



SPECIAL AND REGULAR MEETING MINUTES

Date: 6/20/2017
Time: 6:00 p.m.
City Council Chambers
701 Laurel St., Menlo Park, CA 94025

6:00 p.m. Closed Session (City Hall Administration Building, 1st floor conference room)

Mayor Kirsten Keith called the closed session to order at 6:08 p.m. Councilmembers Carlton, Cline, Mueller, and Ohtaki were present. There was no public comment on these items.

- CL1.** Closed session pursuant to Government Code Section §54957.6 to confer with labor negotiators regarding current labor negotiations with Service Employees International Union (SEIU), American Federation of State, County and Municipal Employees (AFSCME) and the Menlo Park Police Sergeants' Association (PSA), the Menlo Park Police Officers' Association (POA)

Attendees: City Manager Alex McIntyre, Administrative Services Director Nick Pegueros, Human Resources Manager Lenka Diaz, City Attorney Bill McClure, Labor Counsel Charles Sakai, Labor Counsel Alan Benson, Human Resources Analyst II Dan Jacobson

- CL2.** Closed session to meet with real property negotiators regarding terms and conditions of Lease for Burgess Pool facilities and Belle Have Pool facilities, with Team Sheeper, Inc./Tim Sheeper.

Attendees: City Attorney Bill McClure, City Manager Alex McIntyre, Assistant City Manager Chip Taylor, Director of Community Services Cherise Brandell, Director of Public Works Justin Murphy, Administrative Services Director Nick Pegueros, Assistant Director of Community Services Derek Schweigart

7:00 p.m. Regular Session (City Council Chambers)

A. Call To Order

Mayor Keith called the Regular Session to order at 7:03 p.m.

B. Roll Call

Present: Carlton, Cline, Keith, Mueller, Ohtaki
Staff: City Manager Alex McIntyre, City Attorney Bill McClure, Deputy City Clerk Jelena Harada

C. Pledge of Allegiance

Mayor Keith led the pledge of allegiance.

D. Report from Closed Session

There was no reportable action from Closed Session.

E. Presentations and Proclamations

Mayor Keith awarded a commendation to Sanjay Vijayakumar of Startup Village.

E1. Proclamation celebrating Lion's Club 25th Anniversary Sunday Farmers Market

Jim Bigelow accepted the proclamation.

E2. Proclamation recognizing Pamela Aguilar

Pamela Aguilar accepted the proclamation.

F. Report from Closed Session

There was no reportable action from Closed Session.

G. Public Comment

- Andrew Boone spoke about bike lanes on El Camino Real.
- Scott Lane spoke about bike lanes on El Camino Real.
- Nikhil Panu spoke about sports facility rental software.

H. Study Session

H1. Review and provide general direction on the proposal from MidPen for a possible mixed-use affordable housing development at 1317-1385 Willow Road (Staff Report# 17-138-CC)

- Peter Adams spoke about housing issues.
- Rachael Kaci spoke about the MidPen project proposal.
- Evelyn Stivers spoke about affordable housing and the MidPen project proposal.
- Tom Linebarger spoke about affordable housing and the MidPen project proposal.
- Francis Robert spoke about the MidPen project proposal.
- Meg McGraw-Scherer spoke in support of the project.
- Pamela Jones spoke about the MidPen project proposal, housing, education, vitalization of the Belle Haven neighborhood.
- Diane Bailey spoke about housing disparity in Menlo Park.
- Scott Lane spoke in support of option one of the MidPen project proposal.
- Rachel Bickerstaff spoke about displacement issues in Belle Haven.
- Cecilia Taylor spoke about the lack of housing development in the west side of Menlo Park.
- Nina Wouk spoke about the lack of housing development in the west side of Menlo Park.

There was a consensus to direct MidPen to proceed with option one of the proposal. City Council gave direction to prioritize the following aspects of the project – 1. Address the displacement of the Menlo Park Belle Haven residents; Address the displacement of other Menlo Park residents; 2. Address the housing needs of the Ravenswood School District families; 3. Address the traffic impact.

I. Consent Calendar

- I1. Adopt a resolution approving the Final Map for Station 1300 located at 1300 El Camino Real; accepting dedication of public right-of-way for roadway and parking purposes, Public Access Easements for fire and site access purposes and Public Utility Easements; authorize the City Clerk to sign the Final Map; and authorize the City Manager to sign the Agreements required by Conditions of Project Approval (Staff Report# 17-141-CC)
- I2. Authorize the City Manager to accept the dedication for a Public Access Easement from Peninsula Innovation Partners, LLC at 1005 Hamilton Avenue (Staff Report# 17-143-CC)
- I3. Adopt a resolution to approve the removal of on-street parking on both sides of Haven Avenue between 3715 Haven Avenue and Marsh Road; authorize the City Manager to enter into an amended maintenance agreement with Caltrans; and authorize the City Manager to enter into a funding agreement with Anton Menlo, LLC to construct the Haven Avenue Streetscape Improvements (Staff Report# 17-142-CC)
 - Andrew Boone spoke about the proposed design for bike lanes.
 - Scott Lane spoke about networked bike lanes.
- I4. Authorize the City Manager to enter into a contract with Kidango in an amount not to exceed \$117,532.80 for the delivery of food services at the Belle Haven Child Development Center for FY 2017-18 (Staff Report# 17-144-CC)
- I5. Adopt a resolution reaffirming the City's commitment to combat climate change and expressing support for the Paris Agreement (Staff Report# 17-147-CC)
- I6. Adopt a resolution authorizing the City Manager to execute a contract with the State of California Department of Education to reimburse the City up to \$837,634 for child care services at the Belle Haven Child Development Center for Fiscal Year 2017-18 (Staff Report# 17-145-CC)
- I7. Waive the full reading and adopt an ordinance to authorize modifications to the process to remove on-street parking based on safety concerns and to establish restrictions to electric vehicle charging spaces (Staff Report# 17-149-CC)
 - Fran Dehn spoke about notification process for on-street parking changes.
- I8. Approve minutes for the City Council meeting of June 2, 2017

Councilmember Cline pulled item I8, Carlton pulled item I7, Mayor Keith pulled item I3.

