



**CITY COUNCIL  
REGULAR MEETING AGENDA**

Tuesday, October 23, 2012

7:00 p.m.

Menlo Park Council Chambers  
701 Laurel Street, Menlo Park, CA 94025

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**7:00 P.M. REGULAR SESSION**

**ROLL CALL** – Cline, Cohen, Fergusson, Keith, Ohtaki

**PLEDGE OF ALLEGIANCE**

**ANNOUNCEMENTS**

**A. PRESENTATIONS AND PROCLAMATIONS – None**

**B. COMMISSION/COMMITTEE VACANCIES, APPOINTMENTS AND REPORTS**

**B1.** Library Commission quarterly report on the status of their 2-year Work Plan

**C. PUBLIC COMMENT #1 (Limited to 30 minutes)**

Under “Public Comment #1”, the public may address the Council on any subject not listed on the agenda and items listed under the Consent Calendar. Each speaker may address the Council once under Public Comment for a limit of three minutes. Please clearly state your name and address or political jurisdiction in which you live. The Council cannot act on items not listed on the agenda and, therefore, the Council cannot respond to non-agenda issues brought up under Public Comment other than to provide general information.

**D. CONSENT CALENDAR**

**D1.** Adopt a resolution appropriating \$150,000 from the Transportation Impact Fee fund balance and award a contract to Apex Engineering & Construction in the amount of \$149,355 for the Alpine Road Bike Improvement Project and authorize a total budget of \$201,660 for contingencies, inspection, testing and project management ([Staff report #12-155](#))

**D2.** Approve the recommendation of the Housing Commission to lower the prices of the City’s two Neighborhood Stabilization Program homes in order to keep them in the Below Market Rate program and ensure they are affordable to families at 80% area median income for 2012 ([Staff report #12-156](#))

**D3.** Accept the minutes from the September 21, October 2, and October 9, 2012 ([Attachment](#))

**E. PUBLIC HEARING**

**E1.** Authorize the City Council to make the findings that the Sharon Heights Pump Station Replacement Project is “substantially complex” and to increase the retention schedule from 5% to 10% ([Staff report #12-157](#))

**F. REGULAR BUSINESS**

- F1.** Authorize the City Manager to incorporate Council's direction and then submit the Draft Housing Element of the General Plan to the State Department of Housing and Community Development for review and comment ([Staff report #12-159](#))
- F2.** Consider state and federal legislative items, including decisions to support or oppose any such legislation, and items listed under Written Communication or Information Item – None

**G. CITY MANAGER'S REPORT – None**

**H. WRITTEN COMMUNICATION – None**

**I. INFORMATIONAL ITEMS**

- I1.** Financial review of General Fund operations as of June 30, 2012: Un-Audited budgetary comparison schedule ([Staff report #12-158](#))

**J. COUNCILMEMBER REPORTS**

**K. PUBLIC COMMENT #2 (Limited to 30 minutes)**

Under "Public Comment #2", the public if unable to address the Council on non-agenda items during Public Comment #1, may do so at this time. Each person is limited to three minutes. Please clearly state your name and address or jurisdiction in which you live.

**L. ADJOURNMENT**

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

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Any writing that is distributed to a majority of the City Council by any person in connection with an agenda item is a public record (subject to any exemption under the Public Records Act) and is available for inspection at the Office of the City Clerk, Menlo Park City Hall, 701 Laurel Street, Menlo Park, CA 94025 during regular business hours. Members of the public may send communications to members of the City Council via the City Council's e-mail address at [city.council@menlopark.org](mailto:city.council@menlopark.org). These communications are public records and can be viewed by anyone by clicking on the following link: <http://ccin.menlopark.org>

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# PUBLIC WORKS DEPARTMENT

Council Meeting Date: October 23, 2012  
Staff Report #: 12-155

Agenda Item #: D-1

**CONSENT CALENDAR:** Adopt a Resolution Appropriating \$150,000 from the Transportation Impact Fee Fund Balance and Award a Contract to Apex Engineering & Construction in the amount of \$149,355 for the Alpine Road Bike Improvement Project and authorize a Total Budget of \$201,660 for Contingencies, Inspection, Testing, and Project Management

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## RECOMMENDATION

Staff recommends that the City Council adopt a resolution appropriating \$150,000 from the Transportation Impact Fee fund balance and award a contract to Apex Engineering and Construction in the amount of \$149,355 for the Alpine Road Bike Improvement Project, and authorize a total budget of \$201,660 for contingencies, inspection, testing, and project management.

## BACKGROUND

The City submitted an application for Transportation Development Act Article 3, Pedestrian and Bicycle funding, for Alpine Road Bike Lane Improvements from the County limits to 250 feet east. This is the section of Alpine Road that lies within the City limits, Attachment C.

Alpine Road is classified as a Class II bikeway (striped bike lanes in both directions) in the San Mateo Comprehensive Bicycle and Pedestrian Plan and is used to connect cities on the west side of I-280 to Stanford University and Menlo Park. The bikeway is also used, for recreational purposes, by bicycle enthusiasts.

The City/County Association of Governments (C/CAG) notified the City of award of the funding on August 8, 2011. Seven (7) projects were recommended for TDA Article 3 funds in the County, one of which was the Alpine Road Bike Lane Improvement Project in the City for an amount of \$51,660.

The project would improve the safety of bicyclists along this stretch of roadway by restriping the 4' wide bicycle lanes, installing curb and gutter on both sides of the roadway, improving the drainage outfall by providing a bicycle friendly inlet, and resurfacing the width of the roadway within the 250 feet segment. The roadway is also in disrepair in this section of the City and needs resurfacing.

## ANALYSIS

On September 18, 2012, the City advertised the project for bids from qualified contractors. The bids for the project were opened on October 9, 2012. Eleven bids were received from the following qualified contractors: Apex Engineering and Construction, Wickman Development and Construction, Interstate Grading and Paving, Redgwick Construction, O'Grady Paving, Granite Rock, C.F. Archibald Paving, Caggiano General Engineering, Redwood Engineering Construction, Synergy Project Management, and G. Bortolotto & Company.

Staff has reviewed the most recent project related references of Apex Engineering and Construction and is satisfied with its past performance.

## IMPACT ON CITY RESOURCES

The funding breakdown for the construction project is as follows:

TDA Article 3 funds:	\$ 51,660
City matching funds:	<u>\$150,000</u> (Transportation Impact Fee Funds)
Total	\$201,660

The following is a breakdown of estimated construction costs:

Construction contract	\$149,355
Contingency	\$ 29,871
Inspection, Testing and Project Management	<u>\$ 22,434</u>
<b>Total Construction Budget</b>	<b>\$201,660</b>

There is currently \$2,907,727 available in the Transportation Impact Fee fund balance.

## POLICY ISSUES

The project is consistent with the City of Menlo Park General Plan, Sections II-A-12 and II-D.

## ENVIRONMENTAL REVIEW

This project has CEQA environmental clearance approved on March 10, 2011 and is categorically exempt per Section 15301 Existing Facilities.

Signature on File  
Atul Patel  
Senior Transportation Engineer

Signature on File  
Fernando Bravo  
Engineering Services Manager

**PUBLIC NOTICE:** Public Notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting.

## ATTACHMENTS:

- A. Resolution
- B. Bid Summary
- C. Project Location Exhibit



**RESOLUTION NO.**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK ADOPTING A RESOLUTION APPROPRIATING \$150,000 FROM THE TRANSPORTATION IMPACT FEE FUND BALANCE AND AWARD A CONTRACT TO APEX ENGINEERING & CONSTRUCTION, INC. IN THE AMOUNT OF \$149,355 FOR THE ALPINE ROAD BIKE IMPROVEMENT PROJECT AND AUTHORIZE A TOTAL BUDGET OF \$201,660 FOR CONTINGENCIES, INSPECTION, TESTING, AND PROJECT MANAGEMENT**

WHEREAS, plans and specifications, dated September 12, 2012 were prepared and approved by the Assistant Director of Public Works for the Alpine Road Bicycle Improvements Project described above and on file in the office of the Engineering Services Manager; and

WHEREAS, a schedule of prevailing wage scales for each craft or type of workman needed to execute these plans and specifications in the locality in which said work is to be performed has been established by the Department of Industrial Relations and has been referred to in said plans and specifications; and

WHEREAS, the Transportation Division did issue a call for sealed proposals to be received at the office of the Transportation Division, City of Menlo Park Administration Building, 701 Laurel Street, Menlo Park, CA, until the hour of 2:00 p.m., Tuesday, October 9, 2012; and

WHEREAS, the Transportation Division did cause the notice inviting sealed proposals to be published three (3) times in *The Daily News*, a newspaper printed and published in this County; and

WHEREAS, said bids were then publicly opened and declared in the Transportation Division Office; and

WHEREAS, the Transportation Division has caused an analysis of said sealed proposals to be made by the Engineering Services Manager for the City of Menlo Park, and has, in open session, fully reviewed and considered said proposals and the analysis thereof; and

WHEREAS, the lowest responsible bid was submitted by Apex Engineering and Construction, Inc. in the amount of one hundred forty-nine thousand, three hundred fifty-five dollars (\$149,355) based on an estimate of the amount of work to be done.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Menlo Park that said Council does hereby authorize the appropriation of \$150,000 from the Transportation Impact Fee fund balance for construction, engineering, and

administration for constructing the improvements shown on the plans and specifications for the Alpine Road Bike Improvement Project (Project); and

BE IT FURTHER RESOLVED, that said Council does hereby approve the project plans and specifications and award the project to Apex Engineering and Construction, Inc. and authorize the City Manager to execute the necessary construction agreements for the Alpine Road Bike Improvement Project in an amount not to exceed \$149,355 and authorize a total budget of \$201,629 for contingencies, inspection, testing, and project management.

I, Margaret S. Roberts, City Clerk of the City of Menlo Park, do hereby certify that the above and foregoing Resolution was duly and regularly passed and adopted at a meeting by said Council on the twenty-third day of October, 2012, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this twenty-third day of October, 2012.

Margaret S. Roberts, MMC  
City Clerk

## BID SUMMARY

### ALPINE ROAD BIKE IMPROVEMENT PROJECT

**BID OPENING DATE: Tuesday, October 09, 2012**

	<b>CONTRACTOR</b>	<b>BID AMOUNT</b>
1.	Apex Engineering and Construction	\$149,355.60
2.	Wickman Development and Construction	\$149,993.00
3.	Interstate Grading & Paving Inc.	\$152,994.75
4.	Redgwick Construction Co.	\$154,749.00
5.	Granite Rock Co. DBA Pavex Construction Division	\$158,686.75
6.	C.F. Archibald Paving, Inc.	\$160,166.40
7.	Caggiano General Engineering, Inc.	\$168,007.32
8.	O'Grady Paving Inc.	\$168,759.00
9.	Redwood Engineering Construction	\$169,790.00
10.	Synergy Project Management, Inc.	\$174,434.00
11.	G. Bortolotto & Company, Inc.	\$222,222.22

**\* Pending City Council Approval**





Rosewood Hotel

SLAC

Site Location

Stanford Golf Course

SAND HILL RD

SANTA CRUZ AVE

HIGHWAY 280

McIntosh Stables

ALPINE RD

©2010 Google





## COMMUNITY SERVICES

Council Meeting Date: October 23, 2012  
Staff Report #: 12-156

Agenda Item #: D-2

**CONSENT ITEM:**                    **Approve the recommendation of the Housing Commission to lower the prices of the City's two Neighborhood Stabilization Program homes in order to keep them in the Below Market Rate program and ensure they are affordable to families at 80% area median income for 2012**

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### RECOMMENDATION

Approve the recommendation of the Housing Commission to lower the price of the City-owned home at 1382 Hollyburne to \$255,000 from \$386,523, and the price of the City-owned home at 1441 Almanor to \$295,000 from \$425,430 in order to keep the homes in the Below Market Rate (BMR) program and affordable to families at 80% area median income for 2012. Both homes were purchased and rehabbed through the City's Neighborhood Stabilization Program (NSP).

### BACKGROUND

In 2009, at the height of the economic downturn and the housing foreclosure crisis, the City Council approved a local foreclosure response program based on the national Neighborhood Stabilization Program model using resources from the Below Market Rate (BMR) fund. The program dedicated \$2,000,000 of the BMR fund to stabilize the Belle Haven neighborhood, where the majority of foreclosures in Menlo Park were concentrated, by bringing the properties in the program up to like-new condition and selling those homes to households on the BMR wait list. The program was originally designed to limit the number of vacant homes in the neighborhood which could have had a destabilizing effect and may have contributed to additional property value decline in the area.

Due to concerns by some members of the City Council that the program would interfere with the free market, severe restrictions were placed on the program that effectively limited the qualifying properties to only one since the program's inception. This home, severely damaged, vacant for over a year and within the flood plain, was purchased in January of 2010 (1382 Hollyburne). A second home (1441 Almanor) did not meet the

restricted program requirements but received special approval by Council and was also purchased in 2011. Both homes underwent extensive renovations that were completed about the time the Housing Division was being eliminated.

Following the elimination of the Housing Division, the City contracted with Palo Alto Housing Corporation (PAHC) and our realtor, Renee Daskalakis, to market the homes to families on the City's BMR wait list. PAHC contacted the six families with pending applications based on City staff's initial mailing to the families on the list who qualified for homes with the corresponding number of bedrooms (3-9 person households). None of these families followed through with PAHC, including one that could not document the number in the family, one that could not come up with the down payment – even with a Purchase Assistance Loan. Three families did not respond to requests for information.

PAHC then provided information to another 455 households and held open houses for both homes (11 applicants attended). An additional six applications were received. Five of these failed to follow through with eligibility requirements, one did not qualify for funding. PAHC believes the homes are not attractive to BMR buyers due to their current pricing, which, according to Ms. Daskalaskis, is currently close to market rate making it difficult to a) find an income-qualified BMR applicant who would qualify for a loan at that price, b) find an applicant who would feel like the associated deed restrictions and minimal increase in equity would make purchasing these homes a desirable proposition.

Staff recently followed up with Ms. Daskalaskis, who provided the following analysis:

*1382 Hollyburne is currently being marketed at \$386,523 and 1441 Almanor is currently being marketed at \$425,430. Based on comparable sales in the area, square footage, location, condition, size of the property and overall market trends, I believe that the current market value for 1382 Hollyburne Avenue is between \$330,000-\$350,000 and that that the current market value for 1441 Almanor is between \$365,000-\$385,000.*

*Unfortunately, the properties are being offered above the current market value. The purpose of the program is to offer properties at below market prices so that we can assist lower to moderate income families who cannot afford to purchase market rate homes. My recommendation would be to significantly reduce the prices so that they are truly below market value. I would suggest reducing the price of 1382 Hollyburne to about \$255,000-\$305,000 and 1441 Almanor to about \$295,000-\$340,000. The price has to be low enough so that lower-to-moderate income families can qualify. In addition, the price differential between market value and below market value has to be large enough so that the incentive to buy a BMR is high even with the future sale price restrictions. (As we know the BMR properties do not appreciate very much).*

*I am aware that the BMR Fund is losing money on both homes. However, if you look at the BMR historically the price differential between BMR and market value has been extreme – take the Linfield project as an example – the market rate homes were selling for over \$1,000,000 and the BMR's were selling for \$273,600. This was the same situation with the project by Sunset Magazine. Market value was well over \$1,000,000 and the BMR's were \$272,000 and \$313,000. At Hamilton Park the BMR's were priced somewhere around \$325,000-\$350,000 and the market value properties at the time of construction were selling in the high \$700,000 to low \$800,000 range. This would be a great opportunity especially if the buyers are also able to take advantage of the PAL loan. If buyers can still not be identified from the existing waiting list after the price reduction then my next recommendation would be to market the properties in the multiple listing service so that we can enlarge the pool of buyers as much as possible.*

## **ANALYSIS**

Based on this feedback from our contractors, staff is recommending the prices be dropped to \$255,000 for Hollyburne and \$295,000 for Almanor in order to keep the homes in the BMR program and affordable to families at 80% area median income for 2012. This alternative would bring the City's total subsidy for the Hollyburne house to \$229,597 and the Almanor house to \$205,243.

- 1382 Hollyburne – purchased for \$251,652; rehab costs \$232,926 (total cost \$484,579)
- 1441 Almanor – purchased for \$350,471; rehab costs \$149,771 (total cost \$500,243)

The alternative would be to sell the homes at market rate, returning the proceeds to the BMR fund for use in supporting future BMR units. Staff feels that, although conditions in the neighborhood have changed substantially since the program's inception, the improvements made to these formerly dilapidated homes and increasing the City's supply of BMRs immediately is worth the additional subsidy.

This recommendation was unanimously approved by the Housing Commission at their October 3 meeting. If approved by the Council, staff will instruct Ms. Daskalaskis and PAHC to proceed with contacting qualifying BMR families in order to complete sale of these homes as soon as possible. Staff anticipates bringing forward to the Council a recommendation to end the Neighborhood Stabilization Program in the near future given the dissolution of the Housing Division

## **IMPACT ON CITY RESOURCES**

Council originally allocated \$2,000,000 of BMR funds to the NSP with the goal of purchasing and rehabbing four homes. The recommended price drop would bring the total expense for the two homes to \$984,822. The BMR fund currently has approximately \$4.5 million committed to the Purchase Assistance Loan program; \$650,000 committed to the Habitat for Humanity NSP program and \$1 million in uncommitted funds in addition to the remaining \$1 million committed to the City's NSP.

## **POLICY ISSUES**

Lowering the prices of these homes to be affordable to families at 80% area median income as BMR units is consistent with the City's BMR policy.

## **ENVIRONMENTAL REVIEW**

Environmental Review is not required.

Signature on file  
Cherise Brandell  
Community Services Director

**PUBLIC NOTICE:** Public Notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting.





**CITY COUNCIL  
SPECIAL MEETING MINUTES**

Friday, September 21, 2012 at 9:00 a.m.  
City Hall Administrative Conference Room  
701 Laurel Street, Menlo Park, CA 94025

Councilmember Cline will participate by telephone from:  
Downtown Sheraton  
400 West Livingston Street  
Orlando, Florida  
(407) 843-6664

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Mayor Keith called the meeting to order at 9:10 a.m. with Council Member Cline participating via telephone and Council Member Cohen absent.

**CLOSED SESSION**

There were no members of the public present.

**CL1.** Closed Session with City Attorney regarding potential litigation pursuant to Government Code Section 54956.9 – One item

**ACTION:** There was no reportable action.

**ADJOURNMENT**

The meeting was adjourned at 9:50 a.m.

Margaret S. Roberts, MMC  
City Clerk

Minutes accepted at the Council meeting of



## CITY COUNCIL SPECIAL MEETING AGENDA

Tuesday, October 2, 2012 at 2:00 p.m.

701 Laurel Street, Menlo Park, CA 94025  
Administrative Conference Room – 2nd Floor of City Hall

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Mayor Keith called the meeting to order at 2:09 with all members present.

### **PUBLIC COMMENT**

There were no comments made.

### **SPECIAL BUSINESS**

1. Interviews of applicants for appointment to the Planning Commission

The City Council interviewed the Planning Commission applicants.

### **ADJOURNMENT**

The meeting adjourned at 5:20 p.m.

Margaret S. Roberts, MMC

City Clerk

Minutes accepted at the Council meeting of



**CITY COUNCIL  
SPECIAL AND REGULAR MEETING MINUTES**

**Tuesday, October 9, 2012 at 5:30 p.m.  
Menlo Park Council Chambers  
701 Laurel Street, Menlo Park, CA 94025**

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Mayor Keith called the Closed Session to order at 5:33 p.m. with Council Member Cohen absent.

**NOTE:** Council Member Cohen is recused from Closed Session item CL1 and was therefore not in attendance.

**CL1.** Discussion with legal counsel pursuant to Government Code Section 54956.9 regarding existing litigation – 2 cases:

(1) Town of Atherton, et al. v. California High Speed Rail Authority  
*Superior Court of California, County of Sacramento, Case No. 34-2008-80000022  
(Atherton 1)*

(2) Town of Atherton, et al. v. California High Speed Rail Authority  
*Superior Court of California, County of Sacramento, Case No. 34-2010-80000679  
(Atherton 2)*

**NOTE:** Council Member Cohen arrived at 6:00 p.m.

**CL2.** Conference with legal counsel pursuant to Government Code Section 54956.9 regarding existing litigation: *City of Menlo Park vs. Ma Theresa Sylvia R. Salcedo, et al. San Mateo County Superior Court Case No.: CIV487703*

Mayor Keith called the Regular Session to order 7:02 p.m. with all members present.

Mayor Keith led the Pledge of Allegiance.

**REPORT FROM CLOSED SESSION**

**ACTION:** There was no reportable action from Closed Session.

**ANNOUNCEMENTS:** None

**A. PRESENTATIONS AND PROCLAMATIONS**

**A1.** Presentation by Assemblyman Rich Gordon regarding State activities

Assemblyman Rich Gordon made a presentation regarding the State activities during the previous legislative session.

**A2.** Quarterly report from High Speed Rail legislative advocate

Ravi Mehta, legislative advocate gave a quarterly report on his activities regarding High Speed Rail.

**NOTE:** Council Member Cohen and City Attorney Bill McClure are recused on items A2 and A3 and left the meeting at 7:21 p.m.

**A3.** Presentation by Marian Lee regarding Caltrain Modernization Program  
Presentation by Marian Lee ([PowerPoint](#))

Public Comment

- Kathy Hamilton spoke on the blended system and the Caltrain Modernization Program.
- Mike Brady spoke in opposition of the project.
- Jim Bigelow, Menlo Park Chamber of Commerce, spoke regarding funding from the Federal government for electrification of Caltrain.
- Adina Levin spoke about the decisions that need to be made with the Caltrain Modernization Program

**NOTE:** Council Member Cohen and City Attorney Bill McClure returned to the meeting at 8:15 p.m.

**A4.** Presentation by CalTrans regarding the Willow/101 Interchange Reconstruction Project update  
Presentation by Ron Moriguchi, Caltrans Regional Project Manager District 4 ([PowerPoint](#))

Public Comment

- Jim Bigelow, Menlo Park Chamber of Commerce, extended an invitation to Caltrans to make a presentation to the Chamber and commented on the interchange project.
- Matt Henry spoke about the need for a separate path for bicyclists and pedestrians for the overpass.
- Adina Levin asked when additional information will be available for alternatives.

**B. COMMISSION/COMMITTEE VACANCIES, APPOINTMENTS AND REPORTS**

**B1.** Consider applicants for appointment to fill three vacancies on the Planning Commission ([Staff report #12-147](#))  
Staff presentation by Margaret Roberts, City Clerk

**ACTION:** By a unanimous vote Katie Ferrick and John Kadvany were reappointed to the Planning Commission to serve a term through April 30, 2016.

**ACTION:** Council Member Fergusson nominated Raymond Neal, Council Member Ohtaki nominated John Onken and Council Member Cohen nominated Shannon Thoke.

**ACTION:** Council Member Fergusson voted for Raymond Neal; Council Members Cline, Keith and Ohtaki voted for John Onken and was appointed to serve a term through April 30, 2015.

**B2.** Report from the Environmental Quality Commission with a recommendation on consideration of potential groundwater irrigation well ([Attachment](#))  
Presentation by Chris DeCardy, Environmental Quality Commissioner

**B3.** Bicycle Commission quarterly report on the status of their 2-year Work Plan  
Report by Greg Klingsporn, Bicycle Commission Chair

**B4.** Housing Commission quarterly report on the status of their 2-year Work Plan  
Report by Yvonne Murray, Housing Commission Chair ([Slide](#))

**C. PUBLIC COMMENT #1**

- Phil Scott, District Manager with West Bay Sanitary District, spoke in support of Consent Calendar item D-5.
- Roland Lebrun spoke regarding the Dumbarton Rail.

**D. CONSENT CALENDAR**

**ACTION:** Motion and second (Ohtaki/Cline) to approve the Consent Calendar items except D2 and D4 as submitted passes unanimously.

- D1.** Approve **Resolution No. 6104** amending the City’s Conflict of Interest Code and biennial review ([Staff report #12-146](#))
- D3.** Authorize the Public Works Director to accept the work performed by West Valley Construction Company, Inc. for the Chrysler Pump Station Discharge Pipe Replacement Project ([Staff report #12-143](#))
- D5.** Authorize the City Manager to enter into an agreement with West Bay Sanitary District to provide equipment maintenance services ([Staff report #12-148](#))
- D6.** Award a construction contract for the 2012 Resurfacing of Federal Aid Routes Project [Federal Aid Project No. 04-5273(021)] to G. Bortolotto & Co. Inc., in the amount of \$435,169.39 and authorize a total budget of \$572,169.39 for construction contingencies, material testing, and construction administration ([Staff report #12-150](#))
- D7.** Abolish one Management Analyst position within the Police Department ([Staff report #12-149](#))
- D8.** Accept minutes for the Council meetings of August 28, September 11, and September 18, 2012 ([Attachment](#))
- D2.** Approve the response to the San Mateo County Civil Grand Jury Report, “Does San Mateo County Need 13 Separate Dispatch Centers?” ([Staff report #12-144](#))  
The item was pulled by Council Member Ohtaki
- D4.** Reject the bid for the Santa Cruz Avenue Irrigation Replacement Project ([Staff report #12-145](#))  
The item was pulled by Council Member Fergusson

**ACTION:** Motion and second (Fergusson/Ohtaki) to approve the response to the San Mateo County Civil Grand Jury Report, “Does San Mateo County Need 13 Separate Dispatch Centers?” and rejecting the bids for the Santa Cruz Avenue Irrigation Replacement Project passes unanimously.

**E. PUBLIC HEARING**

- E1.** Adopt an interim Ordinance establishing a temporary moratorium on the establishment of payday lenders and auto title lenders within the City of Menlo Park ([Staff report #12-153](#))  
Staff presentation by Commander Dave Bertini

The Public Hearing was opened at 9:44 p.m.

Public comments

- William Young spoke against payday loans.
- Keith Ogden spoke against payday loans and stated that there are alternatives.

**ACTION:** Motion and second (Fergusson/Cline) to close the Public Hearing at 9:50 p.m. passes unanimously.

**ACTION:** Motion and second (Ohtaki/Fergusson) to adopt **Ordinance No. 986** establishing a temporary moratorium on the establishment of payday lenders and auto title lenders within the City of Menlo Park as submitted passes unanimously.

**F. REGULAR BUSINESS**

**F1.** Adopt a resolution to appropriate and authorize an increase of \$300,000 from the General Fund CIP Fund Balance for the City's portion of local match of the East Palo Alto and Menlo Park Tidal Flooding Protection, Ecosystem Restoration, and Recreation Project, including staff support for this project, a joint project between the San Francisquito Creek Joint Powers Authority (SFCFPA), East Palo Alto and Menlo Park ([Staff report #12-154](#))

Staff presentation by Fernando Bravo, Engineering Services Manger ([PowerPoint](#))  
Len Matterman, SFCJPA also provided information on the item

Public Comments

- Roland Lebrun spoke on the item.

**ACTION:** Motion and second (Ohtaki/Cline) to adopt **Resolution No. 6105** amending to appropriate and authorize an increase of \$300,000 from the General Fund CIP Fund Balance for the City's portion of local match of the East Palo Alto and Menlo Park Tidal Flooding Protection, Ecosystem Restoration, and Recreation Project, including staff support for this project, a joint project between the San Francisquito Creek Joint Powers Authority, East Palo Alto and Menlo Park passes unanimously.

**F2.** Provide direction on whether to (A) continue the native tree and shrub planting project at Bedwell Bayfront Park funded by a State grant, (B) discontinue the project and try to renegotiate the grant with the State to plant trees in the Belle Haven Neighborhood, or (C) discontinue the grant ([Staff report #12-152](#))

Staff presentation by Rebecca Fotu, Environmental Programs Manager ([PowerPoint](#))

**ACTION:** Motion and second (Ohtaki/Fergusson) directing staff to move forward with Option B provided in the staff report and giving staff the flexibility for placement of the trees passes unanimously.

**NOTE:** Council Member Cohen and City Attorney Bill McClure are recused on Item F3 and left the meeting at 10:54 p.m.

**F3.** Approve the change from High Speed Rail Council Subcommittee to Rail Council Subcommittee and provide direction on the Rail Council Subcommittee Mission Statement and Statement of Principles, and Council's current position on Rail/High Speed Rail issues ([Staff report #12-151](#))

Staff presentation by Atul Patel, Senior Transportation Engineer ([PowerPoint](#))

Public Comment

- Adina Levin spoke on the item and provided input on the mission statement.

**ACTION:** Motion and second (Ohtaki/Keith) approving the change from High Speed Rail Council Subcommittee to Rail Council Subcommittee and to accept the draft amendments to the Mission Statement and Statement of Principles passes unanimously (Cohen recused).

**F4.** Consider state and federal legislative items, including decisions to support or oppose any such legislation, and items listed under Written Communication or Information Item: None

**G. CITY MANAGER'S REPORT:** None

**H. WRITTEN COMMUNICATION:** None

**I. INFORMATIONAL ITEMS:** None

**J. COUNCILMEMBER REPORTS**

Council members reported in compliance with AB1234 requirements.

**K. PUBLIC COMMENT #2**

**L. ADJOURNMENT**

The meeting was adjourned at 11:12 p.m.



Margaret S. Roberts, MMC

City Clerk

Minutes accepted at the Council meeting of

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# PUBLIC WORKS DEPARTMENT

Council Meeting Date: October 23, 2012  
Staff Report #: 12-157

Agenda Item #: E-1

**PUBLIC HEARING:** Authorize the City Council to Make the Findings that the Sharon Heights Pump Station Replacement Project is “Substantially Complex” and to Increase the Retention Schedule from 5% to 10%

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## RECOMMENDATION

Staff recommends that City Council find the proposed Sharon Heights Pump Station Replacement Project “substantially complex” and therefore allow this project to be advertised with a retention amount of ten (10) percent.

## BACKGROUND

As of January 1, 2012 a new section of the Public Contract Code Section 7201 requires that public agencies revise the retention requirements previously in place of 10%, and reduce the amount to 5% for public works construction projects, unless the project is found to be a “complex project”. A retention, is a contractual withholding of money, that is held by the City to cover any unexpected expenses such as liens or poor workmanship, that may occur before the project is completed and accepted. The standard procedure is to return the retention once the following occurs: work is completed, the Contractor provides the Maintenance Bond, City Council accepts the project and the lien period expires. Section 7201(b) provides in part that “retention proceeds withheld from any payment by a public entity from the original contractor... shall not exceed 5 percent of the payment.” This section further provides that “in no event shall the total retention proceeds withheld exceed 5 percent of the contract price.” However, Section 7201(b)(4) provides, in part, that an awarding agency may withhold in excess of five percent (5%) on specific projects where the governing body has approved a finding during a properly noticed and normally scheduled public hearing and prior to bid that the project is substantially complex and therefore requires a higher retention amount than 5 percent. The awarding entity shall include both this finding and the actual retention amount in the bid documents.

The Sharon Heights Pump Station is a critical component of the City’s water distribution system. Constructed in 1962, the pump station delivers potable water from the San Francisco Public Utilities Commission (SFPUC) water system pipelines to Sharon Heights, SLAC, the golf course and to the City’s two reservoirs. The existing Sharon Heights Pump Station consists of three outdoor pumps, a portable emergency diesel generator, and electrical switchgear.

The project consists of installing a temporary pump station prior to starting construction for the permanent pump station. The contractor will be required to coordinate with PG&E the powering of the temporary pump station and new transformer. The temporary pump station consists of three similar pumps, portable electrical generator and communication connections. The temporary pump station will be located on an adjacent parcel and will remain in operation while the permanent pump station is built. The contractor will be required to operate the temporary pump station 24/7 until the permanent pump station is operational and be able to respond to emergencies within one hour during the duration of the project. Construction of the permanent pump station will commence once the temporary pump station is completed and water flow rates and quality test results are accepted. The permanent pump station will consist of a pump house which will contain three pumps, a generator, electrical switchgear and communication equipment. The pump house is designed to reduce noise and improve security. The project will require the coordination of multiple construction disciplines which will consist of electrical, communication, piping, concrete and building construction within a confined area while maintaining the existing water system in full operation over an estimated one and half years.

The Planning Commission approved the Sharon Heights Pump Station project on January 23, 2012 and City Council approval occurred on February 14, 2012 with Land Use, and Architectural Control Permits. The project has been delayed to address acoustical analysis and final noise mitigation measures, currently being addressed in the design phase.

## **ANALYSIS**

The Sharon Heights Pump Station Replacement Project was determined to be substantially complex based on the project scope described above. A public notice was posted in *The Daily Journal* on October 11, 2012 and was published for 10 days. The finding of a “substantially complex” project is based on the various disciplines and trades involved in the construction of this project, and coordination of a number of internal and external reviewing agencies. Finally, this project will be required to maintain water supply to our customers with minimal impacts and no servicing interruptions.

The retention will be released as described in the City of Menlo Park’s specifications Section 9-7 which states, “A lien period of thirty-five (35) calendar days shall begin from the date Council accepts the project. Final payment of amounts deducted and placed in an escrow account or retained from the final Contract amount shall be paid to the Contractor at the end of this lien period.”

## **IMPACT ON CITY RESOURCES**

None

## **POLICY ISSUES**

The proposed action is consistent with City policy.

## **ENVIRONMENTAL REVIEW**

The project is categorically exempt under Class 1 (Section 15301, "Existing Facilities") of the current CEQA Guidelines.

Signature on File  
Michel Jeremias  
Senior Civil Engineer

Signature on File  
Fernando G. Bravo  
Engineering Services Manager

**PUBLIC NOTICE:** Public Notification was achieved by posting the agenda, with this agenda item being listed, at least 72 hours prior to the meeting.

### **ATTACHMENTS:**

None

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# COMMUNITY DEVELOPMENT DEPARTMENT

Council Meeting Date: October 22 and 23, 2012  
Staff Report #: 12-159

Agenda Item #: 1 & F1

**REGULAR BUSINESS: Authorize the City Manager to Incorporate Council's Direction and then Submit the Draft Housing Element of the General Plan to the State Department of Housing and Community Development for Review and Comment**

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## RECOMMENDATION

Staff recommends that the City Council authorize the City Manager to incorporate Council's direction and then submit the Draft Housing Element of the General Plan to the State Department of Housing and Community Development for review and comment based on the following meeting procedure:

1. On Monday, October 22, 2012:
  - a. Staff and consultant presentation,
  - b. Public comment,
  - c. Council questions, and
  - d. Council discussion and request for information.
  
2. On Tuesday, October 23, 2012:
  - a. Staff and consultant presentation on requested information from Monday night,
  - b. Public comment limited to new speakers and speakers addressing new information presented, if any, by staff to City Council,
  - c. Council questions, and
  - d. Council discussion and direction.

## BACKGROUND

The Housing Element is one of seven State-mandated elements of the City's General Plan, first required by the State in 1969. Housing element law requires local governments to adequately plan to meet their existing and projected housing needs including their share of the regional housing need. Housing element law is the State's primary market-based strategy to increase the supply and diversity of housing. The law recognizes that in order for the private sector to adequately address housing needs and demand, local governments must adopt land-use plans and regulatory schemes that provide opportunities for, and do not unduly constrain, housing development. Housing elements are specifically required to include an assessment of existing and projected housing needs; a site inventory and analysis of land suitable for residential

development; a plan embodied in goals, policies and implementation strategies to meet the regional housing needs; an analysis of constraints on housing development; programs to conserve and improve existing housing stock; and the quantification of new units to be constructed, rehabilitated or conserved.

The State also requires that Housing Elements be updated on a schedule set by the State to account for changes in the local housing market and to identify parcels that can be rezoned for possible future housing development in order to meet continuing regional housing needs. The California Department of Housing and Community Development (HCD) is charged with the review and certification of Housing Elements and the periodic updates. Certification of the Housing Element is a requirement for most State grant and loan programs.

The City's existing Housing Element was adopted by the City Council in 1992 for the planning period through 1999. Housing elements are required to be updated within time periods identified by HCD, generally called "planning periods". Within each planning period, regional housing needs are identified for each jurisdiction. The regional housing need as well as other requirements must be met in order for HCD to consider certification of a jurisdiction's Housing Element.

For the planning period of 1999 through 2006, Menlo Park was required to plan for 982 units. Although the City commenced an update of the Housing Element, the City decided to wait to update the Housing Element until the 2007 through 2014 planning period. For this subsequent planning period, the City was required to plan for 993 units and complete the update by June 30, 2009. The City did not meet this deadline.

On February 28, 2012, the City Council appropriated \$150,000 for fiscal year 2011-12 for legal and consulting services for the Housing Element Update. Jeffery Baird of Baird + Driskell Community Planning, an expert in preparing Housing Elements, has been hired by the City to assist in analyzing the City's Housing Element and General Plan and preparing a work plan. On May 8, 2012, the City Council held a study session regarding the Housing Element law and process. The Council received presentations from a panel of experts in the field.

### **Litigation and Settlement Agreement**

In January 2012, the City received a letter raising issues with the City's failure to adopt an updated Housing Element of the General Plan in compliance with State law. The letter contained a threat of litigation due to this lack of compliance. Subsequently, the City Council held closed sessions with the City Attorney and City Manager during which the Council provided direction authorizing negotiations with the parties and their legal counsel. Consistent with Council direction, the City Attorney negotiated with the legal counsel for the three housing advocacy organizations, Peninsula Interfaith Action, Urban Habitat Program and Youth United for Community Action, resulting in a draft Settlement Agreement. On May 15, 2012, the petitioners filed a Petition for Writ of Mandate in San Mateo County Superior Court, Case No. CIV 513882 suing the City for

failure to adopt an updated Housing Element, failure to rezone sufficient properties to accommodate the City's allocation of the housing demand and seeking a court order to compel the City to adopt a legally adequate Housing Element.

On May 22, 2012, the City Council unanimously approved the Settlement Agreement (available on the City's [website](#)), which includes the following activities and milestones:

- By August 31, 2012, the City will prepare an Affordable Housing Analysis which will include an inventory and analysis of potential housing sites;
- By September 30, 2012, the City shall release a Draft Housing Element for public review;
- By October 31, 2012, the City shall submit the Draft Housing Element to the State Housing and Community Development Department for comment.
- By March 15, 2012, the City shall adopt a Housing Element in compliance with State law; and
- Within 60 days of adoption of the Housing Element, the City shall adopt amendments to the remainder of the General Plan to maintain consistency with the Housing Element and rezone housing sites consistent with the Housing Element.

The Settlement Agreement also includes terms related to the contents of the Housing Element, the City's Below Market Housing Program, and the City's Permitting Authority, and payment of the litigants' attorney's fees of \$114,000, among other terms.

By entering into this Settlement Agreement the City avoided (a) a Court order to adopt a Housing Element within 120 days, (b) a moratorium on the issuance of non-residential permits in the City and (c) more costly attorney fees (City of Pleasanton paid \$2 million in attorney fees as part of their settlement of similar litigation). Through the negotiated Settlement Agreement, the City obtained additional time to conduct a more extensive public outreach process than would otherwise be possible with a court order to update the Housing Element within 120 days and allows the City to continue issuing building permits and processing land use applications in the ordinary course of business.

### **Work Program and Steering Committee**

On May 22, 2012, the City Council also approved a work program for updating the Housing Element and performing consistency updates to the other elements of the General Plan (i.e., land use, circulation, open space, conservation, noise and safety). One key component of the work program was the formation of the Housing Element Steering Committee comprised of the following:

- Andy Cohen, City Council (co-chair)
- Peter Ohtaki, City Council (co-chair)

- Carolyn Clarke, Housing Commission
- Anne Moser, Housing Commission
- Katie Ferrick, Planning Commission
- Jack O'Malley, Planning Commission

The Steering Committee's mission is as follows:

- Serve as liaison to their respective body;
- Guide the process and provide policy direction and feedback for staff;
- Focus on critical topic of determining potential sites for high density housing; and
- Keep process on track to comply with the key milestones of the Settlement Agreement listed above.

The Steering Committee met five times to help guide the process and provide feedback. All of the material related to the Steering Committee meetings, plus other outreach activities such as the Community Workshops, is available on the City's [website](#). (The optional Steering Committee meeting for October 17, 2012 was cancelled).

The Steering Committee is scheduled to have one more meeting in January 2013. At that time, two of the Steering Committee members, Councilmember Cohen and Housing Commissioner Moser, will no longer serving on the Committee. New appointments to the Steering Committee should be made in December 2012. The City Council should appoint its member on December 11, 2012, and the Housing Commission Chair should appoint its member early in December as well.

### **Housing Commission Review**

On October 3, 2012, the Housing Commission reviewed the first release of the Preliminary Draft Housing Element. The Housing Commission voted unanimously to accept the Housing Element as presented and recommend it be forwarded to the City Council for action knowing that it is not in its final form along with comments received from the public. The draft minutes of the Housing Commission meeting are included as Attachment B.

### **Planning Commission Review**

On October 15, 2012, the Planning Commission reviewed the second release of the Preliminary Draft Housing Element. The Planning Commission voted on a series of motions, many of which were unanimous, that resulted in the following comments:

- For the Rural Lane site, any future development should be tied to physical improvements to Alpine Road and any minimum density requirements should be avoided.
- Count second units as aggressively as possible.



- Tie school capacity to types of residential units (i.e., seniors, small units, workforce).
- Zone for mixed use where appropriate, including incorporating existing viable commercial development on housing sites.
- Re-evaluate the Below Market Rate (BMR) housing program to reduce the cost of providing BMR units and to encourage new BMR units to be built.
- For program H4.1(e), modify “expediting” to say: “work with non-profits to process development proposals to, as best as possible, fit with the financing needs for affordable housing.”
- Support the creation of the Affordable Housing Overlay zoning district.

The draft minutes of the Planning Commission meeting will be distributed on October 22, 2012.

### **Frequently Asked Questions**

Appendix D of the Preliminary Draft Housing Element includes a Fact Sheet or Frequently Asked Questions. A supplement is included as Attachment C to address additional questions raised recently.

### **ANALYSIS**

The October 22 and 23, 2012 meetings is the City Council’s opportunity to review and comment on the third release of the Preliminary Draft Housing Element (Attachment A). As a supplement to the document itself, staff and the consultant will be making a presentation at the meeting to provide the City Council with background material and a summary of the document.

The Preliminary Draft Housing Element incorporates some changes to the goals, policies and programs since the Planning Commission meeting on October 15, 2012. The changes reflect feedback from the Commissions, more detailed programs tied to potential governmental constraints (e.g., evaluation of the current Transportation Impact Analysis Guidelines related to residential uses), and refinements/clarifications to the programs. These changes are shown using ~~strikethrough~~, underlining, and **yellow highlighting**. The document is an “in progress” draft that will be subject to additional review by staff, the consultant team, and the City Attorney’s office over the next two weeks.

The overall approach of the housing strategies contained in the Preliminary Draft Housing Element is to address the City’s housing needs, within the parameters of complying with State law requirements as described below.

- **Recognize that Land Resources are Limited.** Recognize the limitations of available land resources and use remaining available land resources as

efficiently as possible in addressing local housing needs and the City's fair share of regional housing needs in Menlo Park.

- **Focus on Housing Affordability Opportunities and Less on Market Rate Housing.** Focus City housing policies and programs on affordable and special needs housing in the community (housing for seniors, affordable workforce housing, housing for persons with disabilities, single person households, shelter for the homeless and affordable family housing opportunities) and avoid the inefficient use of the community's fixed land resources on more low density, market rate single family homes other than those already allowed under current zoning.
- **Provide a Variety of Housing Choices Throughout the Community.** Provide a multi-pronged City policy and program approach to meeting housing needs in Menlo Park that: (1) distributes affordable housing opportunities throughout the community; (2) locates new housing near to transit and services when possible; (3) assures that new housing fits with the desired design character of Menlo Park; and (4) supports the provision of high quality services, well-planned infrastructure and the efficient use and protection of environmental resources.
- **Assure the City's Housing Strategies Consider Future Housing Needs.** Develop a comprehensive set of housing policies and programs to maintain a certified Housing Element (approved by HCD) and that consider the City's fair share regional housing needs for the 2007-2014 and 2014-2022 Housing Element planning periods.

The Preliminary Draft Housing Element strives to balance the strategy approach above while addressing the City's regional responsibilities. The following is a summary of key recommendations contained in the Preliminary Draft Housing Element which strives to provide programs for a variety of new housing unit types to address a variety of community housing needs and address the City's Regional Housing Needs Allocation (RHNA) requirements through the following:

- Create more opportunities for second units.
- Undertake an amnesty program to legalize existing illegal second units.
- Provide opportunities for a mix of housing and commercial uses in selected locations.
- Implement the recently adopted El Camino Real/Downtown Specific Plan.
- Provide infill housing opportunities around downtown.
- Create incentives and opportunities for affordable housing.
- Rezone the best sites for higher density housing after conducting the Environmental Assessment.

Concurrently with review and adoption of the Updated Housing Element, the City would prepare Zoning Ordinance amendments for the following programs:

- H3.A Zone for Emergency Shelter for the Homeless
- H3.B Zone for Transitional and Supportive Housing
- H3.C Adopt Procedures for Reasonable Accommodation
- H3.I Establish Density Bonus and Other Incentives for Special Needs Housing
- H4.A Modify Development Standards to Encourage Infill Housing
- H4.B Modify R-2 Zoning to Maximize Unit Potential
- H4.C Adopt Standards for an “Affordable Housing Overlay Zone”
- H4.D Implement Inclusionary Housing Regulations and Adopt Standards to Implement State Density Bonus Law
- H4.E Modify Second Dwelling Unit Development Standards and Permit Process
- H4.O Implement Actions in Support of High Potential Housing Opportunity Sites

Following adoption of the Updated Housing Element, the City would prepare Zoning Ordinance amendments for the following programs:

- H1.G Adopt an Anti-Discrimination Ordinance
- H2.A Adopt Ordinance for “At Risk” Units
- H2.C Amend Zoning to Protect Existing Housing
- H3.G Develop Incentives for Senior Housing
- H4.F Undertake Second Unit Amnesty Program
- H4.I Refine Multi-Family and Residential Mixed Use Design Guidelines
- H4.K Work with the Fire District to Remove Constraints to Housing
- H4.M Review the Subdivision Ordinance
- H4.N Create Opportunities for Mixed Use Development

Based on the analysis in the Preliminary Draft Housing Element, it is estimated that the City would need to rezone sites to accommodate approximately 500 units of high density housing, defined as a minimum of 30 dwelling units per acre, and 150 units of medium density housing, defined as 12 to 29 dwelling units per acre. Staff will continue to explore opportunities to reduce the number of sites needed for rezoning. In order to provide an adequate buffer to account for potential comments as part of State HCD review and to provide latitude to remove sites following the Environmental Assessment and public review and comment, the City is studying the potential for rezoning sites that would equate to 1,169 net new units.

After considering public comment and recommendations from the Housing Commission and Planning Commission, the Council should provide direction to staff. Staff will incorporate Council direction, and then submit the Draft Housing Element to HCD by

October 31, 2012 in compliance with the Settlement Agreement. Given a 60-day review period, the City should expect to receive comments from the State by the first week of January 2013. The document will also be posted on the City website and hard copies will be available at various City buildings. Members of the public are welcome to submit comments in writing with a deadline of Friday, December 21, 2012 at 5:00 p.m.

### **Near Term Steps**

The Council-approved Work Program originally called for additional community workshops in November 2012. Given the amount of work required to prepare the Preliminary Draft Housing Element and the need to now focus on the preparation of the environmental assessment, staff recommends delaying of dates of workshops from November to January 2013. This would enable the workshops to be informed by HCD and public comments on the Draft Housing Element, information that may be available from the Environmental Assessment, and feedback from the various Commissions related to the General Plan Consistency Update, which are scheduled to occur in December 2012 based on the following tentative schedule:

- **Housing Commission:** Wednesday, December 5 at 5:30 p.m.
- **Environmental Quality Commission:** Wednesday, December 5 at 6:30 p.m. (item will be placed later on the agenda due to preceding Housing Commission meeting)
- **Bicycle Commission:** Monday, December 10 at 7:00 p.m.
- **Transportation Commission,** Wednesday, December 12 at 7:00 p.m.
- **Planning Commission:** Monday, December 17 at 7:00 p.m.
- **Parks & Recreation Commission:** Wednesday, December 19 at 6:30 p.m.

### **Correspondence**

Since the Housing Commission meeting on October 3, 2012, the City has received correspondence and an on-line petition expressing opposition to the consideration of Rural Lane off Alpine Road as a potential site for housing. An example of the petition is included as Attachment D. The property is being studied for medium density housing at a total of 30 units on approximately 2.5 acres. Previously, the City received another petition related to sites in the Linfield Oaks neighborhood. An example of the petition is included as Attachment E. Other correspondence received since the Housing Commission meeting that was not sent to the City Council email log (CCIN) is included as an attachment F.

## **IMPACT ON CITY RESOURCES**

The impacts of the Housing Element Update will be evaluated in a fiscal impact analysis that will be prepared concurrent with the Environmental Assessment. The fiscal impact analysis will identify potential revenue and cost impacts to the City and other districts such as schools and fire of the Housing Element and the General Plan Consistency Update. Work on the analysis has commenced and is expected to be completed in late January or early February 2013.

## **POLICY ISSUES**

The Housing Element update process will consider a number of policy issues including issues related to the rezoning of properties and increasing of residential densities in the city.

## **ENVIRONMENTAL REVIEW**

Government Code Section 65759 provides that the California Environmental Quality Act (CEQA) does not apply to any action necessary to bring a city's general plan or relevant mandatory elements of the plan into compliance with any court order or judgment under State Housing Element law, but a more truncated Environmental Assessment is required. The content of the Environmental Assessment will substantially conform to the required content for a draft environmental impact report. Work on the analysis has commenced and is expected to be completed in late January or early February 2013.

Signature on File  
Justin Murphy  
Development Services Manager

Signature on File  
Arlinda Heineck  
Community Development Director

## **PUBLIC NOTICE**

Public notification was achieved by posting the agenda, at least 72 hours prior to the meeting, with this agenda item being listed. In addition, the City sent an email update to subscribers to the project page for the proposal, which is available at the following address: <http://www.menlopark.org/athome>. This page provides up-to-date information about the project, allowing interested parties to stay informed of its progress. The page allows users to sign up for automatic email bulletins, notifying them when content is updated or meetings are scheduled.

## **ATTACHMENTS**

- A. Preliminary Draft Housing Element, dated October 18, 2012
- B. Draft Minutes of the Housing Commission Meeting of October 3, 2012
- C. Frequently Asked Questions Supplement
- D. Sample Petition Related to Rural Lane

- E. Sample Petition Related to Linfield Oaks
- F. Correspondence Received Since October 3, 2012 that was not Sent to CCIN
  - a. Steve Elliott, Stanford University, dated October 12, 2012
  - b. Andrew Cohen, dated October 13, 2012
  - c. Janet Davis, dated October 15, 2012
  - d. Lennie Roberts, Committee for Green Foothills, dated October 15, 2012
  - e. Marianne Ault-Riche, dated October 16, 2012
  - f. Joan Vonderlinden, dated October 17, 2012

**AVAILABLE FOR REVIEW AT CITY OFFICES AND ON THE PROJECT WEB PAGE**

- [Settlement Agreement](#)
- [Housing Element Steering Committee Meeting #1 Summary](#)
- [Housing Element Steering Committee Meeting #2 Summary](#)
- [Housing Element Steering Committee Meeting #3 Summary](#)
- [Housing Element Steering Committee Meeting #4 Summary](#)
- [Housing Element Steering Committee Meeting #5 Summary](#)



2007 - 2014 City of Menlo Park  
**Preliminary Draft**

# Housing Element

*Recommendations of the Housing Element  
Steering Committee Prepared for Review by  
the Menlo Park Housing Commission, Planning  
Commission and City Council\**

*\*Following review and direction on the "Preliminary Draft Housing Element" by the Menlo Park Housing Commission, Planning Commission and City Council, a "Draft Housing Element" will be prepared and forwarded to the California Department of Housing and Community Development (HCD) by October 31, 2012 for their review and comments. HCD's comments will be considered by the Housing Commission, Planning Commission and the City Council during public hearings prior to adoption of the Housing Element as part of the City of Menlo Park General Plan in 2013. If you should have any questions or want to stay informed, please visit the City of Menlo Park website for the Housing Element Update at [www.menlopark.org/athome](http://www.menlopark.org/athome)*

**Release Date — October 18, 2012**







## Executive Summary of the Preliminary Draft Housing Element



### PRELIMINARY DRAFT Housing Element

This Preliminary Draft Housing Element is intended for public review at meetings of the Menlo Park Housing Commission (October 3, 2012), Planning Commission (October 15, 2012) and City Council (October 22 and 23, 2012). If you should have any questions, want to submit comment or want to stay informed, please visit the City's Housing Element Update website at [www.menlopark.org/athome](http://www.menlopark.org/athome) Policy and program changes contained in the October 11, 2012 release date version of the Preliminary Draft Housing Element are highlighted using strike-out, underling and **yellow highlighting**.

### DRAFT Housing Element Review

Following review and direction on the PRELIMINARY DRAFT Housing Element, a DRAFT Housing Element will be prepared and forwarded to the California Department of Housing and Community Development (HCD) by October 31, 2012 for their review and comments as required by State law. Community workshops on the Draft Housing Element will be conducted in November 2012, with the dates, locations and times to be determined. Concurrently, an Environmental Assessment will be prepared on the Draft Housing Element so that potential impacts can be assessed and mitigation measures can be incorporated into the Housing Element update process.

The Environmental Assessment, community comments and HCD comments will be considered at public hearings of the Menlo Park Housing Commission, Planning Commission and the City Council prior to adoption of the Housing Element as part of the City of Menlo Park General Plan in Spring of 2013.

### Background on the Housing Element Update

This year, three housing advocacy groups threatened litigation against the City of Menlo Park, citing the City's failure to comply in a timely fashion with the state-mandated Housing Element Update requirements. The City negotiated a settlement with the advocacy groups contemporaneous with the filing of the lawsuit. Pursuant to the lawsuit settlement, the City must create an updated Housing Element by March 2013 or face serious consequences. Those consequences could include a moratorium on the issuance of non-residential building permits and the loss of state transportation funds to build and maintain City streets, resulting in negative impacts to our daily commutes and local economy.

The State of California requires that every city make its regional fair share of land available for residential development. By state law, cities must identify how and where its housing needs will be met by completing what's known as a Housing Element. A Housing Element is a housing plan, which is a chapter of the City's General Plan, and it is an opportunity for Menlo Park to figure out how to address the City's housing needs today and in the future.

