, boards, and commissions which City Councilmembers will represent as a liaison. In the rare instance where more than one City Councilmember wishes to be the appointed liaison to a particular commission, a vote of the City Council will be taken to confirm appointments.

City Staff Liaison

The City has designated staff to act as a liaison between the commission/committee and the City Council. The City shall provide staff services to the commission/committee which will include:

- Developing a rapport with the Chair and commission/committee members
- Providing a schedule of meetings to the city clerk's office and commission/committee members, arranging meeting locations, maintaining the minutes and other public records of the meeting, and preparing and distributing appropriate information related to the meeting agenda.
- Advising the commission/committee on directions and priorities of the City Council.
- Informing the commission/committee of events, activities, policies, programs, etc. occurring within the scope of the commission/committee's function.
- Ensuring the city clerk is informed of all vacancies, expired terms, changes in offices, or any other changes to the commission/committee.
- Providing information to the appropriate appointed official including reports, actions, and recommendations of the committee/commission and notifying them of noncompliance by the commission/committee or chair with City policies.
- Ensuring that agenda items approved by the commission/committee are brought forth in a timely manner taking into consideration staff capacity, City Council priorities, the commission/committee work plan, and other practical matters such as the expense to conduct research or prepare studies, provided appropriate public notification, and otherwise properly prepare the item for commission/committee consideration.
- Take action minutes; upon agreement of the commission, this task may be performed by one of the members (staff is still responsible for the accuracy and formatting of the minutes)
- Maintain a minute book with signed minutes

Recommendations, requests and reports

As needed, near the beginning of City Council meetings, there will be an item called "Advisory Body Reports." At this time, commissions/committees may present recommendations or status reports and may request direction and support from the City Council. Such requests shall be communicated to the staff liaison in advance, including any written materials, so that they may be listed on the agenda and distributed with the agenda packet. The materials being

COMMISSIONS/COMMITTEES POLICIES AND PROCEDURES, ROLES AND RESPONSIBILITIES

City Council Policy #CC-24-004

Adopted Feb. 13, 2024

Resolution No. 6890

3

provided to the City Council must be approved by a majority of the commission/committee at a commission/committee meeting before submittal to the City Council. The City Council will receive such reports and recommendations and, after suitable study and discussion, respond or give direction.

City Council referrals

The city clerk shall transmit to the designated staff liaison all referrals and requests from the City Council for advice and recommendations. The commissions/committees shall expeditiously consider and act on all referrals and requests made by the City Council and shall submit reports and recommendations to the City Council on these assignments.

Public appearance of commission/committee members

When a commission/committee member appears in a non-official, non-representative capacity before the public, for example, at a City Council meeting, the member shall indicate that they are speaking only as an individual. This also applies when interacting with the media and on social media. If the commission/committee member appears as the representative of an applicant or a member of the public, the Political Reform Act may govern this appearance. In addition, in certain circumstances, due process considerations might apply to make a commission/committee member's appearance inappropriate. Conversely, when a member who is present at a City Council meeting is asked to address the City Council on a matter, the member should represent the viewpoint of the particular commission/committee as a whole (not a personal opinion).

Disbanding of advisory body

Upon recommendation by the Chair or appropriate staff, any standing or special advisory body, established by the City Council and whose members were appointed by the City Council, may be declared disbanded due to lack of business, by majority vote of the City Council.

Stipends

Per Government Code §36506, the City is authorized to pay appointed Planning Commissioners by resolution. The City Council has adopted a resolution with an amount not to exceed \$200 per month per Planning Commissioner. Per the IRS (Internal Revenue Services), "public officer" also includes appointed members of advisory boards and committees and commissions. The Planning Commission stipend is taxable income and each member will receive a W-2.

Meetings and officers

1. *Agendas/notices/minutes*

- All meetings shall be open and public and shall conduct business through published agendas, public notices and minutes and follow all of the Brown Act provisions governing public meetings. Special, canceled and adjourned meetings may be called when needed, subject to the Brown Act provisions.
- Support staff for each commission/committee shall be responsible for properly noticing and posting all regular, special, canceled and adjourned meetings. Copies of all meeting agendas, notices and minutes shall be provided to the City Council, city manager, city attorney, city clerk and other appropriate staff, as requested.
- Original agendas and minutes shall be filed and maintained by support staff in accordance with the City's adopted records retention schedule.
- The official record of the commissions/committees will be preserved by preparation of action minutes.

2. *Conduct and parliamentary procedures*

- Unless otherwise specified by State law or City regulations, conduct of all meetings shall generally follow Robert's Rules of Order.
- A majority of commission/committee members shall constitute a quorum and a quorum must be seated before official action is taken.
- The chair of each commission/committee shall preside at all meetings and the vice chair shall assume the duties of the chair when the chair is absent.
- The role of the commission/committee chair (according to Roberts Rules of Order): To open the session at the time at which the assembly is to meet, by taking the chair and calling the members to order; to announce the business before the assembly in the order in which it is to be acted upon; to recognize members entitled to the floor; to state and put to vote all questions which are regularly moved, or necessarily arise in the course of the proceedings, and to announce the result of the vote; to protect the assembly from annoyance from evidently frivolous or dilatory motions by refusing to recognize them; to assist in the expediting of business in every compatible with the rights of the members, as by allowing brief remarks when undebatable motions are pending, if they think it advisable; to restrain the members when engaged in debate, within the rules of order, to enforce on all occasions the observance of order and decorum among the members, deciding all questions

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of order (subject to an appeal to the assembly by any two members) unless when in doubt he prefers to submit the question for the decision of the assembly; to inform the assembly when necessary, or when referred to for the purpose, on a point of order to practice pertinent to pending business; to authenticate by their signature, when necessary, all the acts, orders, and proceedings of the assembly declaring it will and in all things obeying its commands.

3. *Lack of a quorum*

- When a lack of a quorum exists at the start time of a meeting, those present will wait 15 minutes for additional members to arrive. If after 15 minutes a quorum is still not present, the meeting will be adjourned by the staff liaison due to lack of a quorum. Once the meeting is adjourned it cannot be reconvened.
- The public is not allowed to address those commissioners present during the 15 minutes the commission/committee is waiting for additional members to arrive.
- Staff can make announcements to the members during this time but must follow up with an email to all members of the body conveying the same information.
- All other items shall not be discussed with the members present as it is best to make the report when there is a quorum present.