ACTION: Motion and second (Ohtaki/Cline) to approve items I1, I2, I4, I5 and I6, passed unanimously.

ACTION: Motion and second (Keith/Ohtaki) to approve item I3, adopting a resolution to approve the removal of on-street parking on both sides of Haven Avenue between 3715 Haven Avenue and Marsh Road; authorize the City Manager to enter into an amended maintenance agreement with Caltrans; and authorize the City Manager to enter into a funding agreement with Anton Menlo, LLC to construct the Haven Avenue Streetscape Improvements, passed unanimously.

ACTION: Motion and second (Ohtaki/Cline) to approve item 17 as proposed, with request to visibly notify the Menlo Park business owners of any parking changes in vicinity of their business locations, passed 3-2 (Councilmembers Carlton and Mueller dissented).

ACTION: Motion and second (Carlton/Keith) to approve item 18, passed 3-0-2 (Councilmembers Cline and Mueller abstained).

J. Public Hearing

- J1. Adopt a resolution to collect the regulatory fee at the existing rates to implement the City's Storm Water Management Program for fiscal year 2017-18 (Staff Report# 17-140-CC)

Mayor Keith opened the public hearing. There was no public comments. Mayor Keith closed the public hearing.

ACTION: Motion and second (Cline/Ohtaki) to adopt a resolution to collect the regulatory fee at the existing rates to implement the City's Storm Water Management Program for fiscal year 2017-18, passed unanimously.

- J2. Adopt a resolution overruling protests, ordering the improvements, confirming the diagram and ordering the levy and collection of assessments and increasing the tree assessment by 3% and the sidewalk assessment by 5% for the City of Menlo Park Landscaping Assessment District for Fiscal Year 2017-18 (Staff Report# 17-139-CC)

Mayor Keith opened the public hearing. There was no public comments. Mayor Keith closed the public hearing.

ACTION: Motion and second (Cline/Ohtaki) to adopt a resolution overruling protest, ordering the improvements, confirming the diagram and ordering the levy and collection of assessments and increasing the tree assessment by 3% and the sidewalk assessment by 5% for the City of Menlo Park Landscaping Assessment District for fiscal year 2017-18, passed unanimously.

K. Regular Business

- K1. Approve resolutions: adopting the fiscal year 2017–18 Budget and Capital Improvement Plan and appropriating funds; establishing the appropriations limit for fiscal year 2017–18; establishing a consecutive temporary tax percentage reduction in the Utility Users' Tax rates through September 30, 2018; and establishing City-wide salary schedule effective July 10, 2017 (Staff Report# 17-146-CC)

- Jen Wolosin spoke about safe biking zone on Middlefield and Linfield Avenue.

ACTION: Motion and second (Cline/Carlton) to adopt the resolutions as proposed: adopting the fiscal year 2017–18 Budget and Capital Improvement Plan and appropriating funds; establishing the appropriations limit for fiscal year 2017–18; establishing a consecutive temporary tax percentage reduction in the Utility Users' Tax rates through September 30, 2018; and establishing City-wide salary schedule effective July 10, 2017, passed unanimously.

- K2. Waive the second reading and adopt the Safe City Ordinance and the Non-Cooperation with

Sensitive Information Registry Ordinance (Staff Report# 17-150-CC)

- Jen Mazzon spoke in support of the Safe City Ordinance.

ACTION: Motion and second (Mueller/Cline) to waive the second reading and adopt the Safe City Ordinance, passed 3-1-1 (Councilmember Ohtaki dissented, Councilmember Carlton abstained).

ACTION: Motion and second (Mueller/Carlton) to waive the second reading and adopt the Non-Cooperation with Sensitive Information Registry Ordinance, passed unanimously.

L. Informational Items

- L1. Update on the Ravenswood Railroad Crossing Study (Staff Report# 17-148-CC)

M. City Manager's Report

N. Councilmember Reports

Councilmember Ohtaki reported on the actions of the Menlo Park Fire Protection District Board meeting of May 16. Councilmember Mueller requested that calendar transparency policy be discussed in a public setting, at a future meeting. There was a general consensus to bring this topic for discussion in January of 2018. Mayor Keith announced the 90th birthday celebration of Menlo Park organized by the Historical Association.

O. Adjournment

Mayor Keith adjourned the meeting at 11:21 p.m.

Jelena Harada, Deputy City Clerk

These minutes were accepted at the City Council meeting of November 7, 2017.

Commendation

Presented to

SANJAY VIJAYAKUMAR

Startup Village Chairman

In recognition of your continued commitment to fulfilling the goals of the Friendship Agreement between the City of Menlo Park and Kochi, India through organizing and sponsoring Startup Village's trips to Menlo Park where young entrepreneurs learn from Silicon Valley technology leaders, strengthen the bonds of economic relationships, foster the exchange of culture and develop mutual understanding. Through your efforts our two cities will grow together as the next generation of talent discovers the next generation solutions to the challenges that impact us all today.