All cities and counties in California must assess whether they are providing their fair share of housing units by providing opportunities, through zoning or other means, to accommodate the City's portion of its regional housing needs, including housing for moderate, low and very low income households. Since the City's previous Housing Element was adopted in 1992, there is much that needs to be done to address past unmet needs and to provide for future housing opportunities. The Preliminary Draft Housing Element contains a variety of programs to meet our local needs while addressing our regional responsibilities.

### **Approach to the Community Involvement Process to Date**

The City cares about potential impacts and is committed to listening to the voices of all who choose to participate in creating an Update that meets the needs of our own, distinct community. To date, the process for the Housing Element update has included the following approach:

- **Provide Information to the Community.** Provision of information on the City's website (see link above); distribution of information in City-wide mailings; preparation of a Housing Element newsletter and other FAQ materials; noticing for community workshops in English and Spanish; press releases; noticing and information to people signing up on the Housing Element list-serve; and other handouts. Documentation of community comments and summaries of Housing Element Steering Committee meetings are also available on the City's website.
- **Conduct Initial Community Workshops.** Two community workshops were conducted to provide participants with information, answer questions and to solicit feedback on housing needs in Menlo Park, factors to consider in evaluating the appropriateness of potential sites for housing and to identify directions and policy considerations related to specific housing sites. The workshops were held in two different locations to enhance outreach to all economic segments of the community — Arrillaga Family Recreation Center located at 700 Alma Street (August 16, 2012) and the Menlo Park Senior Center located at 100 Terminal Avenue (August 23, 2012). Noticing for the workshops was also extensive in an effort to involve the community.

- **Undertake Fact-Finding Interviews and Stakeholder Meetings.** Fact-finding meetings have been conducted by City staff with major property owners, school districts, other service providers, representatives of various interest groups, affordable housing providers and others to identify possible housing opportunities and program actions the City might pursue to address the housing needs.
- **Undertake Housing Element Steering Committee Meetings.** The Housing Element Update Steering Committee, comprised of representatives of the Housing Commission (2 members), Planning Commission (2 members) and City Council (2 members), has conducted five meetings to date to review background materials and provide direction for the Preliminary Draft Housing Element. All meetings were publicly noticed and included opportunities for community participants to ask questions and provide comments to enhance the Steering Committee's discussion.

### **Overall Approach to Menlo Park's Housing Strategies**

Take the following overall approach to address the City's housing needs, within the parameters of complying with State law requirements:

- **Recognize that Land Resources are Limited.** Recognize the limitations of available land resources and use remaining available land resources as efficiently as possible in addressing local housing needs and the City's fair share of regional housing needs in Menlo Park.
- **Focus on Housing Affordability Opportunities and Less on Market Rate Housing.** Focus City housing policies and programs on affordable and special needs housing in the community (housing for seniors, affordable workforce housing, housing for persons with disabilities, single person households, shelter for the homeless and affordable family housing opportunities) and avoid the inefficient use of the community's fixed land resources on more low density, market rate single family homes other than those already allowed under current zoning.
- **Provide a Variety of Housing Choices Throughout the Community.** Provide a multi-pronged City policy and program approach to meeting housing needs in Menlo Park that: (1) distributes affordable housing opportunities throughout the community; (2) locates new housing near to transit and services when possible; (3) assures that new housing fits with the desired design character of Menlo Park; and (4) supports the provision of high quality services, well-planned infrastructure and the efficient use and protection of environmental resources.

- **Assure the City’s Housing Strategies Consider Future Housing Needs.** Develop a comprehensive set of housing policies and programs to maintain a certified Housing Element (approved by HCD) and that consider the City’s fair share regional housing needs for the 2007-2014 and 2014-2022 Housing Element planning periods.

**Key Recommendations Contained in the Preliminary Draft Housing Element**

The Preliminary Draft Housing Element strives to balance the strategy approach above while addressing the City’s regional responsibilities. Below is a summary of key recommendations contained in the Preliminary Draft Housing Element:

- **Provide Programs for a Variety of New Housing Unit Types to Address a Variety of Community Housing Needs.** As described above, the Preliminary Draft Housing Element strives to use a multi-pronged approach to address housing needs. Below are proposed policies and programs (*see later discussion in the Executive Summary*):

- ❖ Create More Opportunities for New Second Units
- ❖ Undertake an Amnesty Program to Legalize Existing Illegal Second Units
- ❖ Provide Opportunities for a Mix of Housing and Commercial Uses to be Combined in Selected Locations
- ❖ Continue to Implement Existing Zoning for Market Rate Housing
- ❖ Implement the Recently Adopted El Camino Real/Downtown Specific Plan
- ❖ Provide Infill Housing Opportunities Around Downtown
- ❖ Rezone Sites for Multi-Family Housing at Higher Densities
- ❖ Create Incentives and Opportunities for Affordable Housing

- **Address the City’s Regional Housing Needs Allocation (RHNA) Requirements.** Since the City has not adopted a Housing Element since 1992, its RHNA must cover the City’s RHNA for the current Housing Element planning period (2007-2014) and the City’s RHNA for the previous Housing Element planning period (1999-2006). The table below shows the City’s RHNA for 1999-2006 and 2007-2014.

**City of Menlo Park Regional Housing Needs Allocation (1999-2006 and 2007-2014)**

Income Level	1999-2006		2007-2014	
	Units	Percent	Units	Percent
Very Low	184	19%	226	23%
Low	90	9%	163	16%
Moderate	245	25%	192	19%
Above Moderate	463	47%	412	41%
Total	982	100%	993	100%

Source: Association of Bay Area Governments

The City's *starting point* for providing the capacity to address its RHNA for the last two Housing Element planning periods is 1,975 units. The table below shows the City's "adjusted" RHNA that accounts for units that can be credited to the City based on past construction activity, current zoning and the expectations from implementation of the programs contained in the Preliminary Draft Housing Element.

**City of Menlo Park's Ability to Address Its Regional Housing Needs Allocation (RHNA for 1999-2006 and 2007-2014)**

Category	Units Built/Approved, Provided Through Housing Element Programs or Existing Zoning, and Remaining Need that Must be Made Available Through Rezoning of Sites to Higher Density Residential Use					Total
	Very Low Income	Low Income	Available for Lower Income SUBTOTAL*	Available for Moderate Income	Available for Above Moderate Income	
<b>1999-2006 RHNA</b>	184	90	274	245	463	982
Units Built (1999-2006)	0	0	0	11	80	91
Second Units Built (1999-2006)	1	1	2	0	0	2
Available Sites Under Existing Zoning (1999-2006)	0	0	0	101	261	362
<i>Subtotal</i>	1	1	2	112	341	455
<b>Carryover Need from 1999-2006 RHNA</b>	183	89	272	133	122	527
<b>2007-2014 RHNA</b>	226	163	389	192	412	993
Units Built or Approved (2007-2012)	0	3	3	25	174	202
Second Units Built or Approved (2007-2012)	2	2	4	2	0	6
El Camino Real/Downtown Specific Plan Zoning	0	0	200	230	250	680
Available Sites Under Existing Zoning (2007-2014)	0	0	0	79	127	206
<i>Subtotal</i>			207	336	551	1,094
<b>Residual Need from 2007-2014 RHNA</b>			182	-144	-139	-101
<b>Adjusted 2007-2014 RHNA with 1999-2006 RHNA Carryover<sup>F</sup></b>	183 <sup>F</sup>	89	454	-11	-17	426
New Housing on Infill Sites**	0	0	0	50	20	70
New Second Units (through July 2014)**	3	4	7	3	0	10
Second Unit Amnesty Program (Prior to July 2014)**	10	15	25	10	0	35
New Housing on Mixed Use Sites**	0	0	0	30	0	30
<i>Subtotal</i>			32	93	20	145
<b>Remaining Adjusted RHNA</b>			422	-104	-37	281
<b>Need for Sites to be Rezoned</b>						
Sites to be Rezoned at 30+ Units/Acre	0	0	500	0	0	500
Sites to be Rezoned at 12-29 Units/Acre	0	0	0	0	0	0
<i>Amount Over the Remaining Adjusted RHNA</i>			+78	+104	***	+182

\*The "Lower Income Subtotal" adds together the very low and low income units

\*\*Assumes full implementation of Housing Element programs

\*\*\*Moderate income units can be considered affordable for above Moderate income households

The table shows the number of units required on sites rezoned to higher density residential use.<sup>1</sup> This analysis concludes the City must rezone sites to accommodate 500 units at 30 or more units per acre and 150 units at 12-29 units per acre. The City's ability to meet its RHNA requirements poses three critical policy questions:

<sup>1</sup> To provide local governments with greater certainty and clarity in evaluating and determining what



- (1) Is the City doing what it can to provide housing opportunities that do not require rezoning of sites for higher density housing? Examples would include programs for second units, infill housing, mixed use housing, etc.
- (2) Have the best sites for rezoning to higher density residential use been identified?
- (3) What conditions or mitigation measures should be included in the Housing Element to minimize potential impacts of rezoning sites for higher density housing?

The first question should be discussed as part of community review of the Preliminary Draft Housing Element, although some refinement may occur later in the Housing Element update process. The second and third questions are dependent to a large degree on the results of the Environmental Assessment so that further dialogue can consider the assessment of potential impacts and the incorporation of possible mitigation measures into the Housing Element.

*Regarding the first question, the Preliminary Draft Housing Element includes the following programs to provide housing opportunities that do not require rezoning of sites for higher density housing.*

- **Create More Opportunities for Second Units.** Program H4.E identifies incentives for new second units to be built. Proposed modifications to the City's existing regulations for second units include reduction in minimum parcel size, allowances for larger second units, flexibility in height limits, reduced fees (possible reduction in both Planning/Building fees and impact fees as a result of the small size of the units), flexibility in how parking is provided on site and a greater City role in publicizing and providing guidance for the approval of second units. Specifics would be developed as part of program implementation.
- **Undertake an Amnesty Program to Legalize Existing Illegal Second Units.** Program H4.F is an amnesty program to legalize existing illegal second units. Additional study and refinement of specific incentives, standards, timing, penalties and requirements for legalizing a unit would be developed as part of program implementation. Coordination with Program H4.D would also occur.
- **Provide Opportunities for a Mix of Housing and Commercial Uses in Selected Locations.** Program H4.N focuses on allowing residential uses in the C-1-A zoning district, which includes site numbers 5 (formerly 7) and 8 (formerly 12). The program also calls for possible expansion of residential opportunities to other commercial

districts (C-1-A zoning district and consider expansion of residential opportunities to other commercial districts (C-2, C-2-A, C-2-B, C-2-S and C-4).

- **Implement the Recently Adopted El Camino Real/Downtown Specific Plan.** The recently adopted El Camino Real/Downtown Specific Plan contains opportunities for 680 units to be built. Based on current zoning, there is the opportunity for a significant number of affordable units to be built. The Affordable Housing Overlay Zone (Housing Element Program H4.C) would be applicable to the entire Specific Plan area and would be a tool to achieve the public benefit densities for affordable housing.
- **Provide Infill Housing Opportunities Around Downtown.** Program H4.A focuses on lots 10,000 square feet or greater around the El Camino Real/Downtown Specific Plan area. The program also calls for possible expansion to smaller lots at a later date.
- **Create Incentives and Opportunities for Affordable Housing.** There are a number of programs contained in the Preliminary Draft Housing Element offering incentives for affordable and special needs housing. Program H4.C (Affordable Housing Overlay Zone) is tied to housing opportunity sites in the El Camino Real/Downtown Specific Plan area and other key sites that could be designated under this zoning.

***CONCURRENTLY with review and adoption of the Updated Housing Element, the City will be preparing Zoning Ordinance amendments for the following:***

**H3.A Zone for Emergency Shelter for the Homeless**

**H3.B Zone for Transitional and Supportive Housing**

**H3.C Adopt Procedures for Reasonable Accommodation**

**H3.I Establish Density Bonus and Other Incentives for Special Needs Housing**

**H4.A Modify Development Standards to Encourage Infill Housing**

**H4.B Modify R-2 Zoning to Maximize Unit Potential**

**H4.C Adopt Standards for an “Affordable Housing Overlay Zone”**

**H4.D Implement Inclusionary Housing Regulations and Adopt Standards to Implement State Density Bonus Law**

**H4.E Modify Second Dwelling Unit Development Standards and Permit Process**

**H4.O Implement Actions in Support of High Potential Housing Opportunity Sites**

***FOLLOWING*** adoption of the Updated Housing Element, the City will be preparing Zoning Ordinance amendments for the following:

H1.G Adopt an Anti-Discrimination Ordinance

H2.A Adopt Ordinance for “At Risk” Units

H2.C Amend Zoning to Protect Existing Housing

H3.G Develop Incentives for Senior Housing

H4.F Undertake Second Unit Amnesty Program

H4.I Refine Multi-Family and Residential Mixed Use Design Guidelines

H4.K Work with the Fire District to Remove Constraints to Housing

H4.M Review the Subdivision Ordinance

H4.N Create Opportunities for Mixed Use Development

In Process Draft





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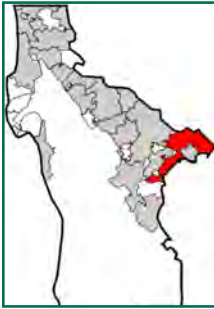
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In Process Draft

## Section I

# Introduction

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## **A** Purpose of the Housing Element



All California cities and counties are required to have a Housing Element included in their General Plan which establishes housing objectives, policies and programs in response to community housing conditions and needs. This Housing Element has been prepared to respond to current and near-term future housing needs in Menlo Park and also provide a framework for the community's longer-term approach to addressing its housing needs. The Housing

Element contains goals, updated information and strategic directions (policies and implementing actions) that the City is committed to undertaking.

Even with the recent downturn in the economy beginning in the last part of 2008, housing affordability in San Mateo County and in the Bay Area as a whole is still a critical issue. Menlo Park's housing conditions are reflective of many area-wide and even nation-wide trends. Over the past thirty years, housing costs have skyrocketed out of proportion to many people's ability to pay. And, interest rates, construction costs and high land costs have all increased significantly. This has a number of implications as it becomes more difficult for employers to fill vacant jobs, roadways are clogged with workers traveling longer distances into and out of Menlo Park and surrounding areas, and many young people, families, longtime residents and people with specialized housing needs face relocating because they cannot find housing they can afford or that meets their needs otherwise (such as downsizing for seniors or rental housing for younger workers).

The Housing Element touches many aspects of community life. This Housing Element builds upon the goals, policies and implementing programs contained in the City's 1992 Housing Element and City policies and practices since then. The overall focus of the Housing Element is to enhance community life, character and vitality through the provision of adequate housing opportunities for people at all income levels, while being sensitive to the small-town character of Menlo Park that residents know and love.

The following are some of the specific purposes of the Housing Element update:

1. **Maintain Quality of Life.** Maintain the high quality of life, small town feel and village character of Menlo Park, which make it distinctive and enjoyable to its residents.
2. **Assure Diversity of Population.** Assess housing needs and provide a vision for housing within the City to satisfy the needs of a diverse population.
3. **Provide a Variety of Housing Opportunities.** Provide a variety of housing opportunities proportionally by income to accommodate the needs of people who currently work or live in Menlo Park such as teachers, young people just getting started and seniors who want to down-size, who either cannot find homes or cannot afford market rate housing in Menlo Park.
4. **Address Regional Housing Needs Allocation (RHNA).** Ensure capacity for the development of new housing to meet the Regional Housing Need Allocation at all income levels for the current and prior planning periods.
5. **Assure a Fit with the Look and Feel of the Community.** Ensure that housing developments at all income levels are sensitive to and fit with adjacent neighborhoods.
6. **Maintain Existing Housing.** Maintain the existing housing stock to assure high quality maintenance, safety and habitability of existing housing resources.
7. **Address Affordable Housing Needs.** Continue existing and develop new programs and policies to meet the projected affordable housing need of extremely low, very low, low and moderate-income households.
8. **Address the Housing Needs of Special Need Groups.** Continue existing and develop new programs and policies to meet the projected housing needs of persons living with disabilities, seniors and other special needs households in the community.
9. **Remove Potential Constraints to Housing.** Evaluate potential constraints to housing development and encourage new housing in locations supported by existing or planned infrastructure, while maintaining existing neighborhood character. Develop design directions for multiple family housing to help eliminate barriers to the development of housing for all income levels.
10. **Provide for Special Needs Groups.** Provide for emergency shelter, transitional and supportive housing opportunities.
11. **Provide Adequate Housing Sites.** Identify appropriate housing sites, within specified areas proximate to transportation, shopping and schools, and the accompanying zoning required to accommodate housing development.

## **B** State Law Requirements for Housing Elements



State law requires each city and county to adopt a General Plan containing at least seven elements, including a Housing Element. Regulations regarding Housing Elements are found in the California Government Code Sections 65580-65589. Although the Housing Element must follow State law, it is by its nature a local document. The focus of the Menlo Park Housing Element is on the needs and desires of Menlo Park residents as it

relates to housing in the community. Within these parameters, the intent of the element is also to comply with State law requirements.

Unlike the other mandatory General Plan elements, the Housing Element requires periodic updating and is subject to detailed statutory requirements and mandatory review by the State of California Department of Housing and Community Development — HCD. According to State law, the Housing Element must:

- Provide goals, policies, quantified objectives and scheduled programs to preserve, improve and develop housing.
- Identify and analyze existing and projected housing needs for all economic segments of the community.
- Identify adequate sites that will be zoned and available within the Housing Element planning period — to October, 2014 — to meet the city’s fair share of regional housing needs at all income levels.
- Be submitted to HCD to determine if HCD “certifies” the Housing Element is in compliance with state law.

State law establishes detailed content requirements for Housing Elements and establishes a regional “fair share” approach to distributing housing needs throughout all communities in the Bay Area. The law recognizes that in order for the private sector and non-profit housing sponsors to address housing needs and demand, local governments must adopt land use plans and implementing regulations that provide opportunities for, and do not unduly constrain, housing development.



The Housing Element must provide clear policies and direction for making decisions pertaining to zoning, subdivision approval and capital improvements that relate to housing needs. The housing action program that: (1) identifies adequate residential sites available for a variety of housing types for all income levels; (2) focuses on the provision of adequate housing to meet the needs of lower and moderate income households; (3) addresses potential governmental constraints to the maintenance, improvement and development of housing; (4) conserves and improves the condition of the existing affordable housing stock; and, (5) promotes housing opportunities for all persons. Also in accordance with State law, the Housing Element must be consistent and compatible with other elements (or sections) of the Menlo Park General Plan.

## C Definitions of Key Housing Terms



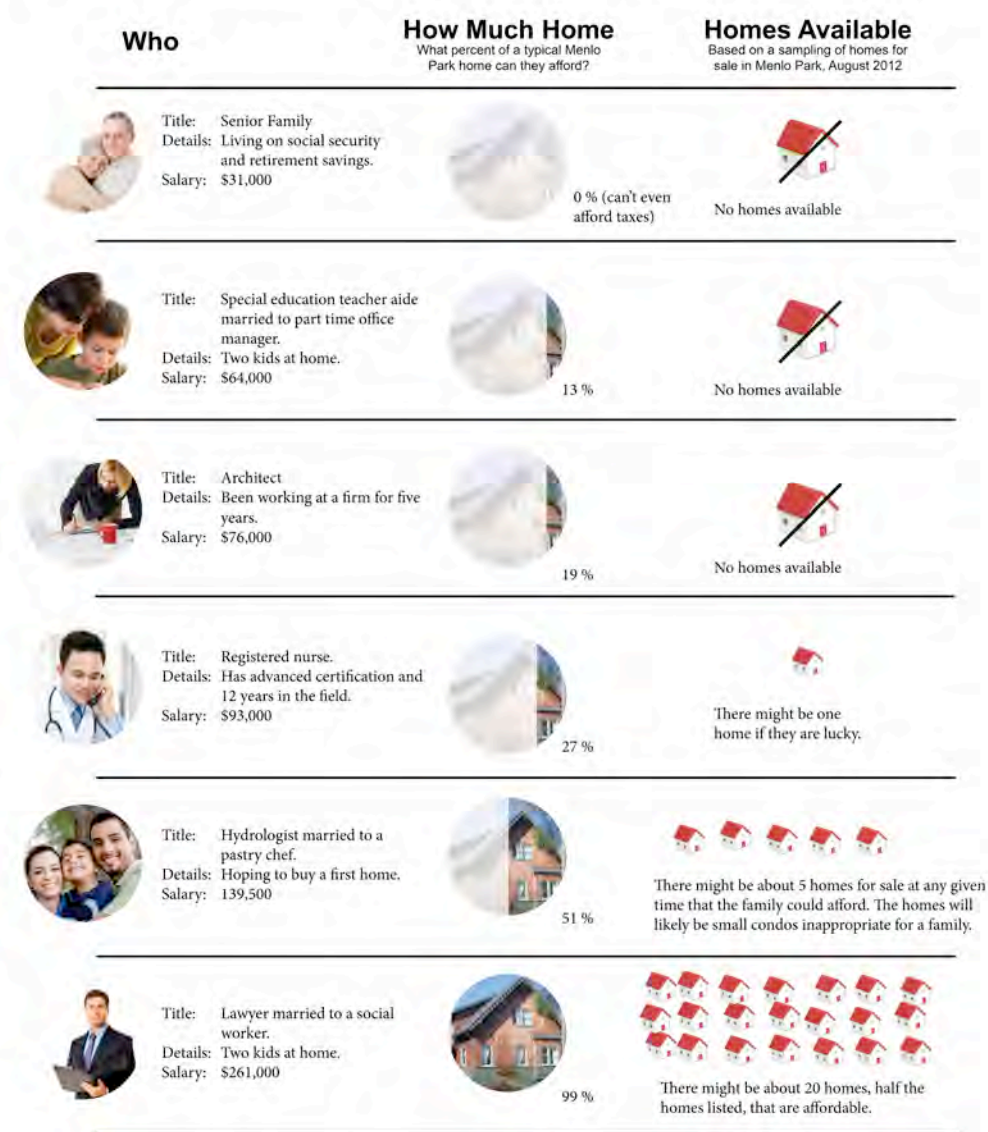
In the context of Housing Elements, “Affordable Housing” generally focuses on housing for extremely low, very low, low and moderate-income households. Generally, housing that costs no more than 30% of household income is considered affordable to these income groups. The definitions below are used throughout this Housing Element. The analysis of housing needs in the Background section of the Housing Element provides baseline information about who needs housing in Menlo Park.

- ❑ **Above Moderate Income Households:** Defined as households earning over 120% of the median household income. As of February 2012, a family of four earning more than \$123,600 per year in San Mateo County is considered above moderate income.
- ❑ **Accessible Housing:** Units accessible and adaptable to the needs of the physically disabled.
- ❑ **Emergency Shelter:** Emergency shelter means housing with minimal supportive services for homeless persons that is limited to occupancy of six months or less by a homeless person. No individual or household may be denied emergency shelter because of an inability to pay.  
*(Definition from Health and Safety Code Section 50800-50806.5)*
- ❑ **Extremely Low Income Households:** Government Code Section 65583(a) requires local Housing Elements to provide “documentation of projections and a quantification of the locality’s existing and projected housing needs for all income levels, including extremely low income households (GC 65583 (a)(1)).” Extremely low income is a subset of the very low-income regional housing need and is defined as households earning less than 30% of the median household income — which, for a family of four as of February, 2012, would be to earn less than \$33,300/year in San Mateo County.
- ❑ **Housing Affordability:** The generally accepted measure for determining whether a person can afford housing means spending no more than 30% of one’s gross household income on housing

costs, including utilities, principal and interest. **In the Bay Area, people can pay closer to 50% of their income for housing due to the high costs of housing.** The graphics below illustrate housing affordability in Menlo Park.

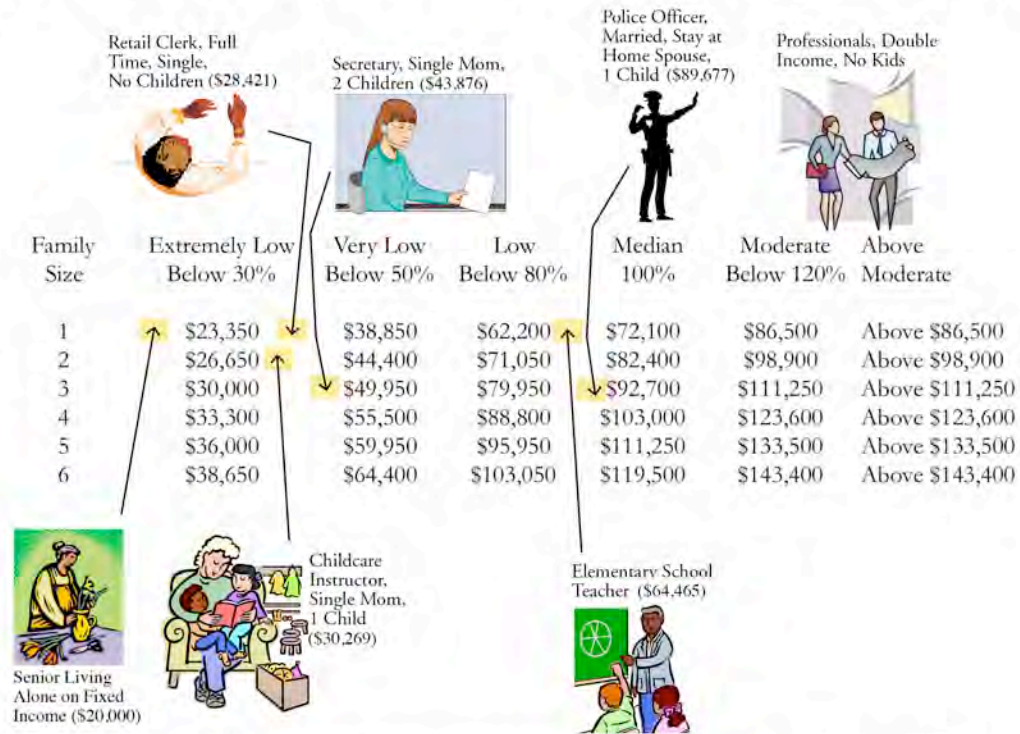
## Who Can Afford Menlo Park?

Many people who work in Menlo Park cannot afford to live here. The median home price is almost \$1.1 million and the median rent is approximately \$2,800 per month. This chart shows how much of a Menlo Park home various community members can afford and how many options there are on the market.



Source: Baird + Driskell Community Planning, 2012, based on salaries from the Employment Development Department and housing costs from Zillow

## City of Menlo Park and San Mateo County 2012 Household Incomes



Source: Official State Income Limits for 2012 (San Mateo County) as determined by the U.S. Department of Housing and Urban Development (HUD), adjusted for family size; the 2012 Area Median Income is \$100,228. Examples for the 2012 salaries are from California Employment Development Department for the counties of Marin, San Francisco and San Mateo (first quarter of 2012). Salary for a police officer is from the City of Menlo Park Memorandum of Understanding with the Menlo Park Police Officers' Association.

- ❑ **Housing Density:** The number of dwelling units per acre of land. Gross density includes the land within the boundaries of a particular area and excludes nothing. Net density excludes certain areas such as streets, open space, easements, water areas, etc.
- ❑ **Income Limits:** Income limits are updated annually for San Mateo County by the U.S. Department of Housing and Urban Development (HUD), State of California HCD and the County of San Mateo. The "30% of Median," "Very Low Income" and "Low Income" schedules were published by the U.S. Department of Housing and Urban Development (HUD) as shown below, were prepared February 7, 2012. The "Median Income" schedule shown below is based on the 2012 median family income of \$103,000 for a four-person household, with adjustments for smaller and larger household sizes. The "Moderate Income" schedule shown below represents up to 120% of median income. For additional information, see the HUD website at [www.huduser.org/datasets/il.html](http://www.huduser.org/datasets/il.html) and San Mateo County Department of Housing website at <http://www.co.sanmateo.ca.us/portal/site/housingdepartment/>. For many State and local programs, State Department of Housing and Community Development (HCD) income eligibility limits are used. HCD income limits regulations are similar to those used by HUD.



**San Mateo County FY 2012 Median Household Income Schedule**

Family Size	Public Housing, Section 8, CDBG, Inclusionary, BMR			Inclusionary, BMR Housing		
	Extremely Low	Very Low	Lower	Median	Moderate	Above
	30%	50%	80%	100%	120%	Moderate
1	\$23,350	\$38,850	\$62,200	\$72,100	\$86,500	>\$86,500
2	\$26,650	\$44,400	\$71,050	\$82,400	\$98,900	>\$98,900
3	\$30,000	\$49,950	\$79,950	\$92,700	\$111,250	>\$111,250
4	\$33,300	\$55,500	\$88,800	\$103,000	\$123,600	>\$123,600
5	\$36,000	\$59,950	\$95,950	\$111,250	\$133,500	>\$133,500
6	\$38,650	\$64,400	\$103,050	\$119,500	\$143,400	>\$143,400

Source: San Mateo County Department of Housing, prepared February 2, 2012

- ❑ **Jobs/Housing Balance:** The relationship of the number and types of jobs in a community with the amount and affordability of housing. An appropriate balance is commonly thought to be between 1.0-1.5 jobs for every 1 housing unit.
- ❑ **Low Income Households:** California Health and Safety Code Section 50079.5 provides that the low-income limits established by the U.S. Department of Housing and Urban Development (HUD) are the state limit for low-income households. HUD limits for low-income household are generally households earning 50-80% of the median household income, adjusted for family size, with some adjustment for areas with unusually high or low incomes relative to housing costs. As of February 2012, a family of four earning between \$55,500 and \$88,800 per year in San Mateo County was considered low income.
- ❑ **Median Household Income:** The middle point at which half of the City's households earn more and half earn less. Income limits are updated annually by the U.S. Department of Housing and Urban Development (HUD) for San Mateo County. As of February 2012, the median household income for a family of four in San Mateo County as used for Menlo Park is \$103,000.
- ❑ **Moderate Income Households:** Defined by Section 50093 of the California Health and Safety Code as households earning 80-120% of the median household income. As of February 2012, a family of four earning between \$88,800 and \$123,600 per year in San Mateo County was considered moderate income.
- ❑ **Persons per Household:** Average number of persons in each household.
- ❑ **Senior Housing:** Defined by California Housing Element law as projects developed for, and put to use as, housing for senior citizens. Senior housing is based on: (1) if the U.S. Department of Housing and Urban Development (HUD) has determined that the dwelling is specifically designed for and occupied by elderly persons under a Federal, State or local government program; (2) it is occupied solely by persons who are 62 or older; or (3) it houses at least one person who is 55

or older in at least 80 percent of the occupied units, and adheres to a policy that demonstrates intent to house persons who are 55 or older. Under Federal law, housing that satisfies the legal definition of senior housing or housing for older persons described above, can legally exclude families with children.



- ❑ **Supportive Housing:** Supportive housing is permanent rental housing linked to a range of support services designed to enable residents to maintain stable housing and lead fuller lives. This type of housing has no limit on length of stay, is occupied by the target population (such as low-income persons with disabilities and certain other disabled persons) and is linked to onsite or offsite services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community.



- ❑ **Transitional Housing:** Transitional housing and transitional housing development mean rental housing operated under program requirements that call for the termination of assistance and recirculation of the assisted unit to another eligible program recipient at some predetermined future point in time, which shall be no less than six months. Transitional housing is a type of supportive housing used to facilitate the movement of homeless individuals and families to permanent housing. A homeless person may live in a transitional apartment for up to two-years while receiving supportive services that enable independent living.
- ❑ **Very Low Income Households:** California Health and Safety Code Section 50079.5 provides that very low income limits established by the U.S. Department of Housing and Urban Development (HUD) establish the state limit for very low income households, which are households earning less than 50% of the median household income, with some adjustment for areas with unusually high or low incomes relative to housing costs. As of February 2012, a family of four earning less than \$55,500 per year in San Mateo County was considered very low income.
- ❑ **Workforce Affordable Housing:** Housing that is affordable to the workforce in the community.

# D Process for Preparing the Housing Element



Menlo Park’s history of extensive community involvement in local decision-making makes the community outreach process for the Housing Element update not only essential and highly desirable, but also a critical component of the work effort. The approach outlined below should also be considered in light of State law contained in Government Code 65583(c)(7) — “The local government shall make a diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the program shall describe this effort.”

The Menlo Park City Council approved a Work Program for the Housing Element update at its meeting of May 22, 2012. In general, a three-phased approach was envisioned for the 9-month process between the end of May 2012 and March 2013. The approach is consistent with Menlo Park’s longstanding value of community participation in planning. The three phases in the process generally cover: (1) *Project Definition and Refinement*, which is 3-month phase ending with completion of the Draft Housing Sites Inventory by August 31, 2012; (2) *Preparation of Draft Housing Element*, a 2-month phase ending no later than October 31, 2012 with the submittal of a Draft Housing Element to the State Department of Housing and Community Development (HCD); and, (3) *Evaluation, Review, Selection and Approval*, which is a 4-month phase ending by March, 2013 with review and selection of sites for rezoning, completion of the Environmental Assessment, public hearings and adoption of the updated Housing Element and consistency updates to the other elements of the Menlo Park General Plan.

The schedule and process graphic on the next page shows the sequence of steps and timing in the process. The approach also conforms to the City’s Community Engagement Model (CEM), which has been used effectively by the City in the past as a guide for comprehensive community involvement in important City decisions. While the overall timeframe for updating the Housing Element requires decisions and products to be undertaken by specific dates, a significant amount of effort has been put into outreach to all economic segments of the community.



## Actualización del Elemento de Vivienda HOJA DE COMENTARIO

Por favor use el espacio abajo y atrás de la página para proveer sus pensamientos en lo que concierne la actualización de el Elemento de Vivienda de la Ciudad de Menlo Park. Esto puede incluir sus comentarios sobre los temas cubiertos en las varias estaciones del taller, o cualquier otra sugerencia relacionado con las necesidades de vivienda u otras consideraciones para la actualización del Elemento de Vivienda. **Favor de ser lo más específico que es posible.** Quisieramos recoger su hoja de comentario al fin del taller para suplementar las ideas que han sido realizadas en las estaciones. Si desea mandar sus comentarios por correo electrónico o por fax o por correo, por favor mándelos **NO MÁS TARDE DEL 24 DE AGOSTO, 2012** para poderlos recibir a tiempo. Esto es por la razón de que puedan ser incluidos en el resumen del taller. Pueden pasar dejando o mandar por correo sus comentarios a la División de Planificación ubicado en 701 Laurel Street, Menlo Park, CA 94025. También pueden mandar por fax su hoja de comentario al 650.327.1653 o por correo electrónico al [athome@menlopark.org](mailto:athome@menlopark.org). ¡Gracias por sus comentarios!

**Necesidades Posibles de Vivienda**  
¿Cuál considera usted que son las más urgentes necesidades de vivienda en Menlo Park? (ejemplos pueden incluir proveer vivienda para trabajadores locales que son de varios niveles de ingresos, proveer vivienda para familias jóvenes, tener opciones de vivienda para personas de mayor edad, tener opciones de vivienda para personas que están incapacitadas, etc.)

**Estrategias Posibles de Vivienda**  
¿Qué piensa usted que deberían ser las estrategias de vivienda importantes que la Ciudad debería seguir para confrontar las necesidades de vivienda? (ejemplos pueden incluir unidades secundarias, rellenar vivienda alrededor del centro de la Ciudad, rellenar otros lugares de vivienda, etc.)

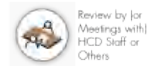




# Schedule of Meetings and Other Activities

July 2012

Revision of the City of Menlo Park Housing Element and Consistency Update to the City of Menlo Park General Plan



The primary City commissions reviewing the Housing Element are the Planning Commission (PC) and the Housing Commission (HC). City Commissions reviewing the Technical Update to the City's General Plan include the PC and the HC plus the Environmental Quality Commission (EQC), Transportation Commission (TC), Bicycle Commission (BC), and the Parks and Recreation Commission (PRC).

Meeting Type and Date	Meeting Location	Meeting Purposes
City Council Meeting May 22 2012	City Council Chambers at City Hall	<ul style="list-style-type: none"> <li>Approve the Housing Element Update and General Plan Technical Update Work Program</li> <li>Confirm the Membership of the Housing Element Steering Committee</li> </ul>
Steering Comm Meeting #1 June 26 2012	Arrillaga Family Gymnastics Center	<ul style="list-style-type: none"> <li>Review City Council Directions</li> <li>Review Housing Element Requirements</li> <li>Review Initial Background Information on Demographic Trends, Housing Needs, and Potential Housing Sites</li> <li>Discuss Potential Strategies for the Housing Element Update (sites, housing needs, etc.)</li> </ul>
Steering Comm Meeting #2 July 17 2012	Arrillaga Family Gymnastics Center	<ul style="list-style-type: none"> <li>Review and Critique Current Housing Element Policies and Programs</li> <li>Review Additional Background Information on Potential Housing Sites</li> <li>Discuss and Refine Housing Strategy Choices</li> <li>Review Outreach Approach for Community Outreach and Stakeholder Meetings</li> </ul>
Community Workshops Aug 16/23 2012	Recreation Center and Senior Center	<ul style="list-style-type: none"> <li>Present Background Information on the Housing Element</li> <li>Discuss and Refine Housing Strategy Choices</li> <li>Identify Any Other Considerations for the Housing Element Update</li> </ul> <p><i>Meetings to be coordinated with the release of the Draft Housing Sites Inventory no later than August 31, 2012</i></p>
Steering Comm Meeting #3 Aug 27 2012	Arrillaga Family Recreation Center	<ul style="list-style-type: none"> <li>Review Outreach Results and Stakeholder Meetings</li> <li>Present Background Information on the Housing Element and Key Findings of the Housing Needs Analysis</li> <li>Further Refine Housing Strategies</li> </ul>
Steering Comm Meeting #4 Sept 12 2012	Arrillaga Family Recreation Center	<ul style="list-style-type: none"> <li>Receive Complete Background Section of the Preliminary Draft Housing Element</li> <li>Refine Policy Directions for Key Issues (basic components of the Preliminary Draft Housing Element)</li> <li>Review Outreach Results</li> <li>Provide Direction on Key Issues for the Housing Element for Consideration by the City Council</li> </ul>
HC and PC Check-Ins Oct 3/15 2012	City Council Chambers and Admin Building	<ul style="list-style-type: none"> <li>Review of the Preliminary Draft Housing Element</li> <li>Present Background Information on the Housing Element and Key Findings of the Housing Needs Analysis</li> <li>Review Outreach Results</li> <li>Provide Direction on Key Issues for the Housing Element for Consideration by the City Council</li> </ul>
City Council Check-In Oct 23, 2012	City Council Chambers at City Hall	<ul style="list-style-type: none"> <li>Review of the Preliminary Draft Housing Element</li> <li>Present Background Information on the Housing Element</li> <li>Direct Staff to Prepare the Draft Housing Element Based on City Council Initial Review</li> </ul>
60-Day HCD Review Nov and Dec 2012		<ul style="list-style-type: none"> <li>City Staff May Meet with HCD Staff to Review Any Comments and to Answer Questions During this Time</li> </ul> <p>Possible Modifications to the Draft Housing Element Based on HCD Comments</p> <p>Community Open Houses/Stakeholder Outreach for the Draft Housing Element</p>
Commission Meetings Nov/Dec 2012 and Jan 2013	City Council Chambers at City Hall	<ul style="list-style-type: none"> <li>EQC, TC, BC, PRC, HC and PC Review of Technical Updates to the General Plan at Public Work Sessions</li> <li>Provide Direction to Staff and Recommendation to the City Council</li> </ul>
Steering Comm Meeting #5 Jan 2013	Arrillaga Family Recreation Center	<ul style="list-style-type: none"> <li>Review of HCD Comments and Suggested Modifications to the Draft Housing Element</li> <li>Provide Direction to Staff</li> </ul>
PC Public Hearing Jan/Feb 2013	City Council Chambers at City Hall	<ul style="list-style-type: none"> <li>Public Hearing</li> <li>Recommend General Plan Amendments and Housing Element (with Modifications) to the City Council</li> <li>The Housing Commission will also review modifications to the Draft Housing Element and will make a recommendation to the Planning Commission and City Council</li> </ul>
CC Public Hearing Feb/March 2013	City Council Chambers at City Hall	<ul style="list-style-type: none"> <li>Public Hearing</li> <li>Adoption of the Updated Housing Element by the City Council</li> <li>Other General Plan Amendments and Rezonings will be adopted/ completed concurrent with adoption of the Housing Element</li> </ul>
Adoption of Housing Element and Technical Update to the General Plan	Adoption of the Updated Housing Element by mid-February to early March, 2013 following receipt of HCD comments on the Draft Housing Element.	<ul style="list-style-type: none"> <li>Completion of GPA's and Rezonings concurrent with Housing Element adoption.</li> </ul>

To date, the process for the Housing Element update has included the following activities and approach:

➤ **Provide Information to the Community.** Provision of information on the City’s website (see link above); distribution of information in City-wide mailings; preparation of a Housing Element newsletter and other FAQ materials; noticing for community workshops in English and Spanish; press releases; City-wide notice; noticing and information to people signing up on the Housing Element list-serve; and other handouts. Documentation of community comments and summaries of Housing Element Steering Committee meetings are also available on the City’s website at [www.menlopark.org/athome](http://www.menlopark.org/athome)



➤ **Conduct Initial Community Workshops.** Two community workshops were conducted to provide participants with information, answer questions and to solicit feedback on housing needs in Menlo Park, factors to consider in evaluating the appropriateness of potential sites for housing and to identify directions and policy considerations related to specific housing sites. The workshops were held in two different locations to enhance outreach to all economic segments of the community — Arrillaga Family Recreation Center located at 700 Alma Street (August 16, 2012) and the Menlo Park Senior Center located at 100



Terminal Avenue (August 23, 2012). Noticing for the workshops was also extensive in an effort to involve the community. In addition, a tour of affordable housing developments was organized for City decision-makers and interested members of the community.



➤ **Undertake Fact-Finding Interviews and Stakeholder Meetings.** Fact-finding meetings have been conducted by City staff with major property owners, school districts, other service providers, representatives of various interest groups, affordable housing providers and others to identify possible housing opportunities and program actions the City might pursue to address housing its housing needs.



- **Tour Material Available on the City's Website.** Materials available on the City's website allow interested members of the community to tour possible sites for higher density housing. In addition, the local affordable housing representatives, including the Non-Profit Housing Association, Housing Leadership Council, Habitat for Humanity, Mid-Pen Housing and the Silicon Valley Community Foundation partnered with the City to host an affordable housing bus tour on Saturday, September, 8th that was open to the public. About 45 people participated in the tour.

*How does a community plan for growth?*

**City of Menlo Park  
Housing Element Update  
Bus Tour**

**Saturday, September 8, 2012**  
9:30 AM - 12:30 PM,  
(Registration starts at 9:15 AM)

**Start Location:**  
Menlo Park City Hall  
701 Laurel Street, Menlo Park, CA

How does a community plan for growth? Planning is not just maps and lines. It's homes and people. Come on a 3-hour bus tour to see examples of what contemporary affordable housing looks like and how it can fit into Menlo Park's plan for growth.

Stops include sites in both Mountain View and Palo Alto and will conclude with a picnic lunch at one of the housing developments.

**\*\* Breakfast and a Picnic Lunch Provided \*\***

**Register at: [mphetour.eventbrite.com](http://mphetour.eventbrite.com)**

**Bus Tour Questions:**  
Joshua Hugg, Program Manager  
Housing Leadership Council of San Mateo County  
(650) 872-4464, x2 or [jhugg@hiscmc.org](mailto:jhugg@hiscmc.org)

- **Undertake Housing Element Steering Committee Meetings.** The Housing Element Update Steering Committee, made up of representatives of the Housing Commission (2 members), Planning Commission (2 members) and City Council (2 members), has conducted five meetings to date to review background materials and provide direction for the Preliminary Draft Housing Element. All meetings were publicly noticed and included opportunities for community participants to ask questions and provide comments to enhance the Steering Committee's discussion.

Future community outreach activities included community meetings to review the Preliminary Draft Housing Element — Menlo Park Housing Commission (October 3, 2012), Menlo Park Planning Commission (October 15, 2012) and Menlo Park City Council (October 22 and 23, 2012). Following review and direction on the Preliminary Draft Housing Element, a Draft Housing Element will be prepared and forwarded to the California Department of Housing and Community Development (HCD) by October 31, 2012 for their review and comments as required by State law. Community workshops on the Draft Housing Element will be conducted in November 2012, with the dates, locations and times to be determined. Concurrently, an Environmental Assessment will be prepared on the Draft Housing Element so that potential impacts and mitigation measures can be incorporated into the Housing Element update process.

The Environmental Assessment, community comments and HCD comments will be considered at public hearings of the Menlo Park Housing Commission, Planning Commission and the City Council prior to adoption of the Housing Element as part of the City of Menlo Park General Plan in Spring of 2013.

## Section II

# Housing Goals, Policies and Programs

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## **A** Why is Housing Important?



The Housing Element's intent with respect to housing needs in Menlo Park is expressed in two ways. The first is in the form of goals and objectives sought by the community. A goal is an ideal to strive for — or the desired state of things at some point in the future. Objectives are defined steps toward a goal, which measure progress and should be expressed in quantified terms or targets. State

law requires that the City's housing objectives establish the maximum number of housing units that can be constructed, rehabilitated or conserved between 2007-2014.

The second, and more specific aspect of the Housing Element, are policy statements and implementation programs. These describe the way citizens, local government and other involved agencies or organizations can achieve objectives, and move closer to the City's goals. Policies establish a recognized community position on a particular subject. Implementing programs are more detailed actions that the City, or other identified entity, will implement to ensure the attainment of the Housing Element's goal and objectives. The discussion below provides summary information on key trends and issues facing the City of Menlo Park as they relate to the Housing Element.

Critical questions facing the community are:

- **What Kind of Housing Do We Need?** What kind of housing (size, type, and price) best fits our housing needs, including the needs of our workforce, our growing senior population, young families, etc., and their ability to pay for housing?
- **How Can We Effectively Help Special Needs Groups?** Where can specialized housing be located and what can be done to assist those households with special needs, including, but not limited to the elderly, homeless, people living with physical or emotional disabilities?
- **How Can We Effectively Work Together?** What can the City do — in collaboration with the community, community organizations, other agencies, non-profits and for-profit developers — to encourage the construction of needed workforce, affordable and special needs housing?



- **Where Can We Appropriately Put New Housing?** Where in our community should additional residential units be accommodated, especially those that can meet future housing needs?

Below are some of the key trends affecting Menlo Park now and into the future. The intent of the Housing Element is to strive to address these concerns.



### **THERE IS A HIGH NUMBER OF LOCAL WORKERS WHO COMMUTE DAILY INTO MENLO PARK**

The story of the rise of Silicon Valley is awe inspiring, unparalleled anywhere in the world. In 1959 there were 18,000 high tech jobs. By the 1990s, there were 268,000, and from 1992 to 1999, in just seven years Silicon Valley added another 230,000 (Britannica Online Encyclopedia). Companies known worldwide like Apple, Google and Hewlett Packard were born or raised in the Valley. This trend continues today, as was trumpeted (1) by ABC News (Aug 3, 2012) — “Silicon Valley Leads the Nation in Job Growth Numbers;” and by NBC news (March 25, 2011) — “Silicon Valley Spurs California Job Growth.” Further, this trend will likely continue into the future. Between 2005 and 2025 San Mateo County employers are expected to create 133,000 new jobs, with those new employees likely creating about 68,000 households (San Mateo County Housing Need Study).

While local governments supported the growth of jobs by rezoning large areas of land for commercial and office development, the story of housing is very different. As Silicon Valley has grown, smart, hard working, talented people from all over the world have flocked to the area for the opportunities, promise and culture of innovation. However, by and large, new workers have had to move to other counties to live. While for many years Silicon Valley has led California in job growth, the opposite is true for housing. Of California’s 58 counties, San Mateo County was last in terms of percent of housing growth from 2000 to 2010. Santa Clara County was only slightly better, ranking 40<sup>th</sup> out of 58. From 1990 to 2000, San Mateo County was 54<sup>th</sup> and Santa Clara was 26<sup>th</sup> (1990, 2000 and 2010 US Census).

The results of these trends are people commuting longer and further to get to work. Because of commuters the population of Silicon Valley cities swell every day — Santa Clara by 64,500 people, Palo Alto by 47,700 and Menlo Park by 17,700. Consequently, the overwhelming need in Menlo Park is workforce housing. The 17,700 people who commute in daily to Menlo Park would require slightly more than 7,000 homes.





### **LOCAL WORKERS CROSS THE ENTIRE INCOME SPECTRUM (ALMOST ONE THIRD OF EMPLOYEES MAKE LESS THAN \$40,000 PER YEAR)**

There is a stereotype that Silicon Valley jobs workers are all young, well-paid, high-tech professionals. While this is a slice of the population, it is not the whole picture. Only 18 percent of the workforce in Menlo Park was under 30 in 2010. Also in 2010, more than 31 percent of Menlo Park employees made less than \$40,000 per year. The growth of jobs that pay modest wages is expected to continue in San Mateo County. Of the demand for new homes generated by the projected new jobs, it is anticipated that roughly 43 percent will need to be affordable to lower income households, 14 percent to moderate-income households and 44 percent to above moderate-income households.



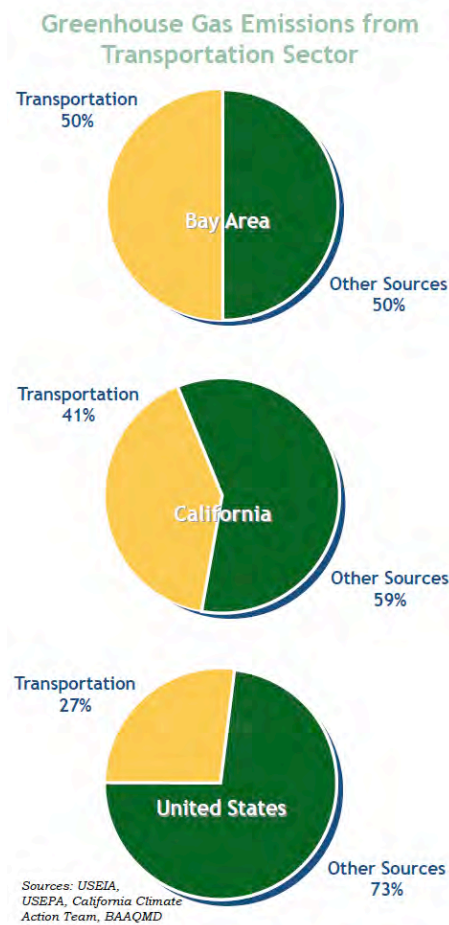
### **THERE WILL BE AN INCREASING NEED FOR SMALLER UNITS TO HOUSE A GROWING SENIOR AND SINGLE- PERSON HOUSEHOLD POPULATION**

A much smaller but still important need is for senior housing. Menlo Park, like the rest of America, has many aging baby boomers. While most of these residents will continue to live in their homes, a nationwide trend is that some will look to trade down to smaller homes. Menlo Park does not provide many smaller housing options for this population and these residents tend to move to other communities. Additionally, there is a small percentage of residents, mostly in their late 70s and 80s, who will be looking for a supported living environment. There are about 635 households where the head of the household is 85 or older.

Most seniors, 93 percent in some surveys, prefer to age in place (stay in their homes as they age) or stay in their community. There is also a need for new housing for now-adult children of Menlo Park residents. According to the U.S. Census, in 2000 there were approximately 330 seventeen year olds in Menlo Park. By 2010, this number was up to approximately 350 and is expected to continue to grow because the number of children being born to Menlo Park families is continuing to rise. These young adults need housing. Using Menlo Park's average of 2.5 people per household, Menlo Park youth will generate a demand of 135 or 140 homes per year. Additionally, it is anticipated that over one-third of the new households projected for San Mateo County in the next several decades will be a single person living alone, with many of those being senior households.

Other housing needs include single parent households, persons living with disabilities, and the provision of housing for the homeless. There are approximately 1,800 homeless

people in San Mateo County (one day count conducted in February, 2009). Approximately one-third of the homeless persons in San Mateo County live in shelters.



## **SUSTAINABILITY AND CLIMATE ACTION PLANNING STRONGLY RELATE TO PLANNING FOR HOUSING**

Sustainability generally means living in a way that does not compromise the ability of future generations to enjoy the same quality of life. Housing affects sustainability in many ways including water quality, air quality, use of resources and climate change. Housing has both direct effects (heating, cooling and powering homes) and indirect effects (transportation patterns). Additionally, housing patterns influence the amount people drive. Promoting walk-able, transit-oriented neighborhoods is the single greatest thing that a community can do to promote sustainability.

Climate change, caused in part by the release of carbon dioxide and other gases, is an important issue in California and in San Mateo County. Major concerns include potential for rising sea levels and decreased water supplies due to smaller snow packs. Additionally, change of temperature and rain patterns may hurt agricultural parts of the county.

Based on maps that assume one meter (a little over three feet) of sea level rise this century, which is expected, San Mateo County is likely to suffer flooding from the Bay and the Ocean.

Housing affects climate change in two ways. The houses themselves take energy to heat, cool and power, and the energy production contributes to climate change. Additionally, housing patterns affect how often and how far people have to drive. Since vehicles contribute over 40 percent of climate change gases in California, and over 50 percent in the Bay Area, finding ways to allow people to drive fewer miles is important. Menlo Park published a Climate Action Plan (CAP) in 2009 that included measures to reduce greenhouse gas emissions. In 2011, the City Council adopted a supplemental report to the CAP, which updated Menlo Park's community greenhouse gas inventories between 2005 and 2009, and also provided a five year strategy of climate action initiatives.