4. *Meeting locations and dates*

- Meetings shall be held in designated City facilities, as noticed.
- All commissions/committees with the exception of the Planning Commission, and Finance and Audit Commission shall conduct regular meetings once a month. Special meetings may also be scheduled as required by the commission/committee. The Planning Commission shall hold regular meetings twice a month and the Finance and Audit Commission shall hold quarterly meetings.
- Monthly regular meetings shall have a fixed date and time established by the commission/committee. Changes to the established regular dates and times are subject to the approval of the City Council. An exception to this rule would include any changes necessitated to fill a temporary need in order for the commission/committee to conduct its meeting in a most efficient and effective way as long as proper and adequate notification is provided to the City Council and made available to the public.

The schedule of Commission meetings is as follows:

- Complete Streets Commission – Every second Wednesday at 6:30 p.m.
- Environmental Quality Commission – Every third Wednesday at 6 p.m.
- Finance and Audit Commission – Third Thursday of every quarter at 5:30 p.m.,
- Housing Commission – Every first Wednesday at 6:30 p.m.
- Library Commission – Every third Monday at 6:30 p.m.
- Parks and Recreation Commission – Every fourth Wednesday at 6:30 p.m.
- Planning Commission – Twice a month on a Monday at 7 p.m.

Each commission/committee may establish other operational policies subject to the approval of the City Council. Any changes to the established policies and procedures shall be subject to the approval of the City Council.

5. *Off-premises meeting participation*

While technology allows commission/committee members to participate in meetings from a location other than the meeting location (referred to as “off-premises”), off-premises participation is discouraged given the logistics required to ensure compliance with the Brown Act and experience with technological failures disrupting the meeting. In the event that a commission/committee member believes that their participation is essential to a meeting, the following shall apply:

- Any commission/committee member intending to participate from an off-premise location shall inform the staff liaison at least two weeks in advance of the meeting.
- The off-premise location must be identified in the notice and agenda of the meeting.
- Agendas must be posted at the off-premise location.
- The off-premise location must be accessible to the public and be ADA compliant.
- The commission/committee member participating at a duly noticed off-premises location does not count toward the quorum necessary to convene a meeting of the commission/committee.
- For any one meeting, no more than one commission/committee member may participate from an off-premise location.
- All votes must be by roll call.

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6. *Selection of chair and vice chair*

- The chair and vice chair shall be selected in May of each year by a majority of the members and shall serve for one year or until their successors are selected.
- Each commission/committee shall annually rotate its chair and vice chair.

G. Memberships

Appointments/Oaths

- The City Council is the appointing body for all commissions/committees. All members serve at the pleasure of the City Council for designated terms.
- All appointments and reappointments shall be made at a regularly scheduled City Council meeting, and require an affirmative vote of not less than a majority of the City Council present.
- Before taking office, all members must complete an Oath of Allegiance required by Article XX, §3, of the Constitution of the State of California. All oaths are administered by the city clerk or their designee.
- Appointments made during the middle of the term are for the unexpired portion of that term.

Application and selection process

- The application process begins when a vacancy occurs due to term expiration, resignation, removal or death of a member.
- The application period will normally run for a period of four weeks from the date the vacancy occurs. If there is more than one concurrent vacancy in a Commission, the application period may be extended. Applications are available from the city clerk's office and on the City's website.
- The city clerk shall notify members whose terms are about to expire whether or not they would be eligible for reappointment. If reappointment is sought, an updated application will be required.
- Applicants are required to complete and return the application form for each commission/committee they desire to serve on, along with any additional information they would like to transmit, by the established deadline. Applications sent by email are accepted.
- After the deadline of receipt of applications, the city clerk shall schedule the matter at the next available regular City Council meeting. All applications received will be submitted and made a part of the City Council agenda packet for their review and consideration. If there are no applications received by the deadline, the city clerk will extend the application period for an indefinite period of time until sufficient applications are received.
- Upon review of the applications received, the City Council reserves the right to schedule or waive interviews, or to extend the application process in the event insufficient applications are received. In either case, the city clerk will provide notification to the applicants of the decision of the City Council.
- If an interview is requested, the date and time will be designated by the City Council. Interviews are open to the public.
- The selection/appointment process by the City Council shall be conducted at a City Council meeting. The city clerk will ask each City Councilmember for their nominations; the number of nominations is limited to the number of vacancies. The candidate that receives a majority of nominations will be appointed. If there is a tie, multiple rounds of voting will occur.
- Following a City Council appointment, the city clerk shall notify successful and unsuccessful applicants accordingly, in writing. Appointees will receive copies of the City's Non-Discrimination and Sexual Harassment policies, and disclosure statements for those members who are required to file under State law as designated in the City's Conflict of Interest Code. Copies of the notification will also be distributed to support staff and the commission/committee chair.
- An orientation will be scheduled by the city clerk following an appointment (but before taking office) and a copy of this policy document will be provided at that time.

Attendance

- A compilation of attendance will be submitted to the City Council at least annually listing absences for all commissions/committee members.
- Absences, which result in attendance at less than two-thirds of their meetings during the calendar year, will be reported to the City Council and may result in replacement of the member by the City Council.
- Any member who feels that unique circumstances have led to numerous absences can appeal directly to the City Council for a waiver of this policy or to obtain a leave of absence.
- While it is expected that members be present at all meetings, the chair and staff liaison should be notified if a member knows in advance that they will be absent.

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- When reviewing commissioners for reappointment, overall attendance at full commission meetings will be given significant consideration.

Compensation

- Members shall serve without compensation (unless specifically provided) for their services, provided, however, members shall receive reimbursement for necessary travel expenses and other expenses incurred on official duty when such expenditures have been authorized by the City Council (See Policy CC-19-002).

Conflict of interest and disclosure requirements

- A Conflict of Interest Code has been updated and adopted by the City pursuant to Government Code §87300 et seq. Copies of the conflict of interest code are filed with the city clerk. Pursuant to the adopted Conflict of Interest Code, members serving on the Complete Streets Commission, Housing Commission, and Planning Commission are required to file a Statement of Economic Interest with the city clerk to disclose personal interest in investments, real property and income. This is done within 30 days of appointment and annually thereafter. A statement is also required within 30 days after leaving office.
- If a public official has a conflict of interest, the Political Reform Act may require the official to disqualify themselves from making or participating in a governmental decision, or using their official position to influence a governmental decision. Questions in this regard may be directed to the city attorney.

