

SPRING

REAL ESTATE 2008



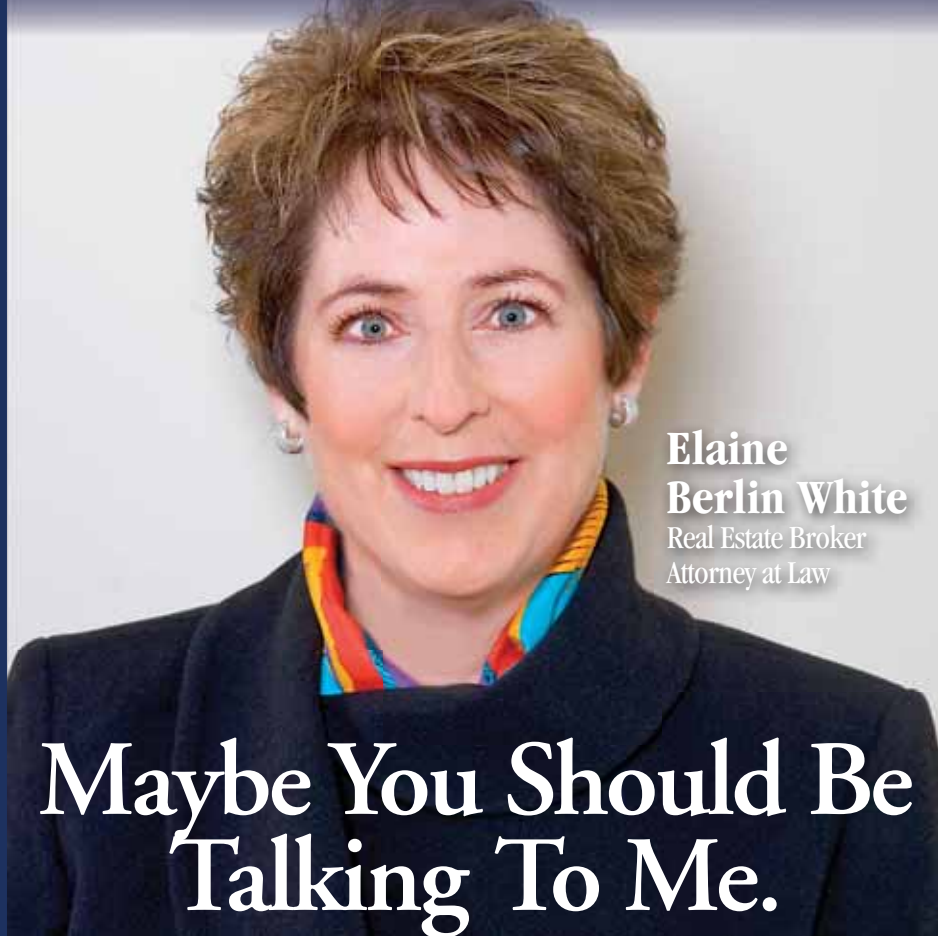
Love 'em, so don't leave 'em
Page 6

Slow, but steady sales at higher end
Page 33

New homes, new neighborhoods
Page 18

An answer to the subprime mess?
Page 41

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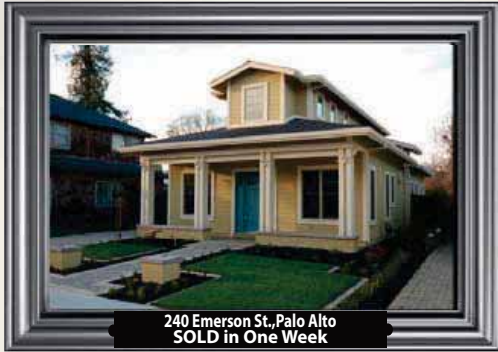
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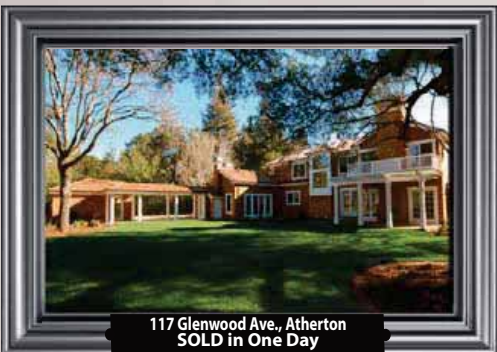
240 Emerson St., Palo Alto
SOLD in One Week



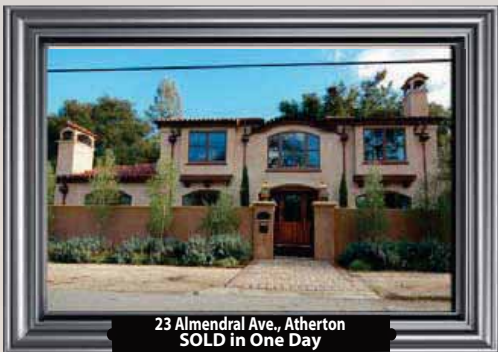
3730 Ortega Court, Palo Alto
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23 Almondal Ave., Atherton
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Inside

Love 'em, so don't leave 'em

Local residents slow to offer their homes for sale

Page 6

East Palo Alto housing sales in motion

Foreclosures, short sales create active, volatile market

Page 9

Spring 2008 snapshot of the market

What do you get for close to the median price?

Page 12

New homes on the horizon

Newly built houses create instant neighborhoods

Page 18

A place of one's own

Palo Alto's Below Market Rate Housing program bridges homeownership gap

Page 25

Editor: Carol Blitzer
Designer: Dana James

RentWatch

Must tenants move in and pay rent on the first of the month?

Page 30

Slow, but steady sales at higher end

Pricey houses typically take longer to sell

Page 33

An answer to the subprime mess?

Loan-limit lifeline promises more than delivers

Page 41

Guiding the home-loan bewildered

Local brokers write mortgage primer in these sub-prime times

Page 48

Avoiding the refinancing trap

Foreclosure isn't always worst-case scenario

Page 53

New user-friendly online real estate Web site

A new, comprehensive online guide to local real estate was launched last week by Palo Alto Online, the Palo Alto Weekly's community news-and-information Web site.

The site features maps, photos, pricing and other information on homes and condominiums currently for sale on the Midpeninsula. It also includes open homes scheduled for the upcoming weekend and sales-price information on homes sold — dating back to 1994.

It will provide "virtual tours" of featured homes, sponsored by the real-estate company listing the property.

The site also links to the Weekly's guides to local neighborhoods, real-estate-agent directories and recent real-estate articles in the Weekly.

The site can be accessed directly at www.PaloAltoOnline.com/real_estate.

The site draws its information directly from RE InfoLink, the Multiple Listing Service for the area. The data is supplemented with information from other sources, including databases and reporting by the Weekly. ■

On the cover: In April, this six-bedroom, four-bath Crescent Park/Palo Alto home on Martin Avenue — 3,153 square feet on nearly one-fifth of an acre — was listed for \$3,250,000.

Photo by Veronica Weber.

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Norbert von der Groeben

At the high end of Palo Alto's housing market, this Kingsley Avenue home in Professorville was reduced to \$10,500,000 in April.

Love 'em, so don't leave 'em

Local residents slow to offer their homes for sale

by Carol Blitzler

People love their homes, their neighborhoods, their towns. That's why one local Realtor says they're not putting them on the market. "Where would they go that was better than where they are?" he asks.

That could be one explanation for why fewer homes are on the market this spring, so fewer homes are being sold.

Those listed are barely seen in an open house before they're snatched up, often for more than the asking price.