## **B** Housing Goals

THE **OVERARCHING** GOAL OF THE CITY OF MENLO PARK HOUSING ELEMENT IS TO **ADDRESS COMMUNITY NEEDS FOR HOUSING BY PROVIDING A RANGE OF HOUSING CHOICES THAT BLEND NEW DEVELOPMENT INTO THE COMMUNITY CONSISTENT WITH ENVIRONMENTAL, INFRASTRUCTURE AND SERVICES NEEDS.**

### *Goal 1 — IMPLEMENTATION RESPONSIBILITIES*

#### **Build Local Government Institutional Capacity and Monitor Accomplishments to Respond Effectively to Housing Needs.**

*Sub-Goal 1 is intended to: (1) define the City's role and responsibilities in implementing the Housing Element; (2) provide information and outreach opportunities for the community; and (3) promote housing opportunities for all persons regardless of age, race, color, sex, sexual orientation, marital status, disability, ancestry, national origin and other barriers that prevent choice in housing.*

### *Goal 2 — EXISTING HOUSING AND NEIGHBORHOODS*

#### **Maintain, Protect and Enhance Existing Housing and Neighborhoods.**

*Sub-Goal 2 is intended to encourage the maintenance, improvement and rehabilitation of the City's existing housing stock, the preservation of the City's affordable housing stock and the enhancement of community stability.*

### *Goal 3 — SPECIALIZED HOUSING NEEDS*

#### **Provide Housing for Special Needs Populations that is Coordinated with Support Services.**

*Sub-Goal 3 is intended to proactively address the special housing needs of the community, including seniors, disabled individuals and the homeless.*

### *Goal 4 — NEW HOUSING*

#### **Use Land Efficiently to Meet Community Housing Needs at a Variety of Income Levels, Implement Sustainable Development Practices and Blend Well-Designed New Housing into the Community.**

*Sub-Goal 4 is intended to: (1) promote the development of a balanced mix of housing types and densities for all economic segments throughout the community, (2) remove governmental and non-governmental constraints on the production, rehabilitation and/or cost of housing where appropriate, and (3) to encourage energy efficiency in both new and existing housing.*

## **C** Housing Policies and Implementing Programs

### *Goal 1* — IMPLEMENTATION RESPONSIBILITIES **BUILD LOCAL GOVERNMENT INSTITUTIONAL CAPACITY AND MONITOR ACCOMPLISHMENTS TO EFFECTIVELY RESPOND TO HOUSING NEEDS.**

#### *Policies*

- H1.1 **Local Government Leadership.** Affordable housing is an important City priority and the City will take a proactive leadership role in working with community groups, other jurisdictions and agencies, non-profit housing sponsors and the building and real estate industry in following through on identified Housing Element implementation actions in a timely manner.
- H1.2 **Community Participation in Housing and Land Use Plans.** Strengthen a sense of community by providing opportunities for community participation, developing partnerships with a variety of groups and providing community leadership to effectively address housing needs. The City will undertake effective and informed public participation from all economic segments and special needs groups in the community in the formulation and review of housing and land use policy issues.
- H1.3 **Neighborhood Responsibilities within Menlo Park.** The City will seek ways, specific to each neighborhood, to provide additional housing as part of each neighborhood's fair share responsibility and commitment to help achieve community-wide housing goals. This may range from in-lieu fees, second units, higher density housing sites, infill housing, mixed-use or other new housing construction.
- H1.4 **Neighborhood Meetings.** Developers of major housing projects will be encouraged to conduct neighborhood meetings with residents early in the process to undertake problem solving and facilitate more informed, faster and constructive development review.
- H1.5 **Inter-Jurisdictional Strategic Action Plan for Housing.** The City will coordinate housing strategies with other jurisdictions in San Mateo County as appropriate to meeting the City's housing needs.

- H1.6 **Equal Housing Opportunity.** The City will actively support housing opportunities for all persons to the extent possible. The City will ensure that individuals and families seeking housing in Menlo Park are not discriminated against on the basis of race, color, religion, marital status, disability, age, sex, family status (due to the presence of children), national origin, or other arbitrary factors, consistent with the Fair Housing **Act laws**.
- H1.7 **Local Funding for Affordable Housing.** The City will seek ways to reduce housing costs for lower income workers and people with special needs by developing ongoing local funding resources and continuing to utilize other local, state and federal assistance to the fullest extent possible. The City will also maintain the Below Market Rate (BMR) Housing program for Residential Developments to encourage and foster the development of new and existing housing units affordable to low and moderate income households, especially those households with children. These units should be dispersed throughout the City.
- H1.8 **Organizational Effectiveness.** In recognition that there are limited resources available to the City to achieve housing goals, the City will seek ways to organize and allocate staffing and community resources effectively and efficiently to implement the programs of the Housing Element. In implementing this policy, the City will, to the extent practical:
- a. Provide technical and administrative support, as well as assist in finding outside funding, to agencies and private sponsors in developing and/or rehabilitating housing to accommodate special housing needs.
  - b. Provide representation on committees, task forces, or other forums addressing housing issues at a local, regional or state level.
- H1.9 **Housing Element Monitoring, Evaluation and Revisions.** The City will establish a regular monitoring and update process to assess housing needs and achievements, and to provide a process for modifying policies, programs and resource allocations as needed in response to changing conditions.

## Implementing Programs

H1.A **Establish Work Priorities for Implementing Housing Element Programs.** Housing Element implementation, El Camino Real/Downtown Specific Plan implementation as it relates to housing locations, increasing community outreach, awareness and input on housing concerns and striving to ensure that all City publications, including the Activity Guide, should include information on the housing programs available are an integrated set of implementing actions. Responsibilities specific to the Housing Element include:

- a. Conduct the annual review of the Housing Element.
- b. Review options for funding affordable housing.
- c. Make recommendations to City Commissions on strategies for housing opportunity sites and for funding.
- d. Provide follow-up on housing opportunity sites and funding based on directions provided by the City Council, including working with the community and implementing Housing Element programs.
- e. Conduct community outreach and provide community information materials through an open and non-advocacy process.
- f. Engage property owners in identifying opportunities for the construction of affordable housing.
- g. Pursue unique opportunities where the City can participate in the construction of affordable housing, either on City-owned sites, or through funding or regulatory means.
- h. Develop ongoing and annual outreach and coordination with non-profit housing developers and affordable housing advocates.

*Responsibility:* City Commissions; Planning Division; City Manager; City Council  
*Financing:* General Fund  
*Objectives:* Priorities for implementing Housing Element programs  
*Timeframe:* Develop work program in 2013

H1.B **Review the Housing Element Annually.** As required by State law, the City will review the status of Housing Element programs by April of each year, beginning April 2014. **As required by statute, Specific aspects of annual review will cover include:**

- a. **To maintain consistency between the Housing Element and the other General Plan Elements, and the policies and programs,** As portions of the General Plan are amended **in the future,** this Housing Element will be reviewed to ensure that internal consistency is maintained. In addition, a consistency review will be implemented as part of the annual general plan implementation report required under Government Code Section 65400.
- b. **As part of the annual review, the City will provide a** Statistical summary of residential building activity tied to various types of housing, household need, income and Housing Element program targets.



- c. ~~The annual review will include~~ **Review of** water and sewer procedures and **possible** priority for water and sewer service allowances for developments with units affordable to lower-income households.

*Responsibility:* City Commissions; Planning Division; City Council  
*Financing:* General Fund  
*Objectives:* Review and monitoring of Housing Element implementation; submittal to HCD  
*Timeframe:* April 2014

**H1.C Publicize Fair Housing Laws and Respond to Discrimination Complaints.** Promote fair housing opportunities for all people and support efforts of City, County, State and Federal agencies to eliminate discrimination in housing by continuing to publicize information on fair housing laws and State and federal anti-discrimination laws. Below are specific aspects of this program:

- a. The City Manager shall designate an Equal Opportunity Coordinator in Menlo Park with responsibility to investigate and deal appropriately with complaints.
- b. Discrimination complaints will be referred to the appropriate agency. The City will continue to work with the Tenant-Landlord Mediation Board to mediate housing disputes and by referring fair housing conflicts and grievances to the Mid-Peninsula Citizens for Fair Housing or similar agency.
- c. Enforce a non-discrimination policy in the implementation of City approved housing programs.
- d. The City will provide public information materials and referrals to the Peninsula Conflict Resolution Center (PCRC) and the Landlord and Tenant Information and Referral Collaborative (LTIRC) to assist tenants and landlords in resolving conflicts and understanding their respective rights and obligations.
- e. Information regarding the housing discrimination complaint referral process will be posted on the City's website and available for the public and City staff consistent with Program 1H.D.
- f. **As needed,** the City will ~~continue to work with~~ **outreach to** lenders to increase flow of mortgage funds to city residents.

*Responsibility:* Planning Division; City Manager; City Attorney  
*Financing:* General Fund  
*Objectives:* Obtain and distribute materials (see Program 1H.D)  
*Timeframe:* **2013;** ongoing **thereafter** and in response to complaints

**H1.D Provide Information on Housing Programs.** The City will promote the availability of San Mateo County programs for housing construction, homebuyer assistance, rental assistance and housing rehabilitation through the following means: (a) creating a link on the City's website that describes programs available in the City of Menlo Park and provides direct links to County agencies that administer the programs; (b) including contact information on County programs in City mail-outs and other general

communications that are sent to residents; (c) maintaining information on programs at the City's public counters; (d) training selected City staff to provide referrals to appropriate agencies; (e) distributing information on programs at public locations (library, schools, etc.); and (f) using the activity calendar and public information channel.

Examples of specific information would include:

- (1) Fair Housing Laws
- (2) Rehabilitation loan programs
- (3) San Mateo County Housing Authority information
- (4) Housing programs, including rental assistance programs such as Section 8
- (5) Code enforcement
- (6) Homebuyer assistance
- (7) Information about affordable housing

*Responsibility:* City Commissions, Planning Division; City Manager  
*Financing:* General Fund  
*Objectives:* Review and obtain materials by June 2013; distribute and post materials, conduct staff training by December 2013; annually update as needed thereafter.  
*Timeframe:* Distribute educational materials at public locations and make public service announcements through different media at least two times a year.

**H1.E Community Outreach When Implementing Housing Element Programs.** Coordinate with local businesses, housing advocacy groups, neighborhood groups and others in building public understanding and support for workforce, special needs housing and other issues related to housing, including the community benefits of affordable housing, mixed use and pedestrian-oriented development. The City will notify a broad representation of the community to solicit ideas for housing strategies when they are discussed at City Commissions or City Council meetings. Specific actions should be linked to the preparation and distribution of materials as identified in Programs H1.D. Specific outreach activities include:

- a. Maintain the Housing Element mailing list and send public hearing notices to all interested public, non-profit agencies and affected property owners.
- b. Post notices at City Hall, the library, and other public locations.
- c. Publish notices in the local newspaper.
- d. Post information on the City's website.
- e. Conduct outreach (workshops, neighborhood meetings) to the community as Housing Element programs are implemented.
- f. Assure that Housing Commission meetings are publicized and provide opportunities for participation from housing experts, affordable housing advocates, special needs populations, and the community as a whole.



- g. Provide public information materials concerning recycling practices for the construction industry, as well as use of recycled materials and other environmentally responsible materials in new construction, consistent with Chapter 12.48, Salvaging and Recycling of Construction and Demolition Debris, of the City of Menlo Park Municipal Code and California Building Code requirements.
- h. Provide public information materials about available energy conservation programs, such as the PG&E Comfort Home/Energy Star new home program, to interested property owners, developers and contractors.
- i. Promote and help income-eligible households to access federal, state and utility income qualifying assistance programs. ~~Some examples include the federal Low-Income Home Energy Assistance Program Block Grant (LIHEAP) for home weatherization and the PG&E Energy Partners Program.~~
- j. Provide public information materials to developers, contractors and property owners on existing federal, state and utility incentives for installation of renewable energy systems, such as rooftop solar panels, available to property owners and builders.

*Responsibility:* City Commissions; Planning Division; Environmental Services Division; Building Division; City Manager  
*Financing:* General Fund  
*Objectives:* Conduct community outreach and distribute materials (see Program 1H.D)  
*Timeframe:* Consistent with implementing programs

H1.F **Work with the San Mateo County Department of Housing.** Continue to **implement the agreement coordinate** with the San Mateo County Department of Housing (DOH) for management of the affordable housing stock in order to ensure permanent affordability, and implement resale and rental regulations for very low, low and moderate-income units, and assure that these units remain at an affordable price level.

*Responsibility:* Planning Division; City Manager  
*Financing:* General Fund  
*Objectives:* **Implement agreements to** Maintain affordable housing  
*Timeframe:* Ongoing

H1.G **Adopt an Anti-Discrimination Ordinance.** Adopt an Anti-Discrimination Ordinance to prohibit discrimination based on the source of a person’s income or the use of rental subsidies, including Section 8 and other rental programs.

*Responsibility:* City Commissions; Planning Division; City Attorney; City Council  
*Financing:* General Fund  
*Objectives:* Municipal Code amendment, effective implementation of anti-discrimination policies, and enforcement as needed  
*Timeframe:* **2013 2014**

**H1.H Utilize the City’s Below Market Rate (BMR) Housing Fund.** The City will administer and annually advertise the availability of funds in the Below Market Rate (BMR) Housing Fund as it applies to residential, commercial and industrial development projects. ~~As needed, the City will review the BMR Ordinance and Guidelines to assure that the BMR Program continues to be responsive to changing market conditions, including revisions to the in-lieu fees and housing production requirements. The City’s Housing Policy sets forth the specifications for the BMR Housing Program for Residential Developments and is hereby incorporated into this implementation program by reference. Other potential sources and uses of funds could include, but would not be limited to:~~

- ~~a. Federal Grants~~
- ~~b. Voluntary donations (such as bequeaths, trusts, donations of land, etc.).~~
- ~~c. Update the BMR fee nexus study.~~
- ~~d. Consider establishing a reserve fund to assist owners of Below Market Rate (BMR) units on payments for increased property assessments. The assistance could be a low or no interest loan. This may require amending the BMR Guidelines.~~

*Responsibility:* City Commissions; Planning Division; City Attorney; City Manager; City Council  
*Financing:* Below Market Rate Housing Fund and General Fund  
*Objectives:* Accumulation of funds for affordable housing  
*Timeframe:* Ongoing

**H1.I Work with Non-Profits on Housing.** The City will work with non-profits to assist in achieving the City’s housing goals and implementing programs. Coordination should occur on an ongoing basis, and as special opportunities arise as the Housing Element is implemented. Participation of non-profits in an advisory role when implementing housing programs would be desirable to help understand the needs and opportunities for non-profit housing development in the community.<sup>2</sup>

*Responsibility:* Planning Division  
*Financing:* General Fund  
*Objectives:* Working relationship with non-profit housing sponsors  
*Timeframe:* Ongoing

**H1.J Update the Housing Element.** In coordination with other jurisdictions in San Mateo County, update the Menlo Park Housing Element to be consistent with State law requirements ~~and to address the City’s RHNA 5 for the 2014-2022 planning period.~~

<sup>2</sup> The City currently works with and provides partial funding support for Human Investment Project (HIP Housing), Center for Independence of the Disabled (CID); Eden Council for Hope and Opportunity (ECHO); Rebuilding Together; HEART memberships; and Peninsula Conflict Resolution Center.

*Responsibility:* City Commissions; Planning Division; City Council  
*Financing:* General Fund  
*Objectives:* Consistency with SB375 and Housing Element law  
*Timeframe:* Participate in ongoing regional planning activities and update the Housing Element by 2014

H1.K **Address Rent Conflicts.** Provide for increased use and support of tenant/landlord educational and mediation opportunities and continue the City’s financial contribution to and encourage resident use of the Peninsula Conflict Resolution Center as a vehicle to resolve rental disputes between renters and property owners.

*Responsibility:* Planning Division; City Manager; City Council  
*Financing:* General Fund  
*Objectives:* Resolve rent issues  
*Timeframe:* Ongoing

## Goal 2 — EXISTING HOUSING AND NEIGHBORHOODS MAINTAIN, PROTECT AND ENHANCE EXISTING HOUSING AND NEIGHBORHOODS.

### **Policies**

H2.1 **Maintenance, Improvement and Rehabilitation of Existing Housing.** The City will encourage the maintenance, improvement, and rehabilitation of the City’s existing housing stock, the preservation of the City’s affordable housing stock, and the enhancement of community stability to maintain and improve the character and stability of Menlo Park’s existing residential neighborhoods while providing for the development of a variety of housing types. The preservation provision of open space and/or quality gathering and outdoor spaces shall be encouraged.

H2.2 **Preservation of Residential Units.** In order to protect and conserve the housing stock, the City will, to the extent permitted by law, prohibit the conversion of residential units to other uses and will regulate the conversion of rental developments to non-residential uses unless there is a clear public benefit or equivalent housing can be provided.

H2.3 **Condominium Conversions.** The City will assure that any conversions of rental housing to owner housing accommodate the tenants of the units being converted, consistent with requirements to maintain public health, safety and welfare. The City will also encourage limited equity cooperatives and other innovative housing proposals that are affordable to lower income households.

- H2.4 **Protection of Existing Affordable Housing.** The City will strive to ensure that affordable housing provided through government incentives, subsidy or funding, and deed restrictions remains affordable over time, and the City will intervene when possible to help preserve such housing.
- H2.5 **Maintenance and Management of Quality Housing and Neighborhoods.** The City will encourage good management practices, rehabilitation of viable older housing, and long-term maintenance and improvement of neighborhoods.
- H2.6 **Energy Conservation in Housing.** The City will encourage energy efficiency in both new and existing housing and will promote energy conservation in the design of all new residential structures and promote incorporation of energy conservation and weatherization features in existing homes. In addition, to the extent practicable, the City will promote the use of renewable resources in building construction, remove barriers to their utilization and encourage reuse of building materials and support the actions contained in the City's Climate Action Plan (CAP).

***Implementing Programs***

- H2.A **Adopt Ordinance for “At Risk” Units.** While there are currently no “at risk” subsidized units in Menlo Park, the City will prepare an ordinance requiring a one-year notice to residents, the City and the San Mateo County Department of Housing of all proposed conversions of subsidized housing units to market rents. In addition, the City will establish regular contact with the owners of potential “at risk” units to assure long-term coordination. If the units appear to be in danger of conversion or being lost as affordable housing, the City will establish contact with public and non-profit agencies who may be interested in managing or purchasing the units to inform them of the project’s status and inform tenants of any assistance available. In working with other agencies, the City will ensure that funding sources are identified and timelines for action are executed.

<i>Responsibility:</i>	City Commissions; Planning Division; City Attorney; City Council
<i>Financing:</i>	General Fund
<i>Objectives:</i>	While there are no known units at risk of losing subsidies, the City's efforts could preserve [redacted] units very low and low income housing that are currently available, and any future units
<i>Timeframe:</i>	2014

**H2.B Implement Energy Loan Programs and Improvements.** Coordinate with **Promote county, state (Energy Upgrade California), federal and PG&E energy programs for energy assessments and improvements.** PG&E and other agencies to make available loan programs to eligible owner and renter-occupied housing. **Seek grants and other funding to supplement City energy conservation activities.**

*Responsibility:* Environmental Division; Building Division; PG&E  
*Financing:* Energy Conservation and PG&E Program Funding  
*Objectives:* **Loans provided to 25 homes from 2007-2014**  
*Timeframe:* 2007-2014

**H2.C Amend Zoning to Protect Existing Housing.** The City will amend the Zoning Ordinance to reflect the Housing Element policy of prohibiting or limiting the loss of existing residential units or the conversion of existing residential units to commercial or office space. **A study will be conducted to determine an approach Zoning Ordinance changes and City activities should** address residential displacement impacts, **including covering, at a minimum,** the following:

- a. Consistency with the Ellis Act — The Ellis Act allows property owners of rental housing to "go out of business."
- b. Regulations used in other communities.
- c. Consideration of a modified replacement fee on a per unit basis, or replacement of a portion of the units, relocation assistance, etc.
- d. **Provision of technical or administrative assistance Collaboration with if requested to between the City,** the San Mateo County Department of Housing, **and Mid-Pen Housing Corporation and others, as needed, for the management and to ensure protection renewal of Section 8 for affordable** units in Menlo Park.

*Responsibility:* City Commissions; Planning Division; City Attorney; City Council  
*Financing:* General Fund  
*Objectives:* Protection of existing rental housing **as part of Infill implementation and other Zoning Ordinance changes**  
*Timeframe:* 2014

**H2.D Assist in Implementing Housing Rehabilitation Programs.** The City will continue to target Belle Haven as a primary area for rehabilitation to prevent existing standard units, both single family and apartments, from becoming deteriorated and to significantly reduce the number of seriously deteriorated units. Emphasis will be placed on the rehabilitation of apartments along Pierce Road. In addition, the City will:

- a. Continue to work with and refer people to the San Mateo County Department of Housing/ Programs including the Single Family Ownership Rehabilitation Program and the Multifamily Rental Rehabilitation program.
- b. Encourage private sponsors to develop and maintain housing units ~~under~~ using state and federal housing assistance programs for emergency and other repairs.

- c. Work with the San Mateo County to compete for Community Development Block Grant funds to ensure continuation of the Single Family Ownership Rehabilitation Program for low- and very low-income families in the community.

*Responsibility:* Planning Division; Building Division.  
*Financing:* Outside subsidy  
*Objectives:* Loans provided to rehabilitate very low and low income housing (20 loans in total, with 16 loans made from 2007-2011 plus 4 more from 2012-2014).  
*Timeframe:* Through 2014

### Goal 3 — SPECIALIZED HOUSING NEEDS PROVIDE HOUSING FOR SPECIAL NEEDS POPULATIONS THAT IS COORDINATED WITH SUPPORT SERVICES.

#### **Policies**

- H3.1 **Special Needs Groups.** The City will encourage non-profit organizations and private developers to build and maintain affordable housing for groups with special needs, including the needs of seniors, people living with disabilities, the homeless, people with HIV/AIDS and other illnesses, people in need of mental health care, single-parent families, large families and other persons identified as having special housing needs.
- H3.2 **Health and Human Services Programs Linkages.** As appropriate to its role, the City will assist service providers to link together programs serving the needs of special populations to provide the most effective response to homelessness or persons at risk of homelessness, youth needs, seniors, persons with mental or physical disabilities, substance abuse problems, HIV/AIDS, physical and developmental disabilities, multiple diagnoses, veterans, victims of domestic violence and other economically challenged or underemployed workers.
- H3.3 **Incentives for Special Needs Housing.** The City will use density bonuses and other incentives to assist in meeting special housing needs, including housing for lower income elderly and disabled.

- H3.4 **Adaptable/Accessible Units for the Disabled.** The City will ensure that new multi-family housing includes units that are accessible and adaptable for use by disabled persons in conformance with the California Building Code. This will include ways to promote housing design strategies to allow seniors to “age in place” or in the community.
- H3.5 **Transitional and Supportive Housing.** The City of Menlo Park recognizes the need for and desirability of transitional and supportive housing and will treat transitional and supportive housing as a residential use that will be subject only to the same restrictions that apply to other residential uses of the same type in the same zone.
- H3.6 **Rental Assistance Programs.** The City will continue to publicize and create opportunities for using available rental assistance programs, such as the project-based and voucher Section 8 certificates programs, in coordination with the San Mateo County Department of Housing (DOH) and other entities.
- H3.7 **Emergency Housing Assistance.** Participate and allocate funds, as appropriate, for County and non-profit programs providing disaster preparedness and emergency shelter and related counseling services.
- H3.8 **Coordination with Other Agencies in Housing the Homeless.** The City will actively engage with other jurisdictions in San Mateo County to support long-term solutions for homeless individuals and families in San Mateo County, and to implement the Shelter Plus Care Program<sup>3</sup> or similar activities. The City will allocate funds, as appropriate, for County and non-profit programs providing emergency shelter and related support services.
- H3.9 **Local Approach to Housing for the Homeless.** The City of Menlo Park recognizes the need for and desirability of emergency shelter housing for the homeless and will allow a year-round emergency shelter as a permitted use in specific locations to be established in the Zoning Ordinance. Designated site(s) must be located within one-quarter mile of a bus stop that provides service 7 days a week, since this could be considered a reasonable distance for a person to walk to/from a bus stop. In addition, the following would apply:

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<sup>3</sup> Shelter Plus Care Program provides rental assistance that, when combined with supportive services, provides housing to homeless people with disabilities, primarily those with serious illness, chronic problems with alcohol and/or drugs, and acquired immunodeficiency syndrome (AIDS) or related diseases. The goals of the Shelter Plus Care Program are to assist the participants to achieve residential stability, to increase their skill levels and/or income, and to be involved in making decisions that affect their lives.



- a. The City will encourage a dispersion of facilities to avoid an over-concentration of shelters for the homeless in any given area. An over-concentration of such facilities may negatively impact the neighborhood in which they are located and interfere with the “normalization process” for clients residing in such facilities.
- b. The City will encourage positive relations between neighborhoods and providers of permanent or temporary emergency shelters. Providers or sponsors of emergency shelters, transitional housing programs and community care facilities shall be encouraged to establish outreach programs within their neighborhoods and, when necessary, work with the City or a designated agency to resolve disputes.
- c. It is recommended that a staff person from the provider agency be designated as a contact person with the community to review questions or comments from the neighborhood. Outreach programs may also designate a member of the local neighborhood to their Board of Directors. Neighbors of emergency shelters shall be encouraged to provide a neighborly and hospitable environment for such facilities and their residents.
- d. Development standards for emergency shelters for the homeless located in Menlo Park will ensure that shelters would be developed in a manner which protects the health, safety and general welfare of nearby residents and businesses, while providing for the needs of a segment of the population as required by State law. Shelters shall be subject only to development, design review and management standards that apply to residential or commercial development in the same zone, except for the specific written and objective standards as allowed in State law.

### ***Implementing Programs***

- H3.A **Zone for Emergency Shelter for the Homeless.** The City will establish zoning to allow emergency shelters for the homeless as a permitted use in Public Facility zoned areas larger than 5 acres, where the property is located within one-quarter mile of a bus stop that provides service 7 days a week, since this could be considered a reasonable distance for a person to walk to/from a transit stop to/from a facility (see map on page 83). In addition, the City will establish written and objective standards **in the Zoning Ordinance** covering:
- a. Maximum number of beds;
  - b. Off-street parking based upon demonstrated need;
  - c. Size and location of on-site waiting and intake areas;
  - d. Provision of on-site management;
  - e. Proximity to other shelters;

- f. Length of stay;
- g. Lighting; and
- h. Security during hours when the shelter is open.

*Responsibility:* Planning Division; City Attorney; City Commissions; City Council  
*Financing:* General Fund  
*Objectives:* Zoning Ordinance amendment<sup>4</sup>  
*Timeframe:* 2013

**H3.B Zone for Transitional and Supportive Housing.**<sup>5</sup> Amend residential zones to specifically allow transitional and supportive housing, as required by State law, so they are treated as a residential use that will be subject **only** to the same **restrictions requirements** that apply to other residential uses **of the same type** in the same zone.

*Responsibility:* City Commissions; Planning Division; City Attorney; City Council  
*Financing:* General Fund  
*Objectives:* Zoning Ordinance amendment  
*Timeframe:* 2013

**H3.C Adopt Procedures for Reasonable Accommodation.** Establish internal review procedures **and/or** ordinance **modifications** to provide individuals with disabilities reasonable accommodation in rules, policies, practices and procedures that may be necessary to ensure equal access to housing. The purpose of these procedures **and/or** an ordinance **modifications** is to provide a process for individuals with disabilities to make requests for reasonable accommodation in regard to relief from the various land use, zoning, or building laws, rules, policies, practices and/or procedures of the City.

*Responsibility:* City Commissions; Planning Division; City Attorney; City Council  
*Financing:* General Fund  
*Objectives:* Zoning Ordinance amendment **and/or** administrative procedures approved; **create public handout**  
*Timeframe:* 2014

<sup>4</sup> There must be a realistic potential for redevelopment or reuse within the proposed zone and it must be an appropriate location for a shelter, with access to transportation and services. Within this zone, shelters must be permitted without a conditional use permit or other discretionary action and shelters must be subject to the same development and management standards as other residential or commercial uses within the same zone.

<sup>5</sup> (See definitions on page 20) **Supportive housing** is permanent rental housing linked to a range of support services designed to enable residents to maintain stable housing and lead fuller lives. This type of housing has no limit on length of stay, is occupied by the target population (such as low-income persons with disabilities and certain other disabled persons) and is linked to onsite or offsite services that assist the supportive housing resident in retaining the housing, improving his or her health status, and maximizing his or her ability to live and, when possible, work in the community. **Transitional housing** and transitional housing development mean rental housing operated under program requirements that call for the termination of assistance and recirculation of the assisted unit to another eligible program recipient at some predetermined future point in time, which shall be no less than six months. Transitional housing is a type of supportive housing used to facilitate the movement of homeless individuals and families to permanent housing. A homeless person may live in a transitional apartment for up to two-years while receiving supportive services that enable independent living.

**H3.D Encourage Rental Housing Assistance Programs.** Encourage the use of federal, state and local rental housing programs for special needs populations. Continue to publicize programs and work with the San Mateo County Department of Housing to implement the Section 8 Rental Assistance Program and, as appropriate, assist similar non-profit housing sponsor rental assistance programs. Information will be provided through implementation of Housing Element Program H1.D.

*Responsibility:* Planning Division; City Manager; San Mateo County Department of Housing and non-profit housing sponsors; U.S. Department of Housing and Urban Development (HUD).

*Financing:* Outside subsidy

*Objectives:* 235 extremely low and very low-income households provided assistance per year (assumes continued funding of program)<sup>6</sup>

*Timeframe:* Annually

**H3.E Investigate Possible Multi-Jurisdictional Emergency Shelter.** Pursuant to State law requirements, and as the opportunity arises, the City will consider participation in a multi-jurisdictional emergency shelter, should one be proposed in the future.<sup>7</sup>

*Responsibility:* City Commissions; Planning Division; City Manager; City Attorney; City Council

*Financing:* General Fund; other sources

*Objectives:* Construction of homeless facility (if determined feasible)

*Timeframe:* As the opportunity arises

**H3.F Assist in Providing Housing for Persons Living with Disabilities.** The City will continue to contribute financial support for the programs of the Center for the Independence of the Disabled and other non-profit groups that improve housing opportunities for disabled persons.

*Responsibility:* City Commissions; Planning Division; City Manager; City Attorney; City Council

*Financing:* General Fund; other sources

*Objectives:* Provision of housing and services for disabled persons

*Timeframe:* 2014

**H3.G Develop Incentives for Senior Housing.** The City will initiate a Zoning Ordinance amendment, including review of the R-L-U (Retirement Living Units) Zoning District, to ensure it is consistent with Housing Element policies and to provide a way to incentivize needed senior care facilities in the community. Emphasis will also be placed on ways

<sup>6</sup> Source of data Housing Leadership Council of San Mateo County (<http://www.hlcsmc.org/data/affordable-housing>) from the San Mateo County Department of Housing (Housing Authority)

<sup>7</sup> State law allows adjacent jurisdictions to collaborate on the provision of a homeless facility that meet both community's homeless needs.

necessary to facilitate the development of senior housing, especially, but not limited to, housing for seniors with very low, low and moderate incomes. Below are specifics:

- a. The regulations should address the housing for changing needs of seniors over time, including units for independent living and assisted living as well as skilled nursing facilities.
- b. The City will continue to allow the development and expansion of housing opportunities for the elderly through techniques such as smaller unit sizes, parking reduction and common dining facilities when sponsored by a non-profit organization and developed under the Retirement Living Unit (RLU) District provisions of the Zoning Ordinance.

*Responsibility:* City Commissions; Planning Division; City Manager; City Attorney; City Council  
*Financing:* General Fund; other sources  
*Objectives:* Zoning amendments and provision of housing and services for seniors  
*Timeframe:* 2014

**H3.H Continue Support for Countywide Homeless Programs.** The City will support activities intended to address homeless needs in San Mateo County. Below are specifics:

- a. The City will work with and support the Veteran’s Administration and Haven House emergency shelter programs.
- b. The City will continue to support Human Investment Project (HIP Housing) programs.<sup>8</sup>

*Responsibility:* City Commissions; Planning Division; City Manager; City Council; HIP Housing; Veteran’s Administration; InnVision Shelter Network  
*Financing:* General Fund; other sources  
*Objectives:* Provision of housing and services for the homeless and at risk persons and families  
*Timeframe:* 2014

<sup>8</sup> HIP Housing programs include home sharing, rental subsidies and case management for individuals and families. Home Sharing is a living arrangement in which two or more unrelated people share a home or apartment. Each has his/her private room and shares the common living areas. The Self-Sufficiency Program (SSP) provides housing assistance and support services to low-income families with clearly defined career and educational goals and motivation to become financially self-reliant within 12-24 months. Participants receive subsidized rents or a housing scholarship while they complete an education or job training program and find employment with an adequate income to support their families. While in the program, HIP Housing provides monthly case management and life skills workshops to encourage continued progress. HIP Housing and its affiliate organizations also develop new and acquire existing housing for use by HIP Housing’s programs or other income-qualified persons in the community. HIP Housing projects provide safe, secure housing for low- to moderate-income persons and families.

**H3.I Update the R-L-U (Retirement Living Units) Zoning District.** The City will review and update the R-L-U (Retirement Living Units) Zoning District to ensure it is consistent with Housing Element policies and to provide a way to incentivize needed senior care facilities in the community.

*Responsibility:* City Commissions; Planning Division; City Manager; City Attorney; City Council  
*Financing:* General Fund; other sources  
*Objectives:* Provision of housing and services for seniors  
*Timeframe:* 2014

**H3.I Establish Density Bonus and Other Incentives for Special Needs Housing.** The City will develop density bonus and other incentives for special needs housing (such as for persons living with disabilities). This program will be coordinated with Programs H3.G (Develop Incentives for Senior Housing) and Program **H4.C (Adopt Standards for an "Affordable Housing Overlay District")** H3.I (Update the R-L-U (Retirement Living Units) Zoning District.

*Responsibility:* City Commissions; Planning Division; City Manager; City Attorney; City Council  
*Financing:* General Fund; other sources  
*Objectives:* Provision of housing and services for disabled persons  
*Timeframe:* 2013

## Goal 4 — NEW HOUSING

### USE LAND EFFICIENTLY TO MEET HOUSING NEEDS FOR A VARIETY OF INCOME LEVELS, IMPLEMENT SUSTAINABLE DEVELOPMENT PRACTICES AND BLEND WELL-DESIGNED NEW HOUSING INTO THE COMMUNITY.

#### *Policies*

H4.1 **Housing Opportunity Areas.** Given the diminishing availability of developable land, the City will identify housing opportunity areas and sites where a special effort will be made to provide affordable housing consistent with other General Plan policies. Housing Opportunity Areas should have the following characteristics:

- a. The site has the potential to deliver sales or rental units at low or below market rate prices or rents.
- b. The site has the potential to meet special housing needs for local workers, single parents, seniors, small families or large families.
- c. The City has opportunities, through ownership or special development review, to facilitate provision of housing units to meet its housing objectives.
- d. The site scores well or has unique opportunities due to financing and/or financial feasibility.
- e. For sites with significant health and safety concerns, development may be tied to nearby physical improvements, and minimum density requirements may be reduced.
- f. Site development should consider school capacity and the relationship to the types of residential units proposed (i.e., housing seniors, small units, smaller workforce housing, etc. in school capacity impact areas).
- g. Consider incorporating existing viable commercial uses into the development of housing sites.

H4.2 **Housing to Address Local Housing Needs.** The City will strive to provide opportunities for new housing development to meet the City's fair share of its Regional Housing Needs Allocation (RHNA). In doing so, it is the City's intent to provide an adequate supply and variety of housing opportunities to meet the needs of Menlo Park's workforce and special needs populations, striving to match housing types, affordability and location, with household income.

**H4.3 Housing Design.** The City will review proposed new housing in order to achieve excellence in development design through an efficient process and will encourage infill development on vacant and underutilized sites that is harmonious with the character of Menlo Park residential neighborhoods. New construction in existing neighborhoods shall be designed to emphasize the preservation and improvement of the stability and character of the individual neighborhood.

The City will also encourage innovative design that creates housing opportunities that are complementary to the location of the development. It is the City's intent to enhance neighborhood identity and sense of community by ensuring that all new housing will (1) have a sensitive transition with the surrounding area, (2) avoid unreasonably affecting the privacy of neighboring properties, or (3) avoid impairing access to light and air of structures on neighboring properties.

**H4.4 Variety of Housing Choices.** In response to the broad range of housing needs in Menlo Park, the City will strive to achieve a mix of housing types, densities, affordability levels and designs. Specifics include:

- a. The City will work with developers of non-traditional and innovative housing approaches in financing, design, construction and types of housing that meet local housing needs.
- b. Housing opportunities for families with children should strive to provide necessary facilities nearby or on site.
- c. The City will encourage a mix of housing types, including: owner and rental housing, single and multiple-family housing, housing close to jobs and transit, mixed use housing, work force housing, special needs housing, single-room occupancy (SRO) housing, shared living and co-housing, manufactured housing, self-help or "sweat-equity" housing, cooperatives and assisted living.
- d. The City will support development of affordable, alternative living arrangements such as co-housing and "shared housing" (e.g., the Human Investment Project's — HIP Housing — shared housing program).

**H4.5 Density Bonuses and Other Incentives for Affordable Housing Development.** The City will use density bonuses and other incentives to help achieve housing goals while ensuring that potential impacts are considered and mitigated. This will include affordable housing overlay zoning provisions as an alternative to State Density Bonus Law.<sup>9</sup>

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<sup>9</sup> State density bonus law, Government Code Section 65915, was first enacted in 1979. The law requires local governments to provide density bonuses and other incentives to developers of affordable housing who



- H4.6 **Mixed Use Housing.** The City will encourage well-designed mixed-use developments (residential mixed with other uses) where residential use is appropriate to the setting. The City will develop incentives and to encourage mixed-use development in proximity to transit and services, such as at shopping centers and near to the downtown to support Downtown businesses (consistent with the El Camino Real/Downtown Specific Plan).
- H4.7 **Redevelopment of Commercial Shopping Areas and Sites.** The City will encourage the development of housing in conjunction with the redevelopment of commercial shopping areas and sites when it occurs as long as adequate space for retail services remain.
- H4.8 **Retention and Expansion of Multi-Family Sites at Medium and Higher Density.** The City will strive to protect and expand the supply and availability of multi-family and mixed-use infill housing sites for housing. When possible, the City will not avoid re-designating or rezoning multi-family residential land for other uses or to lower densities without re-designating equivalent land for higher density multi-family development.
- H4.9 **Long-Term Housing Affordability Controls.** The City will apply resale controls and rent and income restrictions to ensure that affordable housing provided through incentives and as a condition of development approval remains affordable over time to the income group for which it is intended. Inclusionary units shall be deed-restricted to maintain affordability on resale to the maximum extent possible (at least 55 years).
- H4.10 **Inclusionary Housing Approach.** To increase affordable housing construction, the City will require residential developments involving five (5) or more units to provide units or an in-lieu fee equivalent for very low, low and moderate-income housing. The units provided through this policy are intended for permanent occupancy and must be deed restricted, including but not limited to single-family housing, multi-family housing, condominiums, townhouses or land subdivisions.

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commit to providing a certain percentage of dwelling units to persons whose incomes do not exceed specific thresholds. Cities also must provide bonuses to certain developers of senior housing developments, and in response to certain donations of land and the inclusion of child care centers in some developments. Essentially, state density bonus law establishes that a residential project of five or more units that provides affordable or senior housing at specific affordability levels may be eligible for a “density bonus” to allow more dwelling units than otherwise allowed on the site by the applicable General Plan Land Use Map and Zoning. The density bonus may be approved only in conjunction with a development permit (i.e., tentative map, parcel map, use permit or design review). Under State law, a jurisdiction must provide a density bonus, and concessions and incentives will be granted at the applicant’s request based on specific criteria.

In addition, the City will require larger non-residential developments, as job generators, to participate in addressing housing needs in the community **through the City's commercial in-lieu fee requirements.**

**H4.11 Secondary Dwelling Units.** The City will encourage the development of well-designed new second units (e.g., carriage houses, attached independent living units, small detached living units) and the legalization of existing second units as an important way to provide affordable housing in combination with primary residential uses on low-density lots. Secondary dwelling units must be in compliance with adopted City standards.

**H4.12 Fair Share Distribution of Housing throughout Menlo Park.** The City will promote the distribution of new, higher density residential developments throughout the city, taking into consideration compatibility with surrounding existing residential uses, particularly near public transit and major transportation corridors in the city.

**H4.13 Preferences for Affordable Housing.** Consistent with Fair Housing laws, the City will establish **implement BMR housing preferences for people who live or work in Menlo Park.<sup>10</sup> to assist qualified school teachers, police and fire personnel, child care and health care workers and other public service employees on a project by project basis.**

### ***Implementing Programs***

**H4.A Modify Development Standards to Encourage Infill Housing.** Review and modify the following development standards based on the most up-to-date empirical studies to allow exceptions and incentives for infill housing located close to transit and services. This program will focus first on lots 10,000 square feet or greater around the El Camino Real/Downtown Specific Plan area. The program should then be considered for possible expansion to smaller lots at a later date.

- a. **Variable Density Standards.** Establish unit densities for studio and one-bedroom units based on "density unit equivalents" or the size of the unit.<sup>11</sup> **In addition, develop standards for single-room occupancy (SRO) units.**

<sup>10</sup> Link to Menlo Park BMR Guidelines:

<http://www.menlopark.org/departments/hsg/CurrentBMRGuidelinesMay2011.pdf>

<sup>11</sup> The City of Santa Barbara's Variable Density Program applies to multi-family housing in the City's R-3, R-4 and commercial zoning districts. It establishes "density unit equivalents" to encourage more small units and to discourage developers from developing only large units, and is intended to more appropriately reflect actual impacts of development as compared to a more generalized standard that calculates density based on dwelling units per gross acre regardless of the size or character of the dwelling unit. For example, a Studio unit is equal to 0.50 unit; One Bedroom unit equals 0.66 unit; Two Bedroom unit equals 1.00 unit; and Three or More Bedroom units equal 1.50 unit.

- b. **Zoning Standards and Development Requirements.** Review Zoning standards and requirements, including Floor Area Ratio (FAR), parking, density and other standards to encourage infill housing. Provide reduced parking standards to support affordable and senior housing development.<sup>12</sup> Modify the R-3 and R-4 districts requirements and/or create new zoning that would be appropriate for high-density housing. Provide for more flexible parking requirements that help to facilitate infill, affordable, transit-oriented and mixed-use development, while at the same time avoiding off-site parking impacts. Examples include joint use parking, off-site parking (currently allowed), allowances for reduced standards depending upon location (such as near transit), parking stall dimensions, “grandfathering” non-compliant buildings and uses, etc.
- c. ~~**Floor Area Ratio.** Amend the Zoning Ordinance to assure consistency between the General Plan and Zoning, and consider allowing greater FAR when housing is provided over commercial uses.~~
- e. ~~**Expedited**~~ **Expedite the Review Process and Consider Fee Waivers or Reductions.** Consider expedited review of affordable housing developments in developing requirements for infill development, identify and implement ways to shorten the review process (such as Program H4.I implementation to “Refine Multi-Family and Residential Mixed Use Design Guidelines”) and develop criteria for possible waivers or reductions of development fees where feasible.
- d. **Parcel Consolidation.** Promote parcel consolidation for the assembly of new housing sites to ensure minimum densities are achieved and integrated site planning occurs by (1) identifying priority sites for lot consolidation where common ownership occurs, (2) contacting property owners of contiguous vacant and underutilized sites, (3) conducting outreach to affordable housing developers, and (4) offering the incentives listed above to promote lot consolidation.
- e. **Work with Property Owners.** Conduct outreach with property owners to identify specific incentives for property owners to develop their properties with housing.

*Responsibility:* Planning Division; City Attorney; Planning Commission; City Council

*Financing:* General Fund

*Objectives:* Provide flexibility to encourage infill housing

*Timeframe:* 2013

<sup>12</sup> In the Bay Area, only 66 percent of low income households own cars, and an even lower percentage (53 percent of low-income workers) drive alone to work (Public Policy Institute of California, Research Brief, Issue 91). Many cities reduce parking requirements for affordable housing developments. According to a Marin County Inventory of Affordable Housing (2008), residents in income-restricted affordable rental units own fewer vehicles per household than Marin County residents as a whole. Information on vehicle ownership was provided for 924 households. Of these, 42 percent did not have a personal car. Just over half own one vehicle, and only seven percent own two or more vehicles. In Marin County as a whole, only five percent of all households do not have a personal vehicle, 35 percent own one car, and 60 percent own two or more vehicles. (NOTE: We are investigating studies conducted in San Mateo County and nearby cities)

**H4.B Modify R-2 Zoning to Maximize Unit Potential.** Modify R-2 zoning to tie floor area to dwelling units to minimize underutilization of R-2 zoned lots and maximize unit potential, unless unique features of a site prohibit additional units being constructed.

*Responsibility:* Planning Division; City Attorney; City Commissions; City Council  
*Financing:* General Fund  
*Objectives:* Minimize underutilization of R-2 development potential  
*Timeframe:* 2013

**H4.C Adopt Standards for an “Affordable Housing Overlay Zone.”** Amend the Menlo Park Zoning Ordinance to establish specific standards and incentives for an affordable housing overlay zone. Specific standards include densities, development standards incentives, parking, building heights, specified level of affordability, allowances for mixed use in order to provide services to residents of the development, etc.<sup>13</sup> The Affordable Housing Overlay Zone will be applied to housing opportunity sites in the El Camino Real/Downtown Specific Plan area and other key housing opportunity sites that could be designated under this zoning. The affordable housing overlay zoning would also be applicable to the Specific Plan area as a tool to achieve the public benefit densities for affordable housing.

*Responsibility:* City Commissions; Planning Division; City Attorney; City Council  
*Financing:* General Fund  
*Objectives:* Provide flexibility and incentives in the application of development standards for affordable projects  
*Timeframe:* 2013

**H4.D Implement Inclusionary Housing Regulations and Adopt Standards to Implement State Density Bonus Law.**<sup>14</sup> Continue to administer the Below Market Rate (BMR) Housing Program for Commercial and Industrial Developments and the Below Market Rate (BMR) Housing Program for Residential Developments. Review and amend the

<sup>13</sup> The City of Corte Madera offers a good example where a committee identified “high potential sites” linked to the City’s Affordable Housing Overlay zoning. The Affordable Housing Overlay zone removes barriers to housing development. The recently built San Clemente Place in Corte Madera, providing 79 affordable one-, two- and three- bedroom apartments on a 2.74 acre infill site was developed using the Affordable Housing Overlay zoning. The apartments rent to households earning between approximately \$12,000 and \$73,000. Corte Madera’s Affordable Housing Overlay Zone received HUD’s Robert L. Woodson Jr. Award.

<sup>14</sup> In *Palmer/Sixth Street Properties LP v. City of Los Angeles*, decided on July 22, 2009, the California Court of Appeal for the Second District held that a condition of approval requiring 60 affordable units in a 350-unit rental project violated the Costa-Hawkins Act, which allows landlords to establish the initial rental rate for a new unit. The Court also invalidated the City’s in lieu fee for the affordable rental units. The Court’s holding calls into question inclusionary requirements for new rental units. *Palmer* applies only to affordable housing requirements for new rental units and not to requirements for ownership units. In addition, Costa-Hawkins does not apply where the owner has agreed to provide affordable rents by contract in exchange for a financial contribution or one of the many incentives contained in state density bonus law (including regulatory and density incentives). However, communities with inclusionary ordinances should carefully review their provisions regarding affordable rental units to ensure that they do not conflict with Costa-Hawkins. (“Law Alert,” Goldfarb Lipman Attorneys, July 31, 2009).

Zoning Ordinance **as follows**: ~~to be consistent with State Density Bonus Law requirements as appropriate~~

- a. **Amend the Zoning Ordinance to be consistent with State Density Bonus Law requirements.**
- b. **Re-evaluate BMR program requirements to reduce the cost of providing BMR units and to encourage new BMR units to be built.**
- c. **Update the BMR fee nexus study.**

*Responsibility:* Planning Division; City Attorney; City Commissions; City Council

*Financing:* General Fund

*Objectives:* ~~Consistency with State law~~ **Affordable units in market rate developments and State Density Bonus Law incentives**

*Timeframe:* 2013

**H4.E Modify Second Dwelling Unit Development Standards and Permit Process.**

Continue to encourage second dwelling units,<sup>15</sup> and modify the City's current regulations **to include** reduction in minimum parcel size, allowances for larger second units, flexibility in height limits, reduced fees (possible reduction in both Planning/Building fees and impact fees as a result of the small size of the units), flexibility in how parking is provided on site and a greater City role in publicizing and providing guidance for the approval of second units. Specifics would be developed as part of program implementation.

*Responsibility:* City Commissions; Planning Division; City Attorney; City Council

*Financing:* General Fund

*Objectives:* **Adoption of Zoning Ordinance modifications concurrently with the Housing Element (10 new second units 2012-2014, with 5 per year) — ~~all low income~~ 3 very low, 4 low and 3 moderate income**

*Timeframe:* 2013

**H4.F Undertake Second Unit Amnesty Program.** Initiate an amnesty program for second units that do not have permits in order to increase the legal housing stock while **assurances are made of striving to ensure the** continued affordability of the **unit** housing, such as agreement to accept Section 8 vouchers **or other mechanisms**. A specific period of time will be allowed for owners of illegal units to register their units without incurring fines. The City will enact enforcement mechanisms to encourage owners of illegal units to upgrade them, provide additional parking and legalize them. Specific aspects of the program include:

<sup>15</sup> Studies conducted on second units conclude that many new second units will be affordable to lower income individuals, regardless of whether they are deed restricted. Some units are made available free of charge to employees or relatives, helping meet the need for extremely low-income households. In other cases, second units are often rented, below the market price typically charged for larger apartments.

- a. Conduct a study to determine the potential number of illegal second units in Menlo Park.
- b. Establish specific standards legalized units must meet to be legalized.
- c. Establish a specific window in time for the amnesty program to be implemented.
- d. Provide extensive community-wide publicity and targeted publicity for the legalization program.

*Responsibility:* Planning Division; Building Division; City Attorney; City Council  
*Financing:* General Fund  
*Objectives:* Adoption of procedures and requirements; 70 legalized second units by 2014 of which 35 would be considered “new” units towards the City’s RHNA (10 very low income, 15 low income and 10 moderate income units).  
*Timeframe:* 2014

**H4.G Implement First-Time Homebuyer Program.** The City will continue to offer to first-time, lower and moderate income-homebuyers down-payment assistance loans for homes purchased in the city.

*Responsibility:* Planning Division; City Attorney; City Commissions; City Council  
*Financing:* BMR Fund  
*Objectives:* 40 units assisted between 2007-2014.  
*Timeframe:* Through 2014

**H4.H Work with Non-Profits and Property Owners on High Potential Housing**

**Opportunity Sites.** Work with non-profits and property owners to seek opportunities for an affordable housing development. Undertake the following actions on selected sites (to be identified) to encourage development of multi-family, affordable housing:

- a. Work closely with non-profit housing developers and property owners to identify housing development opportunities, issues and needs.
- b. Select the most viable site or sites.
- c. Undertake community outreach as part of the rezoning and, as appropriate, in coordination with the potential developer and property owner.
- d. Use the affordable housing overlay zone (when adopted — see Program H4.C) to incentivize affordable housing on specific sites.
- e. Complete site-planning studies, continue community outreach, and undertake regulatory approvals in coordination with the development application.
- f. Facilitate development through regulatory incentives, including the establishment of housing as a “permitted use,” the reduction or waiver of City fees, enable the processing of affordable housing development proposals to, as best as possible, fit with the varied financing requirements for the affordable units, fast-track processing, use of affordable housing funds, implementation of other Housing Element Programs, and other assistance by City Planning staff in development review.
- g. Target sites in Downtown and surrounding infill areas and, especially properties

where lot consolidation is possible and provide incentives for lot consolidation and property redevelopment with housing.

- h. Investigate the potential for development of new housing on underutilized commercial and industrial sites, including the creation of residential overlay zoning, to allow for residential development in selected, underutilized industrial areas.
- i. Establish specific mechanisms to expedite processing of permits for housing projects that include on-site residential units affordable to persons of lower or moderate income. This may include granting priority in scheduling such proposals for public review and priority in plan check and subsequent issuance of building permits.
- j. Encourage the use of funding techniques such as mortgage revenue bonds, mortgage credit certificates, and low-income housing tax credits to facilitate the development of affordable housing.

*Responsibility:* City Commissions; Planning Division; City Attorney; City Council  
*Financing:* General Fund  
*Objectives:* Development of affordable housing  
*Timeframe:* Undertake items a-d, above, during 2013

~~H4.1 — **Remove Potential Constraints to Housing.** Based on the analysis provided in the Background section of the Housing Element, modify the following as potential constraints to housing development:~~

- ~~a. — Utilities installed in conjunction with new residential development shall be placed underground.~~
- ~~b. — Establish specific standards when the City Council may expedite processing of permits and fee waivers for housing projects that include units affordable to persons of lower or moderate income.~~
- ~~c. — Continue to work with the Fire District regarding fire sprinkler ordinance and other local amendments to the State Fire Code.~~
- ~~e. — The City will investigate potential changes to parking requirements for multi-family housing or housing in close proximity to public transportation and provisions for shared parking reductions with mixed use in order to facilitate the development of housing.~~
- ~~d. — Investigate the potential for development of new housing on underutilized commercial and industrial sites, including the creation of residential overlay zoning, to allow for residential development in selected, underutilized industrial areas.~~
- ~~e. — Establish specific mechanisms to expedite processing of permits for housing projects that include on-site residential units affordable to persons of lower or moderate income. This may include granting priority in scheduling such proposals for public review and priority in plan check and subsequent issuance of building permits.~~
- ~~f. — Local amendments to the California Building Code.~~
- ~~g. — Annual advertising of availability of BMR funds.~~
- ~~h. — Residential Multifamily and Residential Mixed Use Design Guidelines.~~



- i. Update to BMR fee nexus study.
- j. Allowing mixed use residential in Commercial zones.
- k. Others to be identified.

*Responsibility:* City Commissions; Planning Division; City Attorney; City Council  
*Financing:* General Fund  
*Objectives:* Elimination of appropriate constraints to housing  
*Timeframe:* 2013

**H4.I Refine Multi-Family and Residential Mixed Use Design Guidelines.** Provide more specific guidance in the appropriate design of multiple family and mixed use housing development. The intent would be to more clearly establish City expectations to make the design review process as efficient as possible.

*Responsibility:* City Commissions; Planning Division; City Attorney; City Council  
*Financing:* General Fund  
*Objectives:* Development of better design guidance for housing  
*Timeframe:* 2013

**H4.J Consider Surplus City-Owned Land for Housing.** The City will promote the development of housing on appropriate surplus City-owned land.

*Responsibility:* Planning Division; City Attorney; City Commissions; City Council  
*Financing:* General Fund  
*Objectives:* Identify opportunities for housing as they arise  
*Timeframe:* Through 2014

**H4.K Work with the Fire District to Remove Constraints to Housing.** Work with the Fire District on local amendments to the State Fire Code to pursue alternatives to standard requirements that would otherwise be a potential constraint to housing development and achievement of the City's housing goals.

*Responsibility:* Planning Division; Public Works; Building Division; City Attorney; City Commissions; City Council  
*Financing:* General Fund  
*Objectives:* Local Amendments to the State Fire Code  
*Timeframe:* Completion by 2014

**H4.L Coordinate with School Districts to Link Housing with School District Planning Activities.** Work with the four school districts in Menlo Park to coordinate demographic projections and school district needs as the Housing Element is implemented and housing is developed. Consistent with Policy H4.1, site development should consider school capacity and the relationship to the types of residential units proposed.