Qualifications, compositions, number

- In most cases, members shall be residents of the City of Menlo Park and at least 18 years of age.
- Current members of any other City commission/committee are disqualified for membership, unless the regulations for that advisory body permit concurrent membership. Commission/Committee members are strongly advised to serve out the entirety of the term of their current appointment before seeking appointment on another commission/committee.
- Commission/Committee members shall be permitted to retain membership while seeking any elective office. However, members shall not use the meetings, functions or activities of such bodies for purposes of campaigning for elective office.
- There shall be seven (7) members on each commission/committee.

Reappointments, resignations, removals

- Incumbents seeking a reappointment are required to complete and file an application with the city clerk by the application deadline. No person shall be reappointed to a commission/committee who has served on that same body for two consecutive terms; unless a period of one year has lapsed since the returning member last served on that commission/committee (the one-year period is flexible subject to City Council's discretion).
- Resignations must be submitted in writing to the city clerk, who will distribute copies to City Council and appropriate staff.
- The City Council may remove a member by a majority vote of the City Council without cause, notice or hearing.

Term of office

- Unless specified otherwise, the term of office for all commission/committees shall be four (4) years unless a resignation or a removal has taken place.
- If a person is appointed to fill an unexpired term and serves less than two years, that time will not be considered a full term. However, if a person is appointed to fill an unexpired term and serves two years or more, that time will be considered a full term.
- Terms are staggered to be overlapping four-year terms, so that all terms do not expire in any one year.
- If a member resigns before the end of their term, a replacement serves out the remainder of that term.

Vacancies

- Vacancies are created due to term expirations, resignations, removals or death.
- Vacancies are posted by the city clerk in the City Council Chambers bulletin board and on the city website.
- Whenever an unscheduled vacancy occurs in any commission/committee, a special vacancy notice shall be posted within 20 days after the vacancy occurs. Appointment shall not be made for at least 10 working days after posting of the notice (Government Code §54974).
- On or before December 31 of each year, an appointment list of all regular advisory commissions/committees of the City Council shall be prepared by the city clerk and posted in the City Council Chambers bulletin board and

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on the City’s website. This list is also available to the public (Government Code §54972, Maddy Act).

Roles and Responsibilities

Complete Streets Commission

The Complete Streets Commission is charged primarily with advising the City Council on realizing the City's adopted goals for complete streets, vision zero, climate action plan, and provide input on major land use and development projects as it relates to transportation. The Complete Streets Commission's responsibilities include:

- To advance the goals of the city’s newly adopted climate action plan by making alternatives to driving safer and more attractive
- Advise City Council on the implementation of the transportation master plan.
- Continue to advocate for and advise the City Council on planning and installing pedestrian and bicycle rail crossing and safe cycling/pedestrian infrastructure.
- Continue to support City Council in ongoing initiatives to improve access to Downtown and support downtown businesses.
- Continue to support the implementation of the Safe Routes to School strategy and advocate for community engagement, program continuity and engineering implementation.
- Continue to support City Council’s role as a stakeholder with regard to regional multi-modal and transportation demand management programs projects to increase

Environmental Quality Commission

The Environmental Quality Commission is committed to helping the City of Menlo Park to be a leading sustainable city that inspires institutions and individuals and that is well positioned to manage present and future environmental impacts, including the grave threat of climate change. The Environmental Quality Commission is charged primarily with advising the City Council on matters involving climate change, environmental protection, and sustainability.. Specific focus areas include:

- Climate Action Plan - Advise and recommend on the implementation of the climate action plan.
- Climate Resilience and Adaptation - Ensure that our most vulnerable communities have a voice in policies and programs to protect their communities from environmental impacts.
- Urban Canopy - Leverage best practices to advise/recommend on the preservation of heritage trees, city trees and expansion of the urban canopy; and make determinations on appeals of heritage tree removal permits.
- Green and Sustainable Initiatives – Support sustainability initiatives, as needs arise, which may include city-led events, habitat protection, healthy ecology, environmental health protection, healthy air, surface water runoff quality, water conservation and waste reduction.

Finance and Audit Commission

The Finance and Audit Commission is charged primarily to support delivery of timely, clear and comprehensive reporting of the City’s fiscal status to the community at large. Specific focus areas include:

- Review the process for periodic financial reporting to the City Council and the public, as needed
- Review financial audit and annual financial report with the City’s external auditors
- Review of the resolution of prior year audit findings
- Review of the auditor selection process and scope, as needed

Housing Commission

The Housing Commission is charged primarily with advising the City Council on housing matters including housing supply and housing related problems. Specific focus areas include:

- Community attitudes about housing (range, distribution, racial, social-economic problems)
- Programs for evaluating, maintaining, and upgrading the distribution and quality of housing stock in the City
- Planning, implementing and evaluating City programs under the Housing and Community Development Act of 1974
- Review and recommend to the City Council regarding the Below Market Rate (BMR) program
- Initiate, review and recommend on housing policies and programs for the City
- Review and recommend on housing related impacts for environmental impact reports
- Review and recommend on State and regional housing issues
- Review and recommend on the Housing Element of the General Plan

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Library Commission

The Library Commission is charged primarily with advising the City Council on matters related to the maintenance and operation of the City's libraries and library systems. Specific focus areas include:

- The scope and degree of library activities
- Maintenance and protection of City libraries
- Evaluation and improvement of library service
- Acquisition of library materials
- Coordination with other library systems and long range planning
- Literacy and ESL programs

Parks and Recreation Commission

The Parks and Recreation Commission is charged primarily with advising the City Council on matters related to City programs and facilities dedicated to recreation. Specific focus areas include:

- Those programs and facilities established primarily for the participation of and/or use by residents of the City, including adequacy and maintenance of such facilities as parks and playgrounds, recreation buildings, facilities and equipment
- Adequacy, operation and staffing of recreation programs
- Modification of existing programs and facilities to meet developing community needs
- Long range planning and regional coordination concerning park and recreational facilities

Planning Commission

The Planning Commission is organized according to State Statute.

- The Planning Commission reviews development proposals on public and private lands for compliance with the General Plan and Zoning Ordinance.
- The Commission reviews all development proposals requiring a use permit, architectural control, variance, minor subdivision and environmental review associated with these projects. The Commission is the final decision-making body for these applications, unless appealed to the City Council.
- The Commission serves as a recommending body to the City Council for major subdivisions, rezoning's, conditional development permits, Zoning Ordinance amendments, General Plan amendments and the environmental reviews and Below Market Rate (BMR) Housing Agreements associated with those projects.
- The Commission works on special projects as assigned by the City Council.

Special Advisory Bodies

The City Council has the authority to create standing committees, task forces or subcommittees for the City, and from time to time, the City Council may appoint members to these groups. The number of persons and the individual appointee serving on each group may be changed at any time by the City Council. There are no designated terms for members of these groups; members are appointed by and serve at the pleasure of the City Council.

