



Benefits to the City of Menlo Park from Eden Housing Project

1. The Eden Housing Project provides the most Below-Market Rate (BMR) units and the greatest value to the City of Menlo Park compared to other options.

- Prince Street contributes the development site worth \$3.6 million.
- Eden Housing Inc. would construct 26 affordable senior units valued at \$19.5 million.
- Total value of Eden proposal is \$23.1 million, including land value.

2. If the Eden Housing Project is not pursued, the City could charge in-lieu fees.

- The City's consultant, BAE, estimated in-lieu fees for two BMR units at \$4.4 million.
- The City's fee methodology grossly overstates fees by omitting the value of rents paid by BMR tenants.
- If rents were included, as is a standard practice throughout the Bay Area and the State, fees from the project would be \$2.9 million or less.
 - Less than the value of the proposed land dedication at \$3.6 million.

3. Alternatively, Prince Street could choose to acquire and convert existing rental units to BMR units to meet its obligation.

- Prince Street is also considering purchasing an existing multi-family building and converting it to BMR units.
- The cost of this option would likely be less than the overstated in-lieu fee, as BAE estimated.
- Preliminary research suggests 2 to 3 BMR units in Menlo Park would cost \$1.8 to \$2.7 million, substantially less than the value of the Eden Proposal.¹

¹ Based on current properties for sale in Menlo Park from Zillow and CoStar; Prices vary depending on location, age, condition, unit size, number, and type of units in building.