Presented on this 20th day of June 2017



Kirsten Keith

Kirsten Keith, Mayor

City of Menlo Park

Proclamation

Recognizing Menlo Park Live Oak Lions Sunday Farmers Market 25th Anniversary

WHEREAS, a local group of women approached the City Council of Menlo Park and wanted to have a Sunday Farmers Market to bring the community together on a weekly basis rain or shine; and

WHEREAS, the City wanted a non-profit organization to sponsor the Sunday Farmers Market and the women approached the Menlo Park Live Oak Lions to be the sponsor and the Club agreed; and

WHEREAS, the founding women joined the Lions Club then the Farmers Market opened on Sunday, June 7, 1992 and has been operating ever since with some of the founding women still active; and

WHEREAS, this was one of the earliest Farmers Markets in Northern California and has been very successful in meeting the expectations and goals of the founders; and

WHEREAS, to date the Club has donated over \$810,000 in support of community activities, Lions community service particularly sight and hearing assistance to the needy; and

WHEREAS, every Sunday the farmers donate leftover produce that our Club sorts for pickup by local non-profits to help those in need with over 875,000 pounds provided to date; and

WHEREAS, the Farmers Market continues with the help of Lions volunteers and their friends each and every Sunday with thousands of hours to date; and

WHEREAS, the future looks bright for the continued Sunday Farmers Market in downtown with the Menlo Park Live Oak Lions continued sponsorship and the support of the City of Menlo Park.

NOW, THEREFORE, BE IT PROCLAIMED, that I, Kirsten Keith, Mayor of the City of Menlo Park, on behalf of the City Council and the City, congratulate the Menlo Oaks Lions Club on their 25th Anniversary of operating a Sunday Farmers Market in downtown Menlo Park.



Kirsten Keith

Kirsten Keith, Mayor
June 2017

Proclamation

Recognizing Pam Aguilar

WHEREAS, in May 2009, Pam Aguilar was hired as the Deputy City Clerk for the City of Menlo Park and promoted to City Clerk in November 2013; and

WHEREAS, Pam Aguilar streamlined various processes and procedures in the City Clerk's office, including introducing new staff report templates and improving the City agreement routing process; and

WHEREAS, Pam Aguilar achieved her Certified Municipal Clerk designation with the International Institute of Municipal Clerks; and

WHEREAS, Pam Aguilar has many accomplishments to her credit, including but not limited to: the implementation of a new electronic voting system in the Council Chambers, the facilitation of appointments of numerous new and incumbent Commissioners, updating the City Council & Commissions procedure manual, and implementation of improved software used for processing Public Records Act requests; and

WHEREAS, Pam Aguilar successfully coordinated election-related activities for four City of Menlo Park City Council elections in 2010, 2012, 2014, and 2016; and

WHEREAS, Pam Aguilar has facilitated a total of 116 City Council meetings where she demonstrated her professionalism in her role as City Clerk; and

WHEREAS, in the eight years that Pam Aguilar has been with the City of Menlo Park, she has dedicated herself to assisting the City Council and community and demonstrated a strong willingness to help others; and

WHEREAS, Pam Aguilar has shared with us her passion for many aspects of life including excellent food, any and all things purple, flying small planes, playing tennis, and international travels; and

WHEREAS, it is most appropriate that we recognize and thank Pam for her many contributions to the City of Menlo Park.

NOW, THEREFORE, BE IT PROCLAIMED, that I, Kirsten Keith, Mayor of the City of Menlo Park, on behalf of the City Council and the City, express sincere thanks and appreciation to Pam Aguilar for her dedicated service and wish her much success in all her personal and professional endeavors.



Kirsten Keith

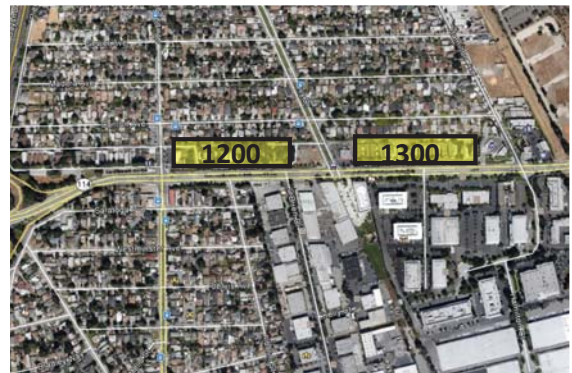
Kirsten Keith, Mayor
June 2017

Gateway Family Housing (1300 Block of Willow) *Planning for Revitalization*

Menlo Park City Council Study Session Meeting
June 20, 2017

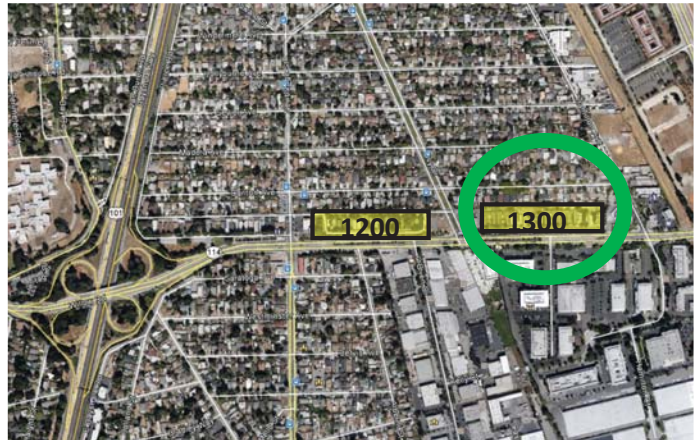
Gateway Revitalization

- 2013 - Gateway sites rezoned to R-4-S (AHO)
- 2013-2015 community outreach & planning focusing on Phase I -1200 Block
- November 2015 – Applied for funds for Phase II – 1300 Block under City’s NOFA
- 2015-2016 participated in General Plan Update process
- February 2016 began construction of Sequoia Belle Haven
- February 2017 completed construction of Sequoia Belle Haven