While typically there would be 20 to 30 homes listed over the Christmas holidays, last year there were under 20, noted Nancy Stern, a Coldwell Banker, Palo Alto, agent. "People can't move up because there's no place to move to."

"There's supposed to be a recession and housing prices falling, but not in Palo Alto. Palo Alto is one of the most recession-proof communities around," she said.

Brian Chancellor, an agent with Alain Pinel in Menlo Park, doesn't find this spring much different than earlier years.

"What we have experienced is low inventory historically for the last decade. If it bumps up, it doesn't stay up," he said, adding that "everybody is still trying to get a feel for transitions in the financial sector of the economy. They know the guidelines will be altered, but not in what fashion."

Many buyers are simply not impacted by what the Federal Reserve does. "We're not completely insulated from national factors, but we are an entrepreneurial hub. ... The difference between the dot-com boom and bust [is] people seem to be much more under the radar."

"The reality is, not everyone is walking around with boatloads of stock options, but there still are enough people who are putting significant amounts of money down. Prior to the last six months, 68 percent of buyers were getting interest-only loans. That doesn't mean they couldn't afford to get a 30-year fixed. They wanted financial flexibility," he said.

Multiple offers are still common.

Ken Reeves, a Cashin Company, Woodside, agent with a Sharon Heights condo listing in February, said that "Cashin is still getting multiple offers on six out

of 10 deals. ...

"I can remember bad markets back in the '80s. This is not a dead market. When I put out a sign on a condo, and don't even have disclosures ready, [we] still got 12 people on Saturday and 15 on Sunday. There's a lot of people asking questions, which leads me to believe they're thinking of putting theirs on the market."

"It's not exactly doom and gloom in Los Altos," said Denise Ewings, an Alain Pinel, Los Altos, agent who had a listing on Gordon Way in February. In early March she reported 1,093 hits on the video tour, more than 200 agents walking through on the Friday tour, and another 100 people at the weekend open house each day. After six days, the house attracted six written offers, with a selling price of \$1,951,000, almost 9 percent higher than the asking price.

Ewings is concerned that potential buyers are getting scared off by what they read about the housing market in newspapers or see on TV. She's even heard of buyers so disillusioned about finding a home in Los Altos that they've headed south to Willow Glen (in San Jose).

"The media says 'this is down, that is down,' but we're having lots of multiple offers," she said, acknowledging that most reports do not cover this real-estate microcosm. "We can't just give a broad brush in the Bay Area. ... We're not seeing the effect of foreclosures here."

Alain Pinel Realtors in Los Altos is actually ahead of last year in sales, she added in early April, noting that one house had 16 offers on it.

Suzie Provo, an Alain Pinel, Palo Alto, agent who recently sold a house on Saint Francis Drive in Palo Alto, finds the market normalizing. "It's not so much a seller's market; many houses are getting multiple offers, but not at blow-out crazy, way-over prices. ... We're still a strong market, but not a crazy market," she said.

While far fewer homes were sold in Mountain View last year compared to either of the previous years, Eric Fischer-Colbrie of Intero Real Estate Services, Los Altos, sees Mountain View as stronger than the market further south.

"Mountain View is not as strong as Palo Alto and Los Altos, but it's holding

Single Family Home Sales

| City | Median Price 2007 | Median Price 2006 | Median Price 2005 | 2007 DOM** | 2006 DOM | 2005 DOM | # Homes Sold 2007 | # Homes Sold 2006 | # Homes Sold 2005 |
|-----------------|-------------------|-------------------|-------------------|------------|----------|----------|-------------------|-------------------|-------------------|
| East Palo Alto | \$615,000 | \$649,000 | \$605,000 | 76 | 45 | 30 | 83 | 155 | 195 |
| Los Altos | \$1,749,000 | \$1,621,000 | \$1,603,500 | 29 | 24 | 22 | 324 | 353 | 400 |
| Menlo Park | \$1,261,000 | \$1,270,000 | \$1,255,000 | 29 | 33 | 22 | 410 | 377 | 455 |
| Mountain View | \$1,055,094 | \$910,500 | \$876,000 | 19 | 22 | 16 | 270 | 318 | 402 |
| Palo Alto | \$1,555,000 | \$1,345,000 | \$1,300,000 | 24 | 24 | 20 | 463 | 516 | 534 |
| Redwood City | \$885,000 | \$850,000 | \$835,000 | 30 | 27 | 20 | 507 | 575 | 718 |
| Atherton | \$3,475,000 | \$3,272,205 | \$3,000,000 | 56 | 49 | 45 | 80 | 102 | 103 |
| Los Altos Hills | \$2,575,000 | \$2,405,400 | \$2,400,000 | 75 | 50 | 48 | 96 | 96 | 133 |
| Portola Valley | \$1,925,000 | \$1,805,000 | \$1,855,000 | 56 | 44 | 56 | 73 | 59 | 91 |
| Woodside | \$2,172,500 | \$1,937,500 | \$1,825,000 | 97 | 71 | 63 | 78 | 60 | 97 |

*Information provided by the Silicon Valley Association of REALTORS® from MLSListings Inc.
 **Days on Market



This Downtown North cottage at 109 Webster St. was offered for \$749,000 in March.



At the higher end of Menlo Park's market, this home at 909 Berkeley Ave. in Menlo Oaks was reduced to \$4,295,000 in April.

its own. Inventory is up — nothing dramatic,” he said.
 Certain hot pockets — such as Old Mountain View or Whisman Station — can barely keep a listing for longer than a couple of weeks.
 “Downtown Mountain View is really hot right now,” Renee Levy, an agent with Coldwell Banker, Los Altos, said. “That kind of market is different than family-oriented Waverly Park,” she said, adding that her team held open houses on Paul Avenue that drew 35 to 40 groups each day — all for a two-bedroom, one-bath house with a carport. Within a month, that house sold with one offer for \$915,000, about 4 percent less than the asking price, but higher than Levy had originally suggested to the owner.
 “The thing holding it back was it only had one bathroom and no garage. It was darling, all brand-new inside,” she added.
 Not far away in Whisman Station, Yvonne Johnson Heyl and Jeffrey Gonzalez had a listing on Nicholas Drive. More than 70 groups tramped through on a Saturday in February, followed by 50-plus on Sunday. “It sold in five days with four offers,” Johnson Heyl said.
 Bill Reding, of Sereno Group in Los Gatos, closed escrow on a Mercy Street home in Mountain View in early March. With four offers, the home went for more than 15 percent above the asking price of \$995,000.