**Responsibility:** Planning Division; School Districts; City Manager; City Commissions; City Council  
**Financing:** General Fund  
**Objectives:** Coordination with school districts  
**Timeframe:** Ongoing with Housing Element program implementation

**H4.M Review the Subdivision Ordinance.** Review the Subdivision Ordinance to assure consistency with Housing Element policies and implementing actions and update the Ordinance to fully comply with the current Subdivision Map Act and streamline the review and approval process.

**Responsibility:** Planning Division; Public Works; Building Division; City Attorney; City Commissions; City Council  
**Financing:** General Fund  
**Objectives:** Modification to the Subdivision Ordinance as needed  
**Timeframe:** Completion by 2014

**H4.N Create Opportunities for Mixed Use Development.** Modify zoning to allow residential uses in the C-1-A zoning district and consider expansion of residential opportunities to other commercial districts (C-2, C-2-A, C-2-B, C-2-S and C-4) but as a later program action.

**Responsibility:** Planning Division; Public Works; Building Division; City Attorney; City Commissions; City Council  
**Financing:** General Fund  
**Objectives:** 30 new units by 2014 — all moderate income  
**Timeframe:** 2013

**H4.O Implement Actions in Support of High Potential Housing Opportunity Sites.** Undertake actions, including rezoning of adequate sites at 30 units or more per acre and the use of the Affordable Housing Overlay Zone (see Program H4.B) in support of affordable housing opportunities on high potential housing opportunity sites. Specific actions include:

- a. Rezone sites and modify the Zoning Ordinance to accommodate the City's Regional Housing Need Allocation (RHNA).
- b. Develop incentives for affordable housing as part of the Affordable Housing Overlay Zone (see Program H4.C).
- c. Develop internal City review procedures for affordable projects sponsored by non-profits to enable the processing of affordable housing development proposals to, as best as possible, fit with the varied financing requirements for the affordable units.

**Responsibility:** Planning Division; City Attorney; City Commissions; City Council  
**Financing:** General Fund  
**Objectives:** Consistency with State law Construction of affordable housing

*Timeframe:* and capacity to achieve the City's RHNA  
Rezoning and Zoning Ordinance modifications concurrent with  
adoption of the Housing Element

**H4.P Review Transportation Impact Analysis Guidelines.** Review the City's Transportation Impact Analysis (TIA) Guidelines to reduce the processing time for projects that are not exempt from CEQA.

*Responsibility:* Planning Division; Public Works; Building Division; City Attorney;  
City Commissions; City Council

*Financing:* General Fund

*Objectives:* Streamlining of transportation impact analysis and project review

*Timeframe:* 2014

**H4.M Adopt Standards for State Density Bonus Law.** Amend the Zoning Ordinance to be consistent with State Density Bonus Law requirements.

*Responsibility:* Planning Division; City Attorney; City Commissions; City Council

*Financing:* General Fund

*Objectives:* Consistency with State law

*Timeframe:* 2013

## Implementation Timeframe

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### **A** Overview

The Menlo Park Housing Element is built around preserving and enhancing residential neighborhoods, sustaining the community's character and environmental resources, and fulfilling unmet housing needs. The implementing programs in the Housing Element, as described in the previous section, are intended to address these concerns. In reviewing the list of programs, it is important to recognize two other concerns: (1) there is limited staffing and budget resources to undertake all of the programs listed immediately; and (2) some programs require other funding or actions to occur first.



This section covers all of the implementing programs described in the Housing Element, and represents the City's commitment to take an active leadership role in assuring the implementation of the programs described. It is also the City's intent to: (1) encourage public review and effective participation in all aspects of the planning process; and (2) assure annual review of the Housing Element in order to periodically revise and update this Action Plan as necessary to keep it effective.

## B Implementation Summary Table

Menlo Park Housing Element Programs	Time Frame	2007 - 2014 Housing Element Planning Period Target	Responsible Department or Agency	Source of Funding	
<b>Goal 1 Implementation Responsibilities</b>					
H1.A	Establish Work Priorities for Implementing Housing Element Programs	2013	Priorities for implementing Housing Element Programs	P; COM; CM; CC	GF
H1.B	Review the Housing Element Annually	2014	Review and monitoring of Housing Element implementation; submittal to HCD	P; COM; CM; CC	GF
H1.C	Publicize Fair Housing Laws and Respond to Discrimination Complaints	2013; respond to complaints	Obtain and distribute materials (see Program 1H.D)	P; CM	GF
H1.D	Provide Information on Housing Programs	Ongoing; annual outreach	Obtain and distribute materials	P	GF
H1.E	Community Outreach When Implementing Housing Element Programs	2013; 2014 program priorities	Conduct outreach and distribute information (see Programs H1.C and H1.D)	P	GF
H1.F	Work with the San Mateo County Department of Housing	Annually; Ongoing	Implement agreements and provide support	P; COM; CM; CC	GF
H1.G	Adopt an Anti-Discrimination Ordinance	2014	Code amendment	P; CA; COM; CC	GF
H1.H	Utilize the City's Below Market Rate (BMR) Housing Fund	Ongoing	Accumulation and distribution of funds for affordable housing	P; CA; COM; CM; CC	GF
H1.I	Work with Non-Profits on Housing	Ongoing	Working relationship with non-profits	P; CA; COM; CM; CC	GF
H1.J	Update the Housing Element	2014	To remain consistent with Housing Element law	P; CA; COM; CC	GF
H1.K	Address Rent Conflicts	Ongoing	Resolve rent conflicts	P; CA; COM; CM; CC	GF
<b>Goal 2 Existing Housing and Neighborhoods</b>					
H2.A	Adopt Ordinance for "At Risk" Units	2010; Ongoing thereafter	Protection of existing subsidized rental housing	P; CA; COM; CM; CC	GF
H2.B	Implement Energy Loan Programs and Improvements	Ongoing	25 homes	P	OF
H2.C	Amend Zoning to Protect Existing Housing	2014	Protection of existing rental housing	P; CA; COM; CC	GF
H2.D	Assist in Implementing Housing Rehabilitation Programs	2014	Loans to rehabilitate very low and low income housing	P	OF



Menlo Park Housing Element Programs	Time Frame	2007 - 2014 Housing Element Planning Period Target	Responsible Department or Agency	Source of Funding
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### Goal 3 Specialized Housing Needs

H3.A	Zone for Emergency Shelter for the Homeless	2013	Zoning Ordinance amendment	P; CA; COM; CC	GF
H3.B	Zone for Transitional and Supportive Housing	2013	Provision for transitional and supportive housing in the Zoning Ordinance	P; CA; COM; CC	GF
H3.C	Adopt Procedures for Reasonable Accommodation	2014	Zoning Ordinance amendment or administrative procedures	P; CA; CM; COM; CC	GF
H3.D	Encourage Rental Housing Assistance Programs	Annually	Rental assistance provided to extremely low, very low and low income Menlo Park residents.	P	OF
H3.E	Investigate Possible Multi-Jurisdictional Emergency Shelter	Ongoing	Construction of homeless facility (if feasible)	P; CA; CM; COM; CC	GF; OF
H3.F	Assist in Providing Housing for Persons Living with Disabilities	2014	Provision of housing and services for disabled persons	P; CA; COM; CC	GF
H3.G	Develop Incentives for Senior Housing	2014	Provision of housing and services for seniors	P; CA; COM; CC	GF
H3.H	Continue Support for Countywide Homeless Programs	2014	Provision of housing and services for homeless and at-risk persons and families	P; CA; CM; COM; CC	GF; OF
H3.I	Establish Density Bonus and Other Incentives for Special Needs Housing	2013	Provision of housing and services for disabled persons	P; CA; COM; CC	GF

### Goal 4 New Housing

H4.A	Modify Development Standards to Encourage Infill Housing	2013	Incentives for smaller units and infill housing close to downtown	P; CA; COM; CC	GF
H4.B	Modify R-2 Zoning to Maximize Unit Potential	2013	Maximize dwelling unit potential in R-2 zones	P; CA; COM; CC	
H4.C	Adopt Standards for an "Affordable Housing Overlay Zone"	2013	Incentives for affordable housing on housing opportunity sites	P; CA; CM; COM; CC	GF
H4.D	Implement Inclusionary Housing Regulations and Adopt Standards to Implement State Density Bonus Law	2013	Requirements for providing affordable housing and State Density Bonus law incentives	P; CA; COM; CC	GF
H4.E	Modify Second Dwelling Unit Development Standards and Permit Process	2013	3 very low, 4 low and 3 moderate income units	P; CA; CM; COM; CC	GF
H4.F	Undertake a Second Unit Amnesty Program	2014	10 very low, 15 low and 10 moderate income units	P; CA; CM; COM; CC	GF





Menlo Park Housing Element Programs		Time Frame	2007 - 2014 Housing Element Planning Period Target	Responsible Department or Agency	Source of Funding
H4.G	Implement First-Time Homebuyer Program	2014	40 units assisted	CED; CC	OF
H4.H	Work with Non-Profits and Property Owners on High Potential Housing Opportunity Sites	2013 and 2014	Development of affordable housing	P; CA; CM; COM; CC	GF; OF
H4.I	Refine Multi-Family and Residential Mixed Use Design Guidelines	2013	Better design guidance for development review	P; CA; CM; COM; CC	GF
H4.J	Consider Surplus City Land for Housing	2014	As opportunities arise provide opportunity for new housing	P; CA; CM; COM; CC; OA	GF; OF
H4.K	Work with the Fire District to Remove Constraints to Housing	2014	Local amendments to the State Fire Code	P; B; PW; CA; CM; COM; CC; OA	GF; OF
H4.L	Coordinate with School Districts to Link Housing with School District Planning Activities	Ongoing	Coordination and consideration of school capacity in planning for housing	P; CA; CM; COM; CC; OA	GF; OF
H4.M	Review the Subdivision Ordinance	2014	Modification to the Subdivision Ordinance	P; B; PW; CA; CM; COM; CC	GF
H4.N	Create Opportunities for Mixed Use Development	2013	30 moderate income units	P; B; PW; CA; CM; COM; CC	GF; OF
H4.O	Implement Actions in Support of High Potential Housing Opportunity Sites	2013	Zoning modifications concurrent with the Housing Element	P; CA; CM; COM; CC	GF; OF
H4.P	Review Transportation Impact Analysis Guidelines	2014	Streamlining of transportation impact analysis and project review	P; B; PW; CA; CM; COM; CC	GF

**Legend for the Implementation Summary Table**

ELI	Extremely Low Income Housing	CC	City Council
VL	Very Low Income Housing	PC	Planning Commission
Low	Low Income Housing	CM	City Manager
Mod	Moderate Income Housing	CA	City Attorney
Mod+	Above Moderate Income Housing	OA	Outside Agency or Organization
GF	General Fund	B	Building Division
OF	Outside Funding Source	PW	Public Works
COM	City Commissions	P	Planning



## Section IV

# Quantified Housing Objectives

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## **A** Overview

State law requires the Housing Element to include quantified objectives for the maximum number of units that can be constructed, rehabilitated or conserved. Policies and programs establish the strategies to achieve these objectives. The City's quantified objectives are described under each program, and represent the City's best effort in implementing each of



the programs. Assumptions are based on past program performance and funding availability, construction trends, land availability, and future programs that will enhance program effectiveness and achieve full implementation of the City's housing goals.

The new construction objectives shown in the table are based on ABAG Projections 2007 through 2014, the City's RHNA for the 2007-2014 planning period for very low, low and moderate income housing, historic trends, and expectations for new second units. Rehabilitation and conservation objectives are based on specific program targets, including such programs as use of Section 8 rental housing vouchers.

## **B** Quantified Objectives Summary Table

The table below summarizes the City's quantified objectives for housing during the 2007-2014 planning period.

### Menlo Park Quantified Objectives Summary

Income Category	New Construction	Rehabilitation	Conservation and Preservation
Extremely Low Income	---	---	---
Very Low Income	---	---	---
Low Income	---	---	---
Moderate Income	---	---	---
Above Moderate Income	---	---	---

In Process Draft

## Section V

# Background Overview

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## **A** Review of the 1992 Housing Element

The City has achieved many of the implementing action programs set out in the 1992 Housing Element. In some cases, time and opportunity hindered the accomplishment of some programs. When the Redevelopment Agency and redevelopment funding for housing programs was eliminated by the State of California in 2012, the City has continued to fund some programs through its General Fund. Attached in Appendix B is a matrix that lists all of the 1992 Housing Element programs and describes whether the program has been achieved and if it should be retained, deleted or modified. In this section, the focus is on particular successes of the 1992 Housing Element that should be carried forward and the lessons to be learned from the action programs not achieved.

### **Key Accomplishments of the 1992 Housing Element**

Many City actions have focused on ways for Menlo Park to address its housing needs not only for new affordable housing, but also improvement to the existing housing stock through implementation of housing rehabilitation programs assisting very low and low income residents. Collaboration with other agencies is also an essential part in achieving success in implementing the City's housing programs. Among the most effective programs implemented during the planning period to meet these regional and community needs were:

- (1) **Creation of Higher Density Housing Opportunities:** The Zoning Ordinance was amended in 1992 to create the R-4 district allowing for densities of 40 du/ac and, to date, applied to properties at 2160 Santa Cruz Avenue and 966-1002 Willow Road. In addition, in 2012, the City approved the El Camino Real/Downtown Specific Plan that puts zoning in place for up to 680 housing units and 474,000 square feet of non-residential uses based on a study of opportunity sites. The Zoning Ordinance was also amended in 2012 to incorporate the El Camino Real/Downtown Specific Plan, allowing for base densities of between 18.5 dwelling units per acre (du/ac) and 50 du/ac and public benefit bonus densities of between 25 du/ac and 60 du/ac. The 2012 El Camino Real/Downtown Specific Plan also studied an option for housing above structured parking on Parking Plaza #3 and mixed use projects on Parking Plaza #2 and portions of Parking Plazas #4 and #5. While ultimately not included in the Specific Plan, the Plan does include the development of up to two parking

garages on Plazas #1, #2 and/or #3, which could provide parking for future housing development in the downtown area.

- (2) **Implementation of the City's Below Market Rate (BMR) Housing Program:** The City revised the BMR Program during 2000-01 to decrease the project threshold size at which the BMR requirement applies to five units, and increase the percentage of required units to 15% for residential developments of 20 or more units. The City has continued to administer the BMR programs by collecting fees and working with developers to produce BMR housing units. As of June 30, 2012, the BMR Fund has \$ [REDACTED] for use towards the increase of affordable housing and 61 owner-occupied housing units in the BMR Program. Two additional BMR units are currently pending.
- (3) **Provision of Below Market Rate Housing:** Two projects were completed by non-profit developers, a new six-unit very low- and low-income rental project (Willow Court) and rehabilitation of a small multi-family rental property (1143 Willow Road). The City has entertained proposals for future non-profit housing development utilizing federal assistance, but to date (2012) no additional projects have resulted.
- (4) **Update of the City's Second Unit Ordinance:** The City amended the Zoning Ordinance in 2003, initiated by State law requirements (AB 1866) and intended to facilitate the creation of secondary dwelling units by streamlining the review process. Changes included (1) eliminating a requirement that sites for secondary units meet the minimum lot width and depth requirements of the underlying zoning district, (2) allowing ministerial approval of attached units, and (3) reducing the parking requirement to one space with flexibility subject to a use permit.
- (5) **Continued Funding Support for the Human Investment Project (HIP):** The City has continuously provided funding for HIP through its Redevelopment Agency. When the Redevelopment Agency and funding was eliminated by the State in 2012, the City continued to fund HIP through its General Fund. The City worked with HIP and contributed \$1.9 million from BMR funding for HIP to purchase a 12-unit apartment complex on Willow Road. Part of the funding package was County dedication of HOME funds.
- (6) **Implementation of Housing Rehabilitation Programs:** The City has continuously maintained rehabilitation and emergency repair programs for the upgrade of residential structures in the Belle Haven neighborhood. The City also

invested approximately \$10.5 million of redevelopment funds to assist in the redevelopment of land for 47 new single-family residences and a one-acre public park on Hamilton Avenue in the Belle Haven neighborhood. Additionally, in 2009 the City developed and implemented three new programs — Neighborhood Stabilization Program to acquire, rehabilitate, and resell foreclosed homes as BMR units; Foreclosure Prevention Program to help prevent foreclosures; and Habitat Revitalization Program to provide financial support for Habitat for Humanity to purchase and rehabilitate properties. All of the above noted programs have ended with the elimination of Redevelopment Agencies and funding by the State.

When the County reduced funding for the Single Family Ownership Rehabilitation Program (a program for the benefit of Menlo Park low and very low income families) in 2009, the City of Menlo Park dedicated part of the redevelopment housing set-aside for rehabilitation activities. With the dissolution of the Redevelopment Agency and funding, the City will no longer maintain rehabilitation programs. This was an ongoing program that ended with the State dissolution of the Redevelopment Agency and funding in 2012.

- (7) **Work with Other Agencies to Reduce Potential Constraints to Housing:** The City worked with the Fire District from 2002 to 2010 to revise the District's fire sprinkler ordinance to apply to additional structures. The 2010 Building Standards Codes included requirements similar to those being considered by the District and City and served to preempt the need for adoption of the revisions that were under consideration at the time.
- (8) **Implement Actions to Address Fair Housing:** Funding for fair housing actions has been funneled to Eden Council for Hope and Opportunity (ECHO). The City has continuously provided funding through its Redevelopment Agency. When the Redevelopment Agency and funding was eliminated by the State in 2012, the City continued to fund ECHO through its General Fund. This is an ongoing activity. Calls to the City are referred to ECHO for counseling and investigation. ECHO also provides direct fair housing education to Menlo Park residents.
- (9) **Creation of Special Needs Housing Opportunities:** Although this has been an ongoing policy, no new housing for seniors has been developed since 1992. A Senior Housing Needs Assessment was completed in 2008, specifying strategies for addressing housing needs into the future. The City has also continued to contribute financial support for the programs of the Center for the Independence of the Disabled and other non-profit groups that improve housing opportunities

for disabled persons. When the Redevelopment Agency and funding was eliminated by the State in 2012, the City continued to fund the Center for the Independence of the Disabled through its General Fund.

- (10) **Support for Emergency and Transitional Housing:** Thus far, the City has helped the Veteran's Administration (VA) by holding information meetings regarding development of the Clara-Mateo House for homeless veterans and others on the VA grounds. Haven House, a 23 unit transitional housing facility was completed during the 1999-2006 planning period. Previous homeless facilities on the VA grounds have recently been eliminated, but the VA prepared an RFP for the development of supportive housing on the grounds in 2011. A developer was selected and the entitlement process is ongoing in 2012.

## **B** Consistency with the Menlo Park General Plan

The Menlo Park General Plan serves as the 'constitution' for development in the city. It is a long-range planning document that describes goals, policies and programs to guide decision-making. All development-related decisions must be consistent with the City of Menlo Park General Plan, of which the Housing Element is but one part. If a development proposal is not consistent with a city's general plan, it must be revised or the plan itself must be amended. State law requires a community's general plan to be internally consistent. This means that the Housing Element, although subject to special requirements and a different schedule of updates, must function as an integral part of the overall Menlo Park General Plan, with consistency between it and the other General Plan elements.

As part of the Housing Element update and Environmental Assessment of the update will be a series of consistency modifications to the City of Menlo Park General Plan. The consistency modifications are intended to ensure that any potential impediments to implementation of the Housing Element are addressed in the other elements of the General Plan. *(The City is pursuing these modifications concurrently with review and adoption of the Housing Element).*

## Section VI

# Housing Conditions and Trends

## A Overall Housing Needs

### Population Growth

Menlo Park's population was estimated at 32,513 in January 2012 (CA Department of Finance). The population grew about four percent from 2000 to 2010, well below the peak growth of 9.8 percent in the 1990's. In contrast, the four percent growth rate was more than double the overall growth rate for San Mateo County, but less than half the growth rate of the state. Santa Clara County's population growth rate was 5.9 percent from 2000 to 2010.

	Menlo Park	San Mateo County	California
2010 Population	32,026	718,451	37,253,956
2000 Population	30,785	707,161	33,871,648
1990 Population	28,040	649,623	29,760,021
Population Growth (2000 - 2010)	4.0%	1.6%	10%
Population Growth (1990 - 2000)	9.8%	8.9%	14%

Sources: 2010 U.S. Census, 2000 U.S. Census, 1990 US Census

	2000 Population	2010 Population	Growth Rate
Atherton	7,194	6,914	-3.9%
Belmont	25,123	25,835	2.8%
Brisbane	3,597	4,282	19%
Burlingame	28,158	28,806	2.3%
Colma	1,191	1,792	50%
East Palo Alto	29,506	28,155	-4.6%
Foster City	28,803	30,567	6.1%
Half Moon Bay	11,842	11,324	-4.4%
Hillsborough	10,825	10,825	0.0%
Menlo Park	30,785	32,026	4.0%
Mountain View	70,708	74,066	4.7%
Palo Alto	58,598	64,403	9.9%
Portola Valley	4,462	4,353	-2.4%
Redwood City	75,402	76,815	1.9%
San Carlos	27,718	28,406	2.5%
San Mateo City	92,482	97,207	5.1%
Woodside	5,352	5,287	-1.2%

Sources: 2000 and 2010 Census



## Population Age

Menlo Park, like the state and nation as a whole, has an increasing senior population as baby boomers near retirement age. From 2000 to 2010, the median age increased from 37.4 to 38.7, slightly older than the median age in California, which was 35.2 in 2012. Presented another way, in 2000, 39 percent of the population was between the age of 20 and 44. However, by 2010, this number had dropped to 34 percent of the population. Correspondingly, the number of residents between the ages of 45 and 65 increased from 21 to 26 percent of the population.

	Menlo Park	San Mateo County	California
19 and under	26%	24%	28%
20s	11%	12%	15%
30s	15%	15%	14%
40s	16%	15%	14%
50s	12%	14%	13%
60s	9%	10%	8%
70s	5.5%	5.3%	4.7%
80s +	5.1%	4.1%	3.2%
Median Age	38.7	39.3	35.2

Source: 2010 U.S. Census

## Families and Household Size

In 2000, 57 percent of the population was made up of families. By 2010, that number had increased to 61 percent of the population. This was significantly lower than the state, where 69 percent of households were families, and the county, where 68 percent of households were families in 2010.

The average household size in Menlo Park was 2.4 in 2000 and 2.5 in 2010. This is smaller than the state and county average. A single person lived in 22 percent of owner occupied homes and 39 percent of renter occupied homes. There were fewer large households, five or more people, in San Mateo County than in county or state. Not surprisingly, large families tend to own their homes. Almost 29 percent of owner occupied homes were large households while only 17 percent of renter occupied homes were large households.

	Menlo Park	San Mateo County	California
Average Household Size 2010	2.5	2.8	2.9
Single Person Households	30%	25%	23%
Large Households (5+ people)	10%	13%	16%

Source: 2010 U.S. Census

Almost one quarter of residents, 24 percent, were born in a different country. Some of these residents, approximately five percent of households, are linguistically isolated, where no one over the age of 14 speaks English well. The language spoken by these families varies greatly, with Spanish, Asian languages and other European languages the most common.

## People Moving

Menlo Park is an attractive location for families because of the good school districts and for Silicon Valley workers because of proximity to jobs. Consequently, many young people have moved into the city. Between 2000 and 2010, about 1,875 people in their 20's and 30s have moved to Menlo Park.

Older families are more likely to move out of Menlo Park. This may be because their children finish school and they are looking to trade down to a smaller home. Or, because they want to cash out the equity they have in their homes. About 1,740 people in their 40's, 50's and 60's moved out of Menlo Park between 2000 and 2010, with more than half of this number coming from people in their 40s.

Women in their 80's also were particularly likely to move out, with approximately 200 people in that age group who moved out between 2000 and 2010. Percentage wise, 17 percent of the women in their 80's moved out of Menlo Park between 2000-2010.

## Race and Ethnicity

In 2010, Menlo Park was approximately 74 percent White, 13 percent Asian, and less than six percent African American. Approximately 18 percent of Menlo Park's population is Latino/Hispanic (which is measured separately and not considered a race by the US Census). Statewide, the Latino/Hispanic population was 38 percent in 2010.

	Menlo Park	San Mateo County	California
White	74%	57%	62%
Asian	13%	28%	15%
African American	5.7%	3.7%	7%
Other	13%	15%	22%
Hispanic	18%	25%	38%
Non-Hispanic	81%	16%	62%

*Source: 2010 U.S. Census. (Note: Some people chose more than one race so total add up to more than 100 percent).*

## Elderly

As described above, Menlo Park has a higher percentage of seniors than the county or the state. In 2010, there were approximately 4,580 seniors (age 65 plus) in Menlo Park. Approximately 920 were 85 or older. This is a decrease from 2000, when there were

approximately 4,890 senior households. Approximately nine percent of Menlo Park residents are in their 60's, 5.5 percent are in their 70's and 5.1 percent are in their 80's or older.

In 2000, the last year data was accessible, there were just over 800 senior renter households in Menlo Park and 68 percent of them were paying more than 30 percent of their income in rent. There were approximately 2,400 senior owner households and one quarter of them were overpaying for housing. Approximately 43 percent of senior renter households were lower income and almost all of these residents were overpaying.

Seniors income tends to decline as they age. Young seniors often have some retirement savings or employment income that can supplement social security. More than 42 percent of seniors in the 65-74 age bracket worked in the past year, while only 10 percent of seniors age 75 or more worked. Older seniors are more likely to use up their savings and therefore are more likely to live in poverty.

Younger seniors tend to need less support. Most prefer to stay in their home for as long as they can. They may benefit from programs to help them rehabilitate their homes to make them better for people to age in place. Older seniors often are unable to maintain a single family home and look to move to a smaller home or some type of senior living development. Senior renters are particularly at risk for displacement because their incomes are decreasing while their housing expenses are increasing.

Senior Income	Menlo Park Households	
	Owner	Renter
Extremely Low Income	27%	10%
Very Low Income	25%	12%
Low Income	18%	17%
Moderate Income	29%	62%
Total Households	804	2,376

Source: HUD CHAS 2000

Head of Household Age	Menlo Park Households	
	Owner	Renter
65-74	1,017	318
75-84	714	250
85 +	433	202

Source: HUD CHAS 2000

## Employment, Income and Poverty

Menlo Park residents tend to be well educated. Over 93 percent of residents had at least a high school or college degree in 2010 and almost 70 percent had at least a college

degree. Approximately 68 percent of residents age 16 and older were in the work force in 2010, nearly identical to the county rate and a few percentage points higher than the state rate.

Most residents who are in the workforce, 66 percent, were in “management, business, science and arts occupations” significantly more than the rate in San Mateo County or the state. The Census Bureau also analyzes employment by industry. Many Menlo Park residents (28 percent) work in education, health care or social assistance. The next most common category, with 23 percent of residents, is professional, scientific and management industries.

The median salary for residents was just under \$107,900. Slightly over six percent of residents were below the poverty line in 2010. Two of the groups most likely to be poor are seniors and single mothers. Single mothers with children had a poverty rate of more than 18 percent. Seniors had a poverty rate of six or seven percent, depending on their age. Only about one percent households received food stamps.

	Menlo Park	San Mateo County	California
Median income	107,860	85,648	60,883
Percent of Families with Children Who Are Below Poverty Line	5.1%	6.9%	15%
<b>Occupations</b>			
Management, business, science, and arts occupations	66%	43%	36%
Service occupations	11%	17%	17%
Sales and office occupations	17%	25%	25%
Natural resources, construction, and maintenance occupations	3.4%	7.3%	9.9%
Production, transportation, and material moving occupations	2.6%	7.5%	11%

Source: 2010 ACS

## Employee Demographics

It is interesting to look at the characteristics of people who work in Menlo Park. The workforce is diverse and does not fit neatly into stereotypes. One pronounced difference between Menlo Park residents and employees is that the workforce is made up of people of all economic levels, while Menlo Park tends to be significantly higher income. Overall, the workforce is more diverse (less likely to be white and more likely to be Asian). While still well educated, the work force is less likely to have a college degree (18% of employees had a high school degree or less). The workforce is made up of people of all ages. Approximately, 18 percent of the workforce was under 30, 63 percent are 30-54 and 20 percent are over 55.

In Menlo Park in 2010, eleven percent of the work force made less than \$15,000 a year. Twenty percent made between \$15,000 and \$40,000 and 68 percent made more than \$40,000. As detailed in the housing need section, between 2005 and 2025, 40 percent of new homes in San Mateo county need to be affordable to lower income residents to match the need created by new jobs (San Mateo County Housing Needs Study).

Salary	Percent of Workforce
Under \$15,000	11%
\$15,000-\$39,999	20%
Over \$40,000	68%

Source: US Census Bureau, Longitudinal Employer-Household Dynamics Survey.

## General Housing Characteristics

There were approximately 13,300 homes in Menlo Park in 2010. This is a 4.5 percent increase from 2000. This rate is slightly higher than the 3.6 percent growth rate for San Mateo County but significantly less than the eleven percent growth rate for the state as a whole. However, it is important to remember that the housing growth rate for San Mateo County was the lowest in the entire state from 2000 to 2010.

	Menlo Park	San Mateo County	California
Number of Homes 2010	13,313	270,039	13,552,624
Number of Homes 2000	12,738	260,576	12,214,549
Percent Change 2000-2010	4.5%	3.6%	11%
Single family (detached)	55%	57%	58%
Single family (attached)	8%	9.2%	7.1%
2 units	3.0%	2.1%	2.6%
3 - 4 units	10%	4.4%	5.6%
5 - 9 units	6.6%	6.5%	6.1%
10 -19 units	6.3%	5.7%	5.3%
20+ units	11%	13%	11%
Mobile homes	<1%	1.0%	3.9%
Homeowner vacancy rate	0.7	1.0	2.2
Rental vacancy rate	3.4	4.2	5.0
Ownership rate	57%	61%	58%

Source: 2010 ACS

Approximately 55 percent of homes were single family detached in 2010. Ten percent of homes were in buildings with three or four units. Another 11 percent were in large complexes, with 20 or more units. The rest were between 5 and 19 units. In 2010, 57 percent of homes in Menlo Park were owner-occupied, the same rate as 2000. This is slightly lower than the rate for San Mateo County (61 percent) and the state (58 percent). Vacancy rates in Menlo Park are low. Approximately 3.4 percent of rental units

were vacant in 2010, which is considered a tight market based on routine turnover of apartments.

## Year Structure Built and Condition

Menlo Park has many neighborhoods, some newer and some older. Overall, almost 30 percent of Menlo Park homes were built in the 1950s. Approximately 15 percent were built between 1980 and today. Ten percent of homes are at least 80 years old.

Year Built	Menlo Park	
	Number	Percent
2000s	248	3.7%
1990s	730	5.5%
1980s	732	5.5%
1970s	2,055	15%
1960s	1,912	14%
1950s	3,869	29%
1940s	2,204	17%
Before 1940s	1,316	10%

Source: 2010 ACS

## Home Prices

The median home price in Menlo Park was just under \$1.1 million in July 2012. This is a 12 percent increase from last year. The median value of a single family house was over \$1.2 million in July 2010. The price of condominiums was (relatively) more affordable, at \$634,000, which was an 8.1 percent increase from last year. The median home in Menlo Park has regained some of its value from before the crash. At the high point in 2007, the median Menlo Park home was worth \$1.19 million. Adjusted for inflation to 2012 dollars, this translates to \$1.31 million, twelve percent more than today (Sources: All home price data from Zillow.com unless otherwise stated and inflation data from Bureau of Labor Statistics).

The median home price in San Mateo County in 2012 was \$634,000 and for the state was \$301,000. In Santa Clara County, the median home price was \$588,000. Menlo Park's home prices have increased in real dollar terms over the last ten years, while the prices for the state and the county as a whole have not.

The median rental price for single-family homes was \$4,239 per month in June 2012. For multi-family apartments, the price was \$2,803. Adjusted for size, the median price was \$2.27 per square foot. The US Census listed the median rent figure as \$1,710 in 2010. The census listed San Mateo County median rent as \$1,443 and the state's as \$1,147. A Craigslist survey of all Menlo Park apartments found a median price of \$3,555 (conducted Aug 31, 2012). The median price for various size apartments was as follows:

- 0-1 bedroom      \$2,387
- 2 bedrooms        \$3,262
- 3 bedrooms        \$3,900
- 4+ bedrooms      \$6,675

	Menlo Park	San Mateo County	California
2012 Median Home Price (July)*	\$1.15 million	\$634,000	\$301,000
2002 Median Home Price (adjusted for inflation to 2010 dollars**) (Oct)*	\$1.04 million	\$710,600	\$370,600
10 Year Change (adjusted for inflation)	11%	-11%	-19%

Sources: \* All data from Zillow, as viewed on August 31, 2012, \*\* Based on BLS consumer price index calculator

## Affordability

Because Menlo Park's housing is so expensive, many people have to stretch to make their monthly rent payment. Also, many people who work in Menlo Park cannot afford to live in the city. There are a number of consequences of the lack of affordable housing in Menlo Park and Silicon Valley. People who work in the community are forced to commute long distances. Children and senior citizens may not be able to afford to live in the community where they grew up or grew old. And the long commutes clog our highways and contribute to climate change.

To afford the median priced home in Menlo Park, a family would need to make more than \$260,000. To afford a home that rents at \$3,000 a month, a family would need to make more than \$125,000. Most jobs in Menlo Park and the region don't pay this. The difference between what the workforce and the community can take it and what the prices are for homes is called an affordability gap – and this gap is significant in Menlo Park.

The general rule of thumb is that a household should not spend more than 30 percent of their income on housing. If they do, they are referred to as cost burdened. Many people in Menlo Park are cost burdened to some degree, but it is worse for certain groups. Seniors, large families, low and moderate-income households, and single parent households are most at risk. Households who are cost burdened may be forced to move from their communities or be unable to pay for necessities.

Approximately 68 percent of senior renters, 57 percent of large family renters, and 33 percent of the general Menlo Park population, are cost burdened. Using the 30 percent rule, we can estimate how much home people can spend on housing. The table below and the figure that follows help demonstrate this.



<b>Income Level Name</b>	<b>Income Level Range</b>	<b>Maximum Sale Price for Home Purchase</b>	<b>Maximum Rental Price</b>
Extremely Low Income	Under \$30,481	\$125,600	\$762
Very Low Income	\$30,481-\$53,400	\$220,200	\$1,335
Low Income	\$53,401 - \$85,450	\$309,900	\$2,136
Moderate Income	\$85,451 - \$111,750	\$405,300	\$2,794
Above Moderate Income	\$111,750 +	---	---

Assumptions: Mortgage at 4% interest, 30 year fixed rate loan. Property tax at 1% and homeowners insurance at 0.25% of home value. Down payment based on 50% of annual salary. Maximum front-end ratio of 28% and no other debts.

At this price, homes are unaffordable to much of the workforce. Based on the jobs expected in San Mateo County, the workforce housing needs to accommodate all income levels are shown in the table below.

<b>Income Level Name</b>	<b>New Housing Need Based on New Jobs in San Mateo County</b>	<b>Percent of Recently Sold Homes Available to Different Income Levels</b>
Extremely Low Income	8%	0%
Very Low Income	13%	<1%
Low Income	22%	5%
Moderate Income	14%	12%
Above Moderate Income	44%	--

Source: Zillow database of 1540 recently sold homes accessed on Sep 4<sup>th</sup>, 2012. Homes not sold "at arms length" (e.g. sold for \$1) not included.

## Overcrowding

One consequence of high housing prices is overcrowding. The general standard is that if there is more than 1 person per room the home is overcrowded. If there are more than 1.5 people per room it is considered severely overcrowded. Because this standard uses rooms<sup>16</sup> (not bedrooms), two people can share a one-bedroom apartment and not be overcrowded. Menlo Park had an overcrowding rate of 2.8 percent and a severe overcrowding rate of 1.5 percent in 2010. Overcrowding was significantly worse for renters. The Census estimated 168 overcrowded owner households and 533 overcrowded renter households.

<sup>16</sup> Kitchens, bathrooms and hallways are excluded from the calculations.

Income Level Name	Renters	Owners	Total
Not Overcrowded	93%	98%	96%
Overcrowded	4.7%	1.4%	2.8%
Severely Overcrowded	2.3%	0.9%	1.5%

Source: 2010 ACS

## Housing Stock Condition

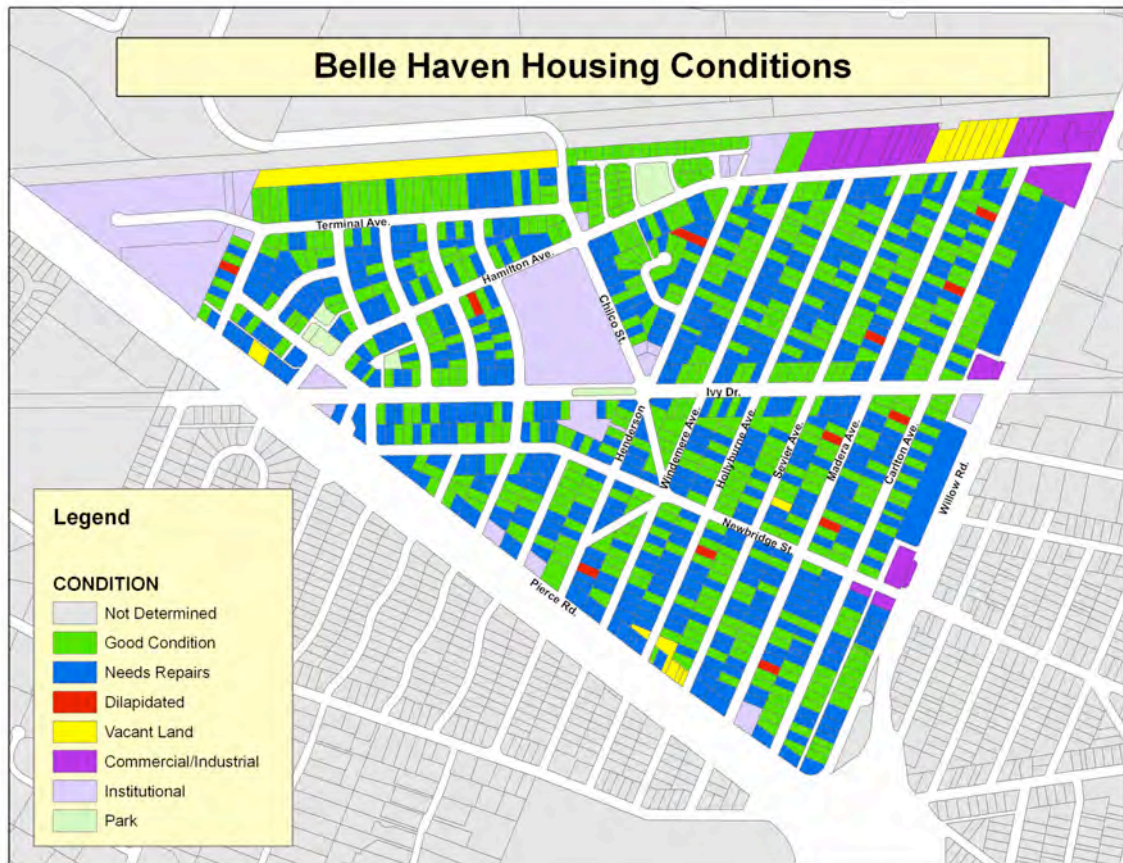
The condition of the housing stock in Menlo Park is generally good, with the exception of individual units that are scattered around the city and a small concentration of units in poor condition within the Belle Haven neighborhood.

The best way to learn about the condition of homes is to do a physical survey of a neighborhood. Additionally, sometimes jurisdictions use census data to look at homes that do not have complete plumbing or kitchen facilities. In Menlo Park, the 2010 ACS survey found no homes that lacked complete plumbing facilities and 22 homes (0.2%) that lacked complete kitchens. Sometimes, older homes are more at risk for disrepair. The age of homes is detailed above, but because many homes in Menlo Park have been updated, there is not much connection between age and condition.

The map on the following page shows the results of a housing condition survey conducted in the Belle Haven community in October 2008. Of 1,009 housing units surveyed in the neighborhood, 492 (48.76%) were judged to be in good condition. This number included the 47 newly completed homes from the Hamilton Park development.

Five hundred and four homes (50 percent) were determined to need repairs, often fairly extensive. The methodology for classifying these homes was based on some exterior clues that suggested the extent to which they had been maintained or updated over the years. The first exterior clue was the size of the mast and weather head through which electrical service enters the home. The original mast was a one-inch pipe. If the original weather head was still in service, it suggests that the home still has the original knob and tube wiring and an antiquated electrical service. If the electrical service has been upgraded to accommodate the load capacity requirements for a modern house, the weather head would likely have been replaced with a new, larger mast and weather head. Also, if the old wiring has not been replaced, it is likely that the home has no insulation in the walls. Poorly insulated homes are not only not energy efficient, but lead to conditions that can result in the cultivation of mold on or in the walls, which can have impacts on the health of the occupants.

The second exterior clue that was employed was the type of windows on the unit. The original single-glaze wood or metal -framed windows are not energy efficient and condensation forms on the inside during cold weather. The condensation can pool on the window stool, eventually causing rot in the wood and mold growth around the window and in the walls below it. Where windows have been replaced with double-glaze, condensation is less common.



Thirteen homes were classified as dilapidated, suggesting the need for major rehabilitation or demolition. Several vacant lots were also identified in the neighborhood.

## **B** Special Housing Needs

### **Persons Living with Disabilities**

Approximately seven percent of residents in Menlo Park had a disability, as defined by the US Census. The Census Bureau defines disability as, “A long-lasting physical, mental, or emotional condition. This condition can make it difficult for a person to do activities such as walking, climbing stairs, dressing, bathing, learning, or remembering. This condition can also impede a person from being able to go outside the home alone or to work at a job or business.” Not surprisingly, people over 65 are much more likely to have a disability. Over 29 percent of seniors have some type of disability.

<b>Type of Disability</b>	<b>Percent of Population with Disability</b>	
	<b>Overall</b>	<b>Seniors</b>
Any Disability	7.3%	29%
Hearing	2.1%	10%
Vision	1.2%	3.4%
Cognitive	1.8%	5.2%
Ambulatory	3.2%	17%
Self-care	1.1%	6.2%
Disability the prevents independent living	2.3%	12%

*Source: 2007-2010 ACS*

People with disabilities may have unique housing needs. Fair housing laws and subsequent federal and state legislation require all cities and counties to further housing opportunities by identifying and removing constraints to the development of housing for individuals with disabilities, including local land use and zoning barriers, and to also provide reasonable accommodation as one method of advancing equal access to housing.

The Fair Housing laws require that cities and counties provide flexibility or even waive certain requirements when it is necessary to eliminate barriers to housing opportunities for people with disabilities. An example of such a request might be to place a ramp in a front yard to provide access from the street to the front door. The State Attorney General, in a letter to the City of Los Angeles in May 2001, stated that local governments have an affirmative duty under fair housing laws to provide reasonable accommodation and “It is becoming increasingly important that a process be made available for handling such requests that operates promptly and efficiently.” He advised jurisdictions not to use existing variance or conditional use permit processes because they do not provide the correct standard for making fair housing determinations and because the public process

used in making entitlement determinations fosters opposition to much needed housing for individuals with disabilities.

A fundamental characteristic of a fair housing reasonable accommodation procedure is the establishment of appropriate findings that reflect the intent and specific language of both the federal and state fair housing statutes. In this regard, it is somewhat different than traditional or typical zoning cases because here the focus of review is the need of the individual with disabilities to overcome barriers to housing, not on the topography of the site or the unique character of the lot. The focus here is solely on the special need of the individual to utilize his or her home or dwelling unit, which is directly related to the individual's disability. It is this reasoning that underlies the Attorney General's warning not to utilize variance criteria for such determinations.

### Large Families

In 2010, eleven percent of owners and seven percent of renters were large families. Large families were significantly more likely to be poor than smaller families. Over 40 percent of large families were below the poverty line in 2010.

<b>Overcrowding</b>	<b>1-4 persons</b>	<b>5+ Persons</b>
Not Overcrowded	89%	11%
Overcrowded	92%	7.4%
<b>Income Level</b>		
Extremely Low Income	5.7%	9.5%
Very Low Income	3.4%	15%
Low Income	9.4%	7%
Moderate Income or Above	82%	59%
Total Households	4,716	1,030

Source: 2006-1010 ACS, 2000 CHAS

<b>Income Level Name</b>	<b>Renters</b>	<b>Owners</b>	<b>Total</b>
0 Bedrooms	0.1%	1.8%	0.8%
1 Bedroom	2.3%	35%	16%
2 Bedrooms	20%	44%	30%
3 Bedrooms	51%	14%	35%
4 Bedrooms	21%	5%	14%
5 + Bedrooms	7%	0%	3.9%
Total Households	7,358	5,243	12,601

Source: 2010 ACS

## Definition of Family

Menlo Park's definition of family does not discriminate against large families. Specifically, the definition is "A group of individuals living together in a dwelling unit as a single housekeeping unit under a common housekeeping management plan based on an internally structured relationship providing organization and stability."

## C Homeless Needs

In 2005-2006, a countywide group of diverse stakeholders undertook an intensive community-based planning process to develop a plan to end homelessness in San Mateo County. The end result – entitled "Housing Our People Effectively (HOPE): Ending Homelessness in San Mateo County" ("the HOPE Plan") – lays out concrete strategies designed to end homelessness in our community within 10 years. The report incorporates the experiences and expertise of over 200 stakeholders, including members of the business, nonprofit and government sectors. These stakeholders met in working groups over a period of 12 months to develop the recommendations in the plan. Homeless and formerly homeless persons were represented in the working groups, as well as in several focus groups conducted in emergency shelters and transitional housing programs. The result of this year-long community planning process was the finalized HOPE Plan, which was completed in March 2006.

One of the key strategies for ending homelessness laid out in the HOPE Plan is to increase the supply of permanent affordable and supportive housing for people who are homeless and develop strategies to help them to move into permanent housing as rapidly as possible (a "housing first" or "rapid re-housing" approach). The HOPE Plan intentionally made no recommendation to expand the supply of emergency or transitional housing. Although the HOPE planners recognized that there is a lack of needed resources throughout the housing continuum, including emergency and transitional housing, the greatest need and the most effective use of new and/or redirected resources is for creating and sustaining quality affordable housing and supportive housing.

## Homeless Count and Demographics

Every other year, San Mateo County along with many other stakeholders, conducts a homeless count. Conducted on January 26, 2011, they found 72 (unsheltered) homeless people living in Menlo Park as well as 168 homeless residents in shelters, institutions, motel voucher programs, etc.



<b>Homeless Population</b>	
Unsheltered	72
Sheltered	168

There is no data presently available documenting the increased level of demand for shelter in San Mateo County during particular times of the year. Due to the relatively mild climate, the only time of year when increased demand appears to be a factor is during the winter months (December to February). During extremely cold periods, some shelters set up additional cots to accommodate increased demand for shelter and the County periodically opens special “warming shelters” during extended cold spells. Anecdotal evidence suggests that this additional capacity is sufficient to meet the need during these periods.

Additionally, it should be noted that the biannual homeless count always takes place in the last week of January, which is a period of time when demand for shelter typically is at its highest. Since the year-round need described above is based on that biannual count, we therefore believe that the seasonal need for emergency shelter is no greater than the year-round need.

As part of the planning process for the HOPE Plan, a working group was convened to develop an estimate of the number of supportive housing units that would have to be developed to meet the housing needs of all the homeless people in San Mateo County. This working group drew from best practices in the field of supportive housing as well as the expertise of local housing and shelter providers to develop their methodology. The result was an estimate that San Mateo County needed to create 1,682 units of supportive housing for homeless people during the 10-year period from 2006 to 2015. In the two years since the plan was published, 34 supportive housing units for homeless people have been created, leaving a balance of 1,648 units needed.



<b>Homeless Characteristics</b>	<b>Percent</b>
<b>Age</b>	
18-21 years	2.9%
22-30 years	15%
31-40 years	22%
41-50 years	32%
51-60 years	23%
More than 60 years	5.1%
<b>Race</b>	
White/Caucasian	41%
Black/African American	31%
Hispanic/Latino	17%
Asian	2.8%
Pacific Islander	2.1%
American Indian/Alaskan Native	1.4%
Other/Multi-ethnic	4.3%
<b>Gender</b>	
Male	66%
Female	34%
Transgender	0.2%
<b>Subpopulation</b>	
Veteran of US Armed Forces	73%
Mental Illness	33%
Substance Abuse (alcohol and/or drug abuse)	39%
Both Mental Illness and Substance Abuse	13%
HIV/AIDS	2.1%
Chronic Health Condition	28%
Developmental Disability	12%
Physical Disability	35%
Domestic/Partner Violence or Abuse	7.2%

\*Percentages total greater than 100% because categories are not mutually exclusive

The estimates presented in the HOPE Plan do not provide a breakdown of unmet need by jurisdiction. However, Menlo Park has estimated its share of the needed units based on the percentage of the total number of unsheltered homeless people living in the community.

The Homeless Survey did not ask respondents to indicate whether they were runaway youth, emancipated foster youth or “transitional age” youth (i.e. ages 18-25), so no data is available on those subpopulations.

The following chart provides an inventory of emergency shelter beds, transitional housing beds and supportive housing units for homeless people in San Mateo County.

The data source is the San Mateo County Center on Homelessness, which updates this inventory on an annual basis.

Facility/Program Name	Provider Name	Housing Type	Family Beds	Indiv Beds	Supportive Housing Units
Emergency Shelter	CORA	Emergency	19	3	0
Transitional Housing Program	CORA	Transitional	34	0	0
Transitional Housing Program	Homeless Veterans Program	Transitional	0	42	0
Emergency Shelter	InnVision	Emergency	24	38	0
Transitional Housing Program	InnVision	Transitional	24	26	0
Haven Family House	Shelter Network	Transitional	116	0	0
<b>Subtotal Menlo Park</b>			<b>217</b>	<b>109</b>	<b>0</b>

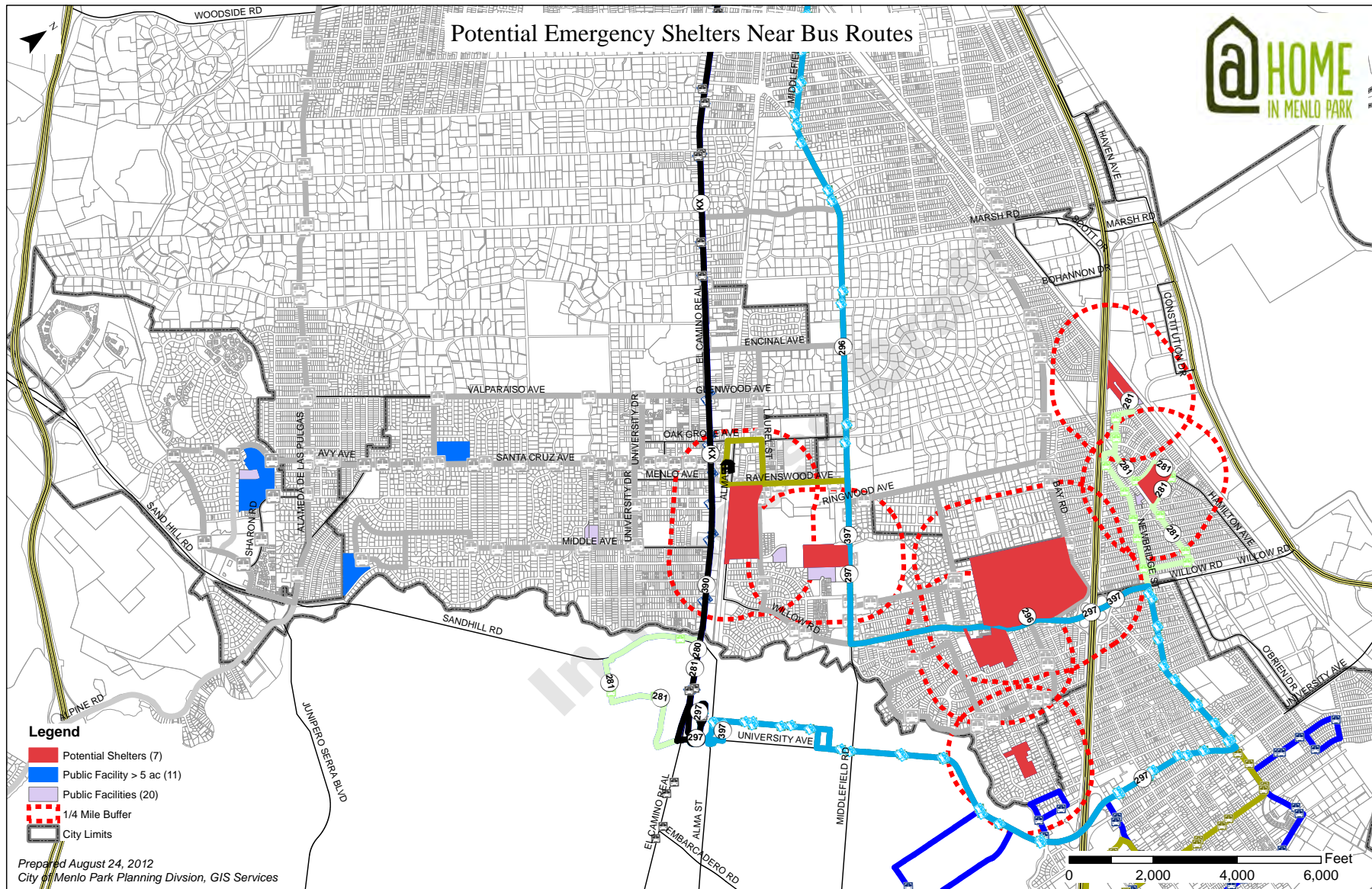
Sources: San Mateo County Center on Homelessness.