Any requests of city commissions or committees to create such ad hoc advisory bodies shall be submitted in writing to the city clerk for City Council consideration and approval.

Procedure history

Action	Date	Notes
Procedure adoption	1991	Resolution No. 3261
Procedure adoption	2001	
Procedure adoption	2011	
Procedure adoption	2013	Resolution No. 6169
Procedure adoption	2017	Resolution No. 6377
Procedure adoption	6/8/2021	Resolution No. 6631

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Procedure adoption	3/1/2022	Resolution No. 6706
Procedure adoption	3/8/2022	Resolution No. 6718
Procedure adoption	9/20/2022	Resolution No. 6776
Procedure adoption	1/10/2023	Resolution No. 6803
Procedure adoption	6/27/2023	Resolution No. 6840
Procedure adoption	2/13/20024	Resolution No. 6890

**STAFF REPORT****Housing Commission****Meeting Date:****6/3/2026****Staff Report Number:****26-006-HC****Regular Business:**

Establish Housing Commission ad hoc subcommittees related to Housing Development and Anti-displacement (work plan goals #1 and #3), adopt purpose statements and make selections to ad hoc subcommittees

Recommendation

Staff recommends that the Housing Commission (Commission):

1. Establish ad hoc subcommittees for Housing Development and Anti-displacement (work plan goals #1 and #3); and
2. Adopt purpose statements for the ad hoc subcommittees; and
3. Select up to three (3) members to each ad hoc subcommittee.

Policy Issues

The Housing Commission can establish an ad hoc subcommittee to advise the full Housing Commission on recommendations to make progress towards the completion of their annual work plan goals. Per City Council Policy CC-24-002 (Attachment A), each commission must develop an annual work plan that must then be reported out on by a representative of the advisory body at a regularly scheduled City Council meeting.

Background

The City Council adopted the Housing Commission's 2025-26 work plan Sept. 30, 2025. The work plan (Attachment B) focuses on the encouragement and support of new and existing housing development, providing a variety of public resources through community engagement and the review of programs and policies around anti-displacement. At the January 2026 Housing Commission meeting, the Commission discussed their intention to create more ad hoc subcommittees in addition to the Community Engagement ad hoc subcommittee that was created at the June 4, 2025, meeting. Due the City's Anti-displacement plan taking priority, the creation of additional ad hoc subcommittees was tabled until the plan could be recommended to City Council for approval and later adopted. Now that the plan has been adopted as of May 19, the Housing Commission can proceed with this agenda item.

Analysis

The Housing Commission currently has one Community Engagement ad hoc subcommittee. Forming additional ad hoc subcommittees related to housing development and anti-displacement would assist the Commission in making progress on their other current work plan goals. Given the Housing Commission currently has seven members, to avoid any conflict with quorum requirements, the ad hoc subcommittee

cannot have more than three (3) Commission members.

The purpose of the ad hoc subcommittees would be to advise the Housing Commission on:

1. Housing development; and
2. Anti-displacement policy and programs

The term of each ad hoc subcommittee would expire at the end of the next 2026-2027 Housing Commission work plan.

Proposed Purpose Statement

The establishment of an ad hoc subcommittee must have a specific purpose. Therefore, a proposed purpose statement for each proposed subcommittee has been prepared for Housing Commission review. The proposed purpose statements for each is as follows:

- The Housing Development ad hoc subcommittee is to encourage the Housing Commission to explore developments for affordable housing in order to exceed the targeted unit yield outlined in the City's 2023-2031 Housing Element.
- The Anti-displacement ad hoc subcommittee is to review anti-displacement policies, programs and resources to recommend for the Housing Commission to explore for further implementation.

Impact on City Resources

There are no impacts on City resources associated with this action outside of applicable staff assistance. Conducting outreach could involve the use of staff resources and the preparation of materials, printing, and/or use of other services to assist in the activities per City Council Policy #CC-24-004 (Attachment A).

Environmental Review

This action is not a project within the meaning of the California Environmental Quality Act (CEQA) Guidelines §§15378. Any projects identified through the Commission's pursuit of these goals and priorities would be subject to environmental review under CEQA in the future.

Public Notice

Public notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting.

Attachments

- A. Commission/Committees Policies and Procedures, Roles and Responsibilities (City Council Policy #CC-24-004)
- B. 2025-2026 Housing Commission Annual Work Plan

Report prepared by:
Arianna Milton, Management Analyst I

Report reviewed by:

Staff Report #: 26-006-HC

Tim Wong, Housing Manager

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<p>Purpose</p>
<p>To define policies and procedures and roles and responsibilities for Menlo Park appointed commissions and committees.</p>
<p>Authority</p>
<p>Upon its original adoption, this policy replaced the document known as “Organization of Advisory Commissions of the City of Menlo Park.”</p>
<p>Background</p>
<p>The City of Menlo Park currently has seven active Commissions. The active advisory bodies are: Complete Streets Commission, Environmental Quality Commission, Finance and Audit Commission, Housing Commission, Library Commission, Parks and Recreation Commission, and Planning Commission. Those not specified in the City Code are established by City Council ordinance or resolution. Most of these advisory bodies are established in accordance with Resolution No. 2801 and its amendments. Within specific areas of responsibility, each advisory body has a primary role of advising the City Council on policy matters or reviewing specific issues and carrying out assignments as directed by the City Council or prescribed by law.</p> <p>Six of the seven commissions listed above are advisory in nature. The Planning Commission is both advisory and regulatory and organized according to the City Code (Ch. 2.12) and State statute (Government Code §65100 et seq., §65300-65401).</p> <p>The City has an adopted Anti-Harassment and Non-Discrimination Policy (CC-21-0022), and a Travel, Meal, and Lodging Policy (CC-19-002), which are also applicable to all advisory bodies.</p>
<p>Policies and Procedures</p>
<p><u>Relationship to City Council, staff and media</u></p> <ul style="list-style-type: none"> • Upon referral by the City Council, the commission/committee shall study referred matters and return their recommendations and advise to the City Council. With each such referral, the City Council may authorize the City staff to provide certain designated services to aid in the study. • Upon its own initiative, the commission/committee shall identify and raise issues to the City Council's attention and from time to time explore pertinent matters and make recommendations to the City Council. • At a request of a member of the public, the commission/committee may consider appeals from City actions or inactions in pertinent areas and, if deemed appropriate, report and make recommendations to the City Council. • Each commission/committee is required to develop an annual work plan which will be the foundation for the work performed by the advisory body in support of City Council annual work plan. The plan, once finalized by a majority of the commission/committee, will be formally presented to the City Council for direction and approval no later than September 30 of each year and then reported out on by a representative of the advisory body at a regularly scheduled City Council meeting at least annually, but recommended twice a year. The proposed work plan must align with the City Council's adopted work plan. When modified, the work plan must be taken to the City Council for approval. The Planning Commission is exempt from this requirement as its functions are governed by the Menlo Park municipal code (Chapter 2.12) and State law (Government Code §65100 et seq., §65300-65401). • Commissions and committees shall not become involved in the administrative or operational matters of City departments. Members may not direct staff to initiate major programs, conduct large studies or establish department policy. City staff assigned to furnish staff services shall be available to provide general staff assistance, such as preparation of agenda/notice materials and minutes, general review of department programs and activities, and to perform limited studies, program reviews, and other services of a general staff nature. Commissions/Committees may not establish department work programs or determine department program priorities. The responsibility for setting policy and allocating scarce City resources rests with the City's duly elected representatives, the City Council. • Additional or other staff support may be provided upon a formal request to the City Council. • The staff liaison shall act as the commission/committee's lead representative to the media concerning matters before the commission/committee. Commission/Committee members should refer all media inquiries to their respective liaisons for response. Personal opinions and comments may be expressed so long as the commission/committee member clarifies that their statements do not represent the position of the City Council. • Commission/Committee members will have mandatory training every two years regarding the Brown Act. Page D-4.4