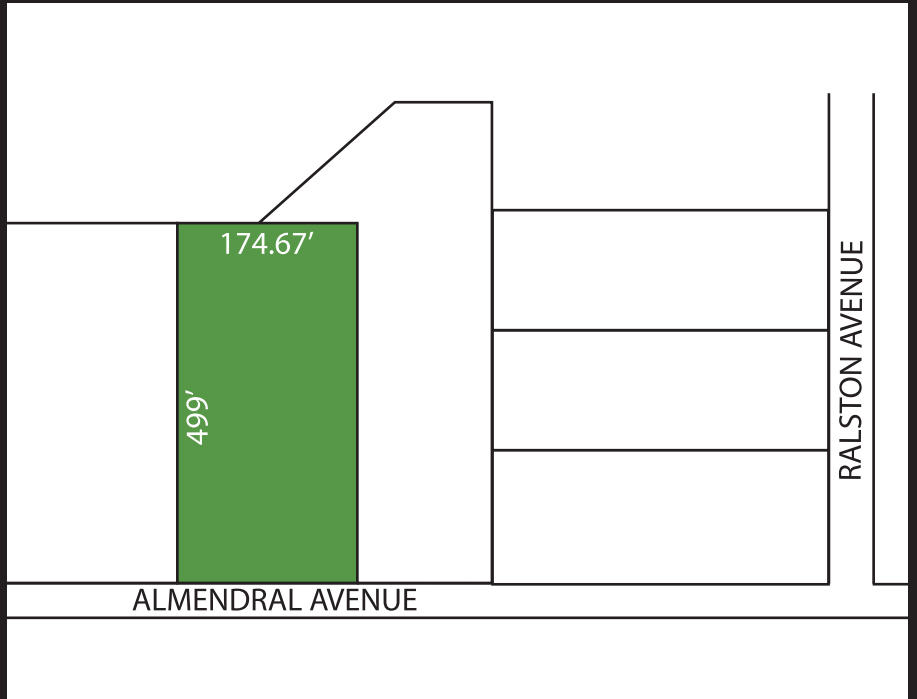
With lending tighter now, Reding assures buyers that if they have at least 10 percent to put down, they’ll be fine. “You can buy such great values. Even this house went below what it could have gone for, just two years ago,” he said.
 Calling the market the “golden pocket between Calderon and Castro,” Reding notes “Even with a quick pace, it’s not as frenetic. These are well-thought-out decisions, not knee-jerk reactions. We still have a number of pent-up buyers who just haven’t seen properties worth stepping up for.”
 At the end of February, Steve TenBroeck, an Alain Pinel, Palo Alto agent, found “buyers are extremely nervous. They just don’t know what to do. It’s like the fog of war, everything is so hazy.”
 “The local market is so different from what [potential buyers] read. Most people in Palo Alto don’t have to sell, Silicon Valley is doing very well, [there are] no massive layoffs. Most companies are hiring, not laying off, so there’s no turnover in housing,” he said, noting that inventory was incredibly low in February.
 But TenBroeck found that his listing on Carolina Lane was a prime example of a less-than-perfect Palo Alto house: Technically, the four-bedroom, two-bath Eichler was underpriced at close to \$1.4 million, but the floorplan was unconventional with a master bedroom converted from a garage. Additionally, it was on a busy

(continued on page 10)

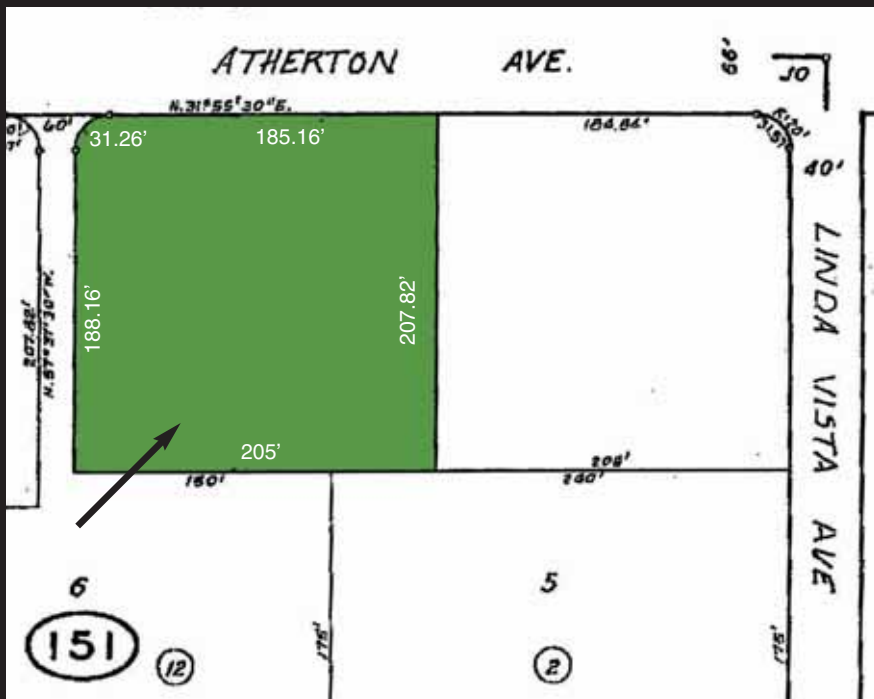
FOUR OPPORTUNITIES TO BUILD IN PRIME WEST ATHERTON



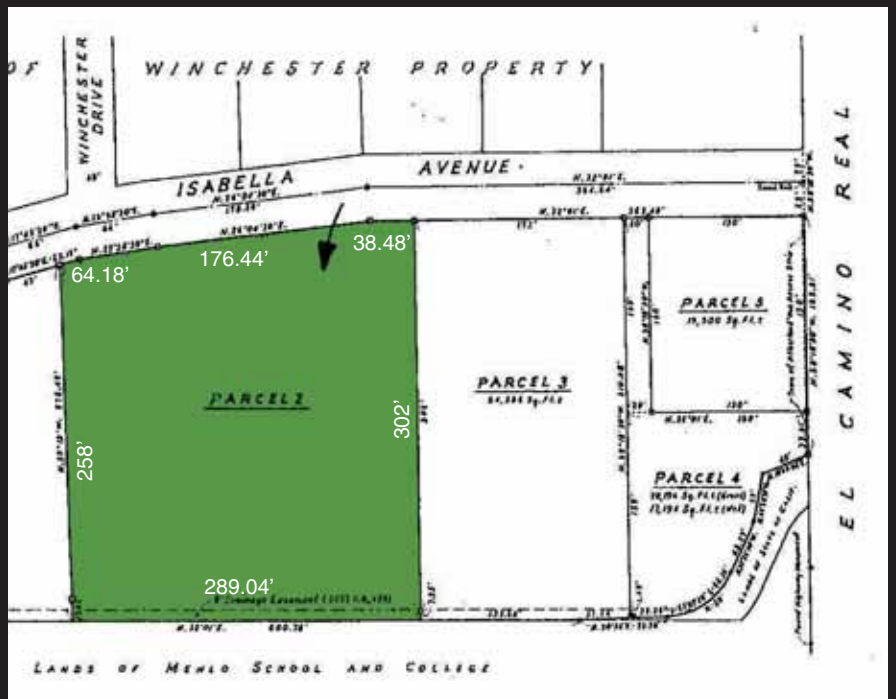
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East Palo Alto housing sales in motion

Foreclosures, short sales create active, volatile market

by Carol Blitzter

Despite a downturn in the national housing scene — and more difficulty getting loans — homes in Palo Alto, Menlo Park and Mountain View are flying off the multiple-listing shelf. From listing to sale averages three weeks.

But just across U.S. Highway 101 and San Francisquito Creek, another scenario is playing out in East Palo Alto.

In early March, with 63 homes on the market in Palo Alto, 76 in Menlo Park and 52 in Mountain View, there were 146 in EPA — a town half the size of its neighbors.

And rather than selling quickly, they were languishing closer to three months on average.

Unlike median home prices in its neighboring communities, East Palo Alto's is ratcheting down, albeit slowly.

Feeding into the floundering market is the number of foreclosures or short sales (where the bank agrees to reduce a loan so the home sale will cover the mortgage).

Fabiola Prieto, a real-estate agent with Coldwell Banker, Palo Alto, noted 29 short sales and nine bank-owned properties (where the bank had foreclosed) in early March.

"If a house was purchased in 2004 or 2005, it was most likely a multiple-offer situation. Now the house isn't worth that," she said. In a short sale, the owner is able to walk away without further debt and "can usually get out of it pretty easily. It avoids foreclosure," she said.