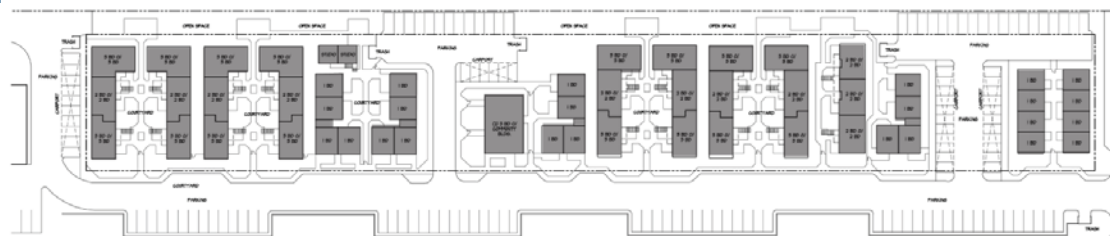
Background: 1300 block

- Built in 1960, owned and managed by MidPen since 1987
- Currently 82 family apartments
- R-4-S zoning permits 30 units/acre and 40ft in height. With density bonus, up to 60ft in height.
- Maximum possible 182 units and 5 stories



Background: 1300 block

- Property is 100% affordable. Current residents are at or below 60%AMI
- Buildings are functionally obsolete.
- Site plan does not provide adequate security for residents and does not meet the needs of current/future families



Policy Considerations for 1300 Block

- 1. Number of Units:** Maximizing new affordable housing opportunities balancing building height and setbacks.
- 2. Plan for Ground Floor:** Create welcoming, safe and pedestrian oriented ground floor that contributes to revitalization of Willow Road.
- 3. Mixed Income:** Inclusion of moderate income units in response to Council and Community feedback.

Community Outreach

- April/May: Met one-on-one with community members
- May 3: Presented at Belle Haven Neighborhood Association Meeting
- May 17: held meeting with existing Gateway residents
- May/June: Conducted door-to-door outreach on 1200 and 1300 blocks of Carlton
- June 5: Participated in City sponsored community meeting
- June 13: Attended house meeting hosted by Carlton Ave homeowner
- June 15: Hosted Grand Opening for Sequoia Belle Haven. Invited Carlton Avenue neighbors, BHAN and BHNA
- June 19: Hosted Property tour for community. Toured Gateway and Sequoia Belle Haven.



What We Heard: Community Meeting

- **General Plan & Zoning** – While many want to see affordable housing spread throughout City, many also recognize need for more affordable housing in Belle Haven.
- **Affordability** – 2/3 of commenters prefer <60% AMI.
- **Height**– Universal concern expressed was height/neighbor privacy.
- **Library/Mixed- Use** – No consensus on type of use. Many would prefer 100% housing.
- **Traffic** – Majority of comments that traffic on Willow needs to be addressed.
- **Public Benefits** – Most common concern was lack of neighborhood-serving retail.
- **Tenant Selection & Preferences** – Overwhelming support for a Belle Haven preference (live/work).



What We Heard: Carlton Neighborhood Meeting

Building Height/Privacy:

- Concerned about the potential loss of privacy.
- Reduce height and push buildings as close to Willow as possible.
- Suggest no balconies facing Carlton.
- Many neighbors just had solar panels installed and are concerned that new building height may impact. MidPen to prepare solar analysis.
- Neighbors like the rear wall at property line and wants to see it stay.

Building Design:

- Neighbor shared desire to see flat roofs instead of pitched like Sequoia.

Mixed Use:

- Desire to see a café/or a co-working incubator space if retail remained.
- Not supportive of a library because of Willow being a busy street, and many kids attending.
- Consensus: Prefer maximizing density by having no retail and lowering building height at parts of building.

Construction Period:

- Asked that during construction, workers do not park in the neighborhood, especially along Hamilton.

What We Heard: Resident Meeting



- Overwhelming support for the redevelopment of Gateway.
- Eager to have the construction complete as soon as possible.
- Recognize temporary relocation is part of the process.
- Strong preference for a library in the ground floor retail space.
- Some interest in on-site daycare, while a pharmacy and large grocery had no support.
- Residents excited about improved amenities, outdoor gathering space and safe play area for children.

Revitalization Goals

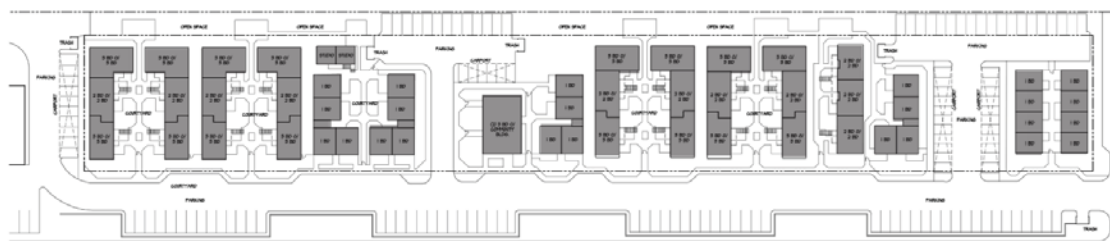
- Modernize existing housing community, improving aesthetics and functionality
- Design that compliments the neighborhood and creates spaces that support robust resident services programs
- Increase access to affordable housing for Belle Haven residents
- Increase the supply of high-quality, permanently affordable housing
- Welcoming and safe ground floor space
- Help make Willow Road a pedestrian-friendly experience



Policy Considerations for 1300 Block

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- 2. Plan for Ground Floor:** Create welcoming, safe and pedestrian oriented ground floor that contributes to revitalization of Willow Road.
- 3. Mixed Income:** Inclusion of moderate income units in response to Council and Community feedback.