Provider/Program	Services Provided	Service Area
<b>Core Service Agencies</b>		
Coastside Hope	Information and referral, emergency assistance, rental and utility assistance	Coastside
Daly City Community Services Center	Information and referral, emergency assistance, rental and utility assistance	North County
North Peninsula Neighborhood Services Center	Information and referral, emergency assistance, rental and utility assistance	North County
Pacifica Resource Center	Information and referral, emergency assistance, rental and utility assistance	North County
Samaritan House	Information and referral, emergency assistance, rental and utility assistance	Central County
El Concilio Emergency Services Partnership	Information and referral, emergency assistance, rental and utility assistance	South County
Fair Oaks Community Center	Information and referral, emergency assistance, rental and utility assistance	South County
<b>Emergency Assistance</b>		
Salvation Army	Emergency food and clothing; information and referrals	North, Central, South County
St. Vincent DePaul Society	Emergency food and clothing; information and referrals; homeless help desks	All County
Puente Del Costa Sur	Emergency food and clothing; information and referrals;	Coastside
<b>Homeless Outreach</b>		
Homeless Outreach Team (San Mateo County Human Services Agency/Shelter Network)	Intensive street outreach with direct access to housing.	Downtown San Mateo

Mateo Lodge Mobile Support Team	Mobile mental health services for homeless people with mentally illness	All County
<b>Health Services</b>		
Mobile Health Clinic (San Mateo County Health Dept.)	Health screening, immunization, etc. for low income and homeless people	All County
<b>Mental Health Services</b>		
Mental Health Association of San Mateo County	Mental health services for homeless people with mental illness	All County
San Mateo County Behavioral Health and Recover Services, Mental Health Access Team	Information, assessment, consultation and referral	All County
<b>Alcohol and Drug Services</b>		
Asian-American Recovery Services	Outpatient services	All County
Free At Last	Outpatient and residential treatment	All County
Women's Recovery Association	Outpatient and residential treatment	All County
Palm Avenue Detoxification Program	Drug and alcohol detox	All County
Latino Commission on Alcohol and Drug Abuse Services	Residential treatment	All County
Project 90	Residential treatment	All County
<b>Youth and Family Services</b>		
Youth and Family Enrichment Services	Services for homeless youth	All County
Family Resource Centers (San Mateo County Human Services Agency)	Prevention and early intervention services at school sites throughout San Mateo County	All County
<b>Domestic Violence Services</b>		
CORA	DV hotline, legal assistance, counseling, prevention services	All County

Two of the largest supportive housing programs in the county are the San Mateo County Housing Authority's Shelter Plus Care and Supportive Housing programs. These are tenant-based voucher programs, in which participants receive a rent subsidy to rent units in the private rental market and have a choice as to where they will live. Tenants are therefore scattered throughout the county and the distribution of units by jurisdiction fluctuates as participants enter and exit the program. In order to include these units in the inventory presented in this chart, we have calculated a representative distribution of the units based on taking snapshots at four points in the 2008 calendar year (January, March, July and October) and averaging the results.

Policy H3, as implemented through Program H3.A, identifies potential sites for a year-round homeless shelter as being located in Public Facility zoned areas larger than 5 acres, where the property is located within one-quarter mile of a bus stop that provides service 7 days a week. Potential areas are shown on the map on the following page.



## **D** Assisted Rental Housing “At Risk” of Conversion

Government Code Section 65583 requires each city and county to conduct an analysis and identify programs for preserving assisted housing developments. The analysis is required to identify any low-income units that are at risk of losing subsidies over the next 10 years (2009-2019). The termination of Federal mortgage and or rent subsidies to housing developments built by the private sector is a potential threat to affordable housing throughout the country. Communities with low-income housing supported by federally subsidized housing are required to address the needs of residents who may become displaced

Approximately 287 affordable rental units have been developed in the last 25 years. Also, two Habitat for Humanity homes, one transitional home, and 23 units of shelter housing have been developed in Menlo Park. At this time, there are no units at-risk of conversion to market rate.

**Please Note:** Table of units with expiration of subsidies will be completed for inclusion in the Draft Housing Element (October 31, 2012).

In Process Draft



## Section VII

# Future Housing Needs and Opportunities

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## **A** Regional Housing Needs Allocation (RHNA)

Within each Housing Element, the State mandates that local governments plan for their share of the region's housing need for all income categories. In the case of the San Francisco Bay Area, the Association of Bay Area Governments (ABAG) and the State Housing and Community Development Department (HCD) determine the number of housing units that should be produced in the region. This determination of need is primarily based on estimated job growth. ABAG then allocates that need for each jurisdiction.

State law regarding Housing Elements was changed in 2004 to allow cities within a county to join together to form a "sub-region," which would administer the State mandated RHNA process at the local level. This law allows the sub-region to receive the sub-regional collective housing allocation from ABAG and then decide on and implement its own methodology to apportion the allocation among the member cities and county. In turn, the sub-regional RHNA process was used to establish the housing need numbers for each jurisdiction's Housing Element update for the 2007-2014 planning period.

For the current Housing Element update, the County of San Mateo, in partnership with all twenty cities in the County including Menlo Park, formed a sub-region responsible for completing its own RHNA process for the 2007-2014 Housing Element planning period. The jurisdictions in San Mateo County have agreed to continue the sub-region process for the 2014-2022 Housing Element planning period.

Based on the allocation methodology approved in March 2007, the San Mateo sub-region apportioned the County's overall housing need to the individual jurisdictions. The adopted sub-regional methodology, similar to ABAG's methodology for the current and previous RHNA processes, used weighted factors to develop mathematical equations. Weighted factors include household growth, employment growth, household and employment growth near transit and regional income allocations. These factors are derived using demographic information, projections, regulations, objectives and policies. The sub-regional allocations were then distributed using these weighted factors for the individual cities. In addition to determining each jurisdiction's overall housing allocation of housing need, the units are also required to be distributed based on income level



need (for very low, low, moderate and above moderate income households), as shown below for the 2007-2014 Housing Element planning period.

**San Mateo County Regional Housing Needs Allocation (RHNA) for 2007 - 2014**

Jurisdiction	Extremely Low Income (ELI)**	Very Low Income	Low Income	Subtotal Lower Income	Moderate Income	Above Moderate Income	Total Units
Atherton	10	19	14	33	16	34	83
Belmont	46	91	65	156	77	166	399
Brisbane	46	91	66	157	77	167	401
Burlingame	74	148	107	255	125	270	650
Colma	8	15	11	26	13	26	65
Daly City	138	275	198	473	233	501	1,207
East Palo Alto	72	144	103	247	122	261	630
Foster City	56	111	80	191	94	201	486
Half Moon Bay	32	63	45	108	53	115	276
Hillsborough	10	20	14	34	17	35	86
Menlo Park	113	226	163	389	192	412	993
	11%	23%	16%	39%	19%	41%	100%
Millbrae	52	103	74	177	87	188	452
Pacifica	32	63	45	108	53	114	275
Portola Valley	9	17	12	29	14	31	74
Redwood City	211	422	304	726	358	772	1,856
San Bruno	111	222	160	382	188	403	973
San Carlos	69	137	98	235	116	248	599
San Mateo	348	695	500	1,195	589	1,267	3,051
South San Francisco	187	373	268	641	315	679	1,635
Woodside	5	10	7	17	8	16	41
Unincorporated	172	343	247	590	291	625	1,506
<b>Countywide Total</b>	<b>1,794</b>	<b>3,588</b>	<b>2,581</b>	<b>6,169</b>	<b>3,038</b>	<b>6,531</b>	<b>15,739</b>
<b>Countywide Percent</b>	<b>11%</b>	<b>23%</b>	<b>16%</b>	<b>39%</b>	<b>19%</b>	<b>41%</b>	<b>100%</b>

\*\*Unless other data are used, Extremely Low Income (ELI) need equals 50% of Very Low Income Need

Source: Association of Bay Area Governments (May, 2008)

[http://www.abag.ca.gov/planning/housingneeds/pdfs/Final\\_RHNA.pdf](http://www.abag.ca.gov/planning/housingneeds/pdfs/Final_RHNA.pdf)

The State limits for the low, very low and moderate income categories are derived from the income limits updated annually by the U.S. Department of Housing and Urban Development (HUD) and the California Department of Housing and Community Development (HCD). The income limits are based on the median income for the County and are adjusted for household size. Very low income is defined as a household earning less than 50% of the median income. Low income is defined as a household earning 50-80% of the median income. Moderate income is a household earning 80-120% of the median income. The "Median Income" schedule shown below is based on the 2012 median family income of \$103,000 for a four-person household, with adjustments for

smaller and larger household sizes. San Mateo County is considered a high cost county, so HUD makes some adjustments when calculating the income limits, which results in the very low income and low-income limits actually being higher than 50% and 80% of the median income, respectively.

**San Mateo County FY 2012 Median Household Income Schedule**

Family Size	Public Housing, Section 8, CDBG, Inclusionary, BMR			Inclusionary, BMR Housing		
	Extremely Low	Very Low	Lower	Median	Moderate	Above
	30%	50%	80%	100%	120%	Moderate
1	\$23,350	\$38,850	\$62,200	\$72,100	\$86,500	>\$86,500
2	\$26,650	\$44,400	\$71,050	\$82,400	\$98,900	>\$98,900
3	\$30,000	\$49,950	\$79,950	\$92,700	\$111,250	>\$111,250
4	\$33,300	\$55,500	\$88,800	\$103,000	\$123,600	>\$123,600
5	\$36,000	\$59,950	\$95,950	\$111,250	\$133,500	>\$133,500
6	\$38,650	\$64,400	\$103,050	\$119,500	\$143,400	>\$143,400

Source: San Mateo County Department of Housing, prepared February 2, 2012

Since the City has not adopted a Housing Element since 1992, its RHNA must cover the City's RHNA for the current Housing Element planning period (2007-2014) and the City's RHNA for the previous Housing Element planning period (1999-2006). The table below shows the City's RHNA for 1999-2006 and 2007-2014.

**City of Menlo Park Regional Housing Needs Allocation (1999-2006 and 2007-2014)**

Income Level	1999-2006		2007-2014	
	Units	Percent	Units	Percent
Very Low	184	19%	226	23%
Low	90	9%	163	16%
Moderate	245	25%	192	19%
Above Moderate	463	47%	412	41%
Total	982	100%	993	100%

Source: Association of Bay Area Governments

The City's *starting point* for providing the capacity to address its RNHA for the last two Housing Element planning periods is 1,975 units. The table below shows the City's "adjusted" RHNA that accounts for units that can be credited to the City based on past construction activity, current zoning and the expectations from implementation of the programs contained in the Housing Element.

**City of Menlo Park's Ability to Address Its Regional Housing Needs Allocation (RHNA for 1999-2006 and 2007-2014)**

Units Built/Approved, Provided Through Housing Element Programs or Existing Zoning, and Remaining Need that Must be Made Available Through Rezoning of Sites to Higher Density Residential Use

Category	Very Low Income	Low Income	Available for Lower Income SUBTOTAL*	Available for Moderate Income	Available for Above Moderate Income	Total
<b>1999-2006 RHNA</b>	184	90	274	245	463	982
Units Built (1999-2006)	0	0	0	11	80	91
Second Units Built (1999-2006)	1	1	2	0	0	2
Available Sites Under Existing Zoning (1999-2006)	0	0	0	101	261	362
<i>Subtotal</i>	1	1	2	112	341	455
<b>Carryover Need from 1999-2006 RHNA</b>	183	89	272	133	122	527
<b>2007-2014 RHNA</b>	226	163	389	192	412	993
Units Built or Approved (2007-2012)	0	3	3	25	174	202
Second Units Built or Approved (2007-2012)	2	2	4	2	0	6
El Camino Real/Downtown Specific Plan Zoning	0	0	200	230	250	680
Available Sites Under Existing Zoning (2007-2014)	0	0	0	79	127	206
<i>Subtotal</i>			207	336	551	1,094
<b>Residual Need from 2007-2014 RHNA</b>			182	-144	-139	-101
<b>Adjusted 2007-2014 RHNA with 1999-2006 RHNA Carryover<sup>F</sup></b>	183 <sup>F</sup>	89	454	-11	-17	426
New Housing on Infill Sites**	0	0	0	50	20	70
New Second Units (through July 2014)**	3	4	7	3	0	10
Second Unit Amnesty Program (Prior to July 2014)**	10	15	25	10	0	35
New Housing on Mixed Use Sites**	0	0	0	30	0	30
<i>Subtotal</i>			32	93	20	145
<b>Remaining Adjusted RHNA</b>			422	-104	-37	281
<b>Need for Sites to be Rezoned</b>						
Sites to be Rezoned at 30+ Units/Acre	0	0	500	0	0	500
Sites to be Rezoned at 12-29 Units/Acre	0	0	0	0	0	0
<i>Amount Over the Remaining Adjusted RHNA</i>			+78	+104	***	+182

\*The "Lower Income Subtotal" adds together the very low and low income units

\*\*Assumes full implementation of Housing Element programs

\*\*\*Moderate income units can be considered affordable for above Moderate income households

The table shows the number of units required on sites rezoned to higher density residential use.<sup>17</sup> This analysis concludes the City must rezone sites to accommodate 500 units at 30 or more units per acre and 150 units at 12-29 units per acre.

<sup>17</sup> To provide local governments with greater certainty and clarity in evaluating and determining what densities facilitate the development of housing that is affordable to lower-income households, the statute provides two options — the City can either: (1) conduct an analysis of market demand and trends, financial feasibility and residential project experience to demonstrate the lower densities can facilitate lower income housing development; or, (2) apply Government Code Section 65583.2(c)(3)(B), which allows local governments to utilize "default" density standards deemed adequate to meet the "appropriate zoning" test, which in Menlo Park's case are sites designated at 30 units per acre or more given Menlo Park's size and location.



In addition, it is estimated that 50% of the City's Very Low Income housing need for the 2007-2014 planning period will be for households earning less than 30% of median income (considered "Extremely Low Income" per the definitions). Thus, the number of extremely low-income households needing housing for the 2007-2014 planning period, is estimated at about 150 units. Housing types available and suitable for Extremely Low Income households include affordable rentals, second units, emergency shelters, supportive housing and transitional housing.

## **B** Summary of Available Land for Housing

The Housing Element recognizes there are limitations to the amount of available land resources in Menlo Park and the intent of the Housing Element is use remaining available land resources as efficiently as possible in addressing local housing needs and the City's fair share of regional housing needs. Further, City housing policies and programs recognize that affordable and special needs housing (housing for seniors, affordable workforce housing, housing for persons with disabilities, single person households, shelter for the homeless and affordable family housing opportunities) are the greatest housing needs in the community. The intent is to avoid the inefficient use of the community's fixed land resources on lower density, less affordable housing, other than additional units already allowed under current zoning.

In addition, the focus of this Housing Element is to provide a multi-pronged City policy and program approach to meeting housing needs in Menlo Park that: (1) distributes affordable housing opportunities throughout the community; (2) locates new housing near to transit and services when possible; (3) assures that new housing fits with the desired design character of Menlo Park; and (4) supports the provision of high quality services, well-planned infrastructure and the efficient use and protection of environmental resources. The City's multi-pronged approach to address housing needs focuses on the following policies and programs (see map on the following page):

- ❖ Create More Opportunities for New Second Units
- ❖ Undertake an Amnesty Program to Legalize Existing Illegal Second Units
- ❖ Provide Opportunities for a Mix of Housing and Commercial Uses to be Combined in Selected Locations
- ❖ Continue to Implement Existing Zoning for Market Rate Housing
- ❖ Implement the Recently Adopted El Camino Real/Downtown Specific Plan
- ❖ Provide Infill Housing Opportunities Around Downtown
- ❖ Rezone Sites for Multi-Family Housing at Higher Densities
- ❖ Create Incentives and Opportunities for Affordable Housing

## Opportunities to Create New Housing Without Land Use Changes and Rezoning

The opportunities below require modifications to existing standards and procedures to enable construction of new units, but do not require a major change in land use.

**Create More Opportunities for Second Units.** Program H4.E identifies incentives for new second units to be built. Proposed modifications to the City's existing regulations for second units include reduction in minimum parcel size, allowances for larger second units, flexibility in height limits, reduced fees (possible reduction in both Planning/Building fees and impact fees as a result of the small size of the units), flexibility in how parking is provided on site and a greater City role in publicizing and providing guidance for the approval of second units. Specifics would be developed as part of program implementation. Based on studies conducted in San Mateo County and elsewhere in the Bay Area, it is anticipated that two-thirds to three-quarters of second units built are affordable to lower income households due to their small size and use as housing for family members at very low to no rent. With the modifications proposed in the Housing Element, it is anticipated that 10 additional second units could be built by 2014.

**Undertake an Amnesty Program to Legalize Existing Illegal Second Units.** Program H4.F is an amnesty program to legalize existing illegal second units. Additional study and refinement of specific incentives, standards, timing, penalties and requirements for legalizing a unit would be developed as part of program implementation. Coordination with Program H4.E would also occur. Similar to new second units and based on program implementation, it is anticipated that 35 second units not counted in the 2010 U.S. Census could be legalized by 2014.

**Provide Opportunities for a Mix of Housing and Commercial Uses in Selected Locations.** Program H4.J focuses on allowing residential uses in the C-1-A zoning district, which includes site numbers 5 (formerly 7) and 8 (formerly 12). The program also calls for possible expansion of residential opportunities to other commercial districts (C-2, C-2-A, C-2-B, C-2-S and C-4). Based on program implementation, it is anticipated that 30 moderate-income units could be built by 2014. The affordability of the units would be due to their generally smaller size.

**Implement the Recently Adopted El Camino Real/Downtown Specific Plan.** The recently adopted El Camino Real/Downtown Specific Plan contains opportunities for 680 units to be built. Based on current zoning, there is the opportunity for a significant number of affordable units to be built. The Affordable Housing Overlay Zone (Housing

Element Program H4.C) would be applicable to the entire Specific Plan area and would be a tool to achieve the public benefit densities for affordable housing.

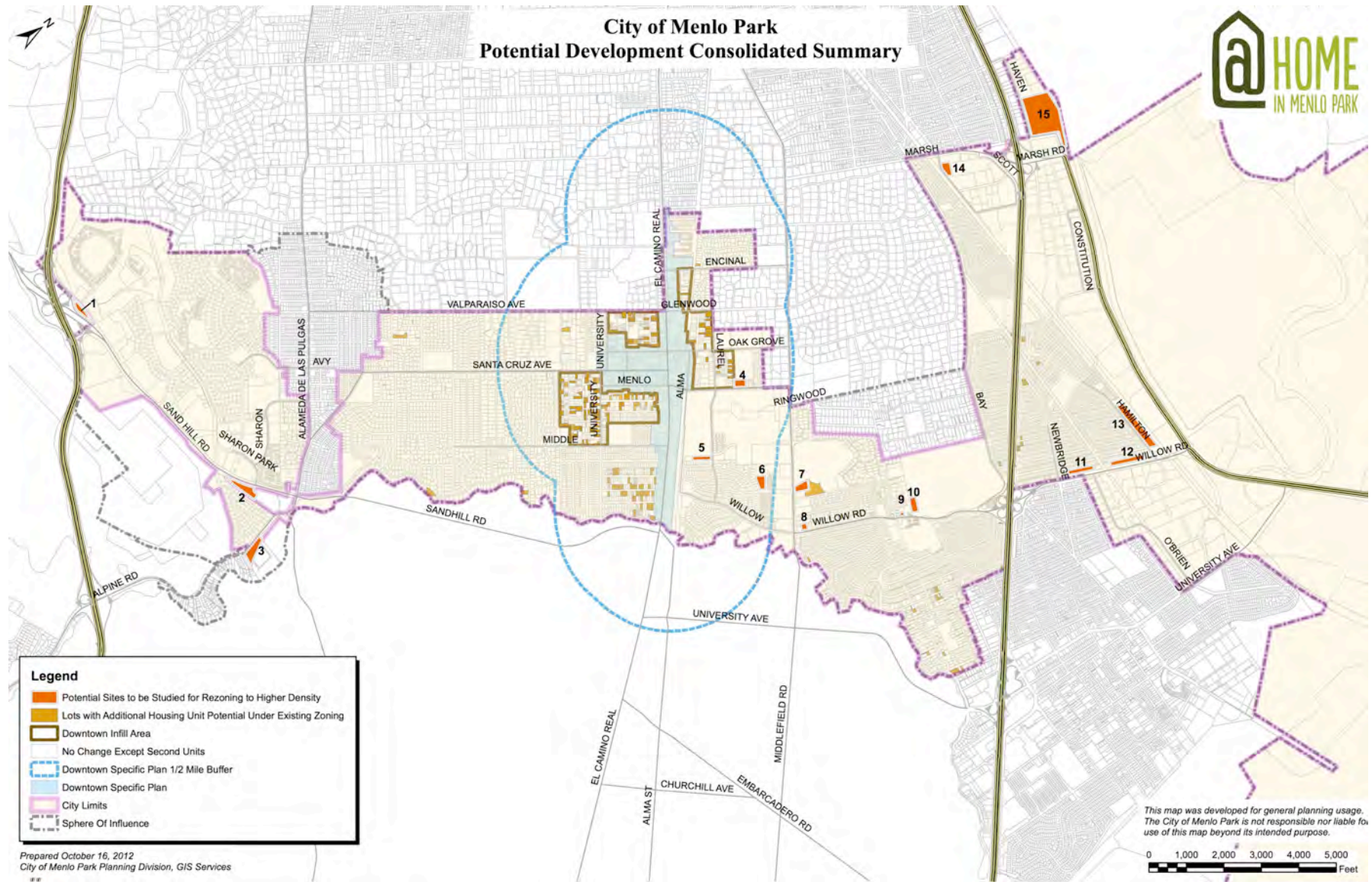
**Provide Infill Housing Opportunities Around Downtown.** Program H4.A focuses on lots 10,000 square feet or greater around the El Camino Real/Downtown Specific Plan area. The program also calls for possible expansion to smaller lots at a later date. Based on program implementation, it is anticipated that 50 moderate-income units and 20 above moderate-income units could be built by 2014. The affordability of the units would be due to their generally smaller size.

**Create Incentives and Opportunities for Affordable Housing.** There are a number of programs offering incentives for affordable and special needs housing. Program H4.C (Affordable Housing Overlay Zone) is tied to housing opportunity sites in the El Camino Real/Downtown Specific Plan area and other key sites that could be designated under this zoning.

### **Sites Being Studied for Potential Rezoning to Higher Density Housing**

The sites listed below have been identified for additional study in the Environmental Assessment for their appropriateness for higher density housing. Based on the Environmental Assessment, sites that can best accommodate an additional 500 housing units at 30 or more units per acre and 150 units at 12-29 units per acre will be identified for rezoning. Special conditions related to site development will also be identified.

**Please Note:** *As part of the Housing Element update and the Environmental Assessment being conducted as part of the update, additional information will be included in a later Draft Housing Element, including — (1) an assessment of the appropriateness of the sites identified below for higher density housing; (2) identification of site-specific conditions of development; and (3) an evaluation of infrastructure and services constraints and mitigation. There will be consistency modifications made to the Menlo Park General Plan to ensure that any potential impediments to implementation of the Housing Element, including development of potential sites for higher density housing, are addressed in the other elements of the General Plan. The City is pursuing these modifications concurrently with review and adoption of the Housing Element, but at a later stage in the update process.*





## Sites for Potential Rezoning for Higher Density Housing

Map Index Number	APN	Site Name / Street Address	House No.	Street Name	Zoning	General Plan Designation	Existing Use	Lot Area (Sq. Ft.)	Lot Area (Acres)	DU per Acre	Total Allowable DU	Existing DU	Net Potential DU
11	062103610	1200 Blk Mid-Peninsula's Gateway	1200	Willow Rd	R3	Medium Density Residential	Multifamily Residential	98,686	2.27	40	90	48	42
12	055383560	1300 Blk Mid-Peninsula's Gateway	1300	Willow Rd	R3	Medium Density Residential	Multifamily Residential	129,427	2.97	40	118	82	36
13	055398110	Hamilton Ave East		Hamilton Ave	M1	Limited Industry	Light Industrial and Vacant	313,505	7.20	30	216	0	216
10	062470050	Veterans Affairs Clinic		Willow Rd	PF	Public Facilities	Hospital	81,239	1.87	32	60	0	60
9	062285300	555 Willow	555	Willow Rd	R3	Medium Density Residential	Restaurant	18,237	0.42	20	8	0	8
4	061382170	Corpus Christi	300 block	Ravenswood Ave	R2	Medium Density Residential	Church	67,274	1.54	20	30	0	30
3	074311600	Rural Lane		Rural Ln	R15	Medium Density Residential	Vacant Land	108,900	2.50	12	30	0	30
15	055170350	Haven Ave	3600 block	Haven Ave	M2	Limited Industry	Light Manufacturing, Storage, and Vacant	674,999	15.50	30	464	0	464
5	062390170	401-445 Burgess Dr	401-445	Burgess Dr	C1A	Professional and Administrative Offices	Office: Multi-Story	59,830	1.37	30	41	0	16
6	062421010	8 Homewood Pl	8	Homewood Pl	C1	Professional and Administrative Offices	Office: Multi-Story	87,417	2.01	30	60	0	
7	062460060	St. Patrick's Seminary	300 block	Middlefield Rd	R15	Low Density Residential	Educational Facility	87,984	2.02	30	61	0	60
8	062272640	125-135 Willow Rd	125-135	Willow Rd	C1A	Professional and Administrative Offices	Office: Multi-Story	33,333	0.77	30	22	0	
2	074450030	Hewlett Foundation	2111-2121	Sand Hill Rd	R-E/S-9		Vacant Land	142,441	3.27	30	98	0	98
1	074481010	1-280 and Sand Hill (Banana Site)		Sand Hill Rd	R-E/S-11		Vacant Land	75,794	1.74	30	52	0	52
14	055251120	Main Post Office	3875	Bohannon Dr	M2	Limited Industry	Post Office	82,257	1.89	30	57	0	57
<b>Total</b>												<b>1,169</b>	

## C Potential Governmental Constraints to Housing

As part of the Housing Element update, cities must look at potential governmental and nongovernmental constraints to see how they impact the development or rehabilitation of housing for all income levels.

### Land Use Controls

Menlo Park uses development controls that are typical for other cities in the county and region. The following table summarizes what permits are needed for development.

#### Land Use Controls

Specific Land Uses	R-E	R-1	R-2	R-3	R-4
Single-Family Dwellings	P	P	P	P	P
Duplexes	NP	NP	P	P	P
Triplexes	NP	NP	NP	C	C
Multiple-Family Dwellings	NP	NP	NP	C	C
Group Care Facilities	NP	NP	C	C	C
Boardinghouses	NP	NP	C	C	C
Residential Care Facilities	NP	NP	C	C	C
Emergency Homeless Shelters	NP	NP	NP	NP	NP
Second Units	C	C	C	NP	NP

P is a Permitted Use

C is a Conditional Use

NP is Not a Permitted Use

Zoning standards, including building site requirements (lot area, coverage, FAR, landscaping, etc.), setbacks and height limits under Menlo Park zoning are summarized on the next page.

## Summary of City of Menlo Park Zoning Requirements

Zoning District	Building Site						Required Setbacks				Building Height	Minimum Off-Street Parking Requirements							
	Minimum Lot Area	Minimum Lot Width	Minimum Lot Depth	Maximum Coverage	Floor Area Limit (FAL) / Floor Area Ratio (FAR)	Minimum Landscaping	Front	Rear	Interior (Side)	Corner (Side)									
R-E	20,000 sf	110'	130'	Building coverage can vary depending on whether the development is single-story, or two or more stories. For single-story development, it can also vary depending on the lot size.	The FAL for a specific property is based on the size of the property.	None	20'	20'	10'	12'	28'-30'	Two spaces per dwelling unit, one of which must be covered. Required spaces cannot be located in required front or side yard setbacks or in tandem.							
R-E-S	15,000 sf	100'																	
R-1-S and R-1-S (FG)	10,000 sf	80'																	
R-1-U	7,000 sf	65'						10% of min lot width; 5' min and 10' max											
R-2	7,000 sf with 3,500 sf/du	65'	100'		40%; 2nd floor 15%	40%					28'								
R-3	7,000 sf with varying lot area/du	70'-80' depending on lot size		30%	45%	50%	15% of lot width; min 20' front, 15' rear. Distance between buildings: 1/2 sum of the height of the buildings, 20' min		10'	15'	35'								
R-3-A	10,000 sf with varying lot area/du	80'		30%	45%	None	15'	10'	25% of building height; min 5'	10'	No limit; more setback if over 35'								
R-3-C	As specified in R-3 (for residential uses) and C-1-A (for commercial uses) districts																		
R-C	As specified in R-3 (for residential uses) and C-1-A (for commercial uses) districts. Except for mixed use projects, the maximum residential unit density is 18.5 du/acre. The maximum FAR is 45% for residential, 40% for commercial and 85% total FAR. Other development regulations are established by the Use Permit for the project.																		
R-4	20,000 sf min; 1 acre max	100'	100'	40%	100%	30%	20'	15'	10'	15'	40'	2 spaces for units w/ 2 or more bedrooms; 1.5 spaces for 1 bedroom unit; each unit must have at least one covered pkg. space. Spaces cannot be located in required front or side yard setbacks or in tandem. 1 guest space per 3 units							
R-L-U	Retirement Living Units — This district provides special development regulations for housing for seniors.																		

There are several standards that should be examined to see if they are a constraint to new housing. The most accurate way to do this is to see if a development would be economically viable and likely to reach the number of homes theoretically allowed by the zoning rules. During the housing element update, Menlo Park's standards were compared to the nearby and neighboring cities of Palo Alto, Mountain View, Sunnyvale, and San Mateo. Comparative standards for multi-family zoning allowing roughly 15-30 units per acre are shown below.

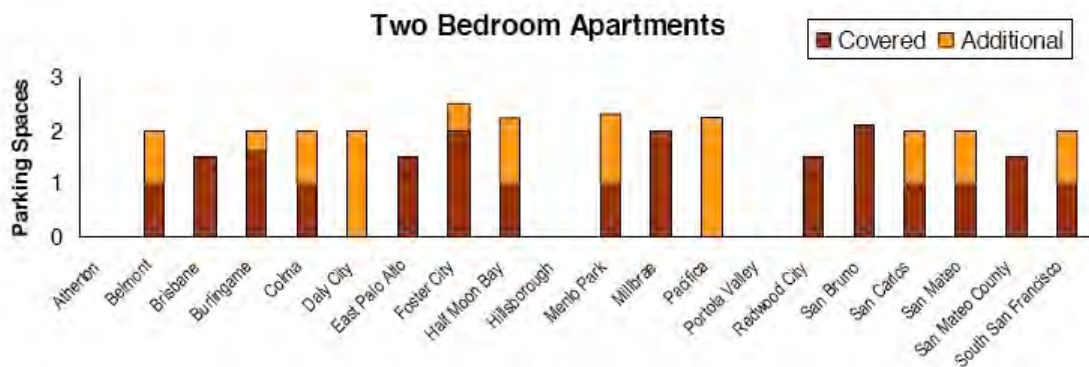
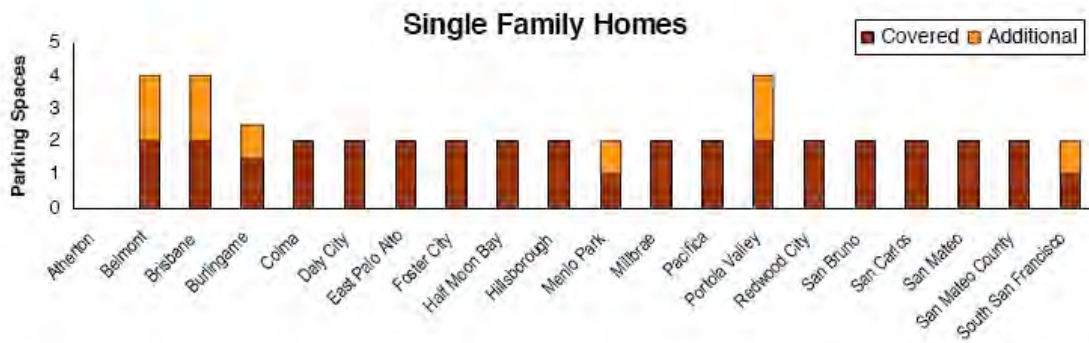
**Comparison of Menlo Park Multi-Family Zoning Standards with Nearby Cities**

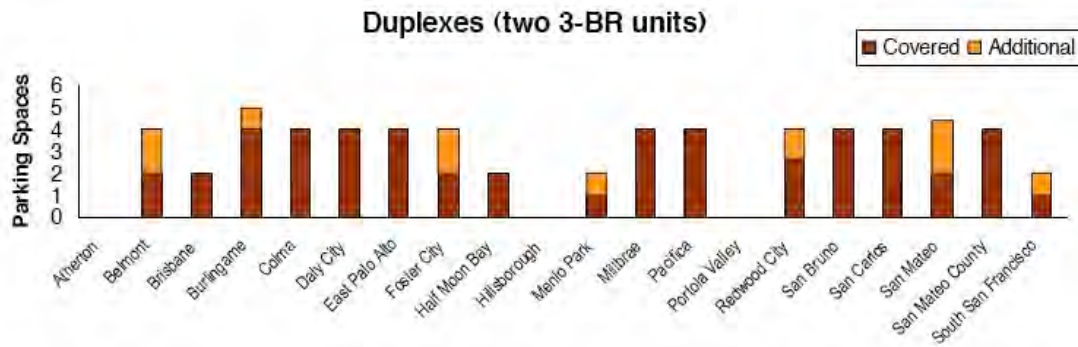
City	Zone	Units/Acre (1 acre lot)	FAR	Lot Coverage	Minimum Open Space	Lot Size Total	Building Height
Menlo Park	R-3	16	0.45	30%	50%	7,000	35'
	R-4	40	1.00	40%	30%	20,000	40'
Palo Alto	RM 15	15	0.50		35%	8,500	30'
	RM-30	30	0.60	--	40%	8,500	35'
	RM-40	40	1.00		45%	8,500	40'
Mountain View	R3-2	19	1.05	35%	55%	12,000	45'
	R3-1	33	1.05	35%	55%	12,000	45'
	R3-d	45	1.05	40%	35%	12,000	45'
Sunnyvale	R-3	24	None	40%	--	8,000	3'0-35'
	R-4	36	None	40%			55'
San Mateo	R-3	20-30	.85 by right, 1.0 by Use Permit	--	No set percent	--	--

As shown above, Menlo Park's FAR is lower than neighboring cities for multi-family development. Additional standards that are lower than comparable cities include the 30 percent lot coverage in the R-3 zone and a maximum lot size in the R-4 zone of 1 acre in size. In addition, most comparable cities do not require conditional use permits for multifamily housing in a multifamily zone. Despite these restrictions, development is occurring in the City's residential zones. Although, consideration of deviation from these requirements may be appropriate for affordable housing developments, including incentives to be considered in the new "Affordable Housing Overlay" zoning designation.

Below is Menlo Park's parking requirements compared to other cities in San Mateo County. As can be seen in the comparison, Menlo Park's parking requirements are comparable to other cities in the county.







The “Affordable Housing Overlay” zone program action will evaluate the City’s parking requirements to determine whether, how and when to modify parking requirements to allow higher densities and reduced housing costs in areas appropriate for reduced parking requirements and affordable housing opportunities. The Retirement Living Units (R-L-U) zone and programs to encourage senior housing also provide incentives for reduced parking requirements. In addition, Housing Element programs will evaluate other incentives, such as fee waivers/reductions, density bonus and priority fast track processing.

As with other cities, Menlo Park’s development standards and requirements are intended to protect the long-term health, safety and welfare of the community. The Housing Element includes programs to reevaluate existing development standards to determine whether they should be revised so that they provide less of a barrier to the provision of affordable housing but still protect the long-term health, safety and welfare of the community.

### Fees and Exactions

Processing fees are required for all property improvement and development applications, pursuant to City Council policy to recover processing costs of development review. The fees for Menlo Park are summarized below for two developments: (1) a single-family unit (3-bedrooms, 2,000 square feet on a 10,000 square foot lot at a density of 4 units per acre and value of \$800,000); and, (2) a ten unit condominium project (2-bedrooms, 1200 square feet on 0.5 acres to be sold at an average of \$500,000 each).



## City of Menlo Park Fees (2012)

Fee	Single-Family	Multi-Family	Comments
Use Permit	\$1,500 (deposit)	\$1,500 (deposit)	If applicable, not all single-family projects require use permits; deposit with additional time above deposit charged on an hourly staff rate
Architectural Control	NA	\$2,000 (deposit); \$5,000-\$10,000 (total final cost)	Deposit with additional time above deposit charged on an hourly staff rate
Environmental Review	NA	\$5,000 (deposit); \$10,000-\$50,000 (total final cost)	Deposit plus consultant costs; \$4,000 fee for Circulation System Assessment
Building Permit	\$2,261	\$4,988	
Plan Check	\$2,893	\$15,686	Includes Title 24 Energy Fee; planning plan check; plumbing, electrical and mechanical permits
Geology Review	\$875	\$1,275	
Site Review Fee	\$240	\$615	Plan review and inspection for site access
State Strong Motion Fee	\$80	\$500	
State CA Building Fee	\$32	\$200	
Imaging Fee	\$75	\$130	Estimate (based on number of plan sheets)
Construction Debris Deposit	\$1,000	\$1,200	Deposit returned on documentation of minimum amount of debris recycled
Construction Debris Administration Fee	\$150	\$150	
Engineering Plan Check	\$1,000	\$6,700	Single-family project is based on an assumed improvements valuation of \$10,000; multiple-family project is based on assumed improvements valuation of \$200,000
Engineering Site Inspection	\$800	\$6,500	Single-family project is based on an assumed improvements valuation of \$10,000; multiple-family project is based on assumed improvements valuation of \$200,000
Storm Water	NA	\$1,800	Assumes storm water treatment is required; \$300 for O&M Agreements and \$1,500 connection fee

Water/City of Menlo Park	\$8,956	\$51,804	Single-family project includes \$2,706 capital facilities charge and \$6,250 construction cost; multiple-family project includes \$14,348 capital facilities charge, \$12,500 construction cost, \$8,956 for irrigation meter, and \$16,000 for fire service with sprinklers
Water Efficient Landscape Ordinance	\$300	\$300	Assume landscaping of 2,500 square feet
Mapping	NA	\$1,575	Review of condominium map
Sewer	\$7,436	\$73,462	West Bay Sanitary District (independent district); fee includes \$100 permit fee and a one-time sewer connection fee of \$7,336 for individual units; multiple-family project assumes use of a single lateral to the main (\$100 permit fee + \$73,362 connection fee).
Fire	\$739	\$1,780	Menlo Park Fire Protection District (independent district); fee includes plan review and inspection

#### Impact Fees

Affordable Housing In-Lieu Fee	NA	NA	Construction of BMR units rather than a fee is required (for projects of less than 20 units, 10% of the units would need to be at affordable levels; in-lieu fee may be paid for in fractions of units based on unit sales price)
Roads	\$4,640	\$29,000	Construction Impact Fee
Traffic	NA	\$320,000	Traffic Improvement Fee (TIF)
Parks	NA	\$17,043	Recreation-in-lieu fee
School	\$5,940	\$35,640	Paid to school districts

The City's Master Fee Schedule reflects fees charged by all City departments. It is usually amended annually so that fees reflect current costs to provide services or, in some cases, to add new fees for new City services and/or to eliminate fees for services that are no longer offered.

#### Development Processing Time

The City recognizes that the time required to process a development proposal could be a barrier to housing production if it is lengthy. The City has streamlined its development review process over the years to make it more efficient, while still providing adequate opportunity for public review and input. Typical procedures are summarized below.

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**Single Family (Ministerial Review)**

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1. Step One: Submittal of building permit application, architectural, structural, MEP, civil plans, structural calculations, Energy Code calculations and compliance forms, geotechnical investigation, and arborist report and FEMA elevation certification if required.
  2. Step Two: Pay building plan review, geologist review fees, and improvement plan check fees (Engineering Division fee)
  3. Step Three: Project is assigned to a City planner, Building Division plan checker (plan checker), and Engineering Division engineer for review and approval or comment. Note: The plan checker does not begin their review until the City planner has reviewed the project and has determine the project is incompliance with the City's Zoning ordinance or has very few comments that will then be included in the plan check letter issued by the plan checker.
  4. Step Four: Plan check comments are sent within four (4) to six (6) weeks to the architect of record, Civil Engineer, and property owner after reviews are completed. Note: Engineering Division sends plan check comments directly to civil engineer of record who prepared plans independent of the Building and Planning Division's comments.
  5. Step Five: Upon re-submittal of revised plans and supporting calculations based on plan check comments, plans and calculations are routed to City planner, plan checker, and Engineering Division engineer for review and approval or comment.
  6. Step Six: After plan approval but prior to issuance of permit, the applicant is notified of remaining outstanding City fees associated with the issuance of the Building permit and activities to be completed prior to issuance such as, Fire District approval, documentation of payment of school fees to the High School District, contractor information and current City Business License or completion of Owner Builder forms as mandated by the state.
  7. Issuance of permit after verification of completion of step 6.
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**Single Family Requiring Use Permit Review by Planning Commission**

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1. Step One: Meeting with Planner to review preliminary design concepts; planner coordination with Building, Engineering, Transportation and/or other internal and external divisions and agencies as may be necessary, potentially through Development Review Team (DRT) meetings; applicants provided with applicable written handouts, application forms and application submittal guidelines (also available on City website).
  2. Step Two: Submittal of a formal application and fees at a scheduled appointment with a planner; preliminary review of submittal conducted with applicant to determine if submittal is complete and whether there are any immediately observable issues that will need to be addressed.
  3. Step Three: Plans are reviewed by staff planners to identify any key issues and assigned to a project planner within seven (7) days of submittal.
  4. Step Four: Within seven (7) days of application submittal, a notice of application including the name of the applicant, address and brief description of the project, copies of the site plan and elevations, and contact information for the project planner are posted on the City's website and mailed to all residents and property owners within 300 feet of the
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- project site. The notice of application allows for early public comment and identification of possible concerns on the project.
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5. Step Five: Within 30 days of application submittal, project planner completes review and sends notice of whether application is complete or incomplete. If incomplete, needed information is identified. Once submittal is determined complete, project is scheduled for Planning Commission at next available meeting, typically within 30 days.
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6. Step Six: At least 18 days prior to the Planning Commission meeting, a public hearing notice is placed with a local newspaper for publishing at least 12 days before the hearing, posted on the City's website, and mailed to all residents and property owners within 300 feet of the project site.
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7. Step Seven: Project planner coordinates with other internal and external divisions and agencies to prepare staff report; staff report is mailed to Planning Commissioners and project sponsors and placed on the City's website a minimum of four (4) days prior to the hearing date.
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8. Step Eight: Public hearing is held and decision rendered.
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9. Step Nine: Letter of action is prepared and sent to applicant within 5 (five) days.
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10. Step Ten: Appeal period runs for 15 days after which the Commission action becomes final. If appealed, Steps Six through Ten are repeated with regards to noticing, report preparation and distribution. The Zoning Ordinance states that appeals shall be scheduled insofar as practicable within 45 days of receipt of the appeal, but if not acted upon within 75 days, the Commission's action is deemed affirmed.
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#### **Specific Plan**

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1. Step One: Meeting(s) with Planner to review preliminary project concept and applicability of the Specific Plan; applicants provided with applicable written handouts and guidelines (also available on City website). Optional meeting with Design Review Team (DRT) for interdepartmental review/feedback.
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2. Step Two: Submittal of a formal application and fees at a scheduled appointment with a planner; preliminary review of submittal conducted with applicant to determine if submittal is complete and whether there are any immediately observable issues that will need to be addressed.
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3. Step Three: Preliminary review conducted to determine project consistency with Specific Plan.
- 
4. Step Four: Preliminary environmental review conducted to determine if the project is consistent with the Specific Plan EIR or whether additional environmental review would be required. If additional review is required, determine and implement the appropriate type of review.
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5. Step Five: When project is designated complete, send public meeting/hearing notice for Planning Commission (typically 3-5 weeks in advance).
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6. Step Six: Planning Commission action, subject to appeal to the City Council.
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Processing times are summarized below.

<b>Permit/Procedure</b>	<b>Typical processing Time in Weeks</b>	<b>Comments</b>
Ministerial Review	8 weeks	Building permit internal review; does not include time spent by project applicant to respond to comments
Conditional Use Permit	2-5 months	Timeframe dependent on accuracy/completeness of initial submittal and applicant responsiveness
Rezone	4-6 months	
General Plan/Zoning Ordinance Amendment	5-8 months	
Architectural Control review	2-5 months	
Tract maps	10 weeks	Includes time to take maps to Council (4 weeks)
Parcel maps	6 weeks	
Initial environmental study	1-3 months	
EIRs	9 months to 2 years	

Generally, as shown below, processing time in San Mateo County is similar to other cities, but there are a few categories where the process is slower — design review and the time needed to process an Environmental Impact Report as part of project review.

	<b>Countywide Average for Straight-Forward Application</b>	<b>Countywide Average for Complicated Applications</b>	<b>Times for Menlo Park</b>
<b>STEPS / PROCEDURES</b>			
Ministerial Review	2	5	8
Conditional Use Permit	8	20	9-21
Zone Change	17	36	17-26
General Plan Amendment	17	43	22-35
Architectural/Design Review	6	12	9-22
Parcel Maps	16	30	6
Initial Environmental Study	12	27	4-13
EIR	34	58	39-104

Establishing conditions for site development of higher density housing sites and using the materials prepared for the Environmental Assessment of the updated Housing Element should reduce the time required for future development.

### **Codes and Enforcement, On/off site improvement standards**

While building codes are important to protect health and safety, they may also constitute a constraint to new developments. In particular, local amendments to the International Building Code should be carefully analyzed. The Council adopted the 2010 California Building Standards Code in 2010 with an effective date of January 1, 2011. Associated with this action, the Council adopted local amendments to the Code as recommended by staff, including:

- Amendments to eight (8) types of work exempt from building permits to be consistent with previously adopted local amendments;
- Elimination of the option for a water curtain for protection of building openings from fire spread since reliance on water availability does not provide the same level of protection as passive fire resistive assemblies;
- Amendment to the Residential Code to require a minimum stair riser height of four (4) inches consistent with the Building Code.
- Amendments to structural requirements to enhance seismic safety as recommended by the Bay Area Chapter of the International Code Council and for regional consistency in the application of the Codes.

On August 23, 2011, the Council adopted additional local amendments related to green building.

- All newly constructed residential and non-residential structures currently subject to the 2010 California Green Building Standards Code (Cal Green) to exceed the minimum energy efficiency standards established in the 2010 California Energy code by 15 percent. This requirement was adopted as recommended by staff.
- All newly constructed residential and non-residential structures currently subject to Cal Green to test heating and cooling ducts for leakage. This requirement was recommended as required by staff.
- All newly constructed residential structures currently subject to Cal Green to install cool roofs or use alternative methods and materials to achieve equivalent energy savings. Staff originally recommended the cool roof requirement. The Council modified the recommendation to add the allowance for use of alternative methods.



## Constraints for People with Disabilities

### Family

Menlo Park uses the following definition of family, which is consistent with state law, “A group of individuals living together in a dwelling unit as a single housekeeping unit under a common housekeeping management plan based on an internally structured relationship providing organization and stability.

### Reasonable Accommodation Procedures

Menlo Park’s zoning code does not currently have a reasonable accommodation procedure, however, it is the city’s policy to defer to state and federal law when the zoning code is out of compliance. The Housing Element includes a program to adopt a reasonable accommodation procedure to mitigate this constraint.

### Group Homes

Menlo Park’s zoning code does not address group homes, the closest category is foster homes. This Housing Element has a program to amend the zoning ordinance to treat small group homes consistent with state law. The city will also amend the zoning code to allow group homes in appropriate zoning districts.

### Parking

The zoning code does not have separate parking standards for people with disabilities. This will be covered under the new reasonable accommodation procedures.

### Emergency Shelters, Transitional Housing and Supportive Housing

Menlo Park’s Zoning Ordinance does not currently address these types of housing. Housing Element policies and implementing programs will address these constraints.

## Inclusionary Zoning as a Potential Constraint to Housing

**Please Note:** This section to be completed for inclusion in the Draft Housing Element (October 31, 2012).

## **D** Potential Non-Governmental Constraints to Housing

*Please Note: This section to be completed for inclusion in the Draft Housing Element (October 31, 2012).*

**Cost of Financing**

**Land and Construction Costs**

**Availability of Construction Labor**

In Process Draft

## **E** Sustainability, Climate Change and Energy

*Please Note: This section to be completed for inclusion in the Draft Housing Element (October 31, 2012).*

In Process Draft

*City of Menlo Park Preliminary Draft Housing Element*

*Appendix A*

## **Available Land Inventory**

*Release Date — October 11, 2012*



This Appendix includes the following tables:

**Table 1:** Larger sites citywide to be studied for possible rezoning

**Table 2:** Sites within the boundary of the recently adopted El Camino Real/Downtown Specific Plan

**Table 3:** Sites adjacent to the boundary of the Specific Plan considered for infill at higher densities

**Table 4:** Units built from 1999 to 2006 and 2007 to present

**Table 5:** 2nd Units built from 1999 to 2006 and 2007 to present

**Table 6:** Existing zoning in 2006 and present

Table 1: Larger Citywide Sites for Rezoning

Map Index Number	APN	Site Name / Street Address	House No.	Street Name	Zoning	General Plan Designation	Existing Use	Lot Area (Sq. Ft.)	Lot Area (Acres)	DU per Acre	Total Allowable DU	Existing DU	Net Potential DU
11	062103610	1200 Blk Mid-Peninsula's Gateway	1200	Willow Rd	R3	Medium Density Residential	Multifamily Residential	98,686	2.27	40	90	48	42
12	055383560	1300 Blk Mid-Peninsula's Gateway	1300	Willow Rd	R3	Medium Density Residential	Multifamily Residential	129,427	2.97	40	118	82	36
13	055398110	Hamilton Ave East		Hamilton Ave	M1	Limited Industry	Light Industrial and Vacant	313,505	7.20	30	216	0	216
10	062470050	Veterans Affairs Clinic		Willow Rd	PF	Public Facilities	Hospital	81,239	1.87	32	60	0	60
9	062285300	555 Willow	555	Willow Rd	R3	Medium Density Residential	Restaurant	18,237	0.42	20	8	0	8
4	061382170	Corpus Christi	300 block	Ravenswood Ave	R2	Medium Density Residential	Church	67,274	1.54	20	30	0	30
3	074311600	Rural Lane		Rural Ln	R1S	Medium Density Residential	Vacant Land	108,900	2.50	12	30	0	24
15	055170350	Haven Ave	3600 block	Haven Ave	M2	Limited Industry	Light Manufacturing, Storage, and Vacant	674,999	15.50	30	464	0	464
5	062390170	401-445 Burgess Dr	401-445	Burgess Dr	C1A	Professional and Administrative Offices	Office: Multi-Story	59,830	1.37	30	41	0	16
6	062421010	8 Homewood Pl	8	Homewood Pl	C1	Professional and Administrative Offices	Office: Multi-Story	87,417	2.01	30	60	0	60
7	062460060	St. Patrick's Seminary	300 block	Middlefield Rd	R1S	Low Density Residential	Educational Facility	87,984	2.02	30	61	0	60
8	062272640	125-135 Willow Rd	125-135	Willow Rd	C1A	Professional and Administrative Offices	Office: Multi-Story	33,333	0.77	30	22	0	0
2	074450030	Hewlett Foundation	2111-2121	Sand Hill Rd	R-E/S-9		Vacant Land	142,441	3.27	30	98	0	98
1	074481010	I-280 and Sand Hill (Banana Site)		Sand Hill Rd	R-E/S-11		Vacant Land	75,794	1.74	30	52	0	52
14	055251120	Main Post Office	3875	Bohannon Dr	M2	Limited Industry	Post Office	82,257	1.89	30	57	0	57
<b>Total</b>													<b>1,163</b>



Table 2: Potential Housing Site within ECR/D Specific Plan

APN	House No.	Street Name	Zoning	General Plan Designation	Existing Use	Lot Area (Sq. Ft.)	Lot Area (Acres)	DU per Acre	Total Allowable DU	Density Qualifies for Very Low or Low	Density Qualifies for Moderate
061430450	1300	El Camino Real	ECR NE-R	El Camino Real Downtown Specific Plan	Vacant (Former Auto Sales)	146,728	3.37	32	107	107	
061430200		Derry Lane	ECR NE-R	El Camino Real Downtown Specific Plan	Commercial and Vacant	150,339	3.45	32	110	110	
060341140	1850	El Camino Real	ECR NE-L	El Camino Real Downtown Specific Plan	Restaurant	9,743	0.22	20	4		4
060341130	1850	El Camino Real	ECR NE-L	El Camino Real Downtown Specific Plan	Restaurant	13,253	0.30	20	6		6
060341280	1850	El Camino Real	ECR NE-L	El Camino Real Downtown Specific Plan	Restaurant	6,249	0.14	20	2		2
060344240	1610-1620	El Camino Real	ECR NE-L	El Camino Real Downtown Specific Plan	1-story commercial	7,977	0.18	20	3		3
060344250	1610-1620	El Camino Real	ECR NE-L	El Camino Real Downtown Specific Plan	1-story commercial	9,203	0.21	20	4		4
061422100	1451	San Antonio St	ECR NE	El Camino Real Downtown Specific Plan	Single-Family Residential	7,489	0.17	25	4		4
061422240	1450	El Camino Real	ECR NE	El Camino Real Downtown Specific Plan	1-story office	7,500	0.17	25	4		4
061422230	1438	El Camino Real	ECR NE	El Camino Real Downtown Specific Plan	Restaurant	7,501	0.17	25	4		4
061422350	1436	El Camino Real	ECR NE	El Camino Real Downtown Specific Plan	Carwash	29,975	0.69	25	17		17
071103030	1295	El Camino Real	ECR NW	El Camino Real Downtown Specific Plan	1-story commercial	18,245	0.42	25	10		10
071103040	1283-1285	El Camino Real	ECR NW	El Camino Real Downtown Specific Plan	1-story commercial	9,132	0.21	25	5		5
071103050	1281	El Camino Real	ECR NW	El Camino Real Downtown Specific Plan	Auto repair	9,132	0.21	25	5		5
071103060	1279	El Camino Real	ECR NW	El Camino Real Downtown Specific Plan	Auto repair	9,130	0.21	25	5		5
071103080	1265-1267	El Camino Real	ECR NW	El Camino Real Downtown Specific Plan	2-story commercial	8,828	0.20	25	5		5
071103090	1259-1263	El Camino Real	ECR NW	El Camino Real Downtown Specific Plan	2-story commercial	8,828	0.20	25	5		5
071103100	1251-1257	El Camino Real	ECR NW	El Camino Real Downtown Specific Plan	1-story commercial	11,464	0.26	25	6		6
061441140	1100	El Camino Real	SA E	El Camino Real Downtown Specific Plan	Restaurant	16,309	0.37	50	18	18	
061441050	556-558	Santa Cruz Ave	SA E	El Camino Real Downtown Specific Plan	2-story mixed use	10,349	0.24	50	11	11	
061441040	506-540	Santa Cruz Ave	SA E	El Camino Real Downtown Specific Plan	1-story commercial	13,632	0.31	50	15	15	
061441030	1125	Merrill St	SA E	El Camino Real Downtown Specific Plan	Veterinary hospital	6,166	0.14	50	7	7	
061412430		Alma St	SA E	El Camino Real Downtown Specific Plan	Parking lot	13,498	0.31	50	15	15	

Table 2: Potential Housing Site within ECR/D Specific Plan

APN	House No.	Street Name	Zoning	General Plan Designation	Existing Use	Lot Area (Sq. Ft.)	Lot Area (Acres)	DU per Acre	Total Allowable DU	Density Qualifies for Very Low or Low	Density Qualifies for Moderate
061412440	1100	Alma St	SA E	El Camino Real Downtown Specific Plan	2-story office	32,467	0.75	50	37	37	
061412450	1010-1026	Alma St	SA E	El Camino Real Downtown Specific Plan	1-story commercial	28,752	0.66	50	33	33	
061412160	550	Ravenswood Ave	SA E	El Camino Real Downtown Specific Plan	1-story commercial	18,340	0.42	50	21	21	
071333200	700	El Camino Real	ECR SE	El Camino Real Downtown Specific Plan	1-story retail	128,643	2.95	40	118	118	
071440040	550	El Camino Real	ECR SE	El Camino Real Downtown Specific Plan	Unoccupied (Former Auto Sales)	71,054	1.63	40	65	65	
071413200	201-211	El Camino Real	ECR SW	El Camino Real Downtown Specific Plan	1-story commercial	7,345	0.17	25	4		4
071413370		Cambridge Ave	ECR SW	El Camino Real Downtown Specific Plan	Parking lot	7,823	0.18	25	4		4
071411460	405-409	El Camino Real	ECR SW	El Camino Real Downtown Specific Plan	1-story commercial	7,895	0.18	25	4		4
071411210	417	El Camino Real	ECR SW	El Camino Real Downtown Specific Plan	1-story commercial	2,755	0.06	25	1		1
071411200	425	El Camino Real	ECR SW	El Camino Real Downtown Specific Plan	1-story commercial	2,817	0.06	25	1		1
071411190	433-441	El Camino Real	ECR SW	El Camino Real Downtown Specific Plan	1-story commercial	5,819	0.13	25	3		3
071411180	495	El Camino Real	ECR SW	El Camino Real Downtown Specific Plan	Gas station	6,065	0.14	25	3		3
071411170	495	El Camino Real	ECR SW	El Camino Real Downtown Specific Plan	Gas station	3,126	0.07	25	1		1
071411450	495	El Camino Real	ECR SW	El Camino Real Downtown Specific Plan	Gas station	7,965	0.18	25	4		4
071288550	650	Live Oak Ave	ECR SW	El Camino Real Downtown Specific Plan	1-story commercial	22,426	0.51	25	12		12
071288580	905-925	El Camino Real	ECR SW	El Camino Real Downtown Specific Plan	1-story commercial	14,396	0.33	25	8		8
071288230	935	El Camino Real	ECR SW	El Camino Real Downtown Specific Plan	1-story commercial	3,796	0.09	25	2		2
071288590	989-999	El Camino Real	ECR SW	El Camino Real Downtown Specific Plan	1-story commercial	15,653	0.36	25	8		8
071288190	607-611	Menlo Ave	ECR SW	El Camino Real Downtown Specific Plan	commercial	9,484	0.22	25	5		5
071288180	615-617	Menlo Ave	ECR SW	El Camino Real Downtown Specific Plan	commercial	6,983	0.16	25	4		4
071287080	1001-1005	El Camino Real	SA W	El Camino Real Downtown Specific Plan	2-story mixed use	2,884	0.07	50	3	3	
071287070	1011-1031	El Camino Real	SA W	El Camino Real Downtown Specific Plan	1-story commercial	8,344	0.19	50	9	9	
071287060	1035-1039	El Camino Real	SA W	El Camino Real Downtown Specific Plan	Restaurant	4,605	0.11	50	5	5	

Table 2: Potential Housing Site within ECR/D Specific Plan

APN	House No.	Street Name	Zoning	General Plan Designation	Existing Use	Lot Area (Sq. Ft.)	Lot Area (Acres)	DU per Acre	Total Allowable DU	Density Qualifies for Very Low or Low	Density Qualifies for Moderate
071287090	1047	El Camino Real	SA W	El Camino Real Downtown Specific Plan	2-story mixed use	6,293	0.14	50	7	7	
071287030	1075-1079	El Camino Real	SA W	El Camino Real Downtown Specific Plan		2,682	0.06	50	3	3	
071287020	1081-1083	El Camino Real	SA W	El Camino Real Downtown Specific Plan		2,194	0.05	50	2	2	
071287010	603-609	Santa Cruz Ave	SA W	El Camino Real Downtown Specific Plan	1-story commercial	3,901	0.09	50	4	4	
071286080	611-633	Santa Cruz Ave	SA W	El Camino Real Downtown Specific Plan	2-story commercial	19,549	0.45	50	22	22	
071286040		Doyle St	SA W	El Camino Real Downtown Specific Plan	Parking lot	5,749	0.13	50	6	6	
071286060	1010	Doyle St	SA W	El Camino Real Downtown Specific Plan	2-story commercial	6,912	0.16	50	7	7	
071286050		Menlo Ave	SA W	El Camino Real Downtown Specific Plan	Parking lot	6,682	0.15	50	7	7	
071102140	600-618	Santa Cruz Ave	SA W	El Camino Real Downtown Specific Plan	1-story commercial	14,117	0.32	50	16	16	
071102130	1133-1159	El Camino Real	SA W	El Camino Real Downtown Specific Plan	1-story commercial	23,685	0.54	50	27	27	
071102390	1161-1169	El Camino Real	SA W	El Camino Real Downtown Specific Plan	1-story commercial	5,756	0.13	50	6	6	
071102370	1177-1185	El Camino Real	SA W	El Camino Real Downtown Specific Plan	1-story commercial	7,513	0.17	50	8	8	
071102350	1189	El Camino Real	SA W	El Camino Real Downtown Specific Plan	1-story commercial	5,345	0.12	50	6	6	
071102100	625	Oak Grove Ave	SA W	El Camino Real Downtown Specific Plan	1-story commercial	3,891	0.09	50	4	4	
<b>TOTAL</b>									<b>852</b>	<b>699</b>	<b>153</b>
										82%	18%
										558	122

Note:  
Any proposal for development of residential units in excess of the 680 units allowed under the Specific Plan would require an amendment to the Specific Plan and concurrent environmental review.