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parliamentary procedures, anti-harassment training, ethics training, and other training required by the City Council or State Law. The commission/committee members may have the opportunity for additional training, such as training for chair and vice chair. Failure to comply with the mandatory training will be reported to the City Council and may result in replacement of the member by the City Council.

- Requests from commission/committee member(s) determined by the staff liaison to take one hour or more of staff time to complete, must be directed by the City Council.

Role of City Council commission/committee liaison

City Councilmembers are assigned to serve in a liaison capacity with one or more city commission/committee. The purpose of the liaison assignment is to facilitate communication between the City Council and the advisory body. The liaison also helps to increase the City Council's familiarity with the membership, programs and issues of the advisory body. In fulfilling their liaison assignment, City Councilmembers may elect to attend commission/committee meetings periodically to observe the activities of the advisory body or simply maintain communication with the commission/committee chair on a regular basis.

City Councilmembers should be sensitive to the fact that they are not participating members of the commission/committee, but are there rather to create a linkage between the City Council and commission/committee. In interacting with commissions/committee, City Councilmembers are to reflect the views of the City Council as a body. Being a commission/committee liaison bestows no special right with respect to commission/committee business.

Typically, assignments to commission/committee liaison positions are made at the beginning of a City Council term in December. The Mayor will ask City Councilmembers which liaison assignments they desire and will submit recommendations to the full City Council regarding the various committees, boards, and commissions which City Councilmembers will represent as a liaison. In the rare instance where more than one City Councilmember wishes to be the appointed liaison to a particular commission, a vote of the City Council will be taken to confirm appointments.

City Staff Liaison

The City has designated staff to act as a liaison between the commission/committee and the City Council. The City shall provide staff services to the commission/committee which will include:

- Developing a rapport with the Chair and commission/committee members
- Providing a schedule of meetings to the city clerk's office and commission/committee members, arranging meeting locations, maintaining the minutes and other public records of the meeting, and preparing and distributing appropriate information related to the meeting agenda.
- Advising the commission/committee on directions and priorities of the City Council.
- Informing the commission/committee of events, activities, policies, programs, etc. occurring within the scope of the commission/committee's function.
- Ensuring the city clerk is informed of all vacancies, expired terms, changes in offices, or any other changes to the commission/committee.
- Providing information to the appropriate appointed official including reports, actions, and recommendations of the committee/commission and notifying them of noncompliance by the commission/committee or chair with City policies.
- Ensuring that agenda items approved by the commission/committee are brought forth in a timely manner taking into consideration staff capacity, City Council priorities, the commission/committee work plan, and other practical matters such as the expense to conduct research or prepare studies, provided appropriate public notification, and otherwise properly prepare the item for commission/committee consideration.
- Take action minutes; upon agreement of the commission, this task may be performed by one of the members (staff is still responsible for the accuracy and formatting of the minutes)
- Maintain a minute book with signed minutes

Recommendations, requests and reports

As needed, near the beginning of City Council meetings, there will be an item called "Advisory Body Reports." At this time, commissions/committees may present recommendations or status reports and may request direction and support from the City Council. Such requests shall be communicated to the staff liaison in advance, including any written materials, so that they may be listed on the agenda and distributed with the agenda packet. The materials being

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provided to the City Council must be approved by a majority of the commission/committee at a commission/committee meeting before submittal to the City Council. The City Council will receive such reports and recommendations and, after suitable study and discussion, respond or give direction.

City Council referrals

The city clerk shall transmit to the designated staff liaison all referrals and requests from the City Council for advice and recommendations. The commissions/committees shall expeditiously consider and act on all referrals and requests made by the City Council and shall submit reports and recommendations to the City Council on these assignments.

Public appearance of commission/committee members

When a commission/committee member appears in a non-official, non-representative capacity before the public, for example, at a City Council meeting, the member shall indicate that they are speaking only as an individual. This also applies when interacting with the media and on social media. If the commission/committee member appears as the representative of an applicant or a member of the public, the Political Reform Act may govern this appearance. In addition, in certain circumstances, due process considerations might apply to make a commission/committee member's appearance inappropriate. Conversely, when a member who is present at a City Council meeting is asked to address the City Council on a matter, the member should represent the viewpoint of the particular commission/committee as a whole (not a personal opinion).

Disbanding of advisory body

Upon recommendation by the Chair or appropriate staff, any standing or special advisory body, established by the City Council and whose members were appointed by the City Council, may be declared disbanded due to lack of business, by majority vote of the City Council.

Stipends

Per Government Code §36506, the City is authorized to pay appointed Planning Commissioners by resolution. The City Council has adopted a resolution with an amount not to exceed \$200 per month per Planning Commissioner. Per the IRS (Internal Revenue Services), "public officer" also includes appointed members of advisory boards and committees and commissions. The Planning Commission stipend is taxable income and each member will receive a W-2.