With more than a quarter of the inventory

in foreclosure or short sale, prices are impacted, she added. "Buyers are looking for really great deals and they're able to get them now. So, they're looking at the short sales. They're also attracting multiple offers — more than the non-short sales," she said.

Prieto estimates that 70 percent of buyers in East Palo Alto today are investors, up from 50 percent a year or so ago.

While marketing a home in the surrounding areas usually starts with a broker's walk-through, followed by an open house, listing on several Web sites and advertising in local newspapers, EPA again has its own rhythm for selling homes.

Rather than holding open houses, most visits are by appointment. "We'll set up when no one's home with two or three agents," Prieto said.

The process is further complicated when the homes are abandoned and left to disintegrate. Prieto says her out-of-town investors gather their information from photos online, as well as disclosures. A lot of investors offer without seeing it, she said.

"They come in and we assist them with finding tenants and get the property rented out pretty quickly," she said. Demand for rental property is high, with rents ranging from \$1,800 to \$2,500 for a house, she added.

Buyers in EPA "need to come in with at least 20 percent down; they're getting pre-approved before they call us, have locked a rate down, taken care of financials," she said.



Fabiola Prieto, a real-estate agent with Coldwell Banker, Palo Alto, has a number of listings in East Palo Alto. She's finding short sales are drawing more multiple offers.

Susan Bradley

And if a house sits too long on the market, Prieto updates the banks on what else is on the market.

"After a month and a half, we let them know what's sold in the area, tell them we need to make a price reduction. We're competing with new listings that are coming in much lower," she said, noting she recently saw one for \$219,000. That 60-year-old house featured two bedrooms, one bath, with a large living room and a bonus room, on a 5,900-square-foot lot.

Sales continue to be slow in EPA, and

prices are fluid. Prieto did a quick search of activity in the past few months, finding nine had closed, including a land-only transaction and one house that had been on the market for close to a year (which sold for less than originally asked).

But Prieto is optimistic: "My business is thriving. We have a lot of listings, a lot of activity. I really don't know what's going to happen in the next few months. All I know is we're pretty busy here." ■

Associate Editor Carol Blitzter can be e-mailed at cblitzer@paweekly.com.

BRINGING BUSINESS SAVVY INTO REAL ESTATE

Suzanne's Spring Things
— JUST SOLD —



15 OAK HOLLOW WAY, MENLO PARK

(Represented Seller)

List Price: \$2,799,000
Sale Price: \$2,799,000



251 ARDEN WAY, MENLO PARK

(Represented Buyer)

List Price: \$2,950,000
Sale Price: \$2,865,000



712 ELIZABETH LANE, MENLO PARK

(Represented Seller)

List Price: \$1,395,000

— PENDING SALE —
(OVER ASKING)

— JUST LISTED —

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Love 'em, so don't leave 'em

(continued from page 7)

corner, not far from Charleston Road, near the railroad tracks (and susceptible to train noise) and getting to schools required crossing El Camino Real.

Despite the most foot-traffic at an open house in the history of TenBroeck and his partner Jeff Stricker, no one bit until two price reductions. The home sold for \$225,000 less than asking.

"Properties with issues are starting to decline in value. That's always the first thing to turn," TenBroeck said. "The more issues, the more vulnerable to price swings. In a hot market, there's very little discount for these issues — they're just lucky to get something. But when buyers start to get nervous, which is directly related to consumer confidence, they avoid properties with issues — and those properties have to reduce price."

The Carolina home sold for \$1,175,000, "as is, non-contingent, with 50 percent down — that's a big deal today," he added.

Arlene Gault and Ken Morgan, Coldwell Banker, Menlo Park, agents are seeing a similar picture. Their listing on Bryant Street in Palo Alto drew close to 200 groups one weekend in February and sold a month later with five offers at \$1,250,000, nearly 14 percent over the

asking price. Gault said the winning offer was actually the second highest, but the highest had a longer close and some contingencies.

The day in March when the Federal Reserve lowered rates by three-quarters of a percentage point, Gault expressed optimism. "The last three weeks, it's spring ... we see a trend that inventory is getting higher each week."

Morgan noted that there are two and half times the number of active listings in Palo Alto in mid-March compared to early January, what he called "like normal almost. It'll get higher as we go towards June or July."

"Prices are holding not going higher. The biggest uncertainty is the negative news we get in newspapers nationwide. It hasn't affected this area too much, making people nervous. Most people just hang on because it's a good investment."

"This is such a desirable location, people just don't sell. People want to live here." ■

For more home and real estate articles, visit www.paloaltoonline.com/real_estate.

Associate Editor Carol Blitzer can be e-mailed at cblitzer@paweekly.com.



Norbert von der Groeben

Entry-level Menlo Park homes include this three-bedroom, one-bath home in Belle Haven, which was offered for \$379,900 in March.

'There's supposed to be a recession and housing prices falling, but not in Palo Alto. Palo Alto is one of the most recession-proof communities around.'

— Nancy Stern, Coldwell Banker, Palo Alto

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Spring 2008 snapshot of the market

What do you get for close to the median price?

by Carol Blitzer

Here's a snapshot of what was on the market in early March. Each home was offered at close to the median price for that community.

EAST PALO ALTO

Address: 939 E. Bayshore Road
List price: \$609,000*
Bedrooms: 4
Bathrooms: 2
Interior: 1,510 sq. ft.
Lot size: 4,500 sq. ft.
Date built: 1966

This larger-than-average ranch-style home on a corner lot offers easy access to the Dumbarton Bridge and U.S. Highway 101. Features include an eat-in kitchen, master bedroom suite, a fenced yard and both a one-car garage and a carport.

* \$499,000 in April



Norbert von der Groeben

REDWOOD CITY

Address: 1818 Alameda de las Pulgas
List price: \$895,000
Bedrooms: 3
Bathrooms: 3
Interior: 1,450 sq. ft.
Lot size: 6,110 sq. ft.
Date built: 1952

Close to schools and the Menlo Country Club, this west Redwood City home offers comfortable space for a family, plus a bonus room for a nanny or in-laws. Special features include a living-room fireplace, hardwood floors, separate family room, sun porch, new carpets and a two-car garage.



Norbert von der Groeben

MOUNTAIN VIEW

Address: 230 Oak St.
List price: \$1,089,000
Bedrooms: 3
Bathrooms: 2.5
Interior: 1,626 sq. ft.
Lot size: 3,484 sq. ft.
Date built: 1999

Just blocks from downtown Mountain View, this custom-designed home boasts high ceilings, a gourmet kitchen (think granite, well-finished cabinets) and a large master bedroom with a marble bath, whirlpool tub and walk-in closet. No storage issues here. The house is set back from the street and has a private backyard with a patio and a newly installed lawn.



Danielle Vernon

MENLO PARK

Address: 208 Oakhurst Place
List price: \$1,349,950*
Bedrooms: 3
Bathrooms: 3
Interior: 1,800 sq. ft.
Lot size: 6,420 sq. ft.
Date built: 1950

Houses rarely come on the market in close-knit Suburban Park, a 1950s subdivision with easy access to U.S. Highway 101 and Menlo Park schools. Remodeled details range from a new kitchen with maple cabinets, stainless-steel appliances and granite countertops to travertine and hardwood floors, Jacuzzi tub in the master bathroom and a tankless water heater. A front bedroom with a separate entrance could be used as an in-law unit.