Table 3: Infill Around Downtown

APN	House No.	Street Name	Zoning	General Plan Designation	Existing Use	Lot Area (Sq. Ft.)	Lot Area (Acres)	Total Allowable DU	Existing DU	Net Potential DU	Proposed DU @ 30 DU per Acre	Net Change
071288560	934	CRANE ST	R3	Medium Density Residential	Residential: Five or More Units	27,511	0.63	8	9	0	18	9
071292070	1003	ROBLE AVE	R3	Medium Density Residential	Residential: Five or More Units	22,122	0.51	7	7	0	15	8
071091060	823	VALPARAISO AVE	R3	Medium Density Residential	Residential: Single-Family	17,772	0.41	5	1	4	12	11
071312030	887	ROBLE AVE	R3	Medium Density Residential	Residential: Fourplex	15,799	0.36	4	4	0	10	6
061401010	417	GLENWOOD AVE	R3	Medium Density Residential	Residential: More Than 1 Detached Living Units	15,588	0.36	4	3	1	10	7
071302120	934	ALICE LN	R3	Medium Density Residential	Residential: Combination of Unit Types	15,302	0.35	4	4	0	10	6
071292010	971	OAK LN	R3	Medium Density Residential	Residential: Two Duplexes	15,066	0.35	4	4	0	10	6
071101160	1249	HOOVER ST	R3	Medium Density Residential	Residential: Fourplex	13,686	0.31	4	4	0	9	5
061401100	1257	LAUREL ST	R3	Medium Density Residential	Residential: Single-Family	13,388	0.31	4	2	2	9	7
061401080	1273	LAUREL ST	R3	Medium Density Residential	Residential: Single-Family	13,027	0.30	3	1	2	8	7
061401070	1281	LAUREL ST	R3	Medium Density Residential	Residential: Single-Family	12,810	0.29	3	1	2	8	7
061401270	1300	MILLS ST	R3	Medium Density Residential	Residential: Combination of Unit Types	12,665	0.29	3	4	0	8	4
071302110	904	ALICE LN	R3	Medium Density Residential	Residential: Two Duplexes	12,403	0.28	3	4	0	8	4
071291240	800	ARBOR RD	R3	Medium Density Residential	Residential: Five or More Units	12,284	0.28	3	2	1	8	6
071293150	1025	MALLET CT	R3	Medium Density Residential	Residential: Fourplex	12,260	0.28	3	4	0	8	4
071292190	810	FREMONT ST	R3	Medium Density Residential	Residential: Fourplex	11,740	0.27	3	4	0	8	4
071302230	587	ALICE LN	R3	Medium Density Residential	Residential: Combination of Unit Types	11,226	0.26	3	2	1	7	5
071103420	1220	HOOVER ST	R3	Medium Density Residential	Residential: More Than 1 Detached Living Units	10,893	0.25	3	2	1	7	5
071292170	750	FREMONT ST	R3	Medium Density Residential	Residential: SFR & Duplex or Triplex	10,785	0.25	3	2	1	7	5
071272080	985	SANTA CRUZ AVE	R3	Medium Density Residential	Residential: Combination of Unit Types	10,623	0.24	3	1	2	7	6

**Table 3: Infill Around Downtown**

APN	House No.	Street Name	Zoning	General Plan Designation	Existing Use	Lot Area (Sq. Ft.)	Lot Area (Acres)	Total Allowable DU	Existing DU	Net Potential DU	Proposed DU @ 30 DU per Acre	Net Change
071282090	800	LIVE OAK AVE	R3	Medium Density Residential	Residential: Single-Family	10,373	0.24	3	1	2	7	6
071301280	765	UNIVERSITY DR	R3	Medium Density Residential	Residential: Single-Family	10,362	0.24	3	1	2	7	6
071272030	1045	SANTA CRUZ AVE	R3	Medium Density Residential	Residential: Five or More Units	9,815	0.23	2	1	1	6	5
071103240	1280	HOOVER ST	R3	Medium Density Residential	Residential: Duplex	9,805	0.23	2	2	0	6	4
061421300	1464	SAN ANTONIO ST	R3	Medium Density Residential	Residential: Five or More Units	9,696	0.22	2	2	0	6	4
071103250	1286	HOOVER ST	R3	Medium Density Residential	Residential: Duplex	9,640	0.22	2	2	0	6	4
071293090	1020	MALLET CT	R3	Medium Density Residential	Residential: Triplex	9,573	0.22	2	3	0	6	3
071301080	905	OAK LN	R3	Medium Density Residential	Residential: SFR & Duplex or Triplex	9,420	0.22	2	3	0	6	3
061402120	1241	MILLS ST	R3	Medium Density Residential	Residential: Combination of Unit Types	9,174	0.21	2	2	0	6	4
071103310	1330	HOOVER ST	R3	Medium Density Residential	Residential: Single-Family	9,112	0.21	2	1	1	6	5
071103320	1340	HOOVER ST	R3	Medium Density Residential	Residential: Single-Family	9,035	0.21	2	1	1	6	5
071093070	1340	CRANE ST	R3	Medium Density Residential	Residential: Single-Family	9,027	0.21	2	1	1	6	5
071093060	1350	CRANE ST	R3	Medium Density Residential	Residential: Single-Family	9,026	0.21	2	2	0	6	4
071272420	969	UNIVERSITY DR	R3	Medium Density Residential	Residential: Single-Family	8,918	0.20	2	1	1	6	5
071272430	959	UNIVERSITY DR	R3	Medium Density Residential	Residential: Single-Family	8,917	0.20	2	2	0	6	4
061401090	1261	LAUREL ST	R3	Medium Density Residential	Residential: Single-Family	8,805	0.20	2	1	1	6	5
071301110	833	UNIVERSITY DR	R3	Medium Density Residential	Residential: Duplex	8,556	0.20	2	2	0	5	3
071271180	1062	ARBOR RD	R3	Medium Density Residential	Residential: Duplex	8,545	0.20	2	2	0	5	3
071272150	908	MENLO AVE	R3	Medium Density Residential	Residential: More Than 1 Detached Living Units	8,511	0.20	2	2	0	5	3
071288390	742	LIVE OAK AVE	R3	Medium Density Residential	Residential: Single-Family	8,460	0.19	2	1	1	5	4

Table 3: Infill Around Downtown

APN	House No.	Street Name	Zoning	General Plan Designation	Existing Use	Lot Area (Sq. Ft.)	Lot Area (Acres)	Total Allowable DU	Existing DU	Net Potential DU	Proposed DU @ 30 DU per Acre	Net Change
071311020	845	LIVE OAK AVE	R3	Medium Density Residential	Residential: SFR Converted to 2 Units	8,451	0.19	2	2	0	5	3
071093180	1230	CRANE ST	R3	Medium Density Residential	Residential: Single-Family	8,450	0.19	2	1	1	5	4
071291160	649	FREMONT ST	R3	Medium Density Residential	Residential: Single-Family	8,447	0.19	2	1	1	5	4
061401280	1320	MILLS ST	R3	Medium Density Residential	Residential: Single-Family	8,323	0.19	2	1	1	5	4
061382230	1042	PINE ST	R3	Medium Density Residential	Residential: More Than 1 Detached Living Units	8,268	0.19	2	2	0	5	3
061401150	424	OAK GROVE AVE	R3	Medium Density Residential	Residential: Single-Family	8,249	0.19	2	1	1	5	4
071093170	1232	CRANE ST	R3	Medium Density Residential	Residential: Single-Family	8,170	0.19	2	1	1	5	4
061401030	1333	LAUREL ST	R3	Medium Density Residential	Residential: Single-Family	8,130	0.19	2	1	1	5	4
071301310	916	FLORENCE LN	R3	Medium Density Residential	Residential: Single-Family	8,046	0.18	2	1	1	5	4
071093040	735	VALPARAISO AVE	R3	Medium Density Residential	Residential: Single-Family	8,023	0.18	2	1	1	5	4
071091400	1308	UNIVERSITY DR	R3	Medium Density Residential	Residential: Single-Family	7,860	0.18	2	1	1	5	4
071091410	1310	UNIVERSITY DR	R3	Medium Density Residential	Residential: Single-Family	7,852	0.18	2	1	1	5	4
061383090	1104	LAUREL ST	R3	Medium Density Residential	Residential: SFR Converted to 2 Units	7,830	0.18	2	2	0	5	3
071272240	1002	FREMONT ST	R3	Medium Density Residential	Residential: Single-Family	7,792	0.18	2	2	0	5	3
071272380	937	MENLO AVE	R3	Medium Density Residential	Residential: Duplex	7,791	0.18	2	2	0	5	3
071272370	949	MENLO AVE	R3	Medium Density Residential	Residential: Duplex	7,791	0.18	2	2	0	5	3
061382320	1126	PINE ST	R3	Medium Density Residential	Residential: Duplex	7,789	0.18	2	2	0	5	3
071288290	660	LIVE OAK AVE	R3	Medium Density Residential	Residential: More Than 1 Detached Living Units	7,784	0.18	2	2	0	5	3
061382260	1066	PINE ST	R3	Medium Density Residential	Residential: Single-Family	7,760	0.18	2	1	1	5	4
071272180	940	MENLO AVE	R3	Medium Density Residential	Residential: Duplex	7,694	0.18	2	2	0	5	3



**Table 3: Infill Around Downtown**

APN	House No.	Street Name	Zoning	General Plan Designation	Existing Use	Lot Area (Sq. Ft.)	Lot Area (Acres)	Total Allowable DU	Existing DU	Net Potential DU	Proposed DU @ 30 DU per Acre	Net Change
071271130	918	ARBOR RD	R3	Medium Density Residential	Residential: Duplex	7,642	0.18	2	2	0	5	3
071272190	966	MENLO AVE	R3	Medium Density Residential	Residential: Single-Family	7,626	0.18	2	1	1	5	4
071311200	820	UNIVERSITY DR	R3	Medium Density Residential	Residential: Single-Family	7,562	0.17	2	1	1	5	4
061382270	1070	PINE ST	R3	Medium Density Residential	Residential: SFR Converted to 2 Units	7,547	0.17	2	1	1	5	4
061401350	425	GLENWOOD AVE	R3	Medium Density Residential	Residential: Single-Family	7,501	0.17	2	1	1	5	4
061412020	1163	NOEL DR	R3	Medium Density Residential	Residential: Combination of Unit Types	7,500	0.17	2	2	0	5	3
071301140	936	ROBLE AVE	R3	Medium Density Residential	Residential: Single-Family	7,500	0.17	2	1	1	5	4
071301270	775	UNIVERSITY DR	R3	Medium Density Residential	Residential: Single-Family	7,500	0.17	2	1	1	5	4
061382310	1108	PINE ST	R3	Medium Density Residential	Residential: SFR & Duplex or Triplex	7,500	0.17	2	2	0	5	3
071301250	917	ROBLE AVE	R3	Medium Density Residential	Residential: Duplex	7,473	0.17	2	2	0	5	3
061382290	1104	PINE ST	R3	Medium Density Residential	Residential: More Than 1 Detached Living Units	7,459	0.17	2	2	0	5	3
071311060	801	LIVE OAK AVE	R3	Medium Density Residential	Residential: Single-Family	7,422	0.17	2	1	1	5	4
071311070	797	LIVE OAK AVE	R3	Medium Density Residential	Residential: Single-Family	7,415	0.17	2	1	1	5	4
071302090	659	UNIVERSITY DR	R3	Medium Density Residential	Residential: More Than 1 Detached Living Units	7,379	0.17	2	2	0	5	3
071301130	922	ROBLE AVE	R3	Medium Density Residential	Residential: Single-Family	7,358	0.17	2	1	1	5	4
071301170	956	ROBLE AVE	R3	Medium Density Residential	Residential: More Than 1 Detached Living Units	7,358	0.17	2	2	0	5	3
071301040	955	OAK LN	R3	Medium Density Residential	Residential: Duplex	7,332	0.17	2	2	0	5	3
071301230	949	ROBLE AVE	R3	Medium Density Residential	Residential: More Than 1 Detached Living Units	7,332	0.17	2	2	0	5	3
071301210	973	ROBLE AVE	R3	Medium Density Residential	Residential: Single-Family	7,332	0.17	2	1	1	5	4
071301030	957	OAK LN	R3	Medium Density Residential	Residential: Single-Family	7,331	0.17	2	1	1	5	4

**Table 3: Infill Around Downtown**

APN	House No.	Street Name	Zoning	General Plan Designation	Existing Use	Lot Area (Sq. Ft.)	Lot Area (Acres)	Total Allowable DU	Existing DU	Net Potential DU	Proposed DU @ 30 DU per Acre	Net Change
071301360	966	FLORENCE LN	R3	Medium Density Residential	Residential: Duplex	7,316	0.17	2	2	0	5	3
071311110	844	ROBLE AVE	R3	Medium Density Residential	Residential: More Than 1 Detached Living Units	7,276	0.17	2	2	0	5	3
071093290	1360	CRANE ST	R3	Medium Density Residential	Residential: Single-Family	7,273	0.17	2	1	1	5	4
071293080	1010	MALLET CT	R3	Medium Density Residential	Residential: Single-Family	7,242	0.17	2	1	1	4	3
071291180	644	ARBOR RD	R3	Medium Density Residential	Residential: Duplex	7,215	0.17	2	2	0	4	2
071293100	1030	MALLET CT	R3	Medium Density Residential	Residential: Single-Family	7,186	0.16	2	1	1	4	3
071302310	1000	MIDDLE AVE	R3	Medium Density Residential	Residential: Single-Family	7,183	0.16	2	2	0	4	2
071272510	916	FREMONT PL	R3	Medium Density Residential	Residential: Triplex	7,180	0.16	2	1	1	4	3
071301300	721	UNIVERSITY DR	R3	Medium Density Residential	Residential: Single-Family	7,078	0.16	2	1	1	4	3
071302290	950	MIDDLE AVE	R3	Medium Density Residential	Residential: Single-Family	7,068	0.16	2	1	1	4	3
071288360	714	LIVE OAK AVE	R3	Medium Density Residential	Residential: More Than 1 Detached Living Units	7,055	0.16	2	1	1	4	3
061401240	1264	MILLS ST	R3	Medium Density Residential	Residential: Single-Family	7,052	0.16	2	1	1	4	3
071301290	735	UNIVERSITY DR	R3	Medium Density Residential	Residential: Single-Family	7,050	0.16	2	2	0	4	2
071101060	1343	HOOVER ST	R3	Medium Density Residential	Residential: Duplex	7,012	0.16	2	2	0	4	2
071101110	1305	HOOVER ST	R3	Medium Density Residential	Residential: Single-Family	7,000	0.16	2	1	1	4	3
Subtotal on Lots 10,000 sf or greater												134
Subtotal on lots between 7,000 and 9,999 sf												257
<b>TOTAL</b>												<b>391</b>

**Table 4: Built and Approved Units**

APN	Site Address	Building Permit Issued	Approval Date (if permit not issued)	Net New Unit	BMR Unit
062383150	1965 MENALTO AVE	4/30/99		1	
071091220	848-850 OAK GROVE AVE	6/29/99		2	
074170500	6 ZACHARY CT	8/17/99		1	
071103360	677 VALPARAISO AVE	9/9/99		1	
071405040	869 PARTRIDGE AVE	9/20/99		1	
071094170	1142 CRANE ST	11/9/99		2	
071022230	1324 N LEMON AVE	12/16/99		1	
063441060	2056 MENALTO AVE	4/5/00		1	
074170520	2 ZACHARY CT	4/28/00		1	
063424190	1321 WOODLAND AVE	6/20/00		1	
055342490	1314 CHILCO ST	7/14/00		1	
055412040	1520 WILLOW RD	7/19/00		1	
063452300	1381 WOODLAND AVE	8/21/00		1	
113980030	1246 HOOVER ST	8/30/00		1	
113990040	1254 HOOVER ST	12/13/00		1	
113990050	1252 HOOVER ST	12/13/00		1	
113990060	1250 HOOVER ST	12/13/00		1	
114090010	1145-1155 MERRILL ST	3/15/01		25	3
063425050	1117 WOODLAND AVE	5/30/01		1	
071288330	698 LIVE OAK AVE	5/20/02		1	
062331230	4 RUSSELL CT	8/30/02		1	
062460060	320 MIDDLEFIELD RD	1/8/03		1	
061370030	250 OAK GROVE AVE	4/9/03		1	
074170440	3 ZACHARY CT	7/7/03		1	
062073320	667 PIERCE RD	7/22/03		1	
062073330	657 PIERCE RD	7/22/03		1	
062383160	128 ELM ST	9/16/03		1	
062021070	1111 MENLO OAKS DR	12/11/03		2	
071433230	726 HARVARD AVE	2/23/04		1	
062331280	3 RUSSELL CT	5/20/04		1	
071293020	1017 FLORENCE LN	5/3/05		1	
061384050	1064 LAUREL ST	5/24/05		1	
055341160	530 SANDLEWOOD ST	6/2/05		1	
055480440	551 HAMILTON AVE	6/2/05		1	
062334120	825 WOODLAND AVE	6/8/05		1	
063430590	1958 1/2 MENALTO AVE	8/10/05		1	
063430600	1960 MENALTO AVE	8/10/05		1	
063430600	1960 1/2 MENALTO AVE	8/10/05		1	
061422130	1425 SAN ANTONIO ST	10/11/05		1	
061422130	1423 SAN ANTONIO ST	10/11/05		1	
061422130	1429 SAN ANTONIO ST	10/11/05		1	
061422130	1431 SAN ANTONIO ST	10/11/05		1	
061422140	1421 SAN ANTONIO ST	10/11/05		1	
063441370	229 O'CONNOR ST	1/10/06		1	
071301240	925 ROBLE AVE	1/30/06		1	
063441340	269 O'CONNOR ST	10/3/06		1	
063425040	1111 WOODLAND AVE	10/12/06		1	
071431020	849 CAMBRIDGE AVE	10/12/06		1	
055341240	501 SANDLEWOOD ST	11/20/06		1	
055480300	519 SANDLEWOOD ST	11/20/06		1	
055480310	517 SANDLEWOOD ST	11/20/06		1	
055480320	515 SANDLEWOOD ST	11/20/06		1	1
055480340	511 SANDLEWOOD ST	11/20/06		1	
055480350	509 SANDLEWOOD ST	11/20/06		1	1

**Table 4: Built and Approved Units**

APN	Site Address	Building Permit Issued	Approval Date (if permit not issued)	Net New Unit	BMR Unit
055480360	507 SANDLEWOOD ST	11/20/06		1	1
055480370	505 SANDLEWOOD ST	11/20/06		1	
055480380	503 SANDLEWOOD ST	11/20/06		1	1
055480220	535 SANDLEWOOD ST	11/21/06		1	1
055480230	533 SANDLEWOOD ST	11/21/06		1	1
055480240	531 SANDLEWOOD ST	11/21/06		1	
055480250	529 SANDLEWOOD ST	11/21/06		1	
055480260	527 SANDLEWOOD ST	11/21/06		1	
055480270	525 SANDLEWOOD ST	11/21/06		1	1
055480280	523 SANDLEWOOD ST	11/21/06		1	
055480290	521 SANDLEWOOD ST	11/21/06		1	1
055341240	513 SANDLEWOOD ST	12/12/06		1	
055341240	1423 ROSEMARY ST	1/19/07		1	
055480010	1413 ROSEMARY ST	1/19/07		1	1
055480020	1415 ROSEMARY ST	1/19/07		1	
055480030	1417 ROSEMARY ST	1/19/07		1	1
055480040	1419 ROSEMARY ST	1/19/07		1	
055480050	1421 ROSEMARY ST	1/19/07		1	
055480070	1425 ROSEMARY ST	1/19/07		1	1
055480080	1490 ROSEMARY ST	1/19/07		1	1
055480090	1470 ROSEMARY ST	1/19/07		1	
055480100	1450 ROSEMARY ST	1/19/07		1	
055480110	1430 ROSEMARY ST	1/19/07		1	
055480120	1410 ROSEMARY ST	1/19/07		1	1
055480130	1400 ROSEMARY ST	1/19/07		1	
055480210	537 SANDLEWOOD ST	1/19/07		1	1
071162240	1618 STANFORD AVE	3/9/07		1	
062421060	152 LINFIELD DR	4/12/07		1	
062421060	154 LINFIELD DR	4/12/07		1	
062421060	156 LINFIELD DR	4/12/07		1	
071404150	812 PARTRIDGE AVE	4/17/07		1	
071412420	800 PARTRIDGE AVE	4/23/07		1	
055480140	1401 SAGE ST	6/12/07		1	
055480150	1403 SAGE ST	6/12/07		1	1
055480160	1405 SAGE ST	6/12/07		1	
055480200	539 SANDLEWOOD ST	6/12/07		1	
055480420	520 SANDLEWOOD ST	6/12/07		1	1
055480460	559 HAMILTON AVE	6/12/07		1	1
055480470	1401 GINGER ST	6/12/07		1	1
055480170	1407 SAGE ST	6/13/07		1	1
055480180	1409 SAGE ST	6/13/07		1	
055480190	1411 SAGE ST	6/13/07		1	
055480410	510 SANDLEWOOD ST	6/26/07		1	
062550010	1 HERITAGE PL	6/29/07		1	1
062550020	2 HERITAGE PL	6/29/07		1	
062550030	3 HERITAGE PL	6/29/07		1	
062550050	5 HERITAGE PL	7/2/07		1	
062550080	8 HERITAGE PL	7/2/07		1	
062550090	9 HERITAGE PL	7/2/07		1	
062550040	4 HERITAGE PL	7/5/07		1	
062550060	6 HERITAGE PL	7/5/07		1	
062550110	11 HERITAGE PL	7/5/07		1	
062550120	12 HERITAGE PL	7/5/07		1	
055480400	1405 GINGER ST	7/10/07		1	

**Table 4: Built and Approved Units**

APN	Site Address	Building Permit Issued	Approval Date (if permit not issued)	Net New Unit	BMR Unit
055480450	555 HAMILTON AVE	7/10/07		1	1
062422110	157 LINFIELD DR	7/10/07		1	1
062422110	159 LINFIELD DR	7/10/07		1	
062422110	161 LINFIELD DR	7/10/07		1	
062422110	163 LINFIELD DR	7/10/07		1	
062422110	165 LINFIELD DR	7/10/07		1	
062422110	167 LINFIELD DR	7/10/07		1	
062422110	169 LINFIELD DR	7/10/07		1	1
062422110	171 LINFIELD DR	7/10/07		1	
062422110	218 MORGAN LANE	7/31/07		1	
062422110	214 MORGAN LANE	7/31/07		1	
062422110	210 MORGAN LANE	7/31/07		1	
062422110	208 MORGAN LANE	7/31/07		1	
062422110	216 MORGAN LANE	8/16/07		1	
062422110	212 MORGAN LANE	8/16/07		1	
062422110	202 MORGAN LANE	8/22/07		1	1
062422110	204 MORGAN LANE	8/22/07		1	
062422110	203 BALLARD LANE	8/22/07		1	
062422110	201 BALLARD LANE	8/22/07		1	
062422110	201 PEARL LANE	8/22/07		1	
062422110	203 PEARL LANE	8/22/07		1	
062422110	205 PEARL LANE	8/22/07		1	
062422110	207 PEARL LANE	8/22/07		1	
062550070	7 HERITAGE PL	8/29/07		1	
062422110	230 MORGAN LANE	9/25/07		1	
062422110	228 MORGAN LANE	9/25/07		1	1
062422110	226 MORGAN LANE	9/25/07		1	
062422110	224 MORGAN LANE	9/25/07		1	
062422110	222 MORGAN LANE	9/25/07		1	
062422110	209 PEARL LANE	9/25/07		1	
062422110	211 PEARL LANE	9/25/07		1	
062422130	807 PAULSON CIRCLE	10/3/07		1	
062422130	805 PAULSON CIRCLE	10/3/07		1	
071272060	1001 SANTA CRUZ AVE	10/9/07		2	
071302280	928 MIDDLE AVE FRONT	10/19/07		1	
062422130	841 PAULSON CIRCLE	11/2/07		1	
062422110	202 BALLARD LANE	11/8/07		1	1
062422110	204 BALLARD LANE	11/8/07		1	
062422110	236 MORGAN LANE	11/8/07		1	
062422110	234 MORGAN LANE	11/8/07		1	
062422110	232 MORGAN LANE	11/8/07		1	
062214100	10 HERITAGE PL	11/15/07		1	1
062422130	839 PAULSON CIRCLE	12/28/07		1	
062422130	843 PAULSON CIRCLE	12/28/07		1	
062422130	835 PAULSON CIRCLE	3/5/08		1	
062422130	833 PAULSON CIRCLE	3/5/08		1	1
062422130	837 PAULSON CIRCLE	3/5/08		1	
062422130	831 PAULSON CIRCLE	3/5/08		1	
074162180	1080 LASSEN DR	3/5/08		1	
074120360	130 ROYAL OAK CT	6/18/08		1	
074120360	135 ROYAL OAK CT	6/18/08		1	
074120360	110 ROYAL OAK CT	6/18/08		1	
074120360	125 ROYAL OAK CT	6/18/08		1	
074120360	120 ROYAL OAK CT	6/18/08		1	

**Table 4: Built and Approved Units**

APN	Site Address	Building Permit Issued	Approval Date (if permit not issued)	Net New Unit	BMR Unit
074120360	150 ROYAL OAK CT	6/19/08		1	
062422130	834 PAULSON CIRCLE	6/23/08		1	
062422130	836 PAULSON CIRCLE	6/23/08		1	
062422130	822 PAULSON CIRCLE	6/23/08		1	
062422130	832 PAULSON CIRCLE	6/23/08		1	
062421060	156 MORANDI LN	7/16/08		1	
062421060	154 MORANDI LN	7/16/08		1	
062421060	152 MORANDI LN	7/16/08		1	
062421060	151 MORANDI LN	7/16/08		1	1
062421060	153 MORANDI LN	7/16/08		1	
062421060	155 MORANDI LN	7/16/08		1	
062422130	827 PAULSON CIRCLE	7/29/08		1	
062422130	829 PAULSON CIRCLE	7/29/08		1	
062422130	825 PAULSON CIRCLE	7/29/08		1	
062422130	823 PAULSON CIRCLE	7/31/08		1	
062422130	821 PAULSON CIRCLE	7/31/08		1	
062422130	819 PAULSON CIRCLE	7/31/08		1	
062422130	817 PAULSON CIRCLE	9/11/08		1	
062580250	804 PAULSON CIR	9/23/08		1	
062580300	818 PAULSON CIR	9/23/08		1	
062580310	816 PAULSON CIR	9/23/08		1	
062580040	813 PAULSON CIR	9/25/08		1	1
062580050	815 PAULSON CIR	9/25/08		1	
062580210	801 PAULSON CIR	9/25/08		1	
062580030	811 PAULSON CIR	10/6/08		1	
062580240	812 PAULSON CIR	10/14/08		1	
062580320	814 PAULSON CIR	10/14/08		1	
062580020	809 PAULSON CIR	12/1/08		1	
071433180	644 HARVARD	1/16/09		1	
062580200	845 PAULSON CIR	4/23/09		1	
062580220	803 PAULSON CIR	4/23/09		1	
071271030	1081 SANTA CRUZ AVE	2/10/10		3	
062383120	1981 MENALTO AVE	4/15/10		1	
071301100	849 UNIVERSITY DR	6/9/10		1	
071301100	865 UNIVERSITY DR	6/9/10		1	
071291230	737 FREMONT ST	10/6/10		2	
062570080	153 BURNELL LN	10/20/10		1	
071282090	802 LIVE OAK AVE	11/2/10		1	
071282090	905 CRANE ST	11/2/10		1	
062570070	151 BURNELL LN	11/3/10		1	
062570160	313 HOMEWOOD PL	11/16/10		1	
062570220	301 HOMEWOOD PL	11/17/10		1	
062570180	309 HOMEWOOD PL	11/18/10		1	
062570190	307 HOMEWOOD PL	11/18/10		1	1
062570200	305 HOMEWOOD PL	11/18/10		1	
062570210	303 HOMEWOOD PL	11/18/10		1	
062570170	311 HOMEWOOD PL	11/29/10		1	
062570090	155 BURNELL LN	12/9/10		1	
071022110	1206 N LEMON AVE	12/21/10		1	
062570020	160 LINFIELD DR	1/3/11		1	
062570030	158 LINFIELD DR	1/3/11		1	1
062570010	162 LINFIELD DR	1/10/11		1	
071302290	960 MIDDLE AVE	3/8/11		1	
061382210	1030 PINE ST	2/17/12		1	

**Table 4: Built and Approved Units**

APN	Site Address	Building Permit Issued	Approval Date (if permit not issued)	Net New Unit	BMR Unit	
074112640	2199 CLAYTON DR	3/22/12		1		
063430090	1956 MENALTO AVE A	4/17/12		1		
074112100	2199 CLAYTON DR	4/24/12		1		
074120430	140 ROYAL OAK CT	5/8/12		1		
061421330	1444 SAN ANTONIO ST	7/24/12		1		
063430060	1968 MENALTO AVE	na	1/10/11	1		
062064140	731 BAY ROAD	na	4/16/12	1		
062064130	735 BAY ROAD	na	4/16/12	1		
071301120	821 UNIVERSITY AVE	na	7/9/12	1		
061422390	1460 EL CAMINO REAL	na	1/11/11	16	1	
071412430	389 EL CAMINO REAL	na	7/31/12	22	3	
071288390	742 LIVE OAK AVE		9/10/12	1		
Built	Subtotal 1999 to 2006			93	11	82
Built	Subtotal 2007 to 2012			159	24	135
Approved	Subtotal 2007 to 2012			43	4	39
Total	Built & Approved 2007 to 2012			202	28	174
<b>TOTAL</b>				<b>295</b>	<b>39</b>	<b>256</b>



**Table 5: Built 2nd Units**

<b>Address</b>	<b>Date Building Permit Issued</b>	<b>Attached or Detached Unit?</b>
1120 Carlton Ave	03/01/00	Attached Unit
1303 Windermere Ave	10/14/03	Attached Unit
425 Claremont Way	08/02/07	Detached Unit
344 O'Connor St	10/04/07	Attached Unit
1177 Johnson St	12/10/07	Detached Unit
351 Terminal Ave	10/29/08	Detached Unit
332 O'Connor St	06/14/10	Detached Unit
622 Laurel Ave	03/28/12	Detached Unit
1999 to 2006		2
2007 to present		6
		8

Table 6: Existing Zoning

APN	House No.	Street Name	Zoning	General Plan Designation	Existing Use	Lot Area (Sq. Ft.)	Lot Acres (Acres)	Total Allowable DU	Existing DU	Net Potential DU	DU per Acre	BMR Units
055351080	200 block	IVY DR	R1U	Low Density Residential	Vacant	7,994	0.18	1	0	1	5.4	
061321110	400 block	FELTON DR	R1S (FG)	Low Density Residential	Vacant	7,522	0.17	1	0	1	5.8	
061382170	215	OAK GROVE AVE	R2	Medium Density Residential	Vacant	67,082	1.54	19	0	19	12.3	
062012050		IRIS LN	R1U	Low Density Residential	Vacant	3,609	0.08	1	0	1	12.1	
062013230		PIERCE RD	R3	Medium Density Residential	Vacant	10,510	0.24	3	0	3	12.4	
062021040	130	NEWBRIDGE ST	R3	Medium Density Residential	Single-Family Residential	5,433	0.12	2	1	1	16.0	
062021050	1131	MENLO OAKS DR	R3	Medium Density Residential	Single-Family Residential	8,415	0.19	2	1	1	10.4	
062021060	1121	MENLO OAKS DR	R3	Medium Density Residential	Single-Family Residential	6,979	0.16	2	1	1	12.5	
062064110	1005	MADERA AVE	R3	Medium Density Residential	Single-Family Residential	6,111	0.14	2	1	1	7.1	
062073300		HOLLYBURNE AVE	R1U	Low Density Residential	Vacant	4,106	0.09	1	0	1	10.6	
062074020	1100 block	HOLLYBURNE AVE	R1U	Low Density Residential	Vacant	11,612	0.27	1	0	1	3.8	
062074330	741	PIERCE RD	R3	Medium Density Residential	Vacant	2,648	0.06	0	0	0	0.0	
062074340			R3	Medium Density Residential	Vacant	2,677	0.06	1	0	1	16.3	
062074350	731	PIERCE RD	R3	Medium Density Residential	Vacant	5,376	0.12	2	0	2	16.2	
062216060	300 block	HAIGHT ST	R1U	Low Density Residential	Vacant	3,028	0.07	1	0	1	14.4	
062272760	200 block	WILLOW RD	R1U	Low Density Residential	Vacant	7,665	0.18	1	0	1	5.7	
062303160	600 block	WOODLAND AVE	R1U	Low Density Residential	Vacant	6,529	0.15	1	0	1	6.7	
062383130	1975	MENALTO AVE	R2	Medium Density Residential	Single-Family Residential	7,269	0.17	2	1	1	6.0	
062383140	1971	MENALTO AVE	R2	Medium Density Residential	Single-Family Residential	7,283	0.17	2	1	1	6.0	
062460060	320	MIDDLEFIELD RD	R1S	Low Density Residential	Vacant	217,800	5.00	21	0	21	4.2	
063142120	2100 block	MENALTO AVE	R1U	Low Density Residential	Vacant	3,483	0.08	1	0	1	12.5	
063425070	1916	MENALTO AVE	R2	Medium Density Residential	Single-Family Residential	10,044	0.23	2	1	1	4.3	
063430040	1976	MENALTO AVE	R2	Medium Density Residential	Single-Family Residential	8,205	0.19	2	1	1	5.3	
063430060	1968	MENALTO AVE	R2	Medium Density Residential	Single-Family Residential	8,441	0.19	2	1	1	5.2	
063452390	1300 block	WOODLAND AVE	R1U	Low Density Residential	Vacant	9,295	0.21	1	0	1	4.7	
063453080		FRENCH CT	R1U	Low Density Residential	Vacant	6,310	0.14	1	0	1	6.9	
063472010	1495	WOODLAND AVE	R3	Medium Density Residential	Single-Family Residential	12,358	0.28	3	1	2	3.6	
063472020	1917	EUCLID AVE	R3	Medium Density Residential	Single-Family Residential	6,959	0.16	2	1	1	6.3	
063472030	1925	EUCLID AVE	R3	Medium Density Residential	Single-Family Residential	5,730	0.13	2	1	1	7.6	
063472050	1947	EUCLID AVE	R3	Medium Density Residential	Vacant	6,000	0.14	2	0	2	7.3	
071022220	1300 block	N LEMON ST	R1S	Low Density Residential	Vacant	9,931	0.23	1	0	1	4.4	
071022240	1300 block	N LEMON ST	R1S	Low Density Residential	Vacant	22,985	0.53	2	0	2	3.8	
071072270	1300 block	ARBOR RD	RE	Very Low Density Residential	Vacant	12,162	0.28	1	0	1	3.6	
071192070	1700 block	BAY LAUREL AVE	R1S	Low Density Residential	Vacant	17,847	0.41	1	0	1	2.4	
071192280	1600 block	BAY LAUREL AVE	R1S	Low Density Residential	Vacant	14,017	0.32	1	0	1	3.1	
071350030	100 block	SAN MATEO DR	R1S	Low Density Residential	Vacant	17,941	0.41	1	0	1	2.4	
071404200	850	PARTRIDGE AVE	R2	Medium Density Residential	Single-Family Residential	9,283	0.21	2	1	1	9.4	
071404210	856	PARTRIDGE AVE	R2	Medium Density Residential	Single-Family Residential	9,276	0.21	2	1	1	9.4	
071404220	860	PARTRIDGE AVE	R2	Medium Density Residential	Single-Family Residential	9,268	0.21	2	1	1	9.4	
071405020	875	PARTRIDGE AVE	R2	Medium Density Residential	Single-Family Residential	6,972	0.16	2	1	1	12.5	
071405130	824	CAMBRIDGE AVE	R2	Medium Density Residential	Single-Family Residential	7,440	0.17	2	1	1	11.7	
071405140	830	CAMBRIDGE AVE	R2	Medium Density Residential	Single-Family Residential	7,456	0.17	2	1	1	11.7	
071405150	848	CAMBRIDGE AVE	R2	Medium Density Residential	Single-Family Residential	7,471	0.17	2	1	1	11.7	
071405160	850	CAMBRIDGE AVE	R2	Medium Density Residential	Single-Family Residential	7,485	0.17	2	1	1	11.6	
071405170	854	CAMBRIDGE AVE	R2	Medium Density Residential	Single-Family Residential	7,499	0.17	2	1	1	11.6	
071412290	646	PARTRIDGE AVE	R3	Medium Density Residential	Single-Family Residential	7,500	0.17	2	1	1	11.6	
071412300	658	PARTRIDGE AVE	R3	Medium Density Residential	Single-Family Residential	5,692	0.13	2	1	1	15.3	
071413010	785	PARTRIDGE AVE	R2	Medium Density Residential	Single-Family Residential	8,041	0.18	2	1	1	10.8	
071413150	617	PARTRIDGE AVE	R3	Medium Density Residential	Single-Family Residential	9,592	0.22	2	1	1	9.1	
071413240	636	CAMBRIDGE AVE	R2	Medium Density Residential	Single-Family Residential	7,268	0.17	2	1	1	12.0	
071413270	680	CAMBRIDGE AVE	R2	Medium Density Residential	Single-Family Residential	7,311	0.17	2	1	1	11.9	

Table 6: Existing Zoning

APN	House No.	Street Name	Zoning	General Plan Designation	Existing Use	Lot Area (Sq. Ft.)	Lot Acres (Acres)	Total Allowable DU	Existing DU	Net Potential DU	DU per Acre	BMR Units
071413280	724	CAMBRIDGE AVE	R2	Medium Density Residential	Single-Family Residential	7,325	0.17	2	1	1	11.9	
071413300	750	CAMBRIDGE AVE	R2	Medium Density Residential	Single-Family Residential	7,354	0.17	2	1	1	11.8	
071413310	760	CAMBRIDGE AVE	R2	Medium Density Residential	Single-Family Residential	7,369	0.17	2	1	1	11.8	
071413320	776	CAMBRIDGE AVE	R2	Medium Density Residential	Single-Family Residential	9,529	0.22	2	1	1	9.1	
071424020	875	CAMBRIDGE AVE	R2	Medium Density Residential	Single-Family Residential	7,090	0.16	2	1	1	12.3	
071431040	825	CAMBRIDGE AVE	R2	Medium Density Residential	Single-Family Residential	8,111	0.19	2	1	1	10.7	
071431050	815	CAMBRIDGE AVE	R2	Medium Density Residential	Single-Family Residential	8,107	0.19	2	1	1	10.7	
071431060	145	CORNELL RD	R2	Medium Density Residential	Single-Family Residential	8,086	0.19	2	1	1	10.8	
071433040	739	CAMBRIDGE AVE	R2	Medium Density Residential	Single-Family Residential	7,787	0.18	2	1	1	11.2	
071433050	725	CAMBRIDGE AVE	R2	Medium Density Residential	Single-Family Residential	8,084	0.19	2	1	1	10.8	
071433060	715	CAMBRIDGE AVE	R2	Medium Density Residential	Single-Family Residential	8,080	0.19	2	1	1	10.8	
071433070	705	CAMBRIDGE AVE	R2	Medium Density Residential	Single-Family Residential	8,078	0.19	2	1	1	10.8	
071433080	665	CAMBRIDGE AVE	R2	Medium Density Residential	Single-Family Residential	8,075	0.19	2	1	1	10.8	
071433090	649	CAMBRIDGE AVE	R2	Medium Density Residential	Single-Family Residential	8,071	0.19	2	1	1	10.8	
071433110	627	CAMBRIDGE AVE	R2	Medium Density Residential	Single-Family Residential	8,064	0.19	2	1	1	10.8	
071433220	712	HARVARD AVE	R2	Medium Density Residential	Single-Family Residential	7,731	0.18	2	1	1	11.3	
071433250	752	HARVARD AVE	R2	Medium Density Residential	Single-Family Residential	7,012	0.16	2	1	1	12.4	
071433260	760	HARVARD AVE	R2	Medium Density Residential	Single-Family Residential	7,007	0.16	2	1	1	12.4	
071434060	709	HARVARD AVE	R2	Medium Density Residential	Single-Family Residential	10,035	0.23	2	1	1	8.7	
071434090	649	HARVARD AVE	R2	Medium Density Residential	Single-Family Residential	10,774	0.25	3	1	2	12.1	
071434100		HARVARD AVE	R2	Medium Density Residential	Vacant	11,054	0.25	3	0	3	11.8	
071434110	629	HARVARD AVE	R2	Medium Density Residential	Single-Family Residential	9,425	0.22	2	1	1	9.2	
071434190	624	CREEK DR	R2	Medium Density Residential	Single-Family Residential	6,959	0.16	2	1	1	12.5	
071434210	634	CREEK DR	R2	Medium Density Residential	Single-Family Residential	6,854	0.16	2	1	1	12.7	
071434300	730	CREEK DR	R2	Medium Density Residential	Single-Family Residential	11,222	0.26	3	1	2	11.6	
074311600		RURAL LN	R1S	Low Density Residential	Vacant	40,343	0.93	4	0	4	4.3	
Subtotal										127		0
061422390	1460	EL CAMINO REAL	C4(ECR)	ECR Professional/Retail Commercial	Outside Storage	32,670	0.75	13	0	13	17.3	1
061430200	560	DERRY LANE	C4(ECR)	ECR Professional/Retail Commercial	Vacant and 1-story comm	150,282	3.45	63	0	63	18.3	9
061430450	1300	EL CAMINO REAL	C4(ECR)	ECR Professional/Retail Commercial	Vacant	146,797	3.37	62	0	62	18.4	9
071412430	389	EL CAMINO REAL	C4(ECR)	ECR Professional/Retail Commercial	Vacant and 4 units	53,579	1.23	22	4	18	17.9	3
Subtotal										156		22
<b>Total January 1, 2006</b>										<b>283</b>		<b>22</b>
<b>Total September 28, 2012</b>										<b>127</b>		<b>0</b>

Note: Does not include existing zoning for parcels in the "Infill Area Around Downtown"

*City of Menlo Park Preliminary Draft Housing Element*

*Appendix B*

## **Review of the 1992 Housing Element**

*Release Date — October 11, 2012*





**Menlo Park 1992 Housing Element — Program Evaluation Matrix**

<b>Program Title</b> <i>Ref. # and brief description</i>	<b>Objective</b> <i>quantified where applicable or narrative</i>	<b>Achievements / Results</b> <i>quantified if possible</i>	<b>Evaluation / Barriers to Implementation</b> <i>was it successful? reasons why it was or was not implemented or able to meet its objectives</i>	<b>Recommendations for the Housing Element Update</b> <i>carry forward as is / carry forward with modifications (specify) / or delete</i>
III-1. Amend Zoning Ordinance to create a new higher-density residential zoning district (40 du/acre) for selected areas.		The Zoning Ordinance was amended in 1992 to create the R-4 district allowing for densities of 40 du/ac and, to date, applied to properties at 2160 Santa Cruz Avenue and 966-1002 Willow Road. Additionally, the Zoning Ordinance was amended in 2012 to incorporate the El Camino Real/Downtown Specific Plan, allowing for base densities of between 18.5 du/ac and 50 du/ac and public benefit bonus densities of between 25 du/ac and 60 du/ac.		Modify R-4 district requirements and/or create new zoning district that would be appropriate for high-density housing.

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III-2. Initiate rezoning of parcels listed in Table III-18 of the Housing Element Background Document.		<p>The following parcels were rezoned for residential development:</p> <ul style="list-style-type: none"> <li>• 2160 Santa Cruz (R-2 to R-4 for 26 units)</li> <li>• NE corner of Laurel/Burgess (C-1-X to R-3-X for 33 units)</li> <li>• West side of SPRR between Hamilton and Chilco (M-2/NA to R-3-X and OSC for 47 units)</li> </ul> <p>Additionally, 1001 Merrill was developed with 25 units in a mixed use project under existing zoning.</p>	<p>560 Derry Lane obtained land use entitlements, including rezoning for 135 units in a mixed use development, but the project was later revised based on a settlement agreement related to a successful referendum. Final approval of the revised project was not pursued by the developer.</p> <p>Sites developed/rezoned for other purposes include:</p> <ul style="list-style-type: none"> <li>• 1600 El Camino Real (office)</li> <li>• Hamilton properties (light industry)</li> <li>• Chilco (school/fire station)</li> <li>• 620 Willow Road (school modular bldgs)</li> </ul> <p>Sites not rezoned due to lack of development interest:</p> <ul style="list-style-type: none"> <li>• SW corner of Ravenswood and Middlefield</li> <li>• Pierce Road</li> </ul>	Initiate rezoning of the parcels based on updated sites list.



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III-3. Encourage development of affordable housing on City-owned Chilco/Terminal Avenue site.		A portion of the property is currently leased to the fire district for use as a station. The remaining property is being sold to a private school to allow for expansion.	Although a proposal for affordable housing by Habitat for Humanity was considered, strong community support and advocacy for the expansion of a neighborhood school as opposed to the development of affordable housing terminated further consideration of the site as an affordable housing site.	Delete
III-4. Complete study of the Hamilton Avenue area to rezone existing M-2 lots along the corridor to R-3. Assemble parcels to develop as affordable housing.		The study was completed and lots encompassing an approximately six acre area were consolidated and zoned for residential/park use. The property was developed with 47 units and a one-acre public park. Of the 47 units, 20 units were sold through the City's Below Market Rate Program.		Delete

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III-5 Continue to administer the Below Market Rate (BMR) Housing Program for Commercial and Industrial Developments and the Below Market Rate (BMR) Housing Program for Residential Developments.		<p>The City has continued to administer the BMR programs by collecting fees and working with developers to produce BMR housing units. As of June 30, 2012, the BMR Fund has <del>an uncommitted balance of approximately \$1.1 million</del> for use towards the increase of affordable housing and 61 owner-occupied housing units in the BMR Program. Two additional BMR units are currently pending.</p> <p>The City revised the BMR Program during 2000-01 to decrease the project threshold size at which the BMR requirement applies to five units, and increase the percentage of required units to 15% for residential developments of 20 or more units.</p>		Continue to administer the Below Market Rate (BMR) Housing Program for Commercial and Industrial Developments and the Below Market Rate (BMR) Housing Program for Residential Developments.
III-6. Prepare an inventory of all parcels in the Central District that may be suitable for mixed use.		<p>In 1994, the Land Use Element of the General Plan and Zoning Ordinance were amended to allow for mixed-use in the C-3 District (downtown) and the C-4 (El Camino Real) District.</p> <p>In 2012, the City approved the El Camino Real/Downtown Specific Plan which puts zoning in place for up to 680 housing units and 474,000 square feet of non-residential uses based on a study of opportunity sites.</p>		Delete

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III-7. City to undertake a study to determine the feasibility of developing housing in air space above parking plazas in the Central Business District.		<p>An initial housing concept analysis for Parking Plaza #2 on Oak Grove Avenue was completed in 2002. The City Council decided not to proceed with the project.</p> <p>The 2012 El Camino Real/Downtown Specific Plan studied an option for housing above structured parking on Parking Plaza #3 and mixed use projects on Parking Plaza #2 and portions of Parking Plazas #4 and #5. While ultimately not included in the Specific Plan, the Plan does include the development of up to two parking garages on Plazas #1, #2 and/or #3, which could provide parking for future housing development in the downtown area.</p>	<p>Use of the City's parking plazas is near capacity and there are no appropriate facilities for long-term parkers, including business owners and employees. As such, business owners and merchants have historically opposed the use of the parking plazas for uses other than parking. Of specific concern is the fact that new mixed uses will exacerbate existing parking shortages. It is also possible that use of the parking plazas for any use other than parking would require a majority vote of the downtown property owners.</p>	Delete

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III-8. The City to initiate revision of the Zoning Ordinance to include more flexible provisions for secondary residential units in the single family zoning districts.		The City amended the Zoning Ordinance in 2003, initiated by AB 1866 which was intended to facilitate the creation of secondary dwelling units by streamlining the review process. Changes included: eliminating a requirement that sites for secondary units meet the minimum lot width and depth requirements of the underlying zoning district; allowing ministerial approval of attached units; and reducing the parking requirement to one space with flexibility in locations subject to a use permit.	The Zoning Ordinance amendment did serve to streamline the review process for certain types of proposals, but retained the use permit process for detached units as well as unit size, setback and height requirements intended to address neighborhood compatibility concerns. There have also been additional changes in State law that requires further amendments to the City's Zoning Ordinance to make it fully compliant with State law.	Consider further amendments to the secondary dwelling unit requirements.
III-9. The City to initiate revision of the Zoning Ordinance to include provisions for density bonus as required by Government Code 65915.		Not yet accomplished.	Although the Zoning Ordinance has not been amended, due in part to a lack of requests to use the State density bonus provisions, the City <del>is</del> <u>currently processing</u> <u>recently approved</u> one project using the State density bonus provisions and have been able to refine its understanding of and approach to the State program for future incorporation into the Zoning Ordinance.	Adopt an ordinance to implement the State Housing Density Bonus law as part of other Zoning Ordinance Amendments associated with the Housing Element Update.