Meetings and officers

1. *Agendas/notices/minutes*

- All meetings shall be open and public and shall conduct business through published agendas, public notices and minutes and follow all of the Brown Act provisions governing public meetings. Special, canceled and adjourned meetings may be called when needed, subject to the Brown Act provisions.
- Support staff for each commission/committee shall be responsible for properly noticing and posting all regular, special, canceled and adjourned meetings. Copies of all meeting agendas, notices and minutes shall be provided to the City Council, city manager, city attorney, city clerk and other appropriate staff, as requested.
- Original agendas and minutes shall be filed and maintained by support staff in accordance with the City's adopted records retention schedule.
- The official record of the commissions/committees will be preserved by preparation of action minutes.

2. *Conduct and parliamentary procedures*

- Unless otherwise specified by State law or City regulations, conduct of all meetings shall generally follow Robert's Rules of Order.
- A majority of commission/committee members shall constitute a quorum and a quorum must be seated before official action is taken.
- The chair of each commission/committee shall preside at all meetings and the vice chair shall assume the duties of the chair when the chair is absent.
- The role of the commission/committee chair (according to Roberts Rules of Order): To open the session at the time at which the assembly is to meet, by taking the chair and calling the members to order; to announce the business before the assembly in the order in which it is to be acted upon; to recognize members entitled to the floor; to state and put to vote all questions which are regularly moved, or necessarily arise in the course of the proceedings, and to announce the result of the vote; to protect the assembly from annoyance from evidently frivolous or dilatory motions by refusing to recognize them; to assist in the expediting of business in every compatible with the rights of the members, as by allowing brief remarks when undebatable motions are pending, if they think it advisable; to restrain the members when engaged in debate, within the rules of order, to enforce on all occasions the observance of order and decorum among the members, deciding all questions

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of order (subject to an appeal to the assembly by any two members) unless when in doubt he prefers to submit the question for the decision of the assembly; to inform the assembly when necessary, or when referred to for the purpose, on a point of order to practice pertinent to pending business; to authenticate by their signature, when necessary, all the acts, orders, and proceedings of the assembly declaring it will and in all things obeying its commands.

3. *Lack of a quorum*

- When a lack of a quorum exists at the start time of a meeting, those present will wait 15 minutes for additional members to arrive. If after 15 minutes a quorum is still not present, the meeting will be adjourned by the staff liaison due to lack of a quorum. Once the meeting is adjourned it cannot be reconvened.
- The public is not allowed to address those commissioners present during the 15 minutes the commission/committee is waiting for additional members to arrive.
- Staff can make announcements to the members during this time but must follow up with an email to all members of the body conveying the same information.
- All other items shall not be discussed with the members present as it is best to make the report when there is a quorum present.

4. *Meeting locations and dates*

- Meetings shall be held in designated City facilities, as noticed.
- All commissions/committees with the exception of the Planning Commission, and Finance and Audit Commission shall conduct regular meetings once a month. Special meetings may also be scheduled as required by the commission/committee. The Planning Commission shall hold regular meetings twice a month and the Finance and Audit Commission shall hold quarterly meetings.
- Monthly regular meetings shall have a fixed date and time established by the commission/committee. Changes to the established regular dates and times are subject to the approval of the City Council. An exception to this rule would include any changes necessitated to fill a temporary need in order for the commission/committee to conduct its meeting in a most efficient and effective way as long as proper and adequate notification is provided to the City Council and made available to the public.

The schedule of Commission meetings is as follows:

- Complete Streets Commission – Every second Wednesday at 6:30 p.m.
- Environmental Quality Commission – Every third Wednesday at 6 p.m.
- Finance and Audit Commission – Third Thursday of every quarter at 5:30 p.m.,
- Housing Commission – Every first Wednesday at 6:30 p.m.
- Library Commission – Every third Monday at 6:30 p.m.
- Parks and Recreation Commission – Every fourth Wednesday at 6:30 p.m.
- Planning Commission – Twice a month on a Monday at 7 p.m.

Each commission/committee may establish other operational policies subject to the approval of the City Council. Any changes to the established policies and procedures shall be subject to the approval of the City Council.

5. *Off-premises meeting participation*

While technology allows commission/committee members to participate in meetings from a location other than the meeting location (referred to as “off-premises”), off-premises participation is discouraged given the logistics required to ensure compliance with the Brown Act and experience with technological failures disrupting the meeting. In the event that a commission/committee member believes that their participation is essential to a meeting, the following shall apply:

- Any commission/committee member intending to participate from an off-premise location shall inform the staff liaison at least two weeks in advance of the meeting.
- The off-premise location must be identified in the notice and agenda of the meeting.
- Agendas must be posted at the off-premise location.
- The off-premise location must be accessible to the public and be ADA compliant.
- The commission/committee member participating at a duly noticed off-premises location does not count toward the quorum necessary to convene a meeting of the commission/committee.
- For any one meeting, no more than one commission/committee member may participate from an off-premise location.
- All votes must be by roll call.

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6. *Selection of chair and vice chair*

- The chair and vice chair shall be selected in May of each year by a majority of the members and shall serve for one year or until their successors are selected.
- Each commission/committee shall annually rotate its chair and vice chair.

G. Memberships

Appointments/Oaths

- The City Council is the appointing body for all commissions/committees. All members serve at the pleasure of the City Council for designated terms.
- All appointments and reappointments shall be made at a regularly scheduled City Council meeting, and require an affirmative vote of not less than a majority of the City Council present.
- Before taking office, all members must complete an Oath of Allegiance required by Article XX, §3, of the Constitution of the State of California. All oaths are administered by the city clerk or their designee.
- Appointments made during the middle of the term are for the unexpired portion of that term.

Application and selection process

- The application process begins when a vacancy occurs due to term expiration, resignation, removal or death of a member.
- The application period will normally run for a period of four weeks from the date the vacancy occurs. If there is more than one concurrent vacancy in a Commission, the application period may be extended. Applications are available from the city clerk's office and on the City's website.
- The city clerk shall notify members whose terms are about to expire whether or not they would be eligible for reappointment. If reappointment is sought, an updated application will be required.
- Applicants are required to complete and return the application form for each commission/committee they desire to serve on, along with any additional information they would like to transmit, by the established deadline. Applications sent by email are accepted.
- After the deadline of receipt of applications, the city clerk shall schedule the matter at the next available regular City Council meeting. All applications received will be submitted and made a part of the City Council agenda packet for their review and consideration. If there are no applications received by the deadline, the city clerk will extend the application period for an indefinite period of time until sufficient applications are received.
- Upon review of the applications received, the City Council reserves the right to schedule or waive interviews, or to extend the application process in the event insufficient applications are received. In either case, the city clerk will provide notification to the applicants of the decision of the City Council.
- If an interview is requested, the date and time will be designated by the City Council. Interviews are open to the public.
- The selection/appointment process by the City Council shall be conducted at a City Council meeting. The city clerk will ask each City Councilmember for their nominations; the number of nominations is limited to the number of vacancies. The candidate that receives a majority of nominations will be appointed. If there is a tie, multiple rounds of voting will occur.
- Following a City Council appointment, the city clerk shall notify successful and unsuccessful applicants accordingly, in writing. Appointees will receive copies of the City's Non-Discrimination and Sexual Harassment policies, and disclosure statements for those members who are required to file under State law as designated in the City's Conflict of Interest Code. Copies of the notification will also be distributed to support staff and the commission/committee chair.
- An orientation will be scheduled by the city clerk following an appointment (but before taking office) and a copy of this policy document will be provided at that time.