* \$1,249,950 in April



Veronica Weber

Spring Real Estate 2008

PALO ALTO

Address: 164 Hawthorne Ave.

List price: \$1,590,000*

Bedrooms: 3

Bathrooms: 3

Interior: 1,742 sq. ft.

Lot size: 2,613 sq. ft.

Date built: 1905

This turn-of-the-last-century cottage in Downtown North has been remodeled extensively, with a basement space that includes a family room, laundry, bedroom and bonus rooms. The location can't be beat, with an easy stroll to University Avenue, the Caltrain station and Stanford University, as well as access to Palo Alto schools.

* \$1,490,000 in April



Danielle Vernon

PORTOLA VALLEY

Address: N. Balsamina Way

List price: \$1,725,000

Bedrooms: 6

Bathrooms: 3

Interior: 3,050 sq. ft.

Lot size: 9,594 sq. ft.

Date built: 1958

This Ladera ranch-style home is flexible in its layout: four bedrooms and two baths upstairs, with guest quarters (or in-law unit) with two bedrooms, a bath and full kitchen below. Close to schools (Las Lomas School District, Woodland School), the location also offers easy access to shopping, Interstate 280 and the Ladera Recreation Center.



Noelbert von der Groeben

LOS ALTOS

Address: S. Gordon Way

List price: \$1,795,000

Bedrooms: 4

Bathrooms: 2.5

Interior: 2,557 sq. ft.

Lot size: 10,018 sq. ft.

Date built: 1965

Close to City Hall, the library and the Village, this north Los Altos home features a floor plan that flows well. Special features include a living room with cathedral ceilings, separate dining and family rooms, refinished hardwood floors, an expanded kitchen and separate laundry room.



Danielle Vernon



*A*PPROXIMATELY 2 ACRES OF SUN-DRENCHED LAND ON MTN. HOME ROAD IN WOODSIDE
Enjoying a secluded location at the end of a private lane, this flat parcel offers an exceptional opportunity to build a custom estate. It is just a quick jaunt from the center of Woodside Village and nearby riding trails of Wunderlich and Huddart parks.

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WOODSIDE

Address: 63 Ridgescourt
List price: \$2,195,000
Bedrooms: 3
Bathrooms: 2.5
Interior: 1,892 sq. ft.
Lot size: 7,937 sq. ft.
Date built: 2007

A brand-new house is a rarity in Woodside, but this Craftsman-style fits right into the eclectic Woodside Glens neighborhood. Highlights include a gourmet kitchen, hickory floors, a “romantic” master suite and a custom library, all with a large yard. The Glens is close to Interstate 280 and is in the Woodside Elementary School District.

LOS ALTOS HILLS

Address: 12800 Diane Drive
List price: \$2,495,000
Bedrooms: 3
Bathrooms: 2.5
Interior: 2,292 sq. ft.
Lot size: 1.10 acres
Date built: 1960

Much more than a room with a view, this hillside rancher was recently remodeled. Amenities include a fireplace in the living room, breakfast nook, barbecue area, deck and patio — not to mention a view of both Bay and mountains. The home offers easy access to Interstate 280 and Foothill College, as well as Los Altos schools.

ATHERTON

Address: 29 Irving Ave.
List price: \$3,387,500
Bedrooms: 4
Bathrooms: 3.5
Interior: 3,570 sq. ft.
Lot size: 0.97 acre
Date built: 1949

Thomas Church-designed gardens — with heritage apple, pomegranate, lemon and orange trees — grace this contemporary Atherton rancher, located in Lindenwood. The original home was designed by William Wurster. Public spaces, from the separate living and dining rooms to the library, sunroom and playroom, face the gardens. Entertainment areas abound, both inside and out, including a pool and spa. If you’re thinking of adding up, the foundation is prepared for a second story.



Veronica Weber



Danielle Vernon



Veronica Weber

1003 Peggy Lane, Menlo Park



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Sophisticated and bright, this stunning 3 bedroom, 2 1/2 bathroom townhome with its designer finishes provides a warm and inviting ambiance. The open kitchen and living room are accentuated by beautiful hardwood maple floors and cabinetry. Slate fireplaces in the living room and master bedroom provide a custom feel. This upscale townhome is part of a 3-unit complex and is convenient to downtown Menlo Park and Palo Alto, as well as Hwy 101. Excellent Menlo Park Schools!



Virtual tour available at www.597WillowRoad.com



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New homes on the horizon

Newly built houses create instant neighborhoods

by Susan Golovin

Home construction on the Peninsula has taken on new proportions as several-acre projects — and in one case, the top floor of a shopping center — are being developed as ready-made communities. Today, potential buyers have options ranging from a \$500,000 loft to a \$2.1 million single-family home, with many choices in between.

Morgan Lane, Menlo Park

Sonya and Galen Fletcher will soon close escrow on their home in Morgan Lane, a Taylor Morrison community of 56 houses situated in Menlo Park near Willow and Middlefield roads, a stone's throw from Sunset Magazine.

The Craftsman-style homes are configured in three models, two of which are available in either two or three stories. Choices range from 1,470 to 1,951 square feet, (3 to 4 bedrooms, 2.5 to 3.5 baths) with prices ranging from the low \$1 millions to \$1.399 million.

"We sold our house in Redwood City last year," Galen Fletcher said. "We rented for a year and looked aggressively to buy. We were really tired of losing out on multiple offers. Twice we came in second on fixer-uppers in San Carlos."

The Fletchers chose an open floor plan for their two-story, three-bedroom home with its see-through kitchen and great room.

"The basic package is very good, but we upgraded a few things," he said. "We added canned lighting, put marble in the master bathroom and hickory floors downstairs."

"We are sacrificing a big yard," Fletcher said. However, he feels that the trade off for their 3,000-square-foot lot is that "the community becomes the yard," citing the shared green area where their two young children can play and the proximity of nearby municipal resources.

Each home has a small patio area, and some homes have decks. Front porches are standard.

Vickie Nyland, president of Taylor Morrison, says that there was a real effort made to mesh with the existing neighborhood — which translates to variation in elevations and rear-loaded garages, which enhance the entry.

"The neighbors thought that the street would be too wide," Nyland said. To answer this concern there will be new medians planted with red oaks and Chinese pistache.

Sales Manager Joyce Boury says that the homes will be sold in nine phases, six or seven offered at a time. As of mid-March, five of the 13 were still available. Eight are below market rate.

Lane Woods, Menlo Park

The first Lane Woods Homes will become available this spring. Located adjacent to the Sunset Magazine campus in Menlo Park, Lane Woods is a SummerHill Homes community of 32 single-family homes, including the 2008 Sunset Idea Home. The residences range from 1,719 to 2,998 square feet (3 to 4 bedrooms, 2.5 to 3.5 baths) and vary in price from \$1.5 million to \$2.1 million.

"It's a new neighborhood that looks like an old neighborhood. ... Over 100 trees were preserved," said Elaine Breeze, senior vice president of SummerHill.

Some model floor plans are available in several configurations so as to preserve the site. The neighborhood common area features a stand of redwoods.

"No garage doors face Willow Road and some of the front porches are the full length of the house," she said.

Breeze points out the strong horizontal design elements, which blend these new, two-story homes into the mostly ranch-style homes in the existing neighborhood. The signature split-rail fence surrounding Sunset will be extended — complete with roses — to front the new homes.

The basic package is already high end with such amenities as Wolf stainless-steel cooking appliances and Kohler bathroom sinks. In addition, owners can choose from a long list of custom options.