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III-10. The City will continue to support the Human Investment Project (HIP).		The City has continuously provided funding for HIP through its Redevelopment Agency. When the Redevelopment Agency and funding was eliminated by the State in 2012, the City continued to fund HIP through its General Fund. Additionally, HIP is purchasing a 12-unit apartment complex, funded with \$1.9 million from BMR funding.	The relationship between the City and HIP has been successful and productive.	Continue to support HIP.
III-11. The City will continue to target Belle Haven as a primary area for rehabilitation.		The City has continuously maintained rehabilitation and emergency repair programs for the upgrade of residential structures in the Belle Haven neighborhood. The City also invested approximately \$10.5 million of redevelopment funds to assist in the redevelopment of land for 47 new single-family residences and a one-acre public park on Hamilton Avenue in the Belle Haven neighborhood. Additionally, in 2009 the City developed and implemented three new programs: Neighborhood Stabilization Program to acquire, rehabilitate, and resell foreclosed homes as BMR units; Foreclosure Prevention Program to help prevent foreclosures; and Habitat Revitalization Program to provide financial support for Habitat for Humanity to purchase and rehabilitate properties. All of the above noted programs have ended with the elimination of Redevelopment Agencies and funding by the State.	The programs were relatively successful, but due to the high costs of rehabilitation and the inability of residents to shoulder those costs, numbers of projects were fairly low. The elimination of the Redevelopment Agency and funding will end the City's ability to promote rehabilitation activities.	Refer future rehabilitation projects to San Mateo County's Housing Department and consider ways to facilitate the process.

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III-12. The City will support Peninsula Volunteers in their efforts to subsidize housing units permanently at Crane Place.		Peninsula Volunteers extended its Section 8 contract.	Crane Place continues to offer affordable housing opportunities for seniors.	Work with Peninsula Volunteers to expand their housing opportunities in Menlo Park.
III-14. The City to continue its work with the San Mateo County Housing Authority to administer the Single Family Ownership Rehabilitation Program for the benefit of Menlo Park low- and very low-income families.		The County cut-back its funding of the rehabilitation programs in 2009. Menlo Park dedicated part of the redevelopment housing set-aside for rehabilitation activities. With the dissolution of the Redevelopment Agency and funding, the City will no longer maintain rehabilitation programs.	The program was relatively successful, but due to the high costs of rehabilitation and the inability of residents to shoulder those costs, numbers of projects were fairly low. With the dissolution of the Redevelopment Agency and funding, the City will no longer maintain rehabilitation programs.	Refer future rehabilitation projects to San Mateo County's Housing Department and consider ways to facilitate the process.
II-15. The City will continue to work with the San Mateo County Housing and Development Services to compete for Multifamily Rental Rehabilitation funds.		This was an ongoing program that ended with the State dissolution of the Redevelopment Agency and funding in 2012. The City's Multifamily Rehabilitation Program was revised in 2001 to conform to the County's Program.	The program was relatively successful, but due to the high costs of rehabilitation and the inability of residents to shoulder those costs, numbers of projects were fairly low. With the State dissolution of Redevelopment Agencies and funding, the program will not be maintained.	Refer future applicants to San Mateo County Housing Department.

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III-16. The City will work with the San Mateo County Consortium to compete for Home Investment Partnership Act (HOME) funds.		The City worked with HIP Housing to fund their purchase of a 12-unit apartment complex on Willow Road in 2012. Part of the funding package was County dedication of HOME funds.	The funded project was a successful partnership between the City, the County, and a local non-profit housing corporation that will provide needed rental housing units affordable to very low- and low-income households.	Work with the San Mateo County Consortium to compete for Home Investment Partnership Act (HOME) funds as projects are presented for consideration.
III-17. The City to encourage private sponsors to develop and maintain housing units under state and federal housing assistance programs.		Two projects were completed by non-profit developers, a new six-unit very low- and low-income rental project (Willow Court) and rehabilitation of a small multi-family rental property (1143 Willow Road). The City has entertained proposals for future non-profit housing development utilizing federal assistance, but to date (2012) no additional projects have resulted.	Without a certified Housing Element, state housing assistance program funds have not been available to projects in Menlo Park. Completion of the update will allow competition for those funds, though the elimination of the Redevelopment Agency may hamper those efforts. The City can, however, support developers' applications for those funds.	Encourage private sponsors to develop and maintain housing units under state and federal housing assistance programs.
III-18. The City will investigate assuming the Neighborhood Housing Services (NHS) loan portfolio.		The City did assume this portfolio and all loans were paid off as of late 2011.		Delete



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III-19. The City will continue to make loans for emergency repairs under the Emergency Repair Loan program.		This was an ongoing program that ended with the State dissolution of the Redevelopment Agency and funding in 2012.	The program was relatively successful, but due to the high costs of repairs and the inability of residents to shoulder those costs, numbers of projects were fairly low. With the State dissolution of Redevelopment Agencies and funding, the program will not be maintained.	Refer future applicants to the San Mateo County Housing Department and consider ways to facilitate the process.
III-20. The City will continue to require Planning Commission review of projects that include plans to demolish housing or replace it with a non-residential use. The Planning Commission will require replacement of such housing either on- or off-site within the city.		The 1994 Land Use Element of the General Plan included Policy I-A-11 that stated “No housing may be removed by new development without prior City approval, and replacement housing will be required for any housing removed.” The Zoning Ordinance was also amended to allow for the same number of units to replace existing legal nonconforming residential units that are removed or demolished for new development, subject to specific development regulations and a use permit. The General Plan policy is no longer enforced by the City based on various court cases.		Modify policy to be consistent with State law

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III-21. The City Council may expedite processing of permits for housing projects that include units affordable to persons of lower or moderate income.		This has not occurred.		Consider fee waivers or some other incentive instead of expediting.
III-22. The City will continue to offer to first-time, lower- and moderate-income homebuyers down-payment assistance loans for homes purchased in the city.		Accomplished through the Purchase Assistance Loan (PAL) Program. The City will continue this activity in the future, administered through an outside agency.	While relatively successful, the vast majority of loans were to purchasers of BMR units due to the high cost of market rate housing in Menlo Park. As prices fell in the recent market correction, some non-BMR units were assisted.	Continue to offer to first-time, lower- and moderate-income homebuyers down-payment assistance loans for homes purchased in the city, administered through an outside agency.
III-23. The City will continue to work with lenders to increase flow of mortgage funds to city residents.		Staff is working with a consortium of San Mateo County lenders through the BMR program. These lenders are familiar with the City's program and loan restrictions and work with the buyers to conform to those requirements.	The City has 61 BMR units currently occupied. Most of these units have utilized lenders recommended by the City.	Continue to work with lenders to increase flow of mortgage funds to city residents.
III-24. The City to work with the Menlo Park Fire Protection District to encourage revision of its sprinkler ordinance.		The City worked with the Fire District from 2002 to 2010 to revise the District's fire sprinkler ordinance to apply to additional structures. The 2010 Building Standards Codes included requirements similar to those being considered by the District and City and served to preempt the need for adoption of the revisions that were under consideration at the time.		Continue to work with the Fire District regarding fire sprinkler ordinance and other local amendments to the State Fire Code.
III-25. The City will continue to administer the Daylight Plane Ordinance to ensure that new development can take advantage of solar access.		The Daylight Plane Ordinance has continued to be implemented.		Continue to administer daylight plane requirements.

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III-26. The City will continue to support the Mid-Peninsula Citizens for Fair Housing's work to promote fair housing and tenant-landlord mediation.		Funding for fair housing activities has been funneled to Eden Council for Hope and Opportunity (ECHO). The City has continuously provided funding through its Redevelopment Agency. When the Redevelopment Agency and funding was eliminated by the State in 2012, the City continued to fund ECHO through its General Fund.		Continue to support the ECHO's work to promote fair housing and tenant-landlord mediation.
III-27. The City will continue to promote fair housing laws.		This is an ongoing activity. Calls to the City are referred to ECHO for counseling and investigation. ECHO also provides direct fair housing education to Menlo Park residents.		Continue to promote fair housing laws.
III-28. The City will continue to allow the development and expansion of housing opportunities for the elderly.		Although this has been an ongoing policy, no new housing for seniors has been developed since 1992. A Senior Housing Needs Assessment was completed in 2008, specifying strategies for addressing housing needs into the future.		Continue to allow the development and expansion of housing opportunities for the elderly.
III-29. The City will continue to contribute financial support for the programs of the Center for the Independence of the Disabled and other non-profit groups that improve housing opportunities for disabled persons.		The City has continuously provided funding through its Redevelopment Agency. When the Redevelopment Agency and funding was eliminated by the State in 2012, the City continued to fund the Center for the Independence of the Disabled through its General Fund.		Continue to contribute financial support for the programs of the Center for the Independence of the Disabled and other non-profit groups that improve housing opportunities for disabled persons.

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III-30. The City will develop and fund a program to assist 20 additional persons in need of emergency or transitional shelter.		Thus far, the City has helped the Veteran's Administration (VA) by holding information meetings regarding development of the Clara-Mateo House for homeless veterans and others on the VA grounds. Haven House, a 23 unit transitional housing facility was completed during the 1999-2006 planning period. Previous homeless facilities on the VA grounds have recently been eliminated, but the VA prepared an RFP for the development of supportive housing on the grounds in 2011. A developer was selected and the entitlement process is ongoing in 2012.		Modify program statement to reflect recent efforts related to homelessness.

*City of Menlo Park Preliminary Draft Housing Element*

*Appendix C*

## **Fact Sheet on the Housing Element Update**

*Release Date — October 11, 2012*

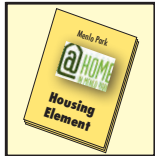






# Fact Sheet

*Please Tell Me More . . . about  
Housing Element Updates and . . .*



## What is a housing element?

It is a housing plan, or technically a chapter of the city's general plan. It is an opportunity for Menlo Park residents to figure out how to address their housing needs today and in the future. The state of California requires all cities and counties to assess, every seven years, whether they are providing their fair share of housing units by developing what's known as a Housing Element. The Element must provide opportunities, through zoning or other means, to accommodate regional housing needs, including housing for moderate, low and very low income households. The plan must include local policies and parameters to rezone properties so that the necessary housing densities to meet our fair share can be achieved. The Housing Element encourages us to make sure Menlo Park's housing stock meets our local needs while still addressing our regional responsibilities.



## Why does California law require housing elements?

Housing element law requires local governments to adequately plan to meet their existing and projected housing needs including their fair share of the regional housing need. Housing element law is the State's primary market-based strategy to increase housing supply, affordability and choice. The law recognizes that in order for the private sector to adequately address housing needs and demand, local governments must adopt land use plans and regulatory schemes that provide opportunities for, and do not unduly constrain, housing development. The objectives of the State housing element law are to:

- (1) Increase the housing supply and the mix of housing types, tenure, and affordability in all cities and counties within the region in an equitable manner, resulting in each jurisdiction receiving an allocation of units for low and very low income households.
- (2) Promote infill development and socioeconomic equity, the protection of environmental and agricultural resources, and the encouragement of efficient development patterns.
- (3) Promote an improved intra-regional relationship between jobs and housing.



## What happens if cities don't have a complying housing element?

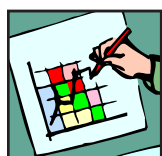
There can be serious consequences to communities and their residents if the California Department of Housing and Community Development finds that a city or county has failed to comply with the State's Housing Element Law. Some of those repercussions can include:

- (1) Limited access to state funding for such community needs as economic development and transportation.



- (2) Lawsuits from developers and from housing advocates. In addition to Menlo Park, a number of Bay Area cities that have been successfully sued include Corte Madera, Pleasanton, Alameda, Benicia, Fremont, Berkeley, Napa County and Santa Rosa. Potential consequences of being sued include:
- a. Court orders to the community to bring the Housing Element into compliance within 120 days, which limits community input.
  - b. Suspension of local control on building, such as suspension of a community's authority to issue building permits or grant zoning changes.
  - c. Court approval of housing developments, which may include large projects that may or may not be wanted by the local community.
  - d. Payment of attorney fees that usually exceed \$100,000.

It's important to keep in mind that since the law took effect in 1969, many have tried, but no jurisdiction in California has successfully challenged the authority of the state to mandate compliance with Housing Element Law.



## Who determines how many housing units are needed and how is the number calculated?

One acronym you might hear often in the upcoming community discussion of the Housing Element Update is RHNA. That stands for the Regional Housing Needs Allocation, but you can think of it as a city's fair share of housing. The state of California is broken up into regions and the RHNA is the process used to set targets for housing growth so that each region and city provides enough housing.

Another acronym you may hear is ABAG, which stands for the Association of Bay Area Governments. ABAG develops the RHNA for our region. The RHNA process does two important things: (1) it promotes the state's interest in encouraging open markets by giving the private sector opportunities to address California's housing demand; and (2) it leaves the ultimate decision about how and where to plan for growth at the regional and local levels. It recognizes that the availability of housing is a matter of statewide importance, and that land use planning is, and should be, a local issue. The RHNA process requires local governments and, in effect their residents, to be accountable for ensuring that projected housing needs can be accommodated.



## What's Menlo Park's fair share?

The housing need for the Bay Area region for this planning period (2007-2014) has been determined by the State to be 214,500 housing units. ABAG has determined that Menlo Park's share of that need is 993 units (6.3% of San Mateo County's total). By comparison, Redwood City's share is around 1,800 units, Burlingame's is approximately 600, Daly City's fair share is about 1,200 and unincorporated San Mateo County's is just over 1,500.

Following completion of a local housing inventory conducted over the coming weeks by the City of Menlo Park, our community's final required number of housing units for the 2007-2014 period will be determined. In addition to the 993 units required for the 2007-2014 planning period, the City must also plan for 982 units that were required for the 1999-2006 planning period. In total, it is estimated that Menlo Park's RHNA adjusted to include units built since 1999 (about 250 units),

potential housing units under existing zoning (about 140 units), units allowed under the recently adopted Downtown/ El Camino Real Specific Plan (680 units) will result in the City having to find additional locations for slightly more than 900 housing units, with over half of those housing units on sites at 30 or more units per acre (higher density housing).



## **Why does the law only require cities to zone for housing units, not build them?**

Housing element law is the state's primary method for encouraging private builders to increase housing supply, affordability and choice. The law recognizes that in order for the private sector to adequately address housing needs and demand, local governments must adopt land use plans and regulations that provide opportunities for and minimize constraints on the development of housing units. Local governments do this primarily through their zoning ordinances.



## **How will having a housing element in Menlo Park impact local property values?**

Another way to phrase this is how will not having a housing element affect property values. Because of lawsuits and the possibility of a judge taking control over approving developments, not having a housing element could be a problem.

On the other hand, while there is fear that the requirements of the housing element, particularly the need to rezone parcels at higher densities to meet the income distribution mandate of the RHNA allocation, will affect surrounding property values, there has been no quantifiable impact on property values from such efforts or from the actual development of affordable housing within a community. If anything, the availability of affordable housing in a community makes that community more desirable given the diversity of housing options available to both new residents and current residents hoping to strike out on their own (new graduates looking for their first home for example).



## **How will having a housing element in Menlo Park impact me / my property?**

Most likely, it won't have any impact on any given resident of the city. Having a Housing Element will meet a legal requirement placed on the City by the State. Once properties have been rezoned to meet those requirements, there is no corresponding requirement in State law that those sites have to be developed. Most likely, many of those sites will be developed at some point in the future. Many of those developed sites will likely have been developed anyway at some point and through some other process. Each development must meet regulatory requirements of the City, including appropriate environmental review and potentially an EIR.



## **Why is it important for our community to have housing options?**

Ideally, a community should have housing opportunities to provide for the full spectrum of income levels, from very low-income through the upper income levels. By having a diverse housing stock, employees should be able to find adequate housing within a short commute of their place of employment and new householders (recent college graduates in their first jobs) can find housing in the communities where they grew up. Without affordable housing, lower wage earners

and new householders must either double up in the existing housing stock, or experience longer commutes from those areas where affordable housing is more plentiful.

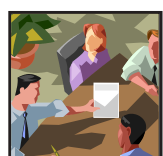
The purpose of the housing element law is to make sure that all cities provide their fair share of housing. Most cities in California prefer to build lots of retail and office buildings and not as much housing. This causes home prices to get very expensive and commutes to become very long.

Communities with housing affordability are stronger and more vibrant than those without. When affordable housing choices are lacking, people who provide services that sustain all communities – teachers, plumbers, electricians and others – are not able to live here. Their skills may be lost to the community. People in Menlo Park have recognized our community’s shortage of affordable housing. In a 2010 random sample survey of local residents, only 19 percent rated the availability of affordable housing as “excellent” or “good,” while 25 percent ranked it “fair,” and 37 percent assessed it as “poor.”



### What is a “housing/jobs balance”?

A “housing/jobs balance” is where a community can essentially house the same number of workers employed in the community. In Menlo Park an imbalance exists because there are 41,320 employees in the city, but only 13,129 housing units.



### What exactly is affordable/workforce housing and what can Menlo Park residents afford?

Workforce housing means homes that people who work in Menlo Park can afford. The general guideline is that households should not pay more than 30 percent of their income for housing. Although this may be different than how you would ordinarily define it, for the Housing Element, when we talk about lower income households, we are talking about people who make approximately \$88,800 (for a family of four), which includes teachers, social workers, plumbers, etc. The tables and graphic below show income levels, salaries and ability to pay for housing.

**Percent of Families Paying More Than 50% of Income for Housing in Menlo Park (2000 Census Data updated to 2012 Income Levels)**

Income Category <sup>1</sup>	Elderly <sup>2</sup>		Small Families <sup>3</sup>		Large Families <sup>4</sup>	
	RENTERS	OWNERS	RENTERS	OWNERS	RENTERS	OWNERS
Extremely Low Income (up to \$33,300)	64%	49%	69%	69%	74%	100%
Very Low Income (\$33,300 - \$55,500)	49%	31%	55%	61%	21%	64%
Low Income (\$55,500 - \$88,800)	63%	10%	23%	25%	0%	20%

Source: Comprehensive Housing Affordability Strategy (CHAS)

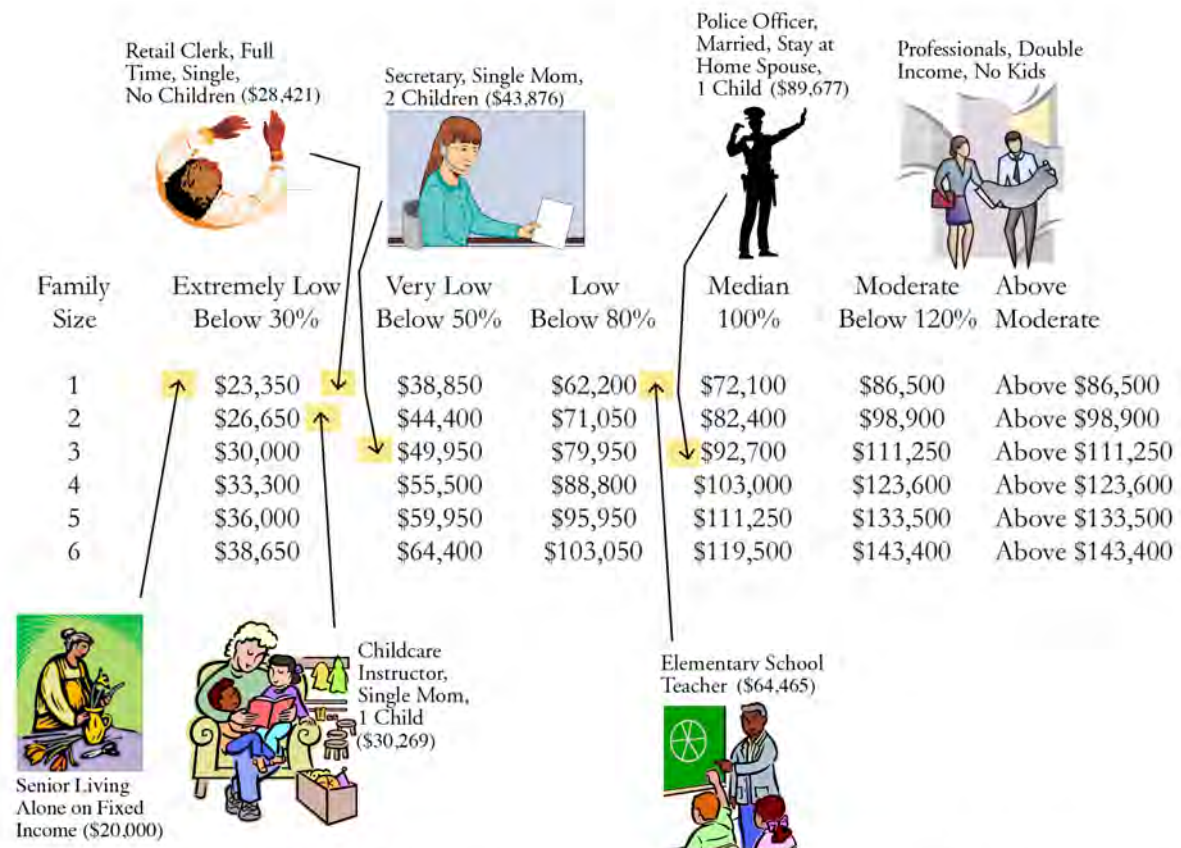
1. Income category based on County median income for a family of four (2012) - \$103,000
2. Elderly is defined as 62 years old and over and 1 or 2 person household
3. Small families is defined as 2-4 related individuals
4. Large families is defined as 5 or more related individuals

## Representative Salaries and the Ability to Pay for Housing (2012)

	Annual Salary	Affordable Monthly Housing Cost
SINGLE WAGE EARNER		
Senior on Social Security	\$15,000	\$375
Minimum Wage Earner	\$16,640	\$416
Social Worker	\$53,600	\$1,340
Plumber	\$65,200	\$1,630
Paralegal	\$71,300	\$1,783
Microbiologist	\$97,200	\$2,430
Software Engineer	\$110,000	\$2,750
Dentist	\$161,100	\$4,028
TWO WAGE EARNER HOUSEHOLDS		
Minimum Wage Earner and Software Engineer	\$106,640	\$2,666
Biochemist and Elementary School Teacher	\$156,000	\$3,900

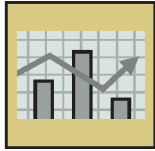
Source: Employment Development Department Data for San Mateo County, Mean Annual Wage, First Quarter 2012

## City of Menlo Park and San Mateo County Household Income Categories (2012 Income)



Source: Official State Income Limits for 2012 (San Mateo County) as determined by the U.S. Department of Housing and Urban Development (HUD), adjusted for family size; the 2012 Area Median Income is \$100,228. Examples for the 2012 salaries are from California Employment Development Department for the counties of Marin, San Francisco and San Mateo (first quarter of 2012). Salary for a police officer is from the City of Menlo Park Memorandum of Understanding with the Menlo Park Police Officers' Association.



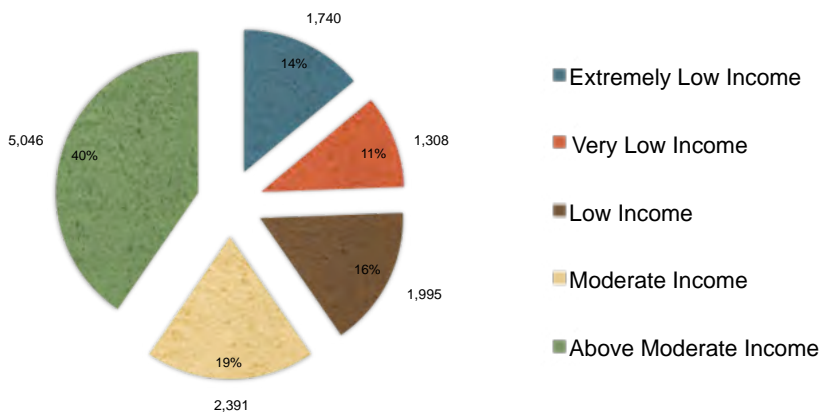


## What's the housing picture in Menlo Park like now?

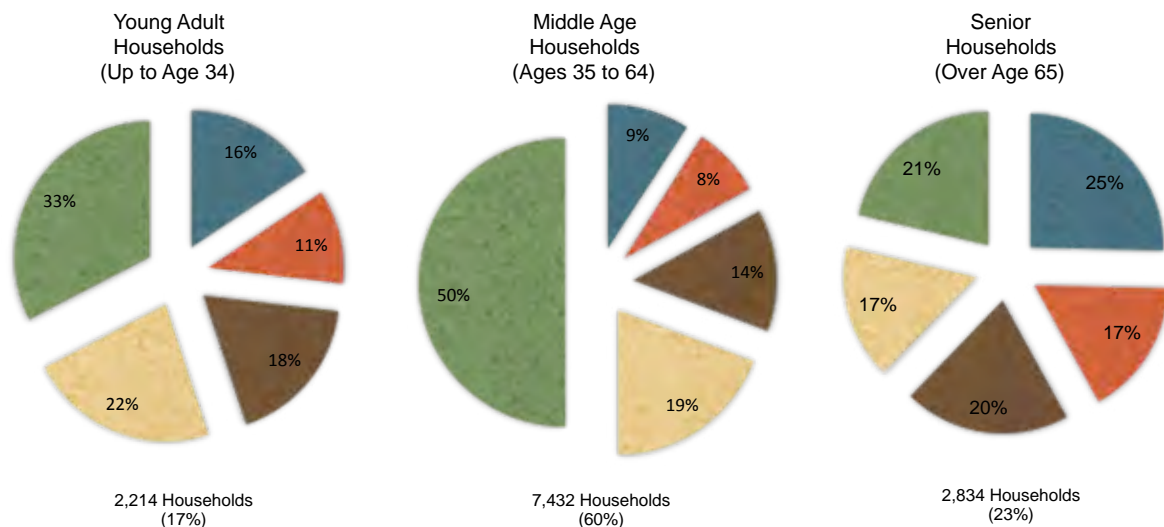
According to the California Department of Finance (DOF), between January 2000 and January 2012 the population of Menlo Park grew by 1,728 people to a current population of 32,513. Information from the San Mateo County Association of Realtors lists the median sales price during the first quarter of 2012 for a condominium in Menlo Park as \$897,500, and the median sales price for a single family home as \$1,003,000.

Menlo Park currently has many different neighborhoods and housing types. From historic 1920s era single family bungalows to post World War II developments, there are many options. Based on DOF estimates as of January 2012, the majority of homes in Menlo Park are single family *detached* dwellings (7,261 units), which will remain the case in the future. Single family *attached* housing accounts for 1,051 units, two-four unit buildings account for 1,723 units, mobilehomes 28 units, and 3,066 units are in structures of five or more units. About 11 percent of the homes are in larger apartment buildings with 20 or more units. The information below shows the 2012 estimated city-wide distribution of households by income and age (based on Nielson Claritas data for 2012).

### Estimated Distribution of Menlo Park's Estimated 12,480 Households by Income Category (2012)



### Estimated Distribution of Menlo Park's Estimated 12,480 Households by Age and Income (2012)





## Does higher density housing mean affordable housing?

Sometimes higher density housing means luxury condominiums and sometimes it means homes that more moderate income families can buy. Even if it does not end up getting developed as affordable housing, the State allows any land zoned at 30 units per acre or more to be counted towards the affordable housing requirements. Even if it is listed in the housing element as potentially affordable (i.e. zoned at 30 + units per acre), it could just as well be developed as market rate housing.

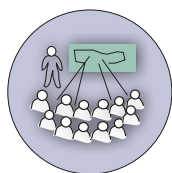


## How is affordable housing provided to people?

There are a number of Federal, State and local programs that assist people in finding housing that is affordable to their income. The Housing Authority of San Mateo County provides rental housing assistance to very low-income households through the Federal Section 8 rental assistance program. Section 8 pays the difference between what a very low income household can afford for rent and the approved rent for an adequate housing unit. The Housing Authority issues Housing Choice Vouchers to eligible Section 8 households who are then free to locate suitable rental units that meet their needs. There are currently approximately 235 family, senior and disabled households provided Section 8 rental assistance in Menlo Park. The current average wait list time for a Section 8 voucher is roughly 3 years.

Other local programs include housing rehabilitation loan programs and the Purchase Assistance Loan program for first-time homebuyers. The City's Below Market Rate (BMR) Housing Program is intended to increase the supply of affordable housing specifically in Menlo Park. As part of the program, residential and commercial/industrial developers who build in the City of Menlo Park are required to contribute BMR housing units and/or BMR housing in-lieu fees for affordable housing.

Affordable housing is also provided and managed by non-profit housing organizations. There are currently five such rental complexes in Menlo Park. The financing of these types of affordable complexes is extremely challenging. Various forms of subsidy are needed to acquire land, construct units and properly manage the complex. One available program is the Low Income Housing Tax Credit Program (LIHTC). LIHTC funding accounts for the majority — approximately 90 percent — of all affordable rental housing targeted to low income households created in the United States today. Over 30,000 rental properties containing in excess of 2.2 million tax credit units have been developed since the program's inception in 1986. LIHTC-assisted rentals serve households with incomes from 30% to about 60% of the area median income, with the corresponding rents affordable to these households.



## Don't we, as Menlo Park residents, have any say in the matter?

Absolutely. The City of Menlo Park needs your help in deciding how and where our community can plan for additional higher density housing while at the same time making sure we maintain and improve the high quality of life we enjoy. To get you and your neighbors involved, the City will be conducting online surveys and is inviting everyone in the community to attend public workshops in August and other meetings later this year and early in 2013. You can also keep informed about the Housing Element Update by signing up for email notifications from the City. To sign up, please follow the link below.



<http://www.menlopark.org/athome>



*City of Menlo Park Preliminary Draft Housing Element*

*Appendix D*

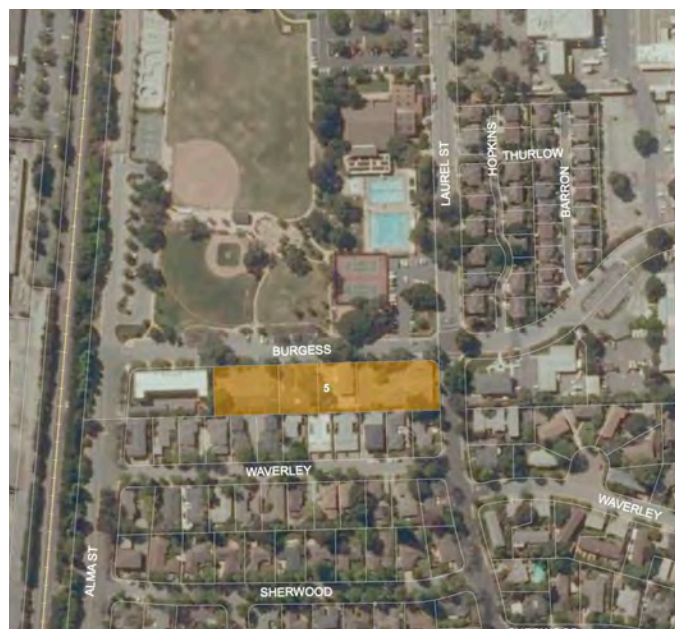
## **Aerials of Potential Sites for Possible Rezoning for Higher Density Housing**

*Release Date — October 11, 2012*



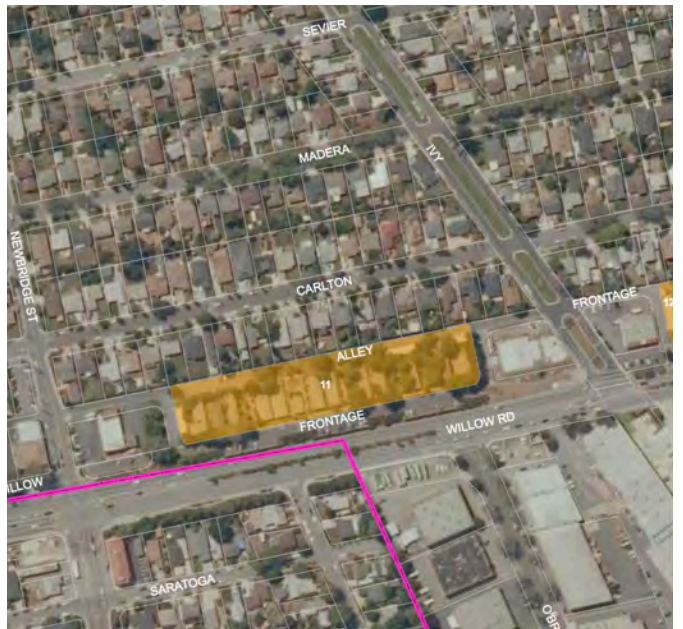
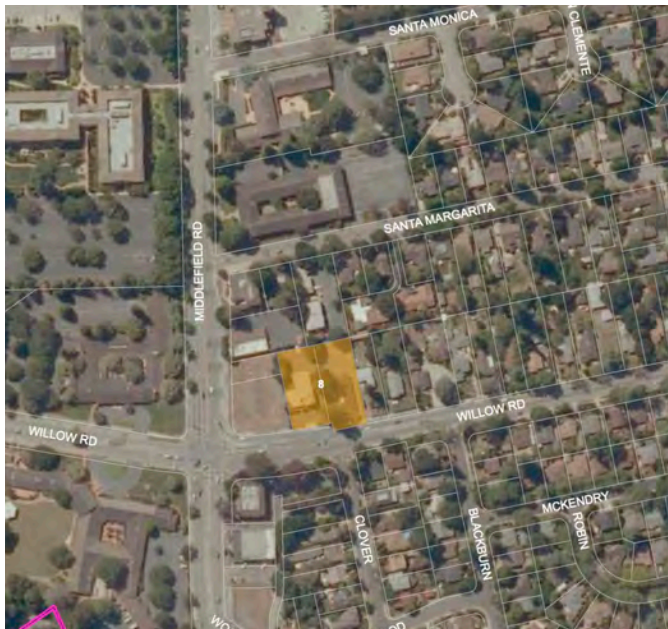
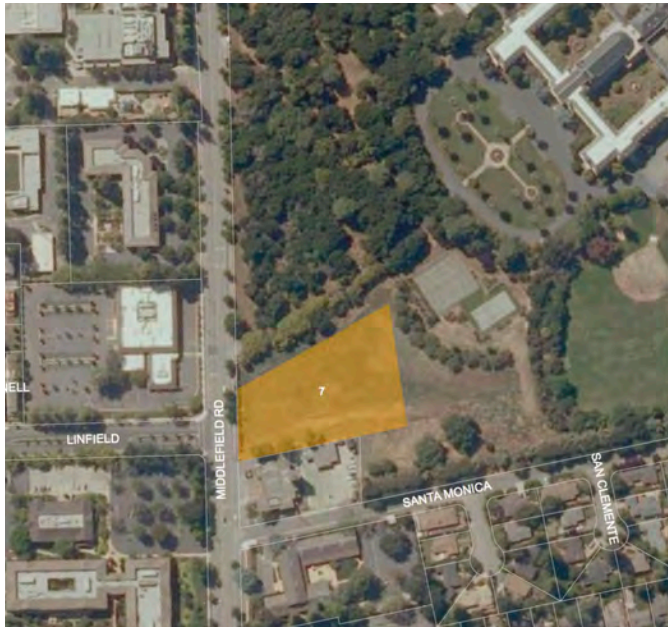
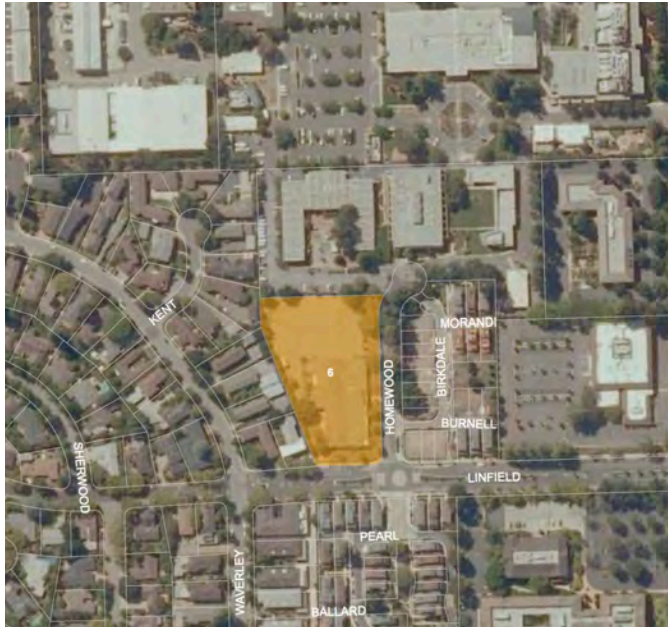


# Aerials of Potential Sites for Possible Rezoning for Higher Density Housing



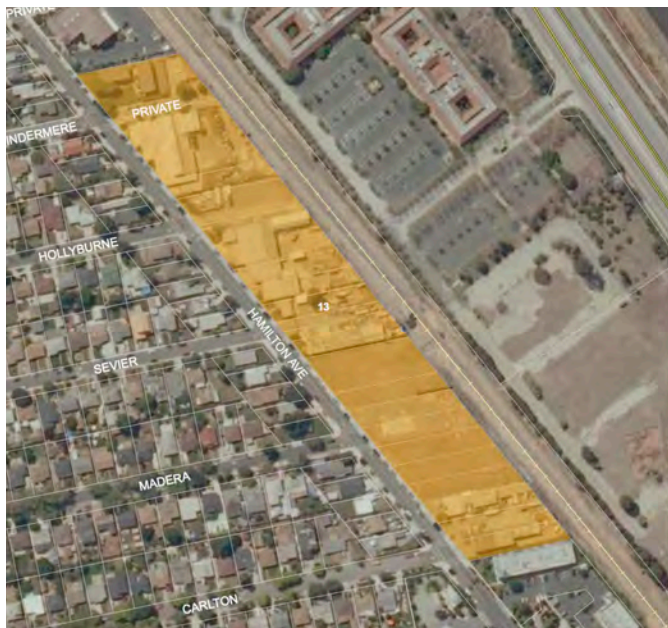
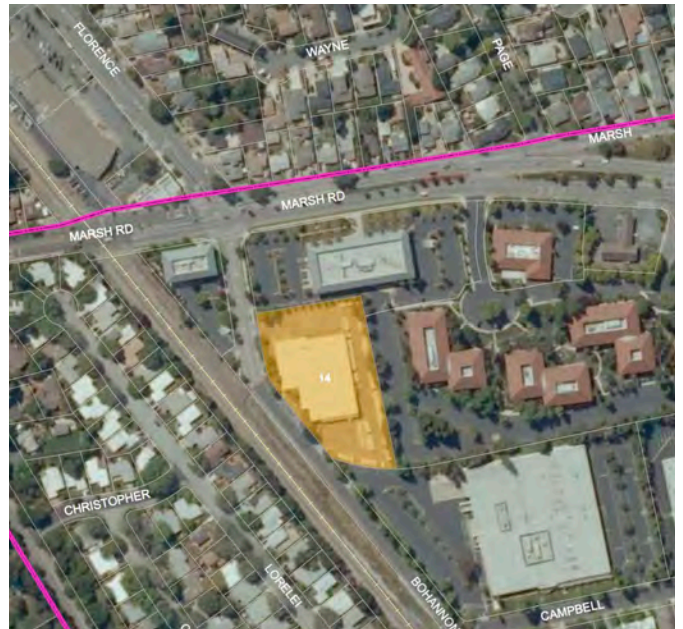
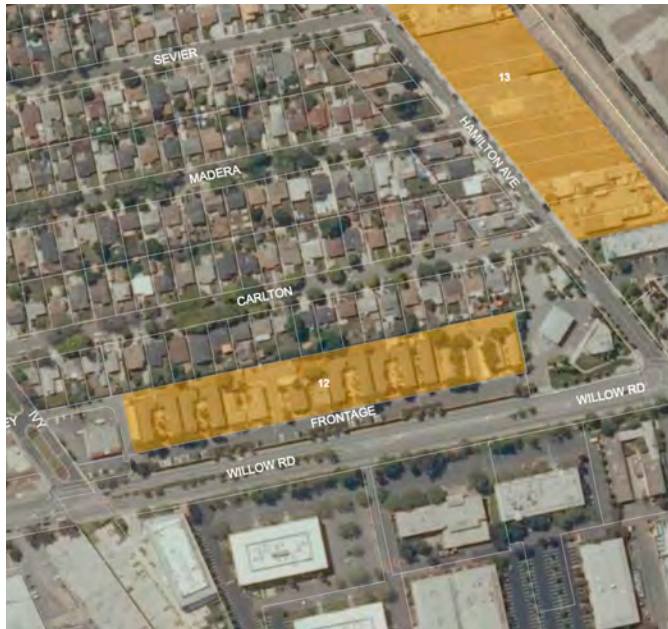
















**MENLO PARK HOUSING COMMISSION  
REGULAR MEETING**

**Wednesday, October 3, 2012**

**5:30 pm**

**City Hall Administrative Conference Room  
701 Laurel Street, Menlo Park, CA 94025**

**DRAFT Excerpt Minutes: Draft Housing Element of the General Plan**

**B. REGULAR BUSINESS**

**B2. Review and comment on the preliminary Draft Housing Element of the General Plan**

Development Services Manager Murphy made a PowerPoint presentation on the preliminary Draft Housing Element of the General Plan. He noted it was a work in progress and there were some additional items that needed to be done. He said he would present an overview of the purpose, schedule and requirements of the Housing Element Update and describe some of the approaches to the key policy choices in the Housing Element.

Development Services Manager Murphy said the Housing Element was something the City has needed to comply with for a number of years but now the City was subject to a settlement agreement and court order with a very specific timeline for compliance with the court order related to the Housing Element. Milestones for the settlement agreement included releasing information about the site list in August. He noted that had been supplemented the last week of September. The next milestone is October 31, which is when the City needs to submit its draft Housing Element to the state. He noted that there would be changes from this preliminary draft and the document that what would go to the state at the end of October. He said mid-March was the final deadline for submitting the City's Final Housing Element to the state for certification. He said the City was generally on track with the work program established by the City Council noting the environmental assessment would be a companion to the Housing Element. He said there was a Housing Element Steering Committee and that Housing Commissioners Clark and Moser served on that committee. He said the committee has met five times and potentially would meet a sixth time. He said information has been posted on the City's website as to the requirements of a housing element and the settlement agreement. He said the City was seeking public input and there had been two community workshops held in August, as well as other types of meetings on the matter.

Development Services Manager Murphy said it was important for people to understand the difference among the preliminary Housing Element, the draft Housing Element that would go to the state, and the final Housing Element that would be sent to the state for certification. He noted that near term actions included this Housing Commission

meeting to receive public and commission comment, a Planning Commission meeting on October 15 to do the same, and City Council consideration and deliberation on October 22 and October 23. He said these actions were to prepare the draft Housing Element which had to be submitted to the state by the end of October. He noted that would start a 60-day review period. He said in the meantime work would commence on the environmental assessment associated with the draft Housing Element and concurrently staff would consider consistency issues with the rest of the General Plan including consistency with the changes needed because of the Housing Element, consistency with other state law requirements, and consistency with the age of some of the information in the Plan, noting that three of the Plan's elements were from the 1970s. He said after comments from the state, there would be another series of Housing Commission, Planning Commission, and City Council meetings to finalize the Housing Element.

Development Services Manager Murphy said that the Housing Element was prescribed by state law and needed to address a number of things such as housing needs, land use, resources, and potential constraints to housing and fair housing activities. He said this Housing Element has to contain an evaluation of the previous Housing Element adopted by the City in 1992, an assessment of overall housing needs and special need groups such as lower income households, seniors, persons living with special needs, and the homeless.

Development Services Manager Murphy said one key thing was to identify adequate sites for a variety of housing types noting sites for higher density housing was one of the City's greatest challenges. He said the Housing Element would need to include goals, quantifiable objectives, and a commitment to an action plan. He said higher density per state law for urban cities of Menlo Park's size was a minimum density of 30 dwelling units per acre. He said another key thing was to plan for emergency shelters and that needed to be listed as a permitted use in the zoning code and zoning districts identified where those might be permitted by right.

Development Services Manager Murphy said for the Regional Housing Needs Allocation (RHNA) process for 2007-2014 that the state had identified for the Bay area a need of 214,500 housing units, with San Mateo County needing 15,738 housing units of which Menlo Park's share was 993. He said they also needed to address the 982 housing units from the previous RHNA cycle of 1999 to 2006. He said the total allocation was 1,975 houses. He reviewed information on existing income of City residents, and income of households based on age. He provided information on median home prices in Menlo Park and rental amounts, and other demographics.

Development Services Manager Murphy said the goal of the Housing Element was for it to be written so people could understand it. He said the document defined some of the terms at the beginning. He said the main part of the document described goals, policies, and implementation programs. He said there was a focus on housing affordability opportunities and less on market rate housing which was linked to limited land resources as there was not opportunity for single-family detached residential

subdivisions in Menlo Park. He said there were short term requirements but it was important to have a long-term view. He said the Steering Committee looked at providing a variety of new housing types through various programs the City could pursue such as second units, including both the creation of second units and legalization of any existing second units; a potential for mixed use zoning with short-term and long-term components, and development potential under existing single-family residential zoning. He said they discussed the adopted Specific Plan that established a cap of 680 units and the Plan boundaries along El Camino Real and downtown. He said there were also infill opportunities on existing multi-family residential zoning, and the potential of replacing a single-family residence with two or three units. He said they were also looking at rezoning for higher density housing and incentives for affordable housing.

Development Services Manager Murphy said there was a new table that looked at the previous RHNA for the planning cycle 1999-2006 and staff's calculations as to what the needs were for rezoning. He noted that this requires public consideration and the state's review. He said that some numbers were different from what was previously presented and that reflected an aggressive staff approach to minimize rezoning. He said it was not guaranteed this would be accepted by the state, which was why there was cushioning on some of the numbers. He described how the columns were set up noting the relationship between density and income level. He said they could zone for certain densities but that did not guarantee income levels would be achieved.

Development Services Manager Murphy said that the table looked at the units built for the 1999-2006 RHNA timeframe, which was a total of 91 units and where they were in terms of income levels. He said 11 of the total 91 units were part of the City's Below Market Rate Housing Program requirements related to income and those units were to be available for people of moderate incomes. He said the 80 other units had no income restriction. He said no matter what the density of those units or their selling price were, those units were effectively the average Menlo Park income or above moderate income. He said they also called out second units, which is a key component of the new housing strategy. He said there were two second units during that timeframe and they were looking for credit for one as very low income and the other for low income. He said through state law they were able to look at sites that were available under the existing zoning period of 1999-2006. He said staff had focused on 2006 and based on their analysis, they believed there were 283 units available. He said that was a higher number than some of the initial estimates. He said then they took their RHNA allocation for 1999-2006 and subtotaled it to arrive at the carryover need. He said next they looked at the current RHNA planning period 2007-2014, noting that the City was already five years into that planning period, and looked at units that were built or approved, with a building permit issued, or a discretionary land use entitlement with an expectation that the unit(s) would be built by the 2014 time frame. He said they also looked at second units and the Specific Plan, which has 680 units. He said they tried to allocate based on the densities called for in the Specific Plan with a little bit of cushion, understanding that some of the units may in fact be market rate units even though the densities allowed in the plan could mean that the units would be available for lower income housing. He said there were available sites under existing zoning and those were similar to above

except where something had been built or transitioned in from general category into the Specific Plan. He said that number has been reduced from 283 to 127. He said the adjusted RHNA accounts for both the 1999-2006 timeframe to the current one. He said the adjusted RHNA was 493 total units and they were looking at sites to rezone.

Development Services Manager Murphy reviewed programs that would not need rezoning for higher density housing, which was a direction they took from the Steering Committee to determine all the things that would be best for Menlo Park and what was needed for the rezoning for the high density. He said Program H4D for second units and changes to the current zoning ordinance would provide greater incentives for people to provide second units. He showed a map of lots by size in color of 7,000 or less square feet and larger lots. He said current zoning prohibited second units on lots smaller than 7,000 square feet. He said they were looking at reducing that to 6,000 square feet and 5,000 square feet in certain circumstances. He said under the Amnesty Program, the City would advertise to let people know that if they have an existing secondary dwelling unit that was currently illegal that it could be legalized. He said they were looking at balancing an incentive upfront with code enforcement later should a property owner not bring an illegal secondary dwelling unit forward during the amnesty period.

Responding to a Commissioner question, Development Services Manager Murphy indicated that probably the greatest incentive was a reduction of fees coupled with information that this was possible for a certain period only and that in the future there would be Code Enforcement effects should units continue to be illegally used as second units.

Development Services Manager Murphy said related to the mixed use program there were commercial and office districts in which residential was not allowed. He said they were looking at creating one mixed-use zoning district in the near term and studying certain zoning districts rather than looking at the potential of all commercial zones for mixed use. He said they would look at the possibility of some residential coexisting in the M-2 district but the Steering Committee did not want to impact the economic viability of that zone. He said that would be looked at longer term and would not necessarily be a short term strategy.

Development Services Manager Murphy said they were not looking to amend the Specific Plan but were proposing that an affordable housing overlay zoning could coexist consistently with the Plan. He said under the Plan there were base and bonus densities and most of the public benefit densities would need to be through a development agreement. He said that would not increase the units above 680 but would increase the chances that more of those units would be affordable. He showed a map of the area of the Specific Plan. He said one of the requirements of the settlement agreement that was not part of state law was the need to have a half mile buffer from that area. He said another area of importance were infill areas around the downtown to increase density, noting that in the 1970s the area had been down zoned. He said also the City needed by state law to identify zoning areas for permitted use by right for

homeless facilities. He said staff was suggesting the public facilities district noting that on larger sites, five acres or greater, plus a caveat that the sites needed to be located near bus service that runs seven days per week.

Development Services Manager Murphy said in terms of rezoning that the City cannot rezone down to exactly the unit needed but had to provide some cushion because some of the strategies being looked at such as second units and mixed use were not looked upon favorably by the state. He said there were 15 sites identified for rezoning and those were distributed throughout the City. He said there was a summary of those in the handout. He said there were three sites on the west side, some sites in the greater Linfield Oaks area where there were multiple sites being studied but which were to be narrowed down to 60 units across those sites with Steering Committee direction to focus on unit types that were smaller and not necessarily geared to families. He said sites 11 and 12 were currently owned by Mid-Pen Housing and they were interested in redeveloping sites at a higher density. He said the area where the redevelopment agency previously owned land was proposed for sale for potential housing. He noted site 14 was the post office and 15 was the Haven area, the latter being a land use change from the light industrial M-2.

Development Services Manager Murphy said one key area identified during this process was potential impact on schools. He showed boundary maps of the four elementary school districts, where housing was located that might impact those schools. He said the summary table had been expanded to the six different tables in Appendix "A" of the Housing Element.

Development Services Manager Murphy said that the Planning Commission would consider the draft Housing Element on October 15, and that the Steering Committee would tentatively meet on October 17, with the City Council meeting on October 22 and 23. He said speakers on the 23<sup>rd</sup> would be limited to new speakers or to new information being presented.

Public Comment: Ms. Janet Davis, Menlo Park, said the impact on Las Lomas School District would be tremendous. She said that 174 units or children in that district was a lot as the district only has 1,100 children now. She said that was a huge responsibility for that school. She said Rural Lane did not benefit anyone but Stanford, it was in an inappropriate dangerous place for housing and needed to be taken off the list.

Randal South said that during the presentation staff had said mixed use was not viewed favorably by the state, and he asked Development Services Manager Murphy to elaborate. Mr. South said he recently had a phone conference with the Deputy Director of the Housing Department in Sacramento and he had pointed out that Sausalito had used mixed use as a method of reducing density.

City Clerk Roberts noted the meeting was being conducted by Robert's Rules of Order and there would not be discussion among staff, Commission and public during the public comment period. She said public comments would not be answered directly but

would be part of the Commission's consideration after public comment was closed. She said that now was the time for the public to speak and topics would be taken up by the Commission after the public comment period.

Mr. South said in that case he entered his comment that the Deputy Director of the Housing Department in Sacramento said they were actually very supportive of mixed use, and Mr. South had pointed out that Sausalito had used mixed use as a strategic method to reduce their density. He said rather it was done actually to prevent the reduction of density.

A comment was made that there was no flat land in Sausalito. Mr. South said there was not a whole lot.

Mr. Ahmad Sheikholeslami, Menlo Park City School District, said he knew it had been covered previously but he didn't see potential government constraints to housing in this report. He said there had been a number of items listed with potential school impacts but he did not see that list and asked if it was covered in the report. He said it should be.

Development Services Manager Murphy said he was making notes to report out on all the questions.

Mr. Karl Vonderlinden, Stowe Lane, Menlo Park, said Rural Lane was not located entirely within the City of Menlo Park. He asked if the calculations took that into consideration. He asked if they were looking to build in Menlo Park plus the County or whether they intended to build just in that section of Rural Lane that was Menlo Park.

Vice-Chair Van Randall said they were listing all the questions and those would be responded to after public comment closed.

Ms. Cherie Zaslowsky said she was a long time City resident. She asked for clarification on the number of units needed, noting Development Services Manager Murphy had said the City needed to come up with 900 units or 400 units. She said she also assumed that counted the Downtown Specific Plan's 680 units. She said she wanted to be clear about those figures. She said she had a general question. She said all of this zoning being contemplated would mean a drastic alteration of the City's General Plan and would probably lower the quality of life all of the residents. She asked if this radical zoning change, these radical zoning changes, were mandatory when property changes hands. She said in other words, if someone owned a single-family home, a duplex or so forth, and it was in correct zoning, but the zoning was changed to allow for 30 units to the acre or whatever the formula was, when that property was sold, would the new owner or developer have to put in the high density zoning or could they build another single-family home or just leave it and not build. She said to her that was important. She said those were her questions. She said her comment was who was holding the gun to the City's heads that we were even seriously considering destroying our whole system and quality of life in our City. She asked what were our real alternatives. She said she hadn't heard any real alternatives except how we were going

to rearrange the deck chairs on the Titanic. She asked if the City could do better than that.

Vice-Chair Van Randall noted that the questions would be addressed after the public comment period ended.