Attendance

- A compilation of attendance will be submitted to the City Council at least annually listing absences for all commissions/committee members.
- Absences, which result in attendance at less than two-thirds of their meetings during the calendar year, will be reported to the City Council and may result in replacement of the member by the City Council.
- Any member who feels that unique circumstances have led to numerous absences can appeal directly to the City Council for a waiver of this policy or to obtain a leave of absence.
- While it is expected that members be present at all meetings, the chair and staff liaison should be notified if a member knows in advance that they will be absent.

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- When reviewing commissioners for reappointment, overall attendance at full commission meetings will be given significant consideration.

Compensation

- Members shall serve without compensation (unless specifically provided) for their services, provided, however, members shall receive reimbursement for necessary travel expenses and other expenses incurred on official duty when such expenditures have been authorized by the City Council (See Policy CC-19-002).

Conflict of interest and disclosure requirements

- A Conflict of Interest Code has been updated and adopted by the City pursuant to Government Code §87300 et seq. Copies of the conflict of interest code are filed with the city clerk. Pursuant to the adopted Conflict of Interest Code, members serving on the Complete Streets Commission, Housing Commission, and Planning Commission are required to file a Statement of Economic Interest with the city clerk to disclose personal interest in investments, real property and income. This is done within 30 days of appointment and annually thereafter. A statement is also required within 30 days after leaving office.
- If a public official has a conflict of interest, the Political Reform Act may require the official to disqualify themselves from making or participating in a governmental decision, or using their official position to influence a governmental decision. Questions in this regard may be directed to the city attorney.

Qualifications, compositions, number

- In most cases, members shall be residents of the City of Menlo Park and at least 18 years of age.
- Current members of any other City commission/committee are disqualified for membership, unless the regulations for that advisory body permit concurrent membership. Commission/Committee members are strongly advised to serve out the entirety of the term of their current appointment before seeking appointment on another commission/committee.
- Commission/Committee members shall be permitted to retain membership while seeking any elective office. However, members shall not use the meetings, functions or activities of such bodies for purposes of campaigning for elective office.
- There shall be seven (7) members on each commission/committee.

Reappointments, resignations, removals

- Incumbents seeking a reappointment are required to complete and file an application with the city clerk by the application deadline. No person shall be reappointed to a commission/committee who has served on that same body for two consecutive terms; unless a period of one year has lapsed since the returning member last served on that commission/committee (the one-year period is flexible subject to City Council's discretion).
- Resignations must be submitted in writing to the city clerk, who will distribute copies to City Council and appropriate staff.
- The City Council may remove a member by a majority vote of the City Council without cause, notice or hearing.

Term of office

- Unless specified otherwise, the term of office for all commission/committees shall be four (4) years unless a resignation or a removal has taken place.
- If a person is appointed to fill an unexpired term and serves less than two years, that time will not be considered a full term. However, if a person is appointed to fill an unexpired term and serves two years or more, that time will be considered a full term.
- Terms are staggered to be overlapping four-year terms, so that all terms do not expire in any one year.
- If a member resigns before the end of their term, a replacement serves out the remainder of that term.

Vacancies

- Vacancies are created due to term expirations, resignations, removals or death.
- Vacancies are posted by the city clerk in the City Council Chambers bulletin board and on the city website.
- Whenever an unscheduled vacancy occurs in any commission/committee, a special vacancy notice shall be posted within 20 days after the vacancy occurs. Appointment shall not be made for at least 10 working days after posting of the notice (Government Code §54974).
- On or before December 31 of each year, an appointment list of all regular advisory commissions/committees of the City Council shall be prepared by the city clerk and posted in the City Council Chambers bulletin board.

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on the City’s website. This list is also available to the public (Government Code §54972, Maddy Act).

Roles and Responsibilities

Complete Streets Commission

The Complete Streets Commission is charged primarily with advising the City Council on realizing the City's adopted goals for complete streets, vision zero, climate action plan, and provide input on major land use and development projects as it relates to transportation. The Complete Streets Commission's responsibilities include:

- To advance the goals of the city’s newly adopted climate action plan by making alternatives to driving safer and more attractive
- Advise City Council on the implementation of the transportation master plan.
- Continue to advocate for and advise the City Council on planning and installing pedestrian and bicycle rail crossing and safe cycling/pedestrian infrastructure.
- Continue to support City Council in ongoing initiatives to improve access to Downtown and support downtown businesses.
- Continue to support the implementation of the Safe Routes to School strategy and advocate for community engagement, program continuity and engineering implementation.
- Continue to support City Council’s role as a stakeholder with regard to regional multi-modal and transportation demand management programs projects to increase

Environmental Quality Commission

The Environmental Quality Commission is committed to helping the City of Menlo Park to be a leading sustainable city that inspires institutions and individuals and that is well positioned to manage present and future environmental impacts, including the grave threat of climate change. The Environmental Quality Commission is charged primarily with advising the City Council on matters involving climate change, environmental protection, and sustainability.. Specific focus areas include:

- Climate Action Plan - Advise and recommend on the implementation of the climate action plan.
- Climate Resilience and Adaptation - Ensure that our most vulnerable communities have a voice in policies and programs to protect their communities from environmental impacts.
- Urban Canopy - Leverage best practices to advise/recommend on the preservation of heritage trees, city trees and expansion of the urban canopy; and make determinations on appeals of heritage tree removal permits.
- Green and Sustainable Initiatives – Support sustainability initiatives, as needs arise, which may include city-led events, habitat protection, healthy ecology, environmental health protection, healthy air, surface water runoff quality, water conservation and waste reduction.