Clarum Homes bills its new 12-house development at 996 Willow in Menlo Park as energy-efficient 'Enviro-homes,' with energy consumption reduced by up to 90 percent.

Susan Bradley

'We are sacrificing a big yard. ... [but] the community becomes the yard,' citing the shared green area where their two young children can play.

— Galen Fletcher, homeowner, Morgan Lane, Menlo Park

Spring Real Estate 2008

SummerHill homes will provide in-lieu fees for three of the five below market rate (BMR) homes. These fees will help fund approximately 22 BMR homes at a proposed Habitat for Humanity community in Menlo Park.

996 Willow, Menlo Park

For John Suppes, founder and president of Clarum Homes in Palo Alto, building green is a passion. The 12, three-story, three-bedroom single-family homes at 996 Willow in Menlo Park, priced at \$1.74 million, are all state-of-the-art, energy-efficient “Enviro-

homes.”

The Enviro-home is a prototype developed by Clarum. It is designed to reduce energy consumption by up to 90 percent by incorporating such features as on-demand water heaters, high-efficiency furnaces and appliances and radiant roof barriers. “We’ve exceeded Title 24 requirements by 30 percent or more,” Suppes said.

On the long list of Enviro-home features is the computerized irrigation controller that is linked to real-time weather conditions — no more instant sprinklers turning on during an unexpected rain storm.

Overall, the feeling is contemporary, with
(continued on page 21)

‘We didn’t think we could afford it, but our eldest son helped. ... It’s full of windows. ... I can see the mountains.’

— Veronica Reginaldo, homeowner,
Classics at Evandale, Mountain View



Left, Veronica and Jose Reginaldo recently purchased their first home at the Classics at Evandale community in Mountain View.

Below, Sonya and Galen Fletcher, with their two children, recently purchased a new home in Morgan Lane, a Taylor Morrison community near Sunset Magazine in Menlo Park

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(continued from page 19)

stainless-steel stair rails, brushed-nickel light fixtures, stainless-steel Bosch kitchen appliances and bamboo floors in the kitchen and great room. Nine-foot ceilings on the second and third floors add an open, airy feel to the 1,868-square-foot homes.

“There was no sense in putting in solar panels because there is so much shading on the site,” Suppes said. “There’s a common area with benches and lots of Heritage oak trees,” he added. Front porches and decks are standard, as is the two-car garage.

Two of the homes are below market rate.

Cummings Park, East Palo Alto

“We’re bringing urban lifestyle to the Peninsula,” Sales Manager Anne Pearson said in describing Cummings Park. The 19 950-square-foot lofts and 12 1,155-square-foot townhouses are located on the third floor of the Ravenswood Shopping Center in East Palo Alto, next to Jamba Juice.

The homes are accessed via stairs behind a locked first-floor entrance, or elevator. The units open to a cobblestoned common area. Parking is underground.

The townhouses have a kitchen, living and dining room and one-half bath downstairs and two master suites upstairs. The lofts have a similar downstairs floor plan, but feature an upstairs loft that overlooks the living room, plus a bedroom and bath.

At \$500,000 to \$600,000 these homes are the least expensive under construction nearby. However, the \$400 monthly homeowners’ fee is the highest (the others vary from \$110 to \$199.50).

“It’s a hip, modern design,” said Pearson, pointing out the 20-foot-high ceilings in the lofts and the stainless-steel stair railings. “Everything is standard,” she added. This includes such amenities as GE Profile stainless-steel

(continued on page 23)



Drawing courtesy of SummerHill Homes

Lane Woods, a SummerHill Homes community of 32 single-family houses, is located adjacent to Sunset Magazine — and includes Sunset’s signature split-rail fence.

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Leannah Hunt and Laurel Hunt Robinson . . . a special team. With over 20 years of experience as a Realtor, Leannah is the current President for the Silicon Valley Association of Realtors 2008. She has lived in Palo Alto for 40 years and is an active leader in both her profession and her community. A consistent top producer for her company, Leannah is in the top 2% of CB agents nationally. A native Palo Altan and second generation Realtor, Laurel is the mother of twin boys. Her knowledge of the community and special affinity for young families has enabled her to enjoy great success. Whether you are buying or selling real estate, Leannah & Laurel know the community and provide the highest level of service to each transaction.

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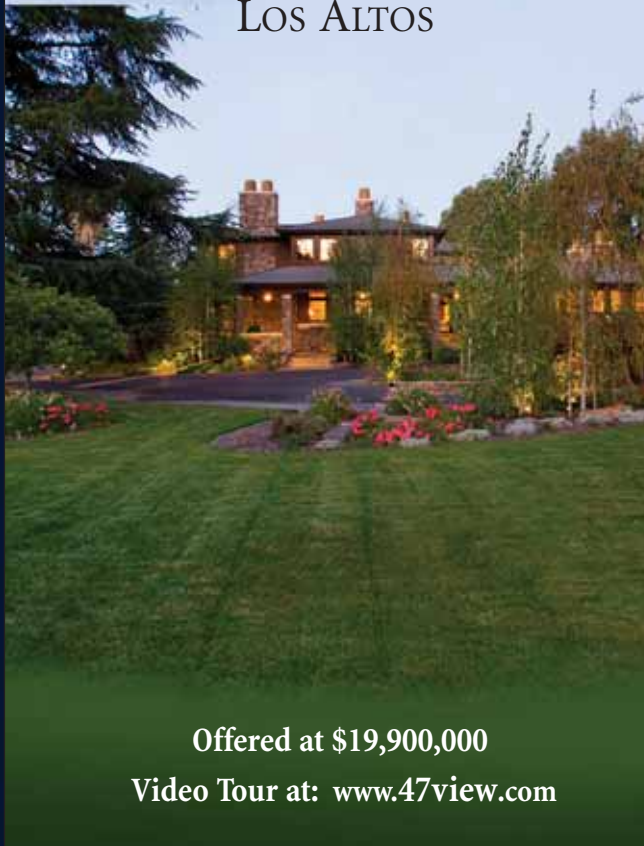
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(continued from page 21)

appliances, WiFi, slab granite in the kitchen and marble in the bathrooms.

So far six lofts and two townhouses have sold, including all of the six below-market-rate units.

Classics at Evandale, Mountain View

For Veronica and Jose Reginaldo, parents of three grown children, their new three-bedroom house in the Classics at Evandale community in Mountain View is their first experience with home ownership. They have lived in the area for 20 years.

“We didn’t think we could afford it, but our eldest son helped,” Veronica said.

Classics at Evandale is a 35-home community located on Evandale Avenue, near the intersections of Highways 101, 85 and 237. It

consists mostly of single-family, 1,600-square-foot detached homes, with three bedrooms and three-and-a-half baths. Prices range from \$789,000 to \$809,000.

Each home has a side yard and front porch and a small front yard. The more expensive homes overlook the shared green area and also have wrap-around porches.

One bedroom is located on the first floor, next to the two-car garage. The second floor consists of a country kitchen with bay window, dining and living room and powder room. The master bedroom and bath plus another bedroom and bath are on the third floor.

Reginaldo says that she particularly enjoys the height of the home, and the fact that “it’s full of windows. ... I can see the mountains.”

To date, five homes are available, four of which are still under construction, so owners would have the option of choosing interior finishes from the design options. All of the below-market-rate homes have sold. ■

‘It’s a new neighborhood that looks like an old neighborhood. ... Over 100 trees were preserved.’

— Elaine Breeze, senior vice president, SummerHill, about Lane Woods



David Cenzer

Cummings Park offers urban lofts and townhouses located above ground-floor retail at the Ravenswood Shopping Center in East Palo Alto.