Mr. Don Brawner, Menlo Park, said it was his understanding that the last time the Housing Element was looked at was 1992 and that supposedly it was to be updated every seven years. He asked where the information was coming down from, who was responsible for updating and telling the Council and the public that this had to be done. He asked whether this was set up by the powers that be to shove this stuff into Menlo Park without any chance except for a lawsuit which he said there were a number of people pursuing. He said they would fight this thing until they were dead. He said that we were destroying Menlo Park, that it was an assault on suburbia, and it was all about Agenda 21. He asked if anyone had heard of Agenda 21. He said he had noticed that Atherton, Portola Valley, Woodside, and Los Altos never had such problems. He asked whether that was because they had better legal representation.

Ms. Nevada Merriman, McKendry Drive, said she was in support of the Housing Element process in general because it was really important to consider equity. She said even the people in this room would have very different needs for housing at different points in our lives. She said it was extremely difficult to consider raising a family in Menlo Park because though she lives here now she was thinking how challenging it would be to actually retire here. She said it was hard to think about where her mother would live if she wanted her to be closer by, and it was even harder to imagine if her kids got old enough to want to live close by to her where they would possibly move. She said there were many people in so many situations. She said she has heard many comments throughout this whole process about people who were no longer able to stay in their homes. She said we really need to think long and hard about how to accommodate people at all different points in their lives and all different points of income. She said she was not sure if this was the time to make comments on the actual draft Housing Element. She said related to the "Policies" section, in "Housing Opportunities Areas," there were several attractive characteristics listed. She said the ability to get financing on certain kinds of projects would be an attractive characteristic to add. She said the policy on adopting standards for an affordable housing overlay zone was really vague and she was not sure how it would work. She said she was not sure if this was one of the sections that were going to be fleshed out. She said it would be great to have more details as the timelines were really unclear, and she was not certain how the environmental review would work. She said she thought those were important things to be clarified. She said she believed that they were still working on removing potential constraints to housing but suggested that if the City could get a timeline on when those details would be available, she would like to comment on them and the process. She said that would be helpful as the details were really important to how everybody living here was going to receive the implementation.



Ms. Arlene Lindblom, Stowe Lane, said her comment was to please give very serious consideration to the use and problems with Rural Lane, the county and the heavy influence that Stanford would have. She said as was mentioned already it would be housing for them rather than for the City of Menlo Park and would create intolerable traffic situations. She said she already hears large trucks at 3 or 4 in the morning.

Mr. Brawner attempted to speak again. City Clerk Margaret Roberts reminded him that each member of the public had one chance to comment.

The Vice-Chair closed the public comment period, and recognized Development Services Manager Murphy, who would address the questions raised by the public.

Development Services Manager Murphy said related to mixed use that his understanding was that historically a number of cities relied on mixed use to meet housing needs, but cities now had to really demonstrate units as a number of cities had claimed mixed use but what was built was commercial and not residential. He said the state looks much more carefully at any programs related to mixed use. He said there would be a mixed use approach but it could not be said the City would meet all of its housing need through mixed use.

Development Services Manager Murphy said in terms of school impacts that there were differences among the governmental constraints analysis versus the environmental assessment and fiscal impact. He said that a school district would not be considered a governmental constraint but the City was analyzing what the impacts of the housing were to the school districts.

Development Services Manager Murphy showed a graphic regarding Rural Lane which showed Alpine Road, the City boundary, a section identified from meetings as having truck traffic and noise impacts, and the golf course for which a buffer was needed. He said if anything were developed here there would need to be annexation as they did not think it was appropriate to just develop a portion of it but should be done in a unified fashion. He said it was being studied as it seemed more appropriate to develop all of the area consistently but that was a longer-term item.

Development Services Manager Murphy said regarding the reduction in the number of units in terms of the number that might need to be rezoned that they had focused in on the state law of what the carryover analysis was and what was allowable under existing zoning. He said one aspect of that as compared to other circumstances was that the most units allowed under existing zoning would need to involve redevelopment so if a single-family residence was demolished there would need to be two units built or a single-family residence and a second dwelling unit added. He said that was not guaranteed to be acceptable which was why they needed this additional buffer. He said in terms of change of ownership the main thing the City needed to do was put the zoning in place but there was no obligation on owners as what they needed to do in terms of redeveloping. He said if someone bought a site identified as a single-family home and they wanted to keep a single-family home, they would keep the single-family

home. He said some of the difficulties in the details of Programs and Policies was they might need to identify minimum densities to prevent an instance where there was a good opportunity site for housing and someone builds two large single family homes instead of an eight-unit development with smaller unit sizes. He said if that was the development potential they were looking at to meet the needs then for the next RHNA planning cycle they would need to carryover the six units not built. He said there probably needed to be discussion on minimum densities, variable densities, or correlating floor area ratios to densities.

Development Services Manager Murphy said the last time the City adopted a Housing Element was 1992 but that had not been certified by the state. He said the City on multiple occasions worked to update its Housing Element in the 1999 to 2006 time frame time. He said the greatest challenges had been identifying the sites and competing priorities in staff resources and the cost in doing things, and there had been a decision to not pursue the update. He said when the next planning cycle came there was discussion about whether to pursue the unit count cumulatively but this was also when the City was doing the work for the Specific Plan. He said whether they did the Housing Element update previously or now that the same difficult decisions had to be made. He said changes to state law in terms of grant funding was also an incentive to update the Housing Element. He said in terms of the City updating its Housing Element that if it did not, there was a potential for a moratorium on all other commercial development.

Development Services Manager Murphy said regarding the affordable housing overlay that more details were needed. He said it would be a zoning ordinance amendment looked at concurrently with the Housing Element update as they thought that was a key strategy for actually getting a certified Housing Element. He said in terms of the governmental housing constraints that would be available the following week with the packet being sent to the Planning Commission.

Commissioner Moser said the City had talked to Las Lomas School District and asked if they had spoken with the Redwood City School District. Development Services Manager Murphy said they had spoken with Ravenswood School District but had not talked with Redwood City School District. He said they recently spoke with the Las Lomas School District Superintendent and asked her to help connect them with the Redwood City School District. Commissioner Moser said that two fairly large sites were in Redwood City. She said staff had met with various groups and asked whether they had had a chance to meet with the churches. Development Services Manager Murphy said not yet but it was on his list. Commissioner Moser said she asks because there were two churches on the list.

Commissioner Cadigan asked about the Amnesty Program and the possible barriers that might be encountered such as legal hurdles but noted she was asking generally as she knew it could be a long discussion. Development Services Manager Murphy said there were a number of issues such as zoning changes but more importantly code

issues such as fire, building and light safety issues that needed to be addressed. He said they would need discussion particularly with the Fire District.

Vice Chair Van Randall asked about the table on page 39 of the presentation. Development Services Manager Murphy said there were no hard fast boundaries but they used major streets in the past as boundaries. He said between Highway 280, Alameda and Junipero Serra was one boundary; from Alameda to Middlefield Road was another boundary that covered downtown; Middlefield Road to Highway 101; and then east of the freeway. He said of the 1,163 units being studied for rezoning, 758 of those units were located east of Highway 101.

Vice Chair Van Randall said if 758 of those units were located east of Highway 101 then the school districts most impacted would be the Ravenswood and Redwood City School Districts. Development Services Manager Murphy said that was correct and noted that there was not a one-to-one correlation because of the boundaries of the two school districts.

Commissioner Clarke asked where the 758 units were, and if that was the light industrial area. Development Services Manager Murphy said sites east of Highway 101 were 11, 12, 13 and 15. It was noted that site 15 had the most units and was a large area.

Vice-Chair Van Randall asked the Commission for comments on the draft Housing Element.

Commissioner Dodick confirmed with staff that there was a cushion because environmental assessment had to occur and that some locations would drop out.

Commissioner Dodick said she wanted environmental defined. She said she hadn't heard services mentioned. She said when they discussed adding more density and people there would be additional burdens on City operated services. Development Services Manager Murphy said that they would do two things. One was an environmental assessment and would be comparable to a draft EIR that would cover 15 topic areas. He said second was a fiscal impact analysis that would look at impacts to the City, key service districts and school districts. He said all of the things that were part of this project would be analyzed with these two studies. He said that there was not enough time to do a full EIR so there had been an exemption given under the settlement agreement from CEQA.

Vice Chair Van Randall asked whether rezoning and redistribution of taxes and revenues would be covered under fiscal impact analysis. Development Services Manager Murphy said it would.

Vice Chair Van Randall said her impression of the public comments was there was a need to clarify for the public as to how and why the City got to where they were today

with the Housing Element. She said a bullet point sheet would be a way to communicate that to the community.

Commissioner Cadigan said a lot of work had to be done and she was glad to see it happen.

**ACTION:** Motion and second (Moser/Cadigan) to accept the draft Housing Element as presented and recommend that it be forwarded to the City Council for further action knowing that the document was not yet in its final form.

Margaret Robert, City Clerk asked if the motion should include comments. Vice-Chair Van Randall said there should be Commission consensus on comments.

Vice Chair Van Randall said the comments about Rural Lane, the environmental assessment and fiscal impact analysis, and clarity on how we got to where we are today.

Mr. South said mixed-use had been mentioned as a way of reducing density.

Vice-Chair Van Randall said there was a question about that answered and that would be in the record of the meeting. She said the motion was to adopt the draft Housing Element, forward it to City Council for further action acknowledging that it was not yet in its final form, and to study Rural Lane, the environmental assessment and fiscal impact, and provide clarity for the public on how we got to where we are with the Housing Element.

Mayor Kirsten Keith said she would like to include all the comments Development Services Manager Murphy made in response to questions asked.

Development Services Manager Murphy said that would be in the minutes. City Clerk Roberts said they typically do action minutes and therefore they would not be included in the minutes.

Vice Chair Van Randall said she had no objections to adding all of the comments for the Council to consider. She modified that to include the specific questions answered by Development Services Manager Murphy.

Vice Chair Van Randall said they represented the public and they should move the public's comments forward. Development Services Manager Murphy said there was a way to do that separately with more expanded minutes.

Council Member Andy Cohen suggested that Development Services Manager Murphy provide a short summary of his answers and that would provide the context of the questions.

Mayor Kirsten Keith said she particularly would like the questions and the answers provided separately.

There was Commission consensus for minutes to be prepared to capture the comments and answers.

Vice-Chair Van Randall said there was a motion and second on the floor.

**ACTION:** Motion and second (Moser/Dodick) to accept the draft Housing Element as presented and recommend that it be forwarded to the City Council for further action knowing that the document was not yet in its final form, and to study Rural Lane, the environmental assessment and fiscal impact, and clarification for the public on what led to this Housing Element update and process passed unanimously

**HOUSING ELEMENT FAQ SUPPLEMENT**  
**10/18/12**

**1) What are the conditions imposed by the Settlement Agreement that are above what is required by state law?**

State law provides a fairly short timeline for coming into compliance and adopting an updated Housing Element. Through the settlement, the City was able to negotiate more time, above what is allowed by State law. This provides the City the opportunity to have greater community participation in the update process. The settlement also allowed the City to avoid having a court suspend the City's building and planning permitting authority during the Housing Element update process. A few items included in the Settlement Agreement that are not required by State law, but may aid the City in achieving its affordable housing goals, are the following: (1) an Affordable Housing Overlay zone or other zoning mechanism that provides incentives for developing affordable housing; (2) locating 35% of the acreage to be rezoned for affordable housing within the priority development area or within one half mile of the priority development area; (3) reviewing the City's BMR Program; and (4) prioritizing a portion of the City's BMR funds for affordable housing projects that qualify for tax credit financing.

**2) Is it accurate that if the City does not live up to the terms set forth in the Settlement Agreement, the Settlement Agreement, as a stipulated judgment, confers upon the Court the power to enforce the agreement and suspend the City's permitting process until the agreement is enforced?**

Yes, but for more details please see the answer to #3 below.

**3) Is there any way the City can escape the Agreement and comply only with the minimum requirements of state law?**

The City entered into a binding Settlement Agreement that has become incorporated into a Court judgment that cannot be unilaterally modified or ignored by the City. The court retains continuing jurisdiction to enforce the terms of the Settlement Agreement. If the City were to stop moving forward with the current process to update the Housing Element in accordance with the terms of the Settlement Agreement, the City would be in breach of the settlement agreement and in violation of the judgment. As a result, PIA, YUCA and Urban Habitat could file a motion with the court to enforce the judgment.

Such an action would likely result in the City being required to comply with the Settlement Agreement (much of which simply requires compliance with State law), would likely result in payment of additional attorneys fees (potentially a substantial amount), and would likely result in the Court imposing additional restrictions on the City, such as a prohibition on the issuance of building or planning permits until compliance is achieved. As a reminder, the minimum requirements of State law applied to the City prior to the filing of the lawsuit. The lawsuit was brought to force the City to comply.

**4) Is it true that a minimum of 35% of the area rezoned for affordable housing has to be within one half mile of the Downtown/El Camino Corridor?**

Yes, 35% of the acreage to be rezoned has to be within the priority development area which includes the downtown/El Camino corridor or within one half mile of the downtown/El Camino Real corridor. Note that all or a portion of this 35% requirement may potentially be met through application of an affordable housing overlay zoning ordinance to the Specific Plan area (which will not result in any greater number of housing units in the Specific Plan area since the maximum number is capped at 680 units).

**5) Why didn't the City update its Housing Element by the 2001 deadline for the 1999-2006 planning cycle and by the 2009 deadline for the 2007-2014 planning period?**

The City did make several efforts to update its Housing Element for each of the last two cycles. The attached table summarizes the chronology of key events.



**Housing Element Project History**  
**October 18, 2012**

<b>Date</b>	<b>Meeting/Activity</b>	<b>Purpose</b>
	2001 Council Priority Setting	Housing Element Update was recognized as a State-mandated project to be completed by December, 2001 for the 1999-2006 planning period.
April 3, 2001	Council Meeting	Authorized contract for consulting services for preparation of Housing Element update by Vernazza Wolfe Associates.
May 1, 2001	Council Meeting	Presentation of an education session on Menlo Park's Housing Element Update.
May 3, 2001	Community Meeting	Community meeting for input on housing issues.
May 14, 2001	Joint Planning and Housing Commission Meeting	Consideration of policy issues related to the Housing Element Update.
May 22, 2001	Council Meeting	Consideration of policy issues related to the Housing Element Update; Council directed preparation of an EIR.
June 25, 2001	Planning Commission Meeting	Consideration of potential housing sites.
July 10, 2001	Council Meeting	Authorize the City Manager/Agency Executive Director to amend the contracts with Vernazza Wolfe to include the preparation of the EIR; resulted in additional costs and an extended timeline; work on EIR and Housing Element continue through the summer and fall months.
July 30, 2001	Joint Planning and Housing Commission Meeting	Review of working draft of Housing Element Update Background Report and 1992 Housing Element Goals and Policies.
October 29, 2001	Meeting of Menlo Park staff and State Department of Housing and Community Development (HCD)	Menlo Park and HCD staff and the consultants tour city and review key policy issues and timeline.
December 11, 2001	Council Information Item	Staff presented an update to the City Council on status of project.
January 15, 2002	NOP Release	Notice of Preparation of a Draft EIR for Housing Element update is released for 30-day comment period from 1/16/02 to 2/14/02.
	2002 Council Priority Setting	Recognized as a continuing project with a targeted completion date of July 2002 (timeline extended due to inclusion of EIR).

**Housing Element Project History**  
**October 18, 2012**

<b>Date</b>	<b>Meeting/Activity</b>	<b>Purpose</b>
May 14, 2002	Council Meeting	Review of the administrative draft Traffic Impact Analysis and direction to create a Council Subcommittee to review potential housing sites; action to review housing sites extended the timeline.
September 10, 2002	Council Meeting	Review of the list of potential housing sites compiled by the Council Subcommittee for analysis in the Housing Element EIR.
November 19, 2002	Council Meeting	Approval of contract amendments with Vernazza Wolfe for revised traffic analysis based on changes in housing sites.
	2003 Council Goal/Priority Setting	Focus was on balancing the budget with no explicit direction on the ongoing Housing Element work.
December 9, 2003	Council Meeting	<p>Authorize the City Manager/Agency Executive Director to enter into new contracts with Dowling Associates for completion of the Traffic Analysis and Lamphier Gregory for completion of the EIR (previously sub-consultants to Vernazza Wolfe) and to review the list of potential housing sites.</p> <p>Report noted that work completed in 2003 included revisions to the Background Report and Traffic Impact Analysis, but that project complexity as well as staff resources redirected to other priority projects including Zoning Ordinance amendments for single-family residential development and secondary dwelling units, the Allied Arts Guild project, the M-2 Study, Business Development Roundtables and work on the General Plan had delayed progress.</p>
	2004 Council Priority Setting	Housing Element Update was listed as a continuing priority with an expected completion date of September, 2004; throughout 2004 staff resources continued to be directed to other priority projects.

**Housing Element Project History**  
**October 18, 2012**

Date	Meeting/Activity	Purpose
	2005 Council Priority Setting	Work on the Housing Element was postponed pending the release of new RHNA numbers for the 2007-2014 planning period (expected to be released by ABAG in 2005); the work plan was to be revised and work reactivated according to Council direction once the new numbers were released; work to date included preparation of a background report, consideration of housing sites, development and review of draft goals and policies, preparation of a draft traffic analysis and work on an EIR.
	2006 Council Priority Setting	Work remained postponed with delay in the release of the RHNA numbers; targeted release date by ABAG was revised to 2008.
July 18, 2006	Council Meeting	Adopted resolution to join San Mateo County RHNA Sub-Region.
	2007 Council Priority Setting	Work remained postponed until RHNA numbers determined through the San Mateo County Sub-Regional process, tentatively scheduled for June, 2007; deadline for Housing Element updates for the 2007-2014 planning period is June 30, 2009.
	2008 Council Priority Setting	Schedule prepared for completion of the Housing Element Update by December 2009; other identified priorities included El Camino Real/Downtown Specific Plan, implementation plan for the Senior Housing Needs Study, modifying the single-family residential zoning standards and review process, and development of a phased sustainable building program.
September, 2008	Council Meeting	Schedule extended to June 2010 based on review of current Housing Element laws, inclusion of a community engagement plan, and EIR (original schedule had assumed a Negative Declaration).
February, 2009	Council Meeting	As part of the mid-year budget review and based on a need to reduce city expenses, consultant work on the Housing Element was deferred and the funds withdrawn from the project budget; staff work continued as time allowed given other priority projects; Housing Element Update remained deferred and unfunded until May, 2012.

**Murphy, Justin I C**

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**From:** Joan Fabrique [mailto:change.org]  
**Sent:** Thursday, October 11, 2012 4:13 PM  
**To:** \_athome  
**Subject:** \*\* Stop Rural Lane Development Plans Now (Site #3)

**Importance:** Low

Greetings,

We, the undersigned residents of Stanford Weekend Acres and surrounding neighborhoods object to the inclusion of Rural Lane as a site for development of housing to fulfill the City's obligations under the Settlement Agreement or as part of the Housing Element. Our reasons are many but the main ones are that:

**IT WOULD PRESENT SIGNIFICANT SAFETY HAZARDS:** Creating additional housing at Rural Lane would exponentially increase the hazards on Alpine road given the lack of traffic control, blind turns, excessive number of cars and trucks, narrow road, pedestrian and bike lanes, etc. In fact the county recently voted against a trail proposal by Stanford on the basis of these safety problems. Alpine Road cannot accommodate more traffic. Rural Lane would enter Alpine at a blind spot just before the intersection. Residents of Rural Lane would also have to cross a multipurpose "trail" and deal with dangerous road conditions. This development would put the lives of our children, elderly, commuters, bikers and residents in danger.

**DOES NOT FULFILL SETTLEMENT AGREEMENT REQUIREMENTS:**

Rural Lane is not near any form of public transportation. (The only bus stop was eliminated by CHP on the basis that Alpine Road was too dangerous)

It is not near shops or jobs

It is around 2 1/2 miles from down town

It has no ADA compliant pedestrian walkway, or a safe bicycle route to downtown

**IT WOULD UNFAIRLY OVERBURDEN LOS LOMITAS SCHOOL DISTRICT:**

Las Lomitas School District is opposed to this development.

**IT WOULD SEVERELY IMPACT THE ENVIRONMENT**

**IT WOULD SEVERELY AND NEGATIVELY IMPACT THE QUALITY OF LIFE OF NEARBY RESIDENTS**

**IT WOULD COMPLETELY ALTER THE COMPOSITION OF STANFORD WEEKEND ACRES TO THE DETRIMENT OF RESIDENTS**

**IT WOULD PROVIDE A WINDFALL TO STANFORD WITH NO BENEFIT TO THE CITY OR THE NEIGHBORS**

This roadway is dangerous enough.  
Any additional traffic would put lives at risk.

Joan Fabrique  
Menlo Park, California

Note: this email was sent as part of a petition started on Change.org, viewable at <http://www.change.org/petitions/city-of-menlo-park-stop-rural-lane-development-don-t-put-our-lives-in-danger>.  
To respond, [click here](#)

**Murphy, Justin I C**

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**From:** Nathan Anderson [mailto:change.org]  
**Sent:** Monday, October 01, 2012 8:56 AM  
**To:** \_Planning Commission  
**Subject:** \*\* Do not add high density to Linfield Oaks  
**Importance:** Low

Greetings,

I just signed the following petition addressed to: City of Menlo Park.

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Do not add high density to Linfield Oaks

With three new housing developments added to our neighborhood in recent years, Linfield Oaks is at capacity. We have no retail within our neighborhood, and no public transit other than school buses. We are located a mile from Caltrain and over a mile from public elementary and middle schools. Traffic on the streets that border our neighborhood is already gridlocked for hours a day. Because of our location within the city and our distance from the freeways, adding dense housing will serve to increase congestion throughout the city.

We cannot accommodate the 100+ dense housing units that are being considered for our neighborhood.

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Sincerely,

Nathan Anderson  
Menlo Park, California

Note: this email was sent as part of a petition started on Change.org, viewable at <http://www.change.org/petitions/city-of-menlo-park-do-not-add-high-density-to-linfield-oaks>. To respond, [click here](#)



STANFORD UNIVERSITY

October 12, 2012

Mr. Justin Murphy  
Development Services Manager  
City of Menlo Park  
701 Laurel Street  
Menlo Park, CA 94025

**Re: Menlo Park Housing Element – Sites 1, 2 & 3**

Dear Justin:

We are writing to express Stanford University's position on three Stanford-owned sites that the City has included in its preliminary housing inventory. These three sites are as follows: (1) the "banana" site located along Sand Hill Road near Interstate 280; (2) the Hewlett Foundation site at 2111-2121 Sand Hill Road; and (3) the Rural Lane site. These sites are respectively identified as Sites 1, 2 and 3 in the Housing Site Index attached to your October 3 memorandum to the City's Housing Commission. Per Table 1 in the City's Preliminary Draft Housing Element (dated Sept. 28, 2012), the City is evaluating Sites 1 and 2 at a housing density of 30 dwelling units per acre and Site 3 at a density of 12 du/ac. The entirety of Sites 1 and 2, and a portion of Site 3, are located outside of the City's boundaries, and annexation by the City would therefore be required. This in turn would require Stanford's consent, as it is the sole landowner.

Our understanding is that the City is not presently relying on the potential housing units on these three sites for meeting its regional housing needs allocations for 1999-2006 and 2007-2014. Rather, we understand that at this juncture the City is merely evaluating the three sites for their potential to accommodate housing at some point in the future. Given that the City is planning on finalizing a draft of its housing element by October 31 for submittal to the California Department of Housing and Community Development, we want to make sure the City is aware of Stanford's views concerning Sites 1, 2 and 3.

Site 1: Stanford has concerns about the potential development of high-density housing on this site given its proximity to I-280. Developing the site with high-density housing could present traffic impacts; alternatively, any infrastructure improvements that may be needed on this site to address the existing traffic issues may affect the feasibility of building high-density housing on the site. Air quality issues associated with the development of housing units should also be addressed. We will continue to assess the issues associated with this site as the City proceeds with its evaluation and the development of its draft housing element.

Site 2: Stanford does not at this time support high-density housing on this site. Stanford would prefer to develop the site in the future for commercial uses, or possibly for staff or faculty housing, which would likely be at a density lower than 30 du/ac. Stanford therefore does not support annexation and rezoning of this site for high-density housing at this time. We believe the

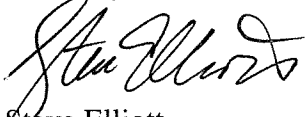


City's August 31, 2012 Affordable Housing Sites Analysis Memo appropriately left this site off the City's housing inventory.

Site 3: Stanford has several concerns about the potential development of medium-density housing on this site. First, as indicated in the comments received from the public thus far on the City's housing inventory, there are significant community concerns about developing this site, and traffic will need to be carefully analyzed as part of studying future development. In addition, there are a number of mature trees on the site which could affect the feasibility of developing it at a density of 12 du/ac. Further, Stanford may wish to develop this site for faculty and staff housing, which would likely be at a density lower than 12 du/ac. In sum, while Stanford is not ruling out housing on this site, the density indicated in the Preliminary Draft Housing Element is likely too high.

We look forward to working cooperatively with City staff on the development of its housing element. Please contact us if you have any comments or questions.

Sincerely,



Steve Elliott  
Managing Director, Development  
Land, Buildings & Real Estate  
Stanford University  
3160 Porter Drive, Suite 200  
Palo Alto, CA 94304  
T 650.724.4757

After 8 years on Menlo Park City Council, at least 6 of which have been focused on housing matters, I feel fortunate to have learned a lot and to have been able to help some individuals better navigate their projects through the planning process.

Just in the last calendar year, Menlo Park has been compelled to address its housing needs as the result of Facebook's arrival and plans to expand. Menlo Park's neighbor, East Palo Alto, has rent control whereas we do not, yet Belle Haven, our residential neighborhood east of highway 101, is economically similar to East Palo Alto in several key respects. Although Menlo Park and East Palo Alto are quite different cities, residential housing in both feel many of the same pressures, yet Belle Haven without rent control, can be quite different from East Palo Alto in how it responds to economic change.

One obstacle to changing our housing element is finding large parcels where 30 units per acre can be built. We have seen how controversial this can be with the reactions to Sharon Park, Linfield Oaks, and Alpine Road.

As problematic as secondary dwellings are because they impact neighbors, there are many already in existence but not on the record, and not only does state law encourage them, but they can increase housing stock with less traffic impact. Secondary dwellings are also cheaper because the owner already owns the land.

The greatest difficulty with secondary dwellings as an effective means of increasing housing stock is lack of knowledge how many currently exist, and a second difficulty is that getting a housing element certified requires Housing and Community Development, a state agency, to review and approve it. HCD looks at past years' records creating secondary dwellings.

The advantages of secondary dwellings over high density housing are obvious, at least to me. By allowing or encouraging individual lot owners to build smaller dwellings, we help an older population remain in the community by bringing family or live-in help closer, allowing supplemental income to property owners, and reducing the number of neighborhoods and every neighborhood's alteration while simultaneously encouraging infill housing stock growth.

The objections to secondary dwellings are not overwhelming, and many of them are based on speculation rather than hard facts, partly because we don't know how many already exist, even if they are illegal. There is an assumption not only that illegal dwellings are unsafe and unattractive, but that they degrade neighborhood. This may be partially true, but it is by no means factually substantiated.

A valid objection to amnesty for illegal dwellings is fire safety, and this arises not only regarding second dwellings, but garage conversions as well. Because accessory structure can be closer to property boundaries than dwellings, it is normally illegal to live in a garage or other accessory structure unless it was built with greater setbacks than required. This is unlikely to have occurred.

All of these obstacles to permitting a secondary dwelling as a preferred alternative to large housing projects might be eliminated except that the process is complex and political, not only to create a housing element, but to gain approval of a legal dwelling, or the rules as written.

Nevertheless, the potential gain to the community of allowing second dwellings is great, especially in hard economic times.

Andy Cohen 10-13-2012

This is my reason for emphasizing secondary dwellings and amnesty in my role as a member of the housing element steering committee.

I would include accessory structures intended as new secondary dwellings to take advantage of existing accessory structures.

Any new housing is expensive. Secondary dwellings are less so because the land is already paid for, and a secondary dwelling increases property value. Fire safety is critical, but additional incremental pre cautionary can be provided where setbacks are smaller.

If we are to create a new housing element in Menlo Park that can serve as a model for other jurisdictions we must be innovative. My suggestion is such an innovation.

## Murphy, Justin I C

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**From:** Janet Davis [jadjad@sbglobal.net]  
**Sent:** Monday, October 15, 2012 11:40 AM  
**To:** stevee1@stanford.edu  
**Cc:** \_athome; don Horsely; atissier@co.sanmateo.ca.us; carol groom; dave pine; george Mader; Lennie Roberts  
**Subject:** Rural Lane & Menlo Park Housing Element

Your letter of today to the City of Menlo Park is gratifying in that it is more realistic than the aspirations of the city. However, if in future, the university aims to build **any** housing on the Rural Lane site there will be an equally strong response from the local community, commuters (of which about 90% would appear to be Stanford community), Stanford golfers, and local environmentalists. It is just too dangerous a site given its point of access, too vulnerable to golf ball impacts, and too precious an environmental site.



October 15, 2012

Katie Ferrick, Chair, and Members  
Menlo Park Planning Commission  
701 Laurel Street  
Menlo Park, CA 94025

**Re: Menlo Park Housing Element – Site #3**

Dear Ms. Ferrick and Commissioners,

Committee for Green Foothills (CGF) has a long-standing interest in affordable housing issues on the Midpeninsula. As CGF's Legislative Advocate for San Mateo County, I have been involved in the development of several of San Mateo County's Housing Elements over the past 20 years, and I also serve on the Grand Boulevard Task Force, which, as you know, is planning for this historic transportation corridor to become a more people-friendly place. An important part of that vision is to accommodate more housing where transit services and other services are available.

I have been reviewing the proposed housing sites that are being considered for Menlo Park's Housing Element.

I respectfully request that you delete the Rural Lane site (Site #3) from the list for further studies, for the following reasons:

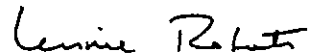
The Rural Lane site is a narrow strip running along Alpine Road at the very edge of Menlo Park's City Limits. In fact, half of the site is unincorporated and not within the City's corporate limits, and would need to be annexed if the site were to be developed. Such annexation and attendant development will continue to be strongly opposed by neighbors in the Stanford Weekend Acres area. Development of the site could potentially impact the Stanford Golf Course, which would also bring strong opposition from golfing interests. The site is adjacent to Alpine Road, which is one of the most impacted roads in the region. It is exceedingly difficult for people living at SWA to turn in and out of their streets and driveways due to the congestion on Alpine, particularly during morning and evening peak traffic periods. San Mateo County Board of Supervisors declined to accept Stanford's money for a bidirectional Class 1 bike and pedestrian trail along Alpine because of the difficulties and dangers of this particular stretch of Alpine.

The small size of this site and its rural setting with mature trees and proximity to the golf course make the Rural Lane location ~~both~~ difficult to develop at higher urban densities. Moreover, its remoteness from neighborhood services and transit make it inherently unsuitable for higher density development, in our view. The site is not within the central core campus of the University, is not served by the University's Marguerite bus system, and as such does not meet University criteria for reducing trips in and out of campus. Finally, Stanford has indicated that it opposes the proposed density indicated in the Preliminary Draft Housing Element as too high for its plans.

In conclusion, please delete Site #3 (Rural Lane) from your list of sites to be further studied.

Thank you for consideration of our comments.

Sincerely,

A handwritten signature in cursive script that reads "Lennie Roberts".

Lennie Roberts, San Mateo County Legislative Advocate

## Murphy, Justin I C

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**From:** Marianne Ault-Riche [marianne.aultriche@gmail.com]  
**Sent:** Tuesday, October 16, 2012 7:06 PM  
**To:** \_athome  
**Subject:** Remove Rural Lane

I am writing to implore you to remove Rural Lane from the list of sites for development. I purchased a very modest home here in Stanford Weekend Acres at a very great expense for the sole reason that it was a peaceful, rural neighborhood. It has already been compromised since I moved here in 2004. Please don't allow further deterioration. The Rural Lane site doesn't make sense anyway because of distance from services and public transportation.

Thank you,

Marianne Ault-Riche



## Murphy, Justin I C

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**From:** Joan Vonderlinden [vonderlindenj@gmail.com]  
**Sent:** Wednesday, October 17, 2012 4:47 PM  
**To:** \_athome  
**Subject:** Rural Lane

Dear Council,

I write to express my strong concerns over developing Rural Lane. Alpine Road is already a dangerous, tight roadway that cannot support the level of traffic that already exists. There have been several recent accidents involving cars and bikes, in fact one just occurred this past weekend adjacent to Rural Lane. As you are aware, the County declined Stanford's request to develop a bilateral walk bike trail along Alpine because it is just not safe. Any additional traffic will only increase the danger along this corridor.

This brings up the safety and quality of life for the current and potential future residents. Increased congestion, pollution, lack of safe routes to schools, community centers, downtown, are all problems we already face, and potential residents of Rural Lane will face. Children and seniors who rely on public transit, foot or bike do not have a safe or pleasant route to necessary locations.

Lastly, the Las Lomas School District is impacted. We do not want increased class size or compromised learning environments. As a tax payer, one of my top concerns is the quality and foundation of our school district.

The Menlo Park City Council has an important job to do. With respect, I submit this letter for your serious consideration.

Joan von der Linden  
Sent from my iPhone



# ADMINISTRATIVE SERVICES

Council Meeting Date: October 23, 2012  
Staff Report #: 12-158

Agenda Item # I-1

**INFORMATION ITEM: Financial Review of General Fund Operations as of June 30, 2012: Un-audited Budgetary Comparison**

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This is an information item and does not require Council action.

## **BACKGROUND**

In the establishment of the City's Finance and Audit Committee in 2007, Council prioritized the desire for greater public awareness and understanding of the City's fiscal condition. To this end, the Committee worked with staff to develop the format used to provide quarterly updates to Council. The Committee has also been intent on advancing the dissemination of annual financial information in a timely manner. In the month of September, Finance staff closed the City's books as of June 30, 2012, and began preparing for the 2011-12 fiscal year audit and compilation of the Comprehensive Annual Financial Report (CAFR). Although there may still be some minor adjustments in the form of accruals of revenues and expenditures to the proper accounting period, staff is confident that such fine-tuning will not materially impact the General Fund reporting results for the fiscal year.

The City's external auditors from the firm OUM, LLP began their field work in October. However, because of the complexities of compiling comprehensive annual financial statements in compliance with all applicable governmental accounting standards, this audit will not be completed until November. Using the basic format devised for monthly budget-to-actual monitoring, the Finance Committee has reviewed the preliminary results of General Fund operations as of June 30, 2012 at several meetings since the year-end close. As expected, some changes had been recorded to the fiscal year since the quarterly review forwarded to the Council on July 31, 2012 (Staff Report # 12-116), when a surplus of over \$1.2 million was anticipated. This report provides the most up-to-date picture of the City's General Fund available for the fiscal year ended June 30, 2012.

## **ANALYSIS**

### **Overview**

The following table shows the City's un-audited General Fund revenue and expenditure budget-to-actual performance in fiscal year 2011-12, as well as a comparison to the audited figures for the prior fiscal year. The 2011-12 Adjusted Budget column shows the budget as it was adjusted throughout the fiscal year - primarily mid-year adjustments. It should be noted that at mid-year, budgetary increases to the revenue budgets

(\$578,580) were more than offset by increased expenditure budgets (\$783,146), and left a budgetary deficit of \$900,000 inclusive of prior year encumbrances. The expenditure increases were due largely to the inclusion of the costs of activities previously funded by redevelopment monies.

The Summary format has been altered somewhat from the regular mid-year and budget presentations in that (1) expenditures are categorized by department (rather than by personnel, operating, and contract expenditures), and (2) the Comprehensive Planning Fund is shown separately. Although funding for Comprehensive Planning projects (which typically span more than one fiscal year) is retained in a separate fund, such projects are considered general governmental activities and are included in General Fund operations in the City's audited Comprehensive Annual Financial Report (CAFR).

City of Menlo Park General Fund Summary							
	2010-11 Actual	2011-12 Adjusted Budget	2011-12 Preliminary Actual	2011-12 Preliminary Variance	% Budget Variance	Increase/ (Decrease) from Prior Year	% Change from Prior Year
Property Taxes	12,811,324	13,021,000	13,139,924	118,924	0.91%	328,600	2.56%
Sales Tax	5,988,055	6,203,000	5,938,310	(264,690)	-4.27%	(49,745)	-0.83%
Transient Occupancy Tax	2,453,981	2,920,000	2,939,475	19,475	0.67%	485,494	19.78%
Utility Users Tax	1,122,940	1,135,900	1,080,435	(55,465)	-4.88%	(42,505)	-3.79%
Franchise Fees	1,677,016	1,768,000	1,758,704	(9,296)	-0.53%	81,688	4.87%
Licenses & Permits	3,239,561	3,371,465	3,685,556	314,091	9.32%	445,995	13.77%
Intergovernmental	1,946,155	1,140,552	1,158,010	17,458	1.53%	(788,145)	-40.50%
Fines	953,195	980,000	1,067,328	87,328	8.91%	114,133	11.97%
Interest and Rent Income	575,758	681,188	804,501	123,313	18.10%	228,743	39.73%
Charges for Services	5,246,252	6,243,141	6,743,126	499,985	8.01%	1,496,874	28.53%
Transfers & Other	<u>730,505</u>	<u>589,559</u>	<u>606,176</u>	<u>16,617</u>	<u>2.82%</u>	<u>(124,329)</u>	<u>-17.02%</u>
<b>Total Revenue</b>	<b>36,744,742</b>	<b>38,053,805</b>	<b>38,921,545</b>	<b>867,740</b>	<b>2.28%</b>	<b>2,176,803</b>	<b>5.92%</b>
Public Safety	20,515,254 *	14,318,619	13,975,240	343,379	2.40%	(6,540,014)	-31.88%
Public Works	4,517,248	4,895,007	4,482,385	412,622	8.43%	(34,863)	-0.77%
Community Services	6,169,153	6,651,453	6,310,930	340,523	5.12%	141,777	2.30%
Library Department	1,914,900	2,033,990	1,871,632	162,358	7.98%	(43,268)	-2.26%
Community Development	2,503,578	3,490,954	3,383,567	107,387	3.08%	879,989	35.15%
Administrative Services	4,677,762	5,038,800	4,616,946	421,854	8.37%	(60,816)	-1.30%
Operating Transfers Out	<u>2,267,950</u>	<u>2,377,800</u>	<u>2,377,800</u>	<u>0</u>	<u>0.00%</u>	<u>109,850</u>	<u>4.84%</u>
<b>Total Expenditures</b>	<b>42,565,845</b>	<b>38,806,623</b>	<b>37,018,500</b>	<b>1,788,123</b>	<b>4.61%</b>	<b>(5,547,345)</b>	<b>-13.03%</b>
<b>Net Operating Surplus/Deficit</b>	<b>(5,821,103)</b>	<b>(752,818)</b>	<b>1,903,045</b>				
<b>Net Comprehensive Planning Fund</b>	<b>0</b>	<b>(748,500)</b>	<b>(67,740)</b>				
<b>Net (decrease)/increase of General Fund Balance (CAFR)</b>	<b>(5,821,103)</b>	<b>(1,501,318)</b>	<b>1,835,305</b>				

\* Includes Payoff of Safety Side Fund

With total operating revenues of nearly \$39.0 million and operating expenditures of over \$37.0 million, the (preliminary) net General Fund operating revenues for the 2011-12 fiscal year are over \$1.8 million. The CAFR, which will be audited and published in December, should show this approximate amount as an increase in the City's General Fund reserves for the fiscal year. Note that last year's decrease of \$5.8 million in reserves included the \$7.1 million payoff of the CalPERS Safety Side Fund (\$6.6 million allocated to the General Fund), approved by the Council in order to liquidate this liability and reduce future CalPERS employer's contribution rates for safety employees. Therefore, after considering extraordinary items, this is the second year of operating surplus for the City's General Fund, due largely to elevated levels of expenditure

savings. The largest dollar amounts of both revenue and expenditure variances are explained further in this report.

## **Revenues**

As the 2011-12 Budget for the General Fund was not adjusted significantly subsequent to the Mid-year Report, revenue budget variances at year-end reflect a continued stabilization, if not actual improvement, to certain sectors of the economy in the 2011-12 fiscal year. General Fund revenues for the 2011-12 fiscal year were higher than total 2010-11 revenues by nearly \$2.2 million (5.9 percent), exceeding the adjusted budget for the year by \$870,000 (2.3 percent). Most of the revenue categories that decreased from the prior year had been anticipated, and growth in the revenues most sensitive to economic changes had been conservatively projected.

As noted in the fourth quarterly report, this is the second year of increased revenues for the General Fund. General Fund revenues as a whole are slightly higher than in the pre-recessionary fiscal year 2007-08, despite a severe decline in revenues from the City's investment portfolio (\$2 million) since that time. When compared with the prior fiscal year, the sharpest revenue increases are reflected in the category of Charges for Services (approximately \$1.5 million), due largely to the higher degree of staff work billed for large development projects (e.g., Facebook), which accounts for over \$900,000 of the increase. Transient Occupancy Tax (TOT, or Hotel Tax) revenues increased \$485,000, as anticipated in the budget, and Licenses and Permits increased (\$446,000). The large drop in Intergovernmental Revenue (over \$788,000) was also anticipated as the contract with the City of San Carlos for dispatch service came to a close in November 2011.

As a whole, General Fund revenues were 2.3 percent higher (slightly over \$1 million) than the adjusted budget for the year, indicating that while much of increase in revenues was anticipated, some revenues were underestimated. Again, the largest dollar amount of budget variance (over \$500,000, 8 percent) resulted largely from the sizeable amount of billable time incurred for development projects. In addition, revenues from Licenses and Permits were \$300,000 over budget, largely from a higher volume of building permits (and to some degree business licenses) than anticipated.

The largest *percentage* budget variance (40.7 percent) occurred in the category of **Interest and Rent Income**. Although the large decrease in interest earnings on the City's portfolio continued due to the rapid decline in investment yields over the past four years, the year-end requirement to "mark-to-market" the City's investment portfolio - and record any market gain or loss for financial reporting purposes - causes large swings in this line item. The fall of the City's investment revenues over the past five years (from \$2.1 million in 2006-07 to less than \$0.5 million) has exacerbated the challenge of achieving a balanced budget in the current economy. For this reason, a sustainable budget should not rely on the investment markets. Rather, the City should be expected to achieve budget surpluses when the investment environment is healthy, for further investment and use only in economic downturns.

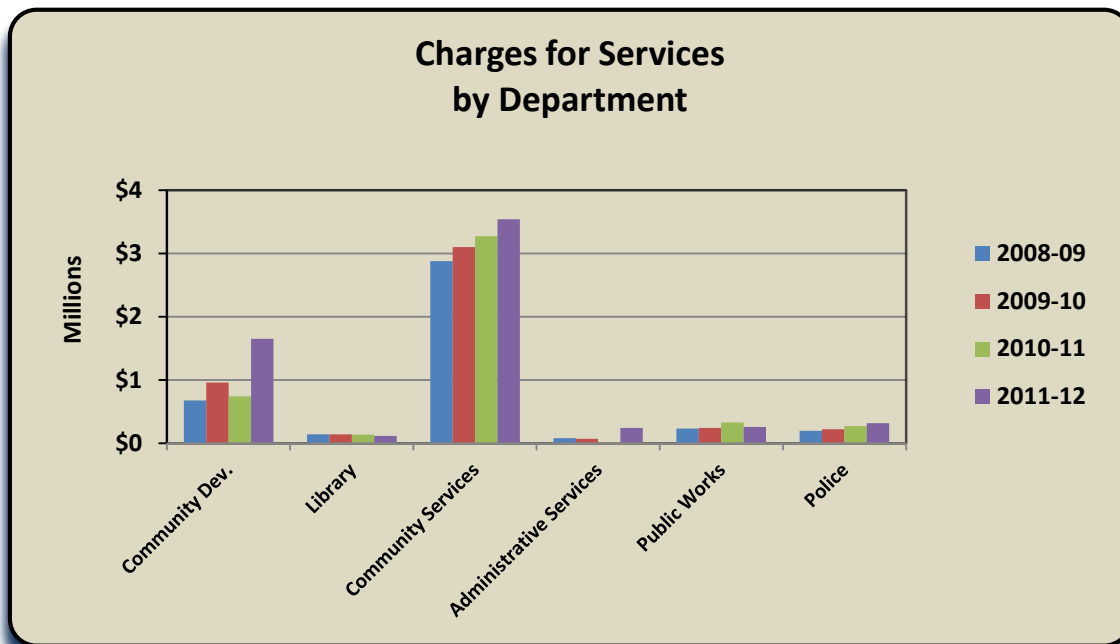
Although Property Taxes grew at a moderate pace, **Sales Tax** revenues experienced a 4.27 percent decline over the prior year. Business-to-Business taxable transactions appeared to have stabilized in 2010-11, but the wind down of the last remaining sales activities at Oracle/Sun Microsystems caused this category to decrease when compared to the previous twelve months. All other sales tax categories increased City-wide, but not enough to cover the decline in Business-to-Business, which comprised 39.7 percent of the City's sales tax revenues in 2010-11, and only 35.3 percent in 2011-12 fiscal year. The State allocates sales taxes to cities based on estimates of sales activity. By the time second quarter (ended June 30<sup>th</sup>) data was reported, the City had been overpaid \$130,000. This significant downward adjustment exacerbated the anticipated shortfall in sales tax revenues for the year.

The budget for **Transient Occupancy Tax** (Hotel Tax) was increased at mid-year by \$340,000 (13 percent) due to the positive growth in hotel/motel occupancy and room rates early in the fiscal year. That mid-year assessment proved accurate for the fiscal year. The forecast for revenues from the **Utility Users Tax (UUT)**, however, was decreased at mid-year by 9 percent, and still fell short of the adjusted budget. As noted in the Mid-year Report, the decrease can be attributed to continued decline in telephone (landline) services and (taxable) wireless communications giving way to (non-taxable) text messaging and data transfers. Relatively mild weather and the very slow economic recovery were also responsible for the weak UUT revenues. However, a large refund (\$91,000 for UUT erroneously collected on internet access services by the service provider) was also processed during 2011-12; this revenue source is expected to stabilize going forward.

Revenues from **Fines**, which had declined in prior years, increase as the City's police force became fully-staffed. A small (3 percent) increase had been anticipated, as opposed to the nearly 12 percent growth actually experienced.

Again, the largest positive dollar variance in revenues (\$500,000) was seen in the category of **Charges for Services**. This revenue budget was already increased at mid-year due largely to the increased planning activity associated with major development projects. But the extent of these activities was underestimated, as Community Development revenues in this category surpassed the adjusted budget by nearly \$400,000. With staff drawn from Planning, Public Works, and other departments, labor hours for which the General Fund is not typically recompensed were billed to specific development projects. The focus on these activities could be seen in development billings that surpassed the budget and provided the highest amount of revenues from planning fees experienced in the past decade. As a comparison, the average amount of Charges for Services in the Community Development Department is \$860,000. These revenues exceeded \$1 million in both 2006-07 and 2009-10 when development activities were high; in 2011-12 the amount was over \$1.8 million.

As seen in the chart below, the Community Services Department has been able to increase Charges for Services through optimizing the use of the new facilities, including the Arrillaga Family Gymnastics Center, with recreational programs that are largely cost recovery.



Also due to increased development activities, the rise in **Licenses & Permits** was larger than anticipated. Successful efforts in the area of business license compliance prompted a slight increase in the budget for that area and yielded \$100,000 more than the adjusted budget. The remaining \$200,000 positive variance was due to a higher volume of building permits.

### **Expenditures**

As noted in the 2011-12 quarterly financial updates, percentages of budget-to-actual expenditures were decreased when compared to rates of the previous fiscal year, allowing for a higher percentage of budgetary savings. In fact, fiscal year end expenditure savings are significantly higher than those experienced in the prior year. Overall, departmental savings amounted to 4.61 percent, compared to 3.68 percent in 2010-11 (prior to extraordinary items), and 2.9 percent in 2009-10. It should be noted that 2011-12 expenditure savings includes \$243,416 of commitments (in addition to the Housing Element Update project) that will be carried forward and included in the 2012-13 (current year) budget.

This is the third year in which departmental costs (excluding transfers and extraordinary items) in the General Fund were decreased from the prior fiscal year. Actual expenditures recorded as of June 30<sup>th</sup> are down in nearly every department. The exceptions to this declined rate of spending is Community Development, where multi-year Planning projects were completed, and Community Services, where new facilities were brought on-line and maximized with new recreational programs.

Personnel costs comprise roughly 71 percent of General Fund expenditure, approximately 3 percent lower than experienced in the prior year. So it is not surprising

that nearly half of the General Fund budgetary savings was the result of personnel vacancies. Some staff vacancies were anticipated, either in whole or in part, in the departmental budgets. And although the rate of staff turnover has not been higher than usual, the process of analyzing each vacancy for optimal use within the organization, prior to recruitment and selection, has slowed the placement of personnel. Key positions such as the City Manager and Police Commander were filled later in the fiscal year than anticipated, and the Human Resources Director position remained vacant until the current fiscal year. Vacancies in Business Development and a police officer position also contributed to the savings. Temporary workers were utilized to a lesser degree than anticipated, providing nearly \$200,000 in additional savings.

Operational cost savings were experienced in every department, which is the expected result of keeping all programs and services operating within every line-item of the budget. However, it should be noted that the focus on developmental projects allowed for other departmental programs/initiatives to be deferred. Savings were experienced in a wide variety of programs, including streetlight maintenance (\$75,000), desktop maintenance (\$36,000), police booking fees (\$10,000), public safety supplies (\$75,000), special equipment (\$36,000), and travel (\$24,000). Although \$31,000 higher than in the previous year, utility costs were \$96,000 below budget City-wide, providing budgetary savings of nearly 9 percent in that category.

Budgetary savings for contract services amounted to over \$350,000 for the 2011-12 fiscal year, nearly 10 percent of that broad budget category. The largest variances were found in the Public Works Department, with savings of \$140,000 in contract maintenance – both building and landscaping – of City facilities, and \$23,000 in street maintenance contract services. It should be noted that, included in the budgetary savings for contract services is nearly \$100,000 of contractual obligations that will be carried forward as encumbrances and included in the current year budget.

#### Comprehensive Planning Projects Fund

The Comprehensive Planning Projects Fund was added in the 2010-11 fiscal year to accommodate the planning and funding of such projects in the 5-year Capital Improvement Plan. Since a part of the General Fund balance is the result of development revenues, comprehensive planning documents are generally recognized as appropriate for General Fund support. However, these projects can be costly and take several years to complete. Similar to capital improvement projects, comprehensive planning projects are simply not suited for operational budgets. Large appropriations for these projects tend to skew the budgets for the fiscal year in which they are initiated, making year-to-year fiscal comparisons and operational analyses difficult. Such projects are typically funded from General Fund reserves, yet the cost should be kept separate from “normal” operating expenses.

Because of the backlog of General Plan updates and broad scope of comprehensive planning projects in general, the City faces significant operating outflows for comprehensive planning documents in the next few years. In 2011-12, the Housing Element Update project was launched with an estimated \$1.1 million budget for contract



services alone. Additional personnel and other costs needed to complete the project were included in the current year (2012-13) budget, with total project funding of \$1.4 million from General Fund reserves. Although expenditures on the project were minimal through June 30<sup>th</sup>, the funds are shown as committed to the Housing Element Update project.

As previously stated, the Comprehensive Planning Project Fund is reported as a “subfund” of the General Fund for financial reporting purposes. But as a source of funds for long-range projects, prior year appropriations will be carried forward to subsequent fiscal years.

City of Menlo Park Comprehensive Planning Fund	2010-11 Actual	2011-12 Adjusted Budget	2011-12 Preliminary Actual	2011-12 Preliminary Variance	% Budget Variance	Increase/ (Decrease) from
Transfers & Other	0	115,500	115,500	0	0.00%	115,500
Total Revenue	0	115,500	115,500	0	0.00%	115,500
Housing Element Update Project	0	864,000	183,240	680,760	78.79%	183,240
Total Expenditures	0	864,000	183,240	680,760	78.79%	183,240
Net (decrease)/increase	0	(748,500)	(67,740)			

The concept of a sustainable budget precludes on-going deficit spending, providing for current General Fund operations *and* funding for all known liabilities. In response to the very slow economic recovery experienced in this past fiscal year, staff continues to initiate strategic budget restructuring as changes to City staff and resources occur. Such efforts, in conjunction with planning and economic development (with emphasis on revenue producing, high quality businesses), should move the City towards its goal of long-term sustainability, where resources and service levels are properly aligned.

Some caution is necessary in sizing up the \$1.8 million surplus in General Fund (and Comprehensive Planning Fund) operations in 2011-12. As noted, the unusually high development revenues from “billable” staff time may continue in 2012-13, but should not be assumed in a sustainable budget. In light of the fact that development projects continue to provide higher revenues and consume a higher portion of personnel resources than in other years, it is appropriate that a significant portion of the 2011-12 surplus is committed for the completion of the Housing Element Update. This comprehensive planning project is proceeding under a very tight time line and is expected to be completed in the 2012-13 fiscal year.

In addition, the loss of RDA funding occurred abruptly as of February 1, 2012 challenging the City’s ability to provide a balanced budget for 2012-13. And finally, while the prior year payoff of safety pension liabilities was a prudent use of the City’s reserves, General Fund reserves need to be maintained for future year economic downturns and other unforeseeable events as noted in the General Fund Reserve Policy. A sustainable budget also provides an appropriate matching of one-time revenues with unique, non-recurring resource needs so as not to distort the annual General Fund operating results.

### **Next Steps**

Again, the fiscal year 2011-12 audit is currently underway. The audit entails a detailed transactional review and a confirmation of financial processes and internal controls. At the end of the auditor's review, any necessary audit adjustments will be made. The financial statements and all disclosures will be compiled for a CAFR that is compliant with all applicable governmental accounting and reporting standards. In the meanwhile, a comprehensive analysis of all the City's funds will be concurrently performed by staff. This analysis will be incorporated into the CAFR's Management Discussion and Analysis (MD&A) section as well as the staff report that will accompany the CAFR presentation to Council in December.

Further analysis of 2011-12 results will inform the ongoing monitoring of the 2012-13 budget and any necessary adjustments. City staff continues to focus on developing budget options that will address any revenue shortfalls or unanticipated expenditure needs identified as the current fiscal year unfolds.

### **POLICY ISSUES**

This is the fifth year that the City has released preliminary and un-audited financial information to the public, and it is important to note that audit adjustments could modify the annual results of fiscal operations. However, because timely un-audited financial information can be beneficial for certain types of decision-making purposes, examination of un-audited results has merit. A complete analysis of all the City's funds will incorporate any needed audit adjustments and be presented as always with the Comprehensive Annual Financial Report.

Signature on File  
Carol Augustine  
Finance Director