1300 Block Current Site Configuration



Site Plan

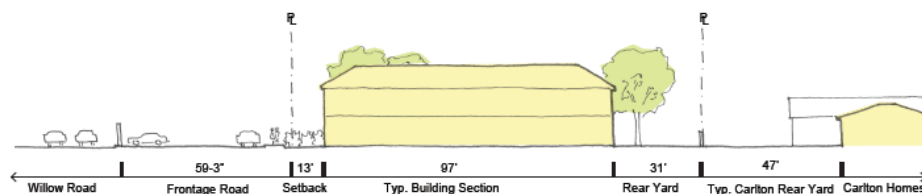


Diagram of Site Section

Number of Units:

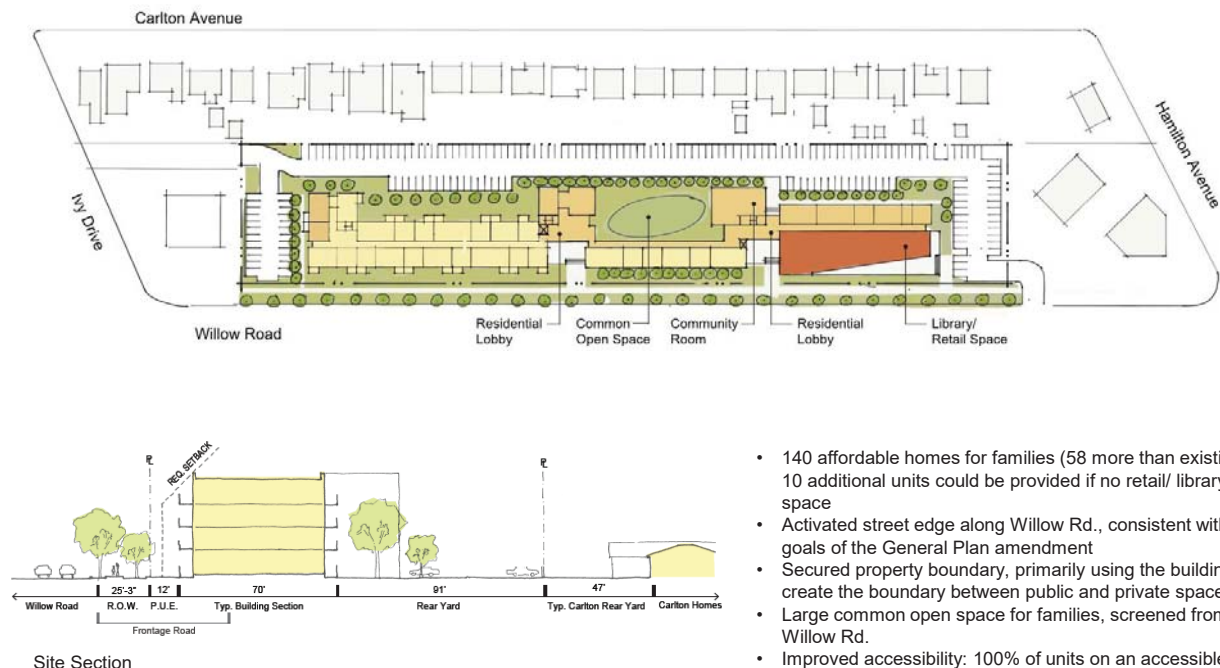
Option 1:

- Up to 150 units (if no retail)
- Increase 68 units over existing
- Requires build on PUE
- If retail increase of 58 units over existing

Option 2:

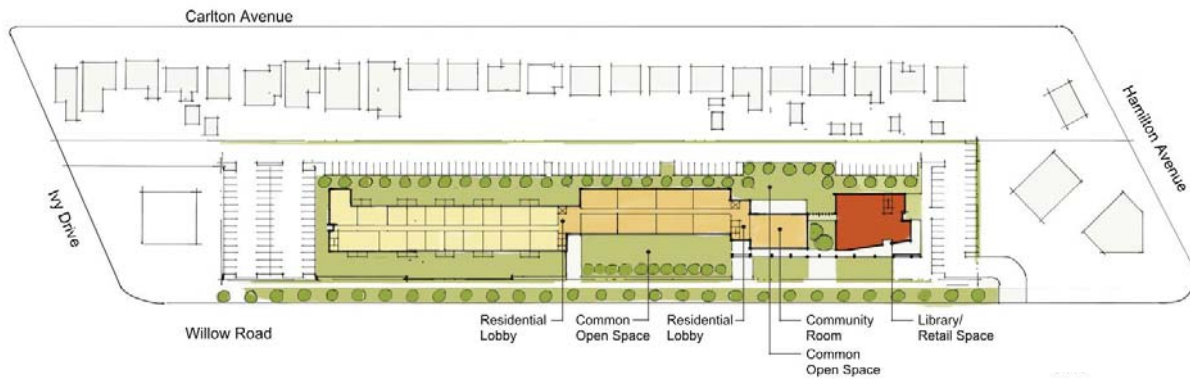
- Up to 128 units (if no retail)
- Increase 46 units over existing
- No build on PUE
- If retail increase of 36 units over existing

Option 1: 150 units without retail or 140 units with retail



- 140 affordable homes for families (58 more than existing). 10 additional units could be provided if no retail/ library space
- Activated street edge along Willow Rd., consistent with goals of the General Plan amendment
- Secured property boundary, primarily using the building to create the boundary between public and private space
- Large common open space for families, screened from Willow Rd.
- Improved accessibility: 100% of units on an accessible path

Option 2: 128 units without retail or 118 units with retail



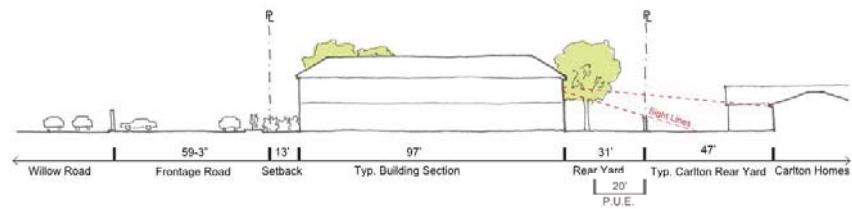
Site Section

- 118 affordable homes for families (36 more than existing) 10 additional units if no retail/ library space provided
- Secured property boundary, using the building and fencing to create the boundary between public and private space
- Large common open space for families at front of the property with a smaller open space at the rear
- Improved accessibility: 100% of units on an accessible path