‘We’re bringing urban lifestyle to the Peninsula. ... It’s a hip, modern design.’

— Anne Pearson, sales manager, Cummings Park, East Palo Alto



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A place of one's own

Palo Alto's Below Market Rate Housing program bridges homeownership gap

by Joyce Tang

Palo Alto evokes images of software tycoons, prominent academics and million-dollar homes.

In such a high-profile city, it's hard to imagine that buying a home is a hardship for educated professionals such as Tianzhi Guo, 57, an M.D. and researcher at Palo Alto's VA Hospital. A renter for 20 years, Guo purchased and moved into his first home this fall with the help of Palo Alto's Below Market Rate (BMR) Housing Purchase Program.

Guo spent 10 years on the waiting list of the BMR program, which operates under the auspices of the Palo Alto Housing Corporation (PAHC). The program aims to provide affordable homes to low- and moderate-income families who either live or work in Palo Alto.

Currently there are more than 500 people on the waiting list and only 179 BMR units throughout the city. People with waiting list numbers above 300 spend anywhere between five to 10 years on the waiting list, according to the PAHC Web site.

Guo first came to Palo Alto from China as a visiting scholar to Stanford University. Trained as an anesthesiologist, he does research in physical trauma, rehabilitation and

anesthesia. At first glance, Guo fits comfortably into the demographics of Palo Alto's highly educated, professional community.

But despite his credentials and secure position at a prestigious hospital, Guo's household income of approximately \$75,000 has excluded him from affording a home in Palo Alto. Palo Alto's estimated median household income in 2005 was \$93,400, according to City-Data.com.

The epidemic of million-dollar homes in this Peninsula enclave has become so commonplace that people rarely blink an eye at the price tag of homeownership. In 2005 the estimated median house/condominium value in Palo Alto was \$1,235,700, about \$76,000 above the average for California, according to City-Data.com.

In such an unforgiving market, low-income families have for the most part been forgotten. But now moderate-income families are being squeezed out as well. The United States Department of Housing and Urban Development and the California Health and Safety Code define moderate income as households earning 80 to 100 percent of the area median income. In Santa Clara County, 80 percent equals a yearly household income of approximately

(continued on page 27)



Danielle Vernon

Sylvia Smitham, a retired loan clerk, has lived in her Birch Court condominium since 1984.

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(continued from page 25)

\$85,000, according to Marlene Pendergrast, PAHC's former executive director.

Pendergrast worries about the dwindling middle-income population in Palo Alto. "[Housing] is a huge problem and it affects more than just low-income people," she said. "There's also a middle class [and we should] try to retain economic diversity in this town."

A common misperception is that the BMR program is aimed at low-income families, Pendergrast said.

"Sometimes people hear 'affordable housing' and they think, 'Oh, that's not me, I'm not poor.'"

PAHC addresses housing for low-income families — those earning less than 80 percent of the area median income — mainly through its affordable rental housing.

At its inception in 1974, the BMR program was conceived to serve a higher-income population. "It was a feeling that homeownership was appropriate to a certain level of income, and also that even back then buying a home was more expensive than renting," Pendergrast said. The program's target population includes professions such as educators and public-safety workers.

BMR Housing Administrator Marcie Mitchell has herself been on the waiting list for four years. Currently number 96, she continues to wait.

Some Palo Altans may be uncomfortable with the stigma associated with affordable

housing, which may prevent them from applying to the program, Pendergrast said. But Sylvia Smitham disagreed.

"I wasn't ashamed and am still not—we're not asking the government to help out. It's a program set up to help get a home."

Smitham, 73, a retired loan clerk, has lived in her Birch Court condominium since 1984 after purchasing it through the BMR program. Living on a single-person income, Smitham tried on several occasions to buy a home but simply never had the money, she said.

Despite commutes to San Francisco and Oakland for work, she never considered moving because she fell in love with Palo Alto.

"Forty-three years here makes you feel like it's your hometown. It's a beautiful city and most of the people are very kind and caring."

Kristi Theone, an addiction-recovery counselor, describes the BMR program as "the great leveler in this community." A resident of Palo Alto for nearly 30 years, she never considered leaving because of the culturally and intellectually rich environment.

"I cherish this community for the intellectual stimulation it offers, the libraries which can't be beat, the cultural offerings such as summer concerts, great recreational activities and the people!"

Even with the help of the BMR program, living in Palo Alto still comes at a price. When Smitham first moved into her unit, homeowner association fees were \$96 a month. They have now increased to \$343 a month. Compare that with Smitham's monthly mortgage payment of \$197 and one wonders how she affords the current cost of living. Smith-

(continued on page 29)

'[Housing] is a huge problem and it affects more than just low-income people. There's also a middle class [and we should] try to retain economic diversity in this town.'

— Marlene Pendergrast, former executive director, Palo Alto Housing Corp.



Danielle Vernon

More than 500 people are on the waiting list for the 179 below-market-rate units in Palo Alto, such as Sylvia Smitham's, at Birch Court.

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Danielle Vernon

Palo Alto's 179 below-market-rate units are spread all around town, including Birch Court near California Avenue in Palo Alto.

'I wasn't ashamed and am still not. ... We're not asking the government to help out. It's a program set up to help get a home.'

— Sylvia Smitham,
a below-market-rate homeowner since 1984

(continued from page 27)

am has refinanced her home twice and still owes \$23,000 on the \$28,000 she borrowed originally.

"If I hadn't refinanced, I couldn't afford to be here," she said.

The BMR program does not monitor homeowners' payments or incomes after they have purchased their homes.

But despite the burden, Smitham still regards the program as a boon. "It's an absolutely wonderful program," she said. Her attitude is realistic. "I knew I could manage the mortgage and homeowner fees at that time, and I'm still managing today."

She even makes a small donation to the program every year. "We were always taught to give back, and I do my best," she said.

Smitham has also served on the budget committee of her homeowners' association and notes that they try not to have special assessments because the financial demands could be hard on seniors living in the complex, not to mention homeowners like herself.

When Theone and her husband Rick Vandivier purchased their two-bedroom unit in 1990, they didn't anticipate that their family would double in size four years later. With two sons, their small BMR unit has been "like living in a fish bowl." The BMR program limits home sizes according to the number of people in a household. Rather than give up their unit, they applied for a larger one and, after squeezing four people into a two-bedroom home for 13 years, recently qualified to purchase a four-bedroom BMR unit in the new Arbor Real development.

To prepare potential BMR homeowners,

PAHC hosts workshops throughout the year so that applicants are well informed of the entire process and know what to expect. PAHC supports the prospective homeowners by providing a list of credible lenders familiar with their program. They also work with Project Sentinel, a nonprofit organization assisting homeowners, to discuss credit scores, legal restrictions, insurance, homeowners' dues and deed restrictions.

Pendergrast says these workshops open applicants eyes to the "nitty gritty" and makes them realize that purchasing a house is a "different investment than renting."

PAHC is careful to attend to the applicants because if a BMR homeowner is unable to make their mortgage payments, they risk losing a BMR unit to the bank, which would compromise the already small supply of homes available to the program.

Opportunities to purchase don't come up often. "On average, there are fewer than five resales per year and fewer than 70 new units will be added to the program in the next several years," the PAHC Web site states.