Finance and Audit Commission

The Finance and Audit Commission is charged primarily to support delivery of timely, clear and comprehensive reporting of the City’s fiscal status to the community at large. Specific focus areas include:

- Review the process for periodic financial reporting to the City Council and the public, as needed
- Review financial audit and annual financial report with the City’s external auditors
- Review of the resolution of prior year audit findings
- Review of the auditor selection process and scope, as needed

Housing Commission

The Housing Commission is charged primarily with advising the City Council on housing matters including housing supply and housing related problems. Specific focus areas include:

- Community attitudes about housing (range, distribution, racial, social-economic problems)
- Programs for evaluating, maintaining, and upgrading the distribution and quality of housing stock in the City
- Planning, implementing and evaluating City programs under the Housing and Community Development Act of 1974
- Review and recommend to the City Council regarding the Below Market Rate (BMR) program
- Initiate, review and recommend on housing policies and programs for the City
- Review and recommend on housing related impacts for environmental impact reports
- Review and recommend on State and regional housing issues
- Review and recommend on the Housing Element of the General Plan

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Library Commission

The Library Commission is charged primarily with advising the City Council on matters related to the maintenance and operation of the City's libraries and library systems. Specific focus areas include:

- The scope and degree of library activities
- Maintenance and protection of City libraries
- Evaluation and improvement of library service
- Acquisition of library materials
- Coordination with other library systems and long range planning
- Literacy and ESL programs

Parks and Recreation Commission

The Parks and Recreation Commission is charged primarily with advising the City Council on matters related to City programs and facilities dedicated to recreation. Specific focus areas include:

- Those programs and facilities established primarily for the participation of and/or use by residents of the City, including adequacy and maintenance of such facilities as parks and playgrounds, recreation buildings, facilities and equipment
- Adequacy, operation and staffing of recreation programs
- Modification of existing programs and facilities to meet developing community needs
- Long range planning and regional coordination concerning park and recreational facilities

Planning Commission

The Planning Commission is organized according to State Statute.

- The Planning Commission reviews development proposals on public and private lands for compliance with the General Plan and Zoning Ordinance.
- The Commission reviews all development proposals requiring a use permit, architectural control, variance, minor subdivision and environmental review associated with these projects. The Commission is the final decision-making body for these applications, unless appealed to the City Council.
- The Commission serves as a recommending body to the City Council for major subdivisions, rezoning's, conditional development permits, Zoning Ordinance amendments, General Plan amendments and the environmental reviews and Below Market Rate (BMR) Housing Agreements associated with those projects.
- The Commission works on special projects as assigned by the City Council.

Special Advisory Bodies

The City Council has the authority to create standing committees, task forces or subcommittees for the City, and from time to time, the City Council may appoint members to these groups. The number of persons and the individual appointee serving on each group may be changed at any time by the City Council. There are no designated terms for members of these groups; members are appointed by and serve at the pleasure of the City Council.

Any requests of city commissions or committees to create such ad hoc advisory bodies shall be submitted in writing to the city clerk for City Council consideration and approval.

Procedure history

Action	Date	Notes
Procedure adoption	1991	Resolution No. 3261
Procedure adoption	2001	
Procedure adoption	2011	
Procedure adoption	2013	Resolution No. 6169
Procedure adoption	2017	Resolution No. 6377
Procedure adoption	6/8/2021	Resolution No. 6631

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Procedure adoption	3/1/2022	Resolution No. 6706
Procedure adoption	3/8/2022	Resolution No. 6718
Procedure adoption	9/20/2022	Resolution No. 6776
Procedure adoption	1/10/2023	Resolution No. 6803
Procedure adoption	6/27/2023	Resolution No. 6840
Procedure adoption	2/13/20024	Resolution No. 6890

Housing Commission work plan

Community Development Department
701 Laurel Street, Menlo Park CA 94025
Approved September 30, 2025



Work plan goals

1. Housing Development: Encourage development of affordable housing, aiming to exceed the targeted unit yield outlined in the 2023-2031 Housing Element. Support existing housing commitments. Review Below Market Rate (BMR) policy and make recommendations to support future housing stock.

Beneficial impacts: Improve and maintain Housing Stock. Ensure housing policies and programs are effective.

Timeline: On-going

Measure of success: Issuance of recommendations for housing development throughout the City.

High priority:

- Support Housing on downtown parking lots.
- Review and recommend to the City Council BMR policy / agreements.

Low priority:

- Encourage developers to exceed the targeted unit yields as outlined in the Housing Element

Related efforts:

- Housing Element Program H4.G
- City Council Work Plan Priority:
 - Pursue affordable housing development on City-owned downtown parking lots
 - Finalize NOFA funding agreement for 320 Sheridan Dr. and 123 Independence Dr. for BMR funds
 - Initiate second phase of BMR Guidelines update
 - Process funding & development application for 100% affordable, for-sale units at 335 Pierce Rd.
 - Process Parkline master plan

2. Community Engagement: Provide public resources and communication regarding tenant rights and protections and available legal resources. Increase quantity and diversity of community participation, including multi-lingual input.

Beneficial impacts: Increased participation to better inform housing policy and community attitudes about housing.

Timeline: Goal 2 to begin in the first quarter of 2025-26 fiscal year (FY) and continue throughout the 2025-26 FY.

Measure of success: Hold one (1) community event in the City and one (1) Housing Commission meeting at Belle Haven Community Campus. City Website with links to information resources.

High priority:

- Hold one (1) community event in the City
- Hold one (1) Housing Commission Meeting at Belle Haven Community Campus

Low priority:

- Hold additional community meetings and events.
- Create community resources (See Goal 3)

Related efforts:

City Council Work Plan:

- Enhance information sharing about current development projects and regulations

3. Anti-Displacement: Review and recommend anti-displacement policy and programs. Develop resources and information to support current residents. Aim to better monitor and quantify the causes and impacts of displacement.

Beneficial impacts: Reduced displacement, program and policy recommendations. Communicate the impacts of displacement.

Timeline: Work with staff to propose specific code language for City Council adoption by the end of FY 2025-26.

Measure of success: Issuance of recommendations on anti-displacement policy.

High priority:

- Review and support Staff Anti-Displacement study.
- Review and Recommend Policies to Quantify Displacement.

Low priority:

- Create a collection of personal accounts to demonstrate the impacts of displacement.

Related efforts:

- Housing Element Program H2.E
- City Council Work Plan:
 - Create anti-displacement strategy
 - Implement homeownership preservation program with Habitat for Humanity

Work plan history		
Action	Date	Notes
Work plan recommended to HC	August 6, 2025	Commission approved
Work plan recommended to City Council	September 30, 2025	City Council approved