Comparative Site Sections

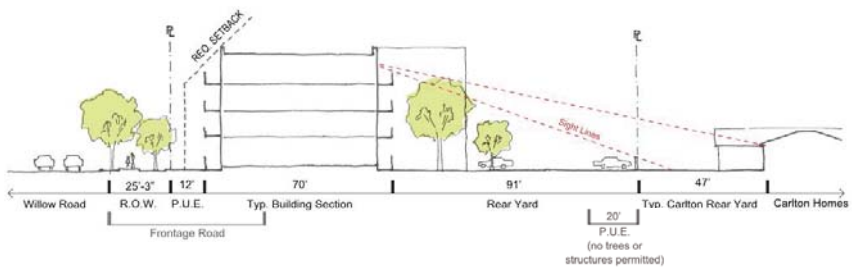
Existing Site Section

- Buildings set back 72'-3" from Willow Rd. curb
- 59'-3" wide R.O.W. starting at curb of Willow Rd. (Frontage Rd.) Frontage Rd. currently functions as circulation and parking for the property



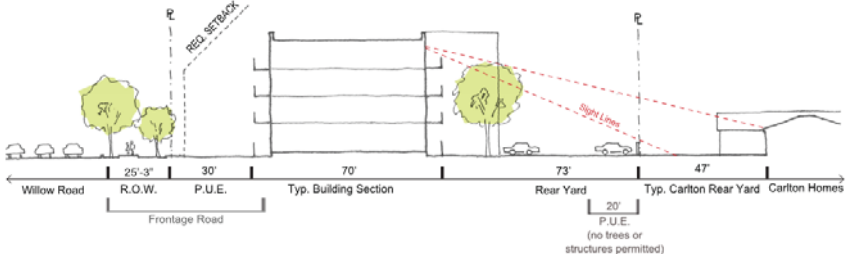
Proposed Site Section Option 1

- Buildings set back 37'-3" from Willow Rd. curb
- Best condition for creating activated street edge with generous R.O.W. along Willow Rd.
- Some neighborhood serving utilities relocated



Proposed Site Section Option 2

- Buildings set back 55'-3" from Willow Rd. curb
- Assumes same site constraints as Sequoia Belle Haven, with a "front yard" for part of site
- New development to work around existing neighborhood serving utilities