Guo has no plans to move. On a late Tuesday afternoon in October, his two cats slip in and out of the kitchen and bathroom on the second story of his new home. Boxes overflow in the garage and upstairs bedrooms, and the walls are for the most part still bare. But there are some signs that the Guos are settling in to their new home: A few folding chairs sit out on the small balcony facing El Camino Real; a vase of flowers rest on the windowsill. Ten-foot-high ceilings give the entire condominium a spacious airiness, a feeling that there's room to breathe — and perhaps room to let out a sigh of relief. ■

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RentWatch

Must tenants move in and pay rent on the first of the month?

by Martin Eichner

Q The new resident manager of the apartment building I own says that all new tenants must physically take possession on the first day of the month — not during the month. I want all rents due on the first day of each month. Is there a new law that says tenants can move in only on the first?



For example, for a 31-day month, if a tenant moves in on the 20th day, multiple the daily rental rate by 11 (number of days remaining in month). If you wish to collect a full month's rent at the time the agreement or lease is signed, you can do so and then calculate the rent due for the remainder of the next month's rent by using the above daily rental rate formula.

A There is no law that requires a tenant to move in or out on the first day of a month. For those tenants who do take possession on the first day, the rent becomes due on that day and each month thereafter, unless you both agree to a different due date.

If the lease or month-to-month rental agreement is signed prior to the move-in date of the first, it is a good idea to collect the first full month's rent at that time. If a tenant moves in on any day other than the first, you would collect a partial rent for the days remaining in the "move-in" month. The amount of partial rent due is determined by calculating the daily rental rate.

To figure the daily rental rate, divide the monthly rent amount by 30 regardless of the actual days in the month. Then, multiple this amount by the number of days remaining in the month. This payment will take the tenant through the partial month and the full rent amount would be due on the first of the next month.

Q I need to use the patio area of my apartment for an extra sleeping area. My father is ill and his family has come from another country to be with him for a short time. There is little money for them to stay in a hotel. The apartment manager has told me that the area cannot be used for this purpose. I wonder if I am suffering discrimination as a result of this serious health emergency?

A Under fair housing law, disabled tenants are entitled to reasonable accommodations. Reasonable accommodations are changes or exceptions to normal business policies or practices that would allow a person with a disability to obtain equal enjoyment of their dwelling. Reasonable accommodations are only appropriate where there is a connection between the disability and the accommodation and where the accommodation poses no undue financial administrative burden on the landlord.

In your situation, you are asking for two accommodations: (1) That your family be allowed to stay with your ill father. (2) That your family be allowed to use the patio as a sleeping area. This request raises two questions: (1) Why

is your family necessary for your father's disability? (2) Is it reasonable to have your family stay on the porch?

The landlord can ask for medical verification in answer to question (1), in which case you would have to prove the medical necessity to have your family sleeping there. Unless all members of the family are providing direct medical care to your father, this nexus is unlikely. Even if medical verification could be provided for question (1), the answer to question (2) might still be no.

Local codes prohibiting overcrowding or outdoor sleeping may preclude your accommodation, and the landlord could also argue that such arrangements pose an undue financial burden in the form of potential safety risks.

Lastly, financial accommodations — like the fact that funds are short in your case — need not be accepted by the landlord where there is no connection to the disability. If you have further questions or would like assistance in requesting a reasonable accommodation, contact your local fair housing agency for more information. ■

Martin Eichner edits RentWatch for Project Sentinel, an organization founded in 1974 that provides landlord tenant dispute resolution and fair housing services in Northern California and administers rental-housing mediation programs in Palo Alto, Los Altos and Mountain View. Call 650-856-4062 for dispute resolution or 650-321-6291 for fair housing or e-mail mediate4us@projsen.org.



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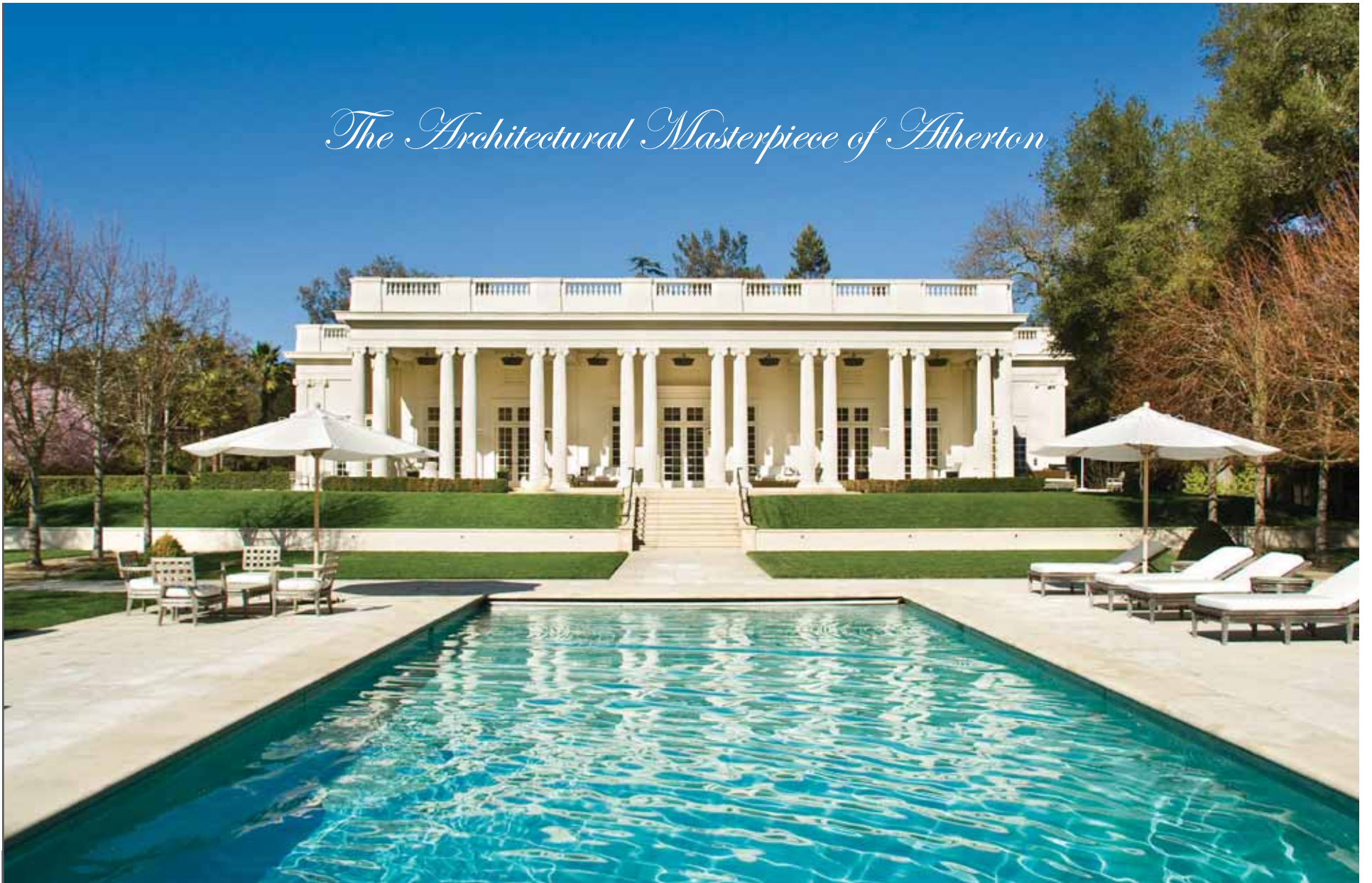
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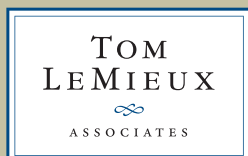


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