Conceptual Illustration



Scheme 1: View From Willow Road

MidPen Examples



Peninsula Station – 68 affordable homes
in San Mateo



City Center Plaza – 81 affordable homes
in Redwood City



Peninsula Station – After School Program

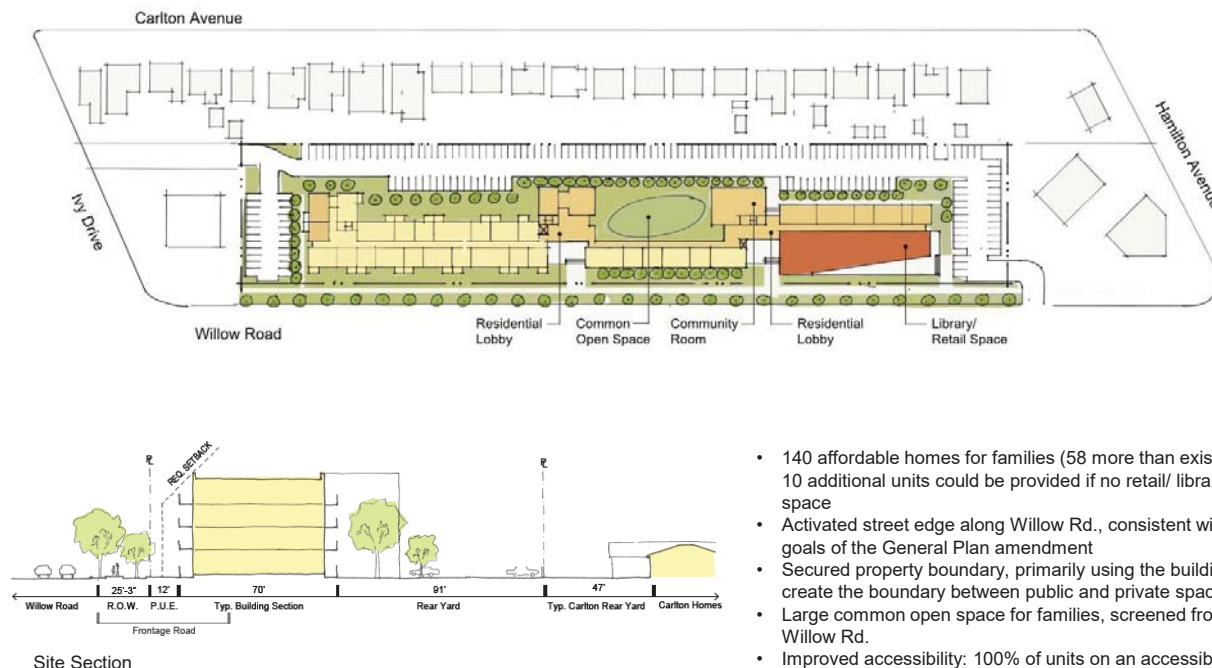


Delaware Pacific – 60 affordable homes
in San Mateo

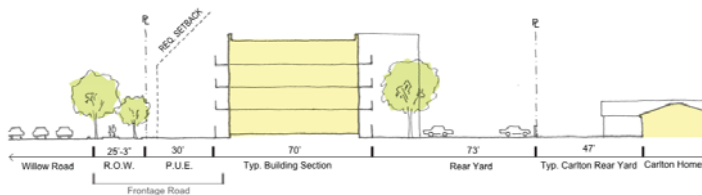
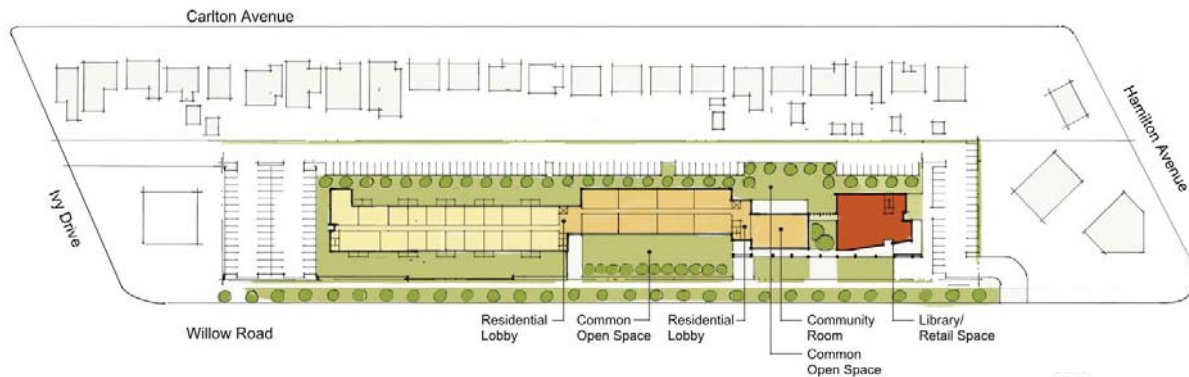
Policy Considerations for 1300 Block

1. **Number of Units:** Maximizing new affordable housing opportunities balancing building height and setbacks.
2. **Plan for Ground Floor:** Create welcoming, safe and pedestrian oriented ground floor that contributes to revitalization of Willow Road.
3. **Mixed Income:** Inclusion of moderate income units in response to Council and Community feedback.

Option 1: 150 units without retail or 140 units with retail



Option 2: 128 units without retail or 118 units with retail



Site Section

- 118 affordable homes for families (36 more than existing) 10 additional units if no retail/ library space provided
- Secured property boundary, using the building and fencing to create the boundary between public and private space
- Large common open space for families at front of the property with a smaller open space at the rear
- Improved accessibility: 100% of units on an accessible path

Retail Analysis

- The site does not have the attributes required to attract a grocery or pharmacy tenant (ground floor space, adequate parking, visibility)
- Need for dedicated parking is a significant constraint
- Market analysis indicates very limited potential use (chain-style restaurant space <7,500SF)
- All potential scenarios require significant subsidy (approx. \$2MM)

Policy Considerations for 1300 Block

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Need for Affordable Housing

Overcrowding:

- 17% of renters in Belle Haven are overcrowded compared with 6% for Menlo Park
- Average household size in Belle Haven is **3.85** versus County as a whole of 2.85.

Rent Burdened:

- **47% of Renters** in Belle Haven are **rent-burdened and paying 35%** or more of their income on rent compared to **30% in Menlo Park**.

Median Income:

- Belle Haven median income of ~\$60K for a family of four **is under 50% of the County median income** adjusting for household size.

Jobs/Employment in Belle Haven:

- Close to 59% of Belle Haven residents have jobs that pay less than \$40K annually
- Of the jobs in Belle Haven, ~1,200 pay less than \$40K annually
- 20% of workers commute over 25 miles

Mixed Income and Housing Need

Current Restrictions: 30% – 60% of Area Median Income **

- **2 person: \$31,590 – \$63,180**
- **4 person: \$39,480 – \$78,960**

60% - 80% - Low Income

- **2 person: \$63,180 – \$84,240**
- **4 person: \$78,960 – \$105,280**

80% - 120% of Area Median Income (“Moderate”)

- **2 person: \$84,240 – \$126,360**
- **4 person: \$105,280 – \$157,920**

** Note: Median income in Belle Haven is \$60,000 for a family of 4.

Conclusion: Providing new units targeted at <60%AMI matches the incomes and identified need of existing households in Belle Haven.

City Funding Request

- 100% Tax Credit – 150 units with no retail:
\$6.7MM
\$44,667/unit

Note: Including units at 80%AMI will add additional cost of roughly \$57K per unit.

Policy Considerations for 1300 Block

1. **Number of Units:** Maximizing new affordable housing opportunities balancing building height and setbacks.
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3. **Mixed Income:** Inclusion of moderate income units in response to Council and Community feedback.

Schedule & Next Steps

November, 2015	Responded to City's BMR Funds NOFA
2015-2016	Participated in General Plan Update
May 3, 2017	Attended BHNA
May 17, 2017	Held Resident Meeting
June 5, 2017	Participated in Community Meeting
June 13, 2017	Met with Carlton Neighbors
June 19, 2017	Held Property Tour of Gateway Apts.
June 20, 2017	City Council Study Session
July 18, 2017	City Council Hearing
July 2017	Apply for County Financing
Fall 2017	Schematic Design
Fall 2017	Hold resident and community meetings
Spring/Summer 2018	TCAC Application
Early 2019	Construction Start
Early 2020	Construction Completion

Thank you!

Income Limits and Affordability

San Mateo County 2017 Incomes
(based on Area Median Income calculated by HUD)

Household Size	Extremely Low		Very Low		Low		Moderate
	30% AMI	40% AMI	50% AMI	60% AMI	80% AMI	100% AMI	120% AMI
1 person	\$27,660	\$36,880	\$46,100	\$55,320	\$73,760	\$92,200	\$110,640
2 person	\$31,590	\$42,120	\$52,650	\$63,180	\$84,240	\$105,300	\$126,360
3 person	\$35,550	\$47,400	\$59,250	\$71,100	\$94,800	\$118,500	\$142,200
4 person	\$39,480	\$52,640	\$65,800	\$78,960	\$105,280	\$131,600	\$157,920
5 person	\$42,660	\$56,880	\$71,100	\$85,320	\$113,760	\$142,200	\$170,640
6 person	\$45,810	\$61,080	\$76,350	\$91,620	\$122,160	\$152,700	\$183,240
7 person	\$48,960	\$65,280	\$81,600	\$97,920	\$130,560	\$163,200	\$195,840

Example Menlo Park Occupations & Salaries

Occupation	Annual Salary	Maximum Affordable Rent (1)	2br Average Asking Rent	Affordability Gap (1)	HUD/HCD Household Income Category (2)
Extremely Low Income					
Valet Parking Attendant	\$31,200	\$780	\$3,864	(\$3,084)	30% AMI and Below
School Counselor	\$35,443	\$886	\$3,864	(\$2,978)	(< \$36,900)
Very Low Income					
Gymnastics Instructor	\$37,882	\$947	\$3,864	(\$2,917)	30% to 50% AMI
Administrative Assistant	\$58,177	\$1,454	\$3,864	(\$2,410)	(\$36,900 - \$61,500)
Low Income					
Librarian	\$63,459	\$1,586	\$3,864	(\$2,278)	50% to 80% AMI
Police Officer	\$92,369	\$2,309	\$3,864	(\$1,555)	(\$61,500 - \$98,500)
Moderate Income					
Associate Civil Engineer	\$101,021	\$2,526	\$3,864	(\$1,338)	80% to 120% AMI
Corporate Paralegal	\$125,000	\$3,125	\$3,864	(\$739)	(\$98,500 - \$129,250)

(1) Assumes household spends no more than 30% of income on housing.

Gap based on current market 2br rents

(2) Assumes a single-income, four-person household

Sources: City of Menlo Park Salary Schedule Eff. 04/16/17; Indeed.com; CoStar

AMI Census Data for Belle Haven and Menlo Park

	Belle Haven (Census Tract 6117)	Menlo Park	San Mateo County Median Household Income Threshold		
			\$93,623		
Median Household Income	\$53,679	\$121,816			
<i>% of County Median</i>	57%	130%			
Total Households	1,401	11,907			
Income Qualified Households (Based on County Median Income % of Tract Pop. % of City Pop.)					
Above Moderate (> 120% AMI)	263	19%	6,473	54%	
Moderate (80% - 120% AMI)	264	19%	1,710	14%	\$112,348
Low (below 80% AMI)	874	62%	3,723	31%	\$74,898
Low (50% - 80% AMI)	247	18%	1,519	13%	\$74,898
Very Low (30% - 50% AMI)	266	19%	1,005	8%	\$46,812
Extremely Low (< 30% AMI)	361	26%	1,200	10%	\$28,087

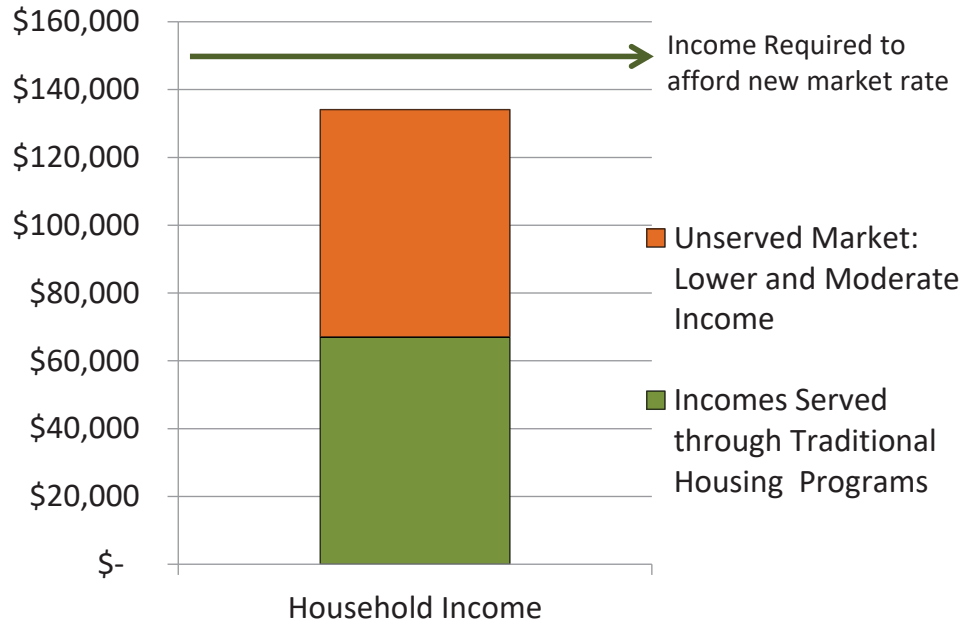
Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates

Need for Affordable Housing

2016 Progress Report - RHNA

Enter Calendar Year starting with the first year of the RHNA allocation period. See Example.			2014	2015	2016	Total Units to Date (all years)	Total Remaining RHNA by Income Level
Income Level	RHNA Allocation by Income Level	Year 1	Year 2	Year 3			
Very Low	Deed Restricted	233	59	22	42	123	103
	Non-deed restricted		1	3	3	7	
Low	Deed Restricted	129	0	15	0	15	103
	Non-deed restricted		2	5	4	11	
Moderate	Deed Restricted	143	0	0	0	0	143
	Non-deed restricted		0	0	0	0	
Above Moderate		150	9	703	17	729	-579
Total RHNA by COG. Enter allocation number:		655	71	748	66	885	-230
Total Units ▶ ▶ ▶							
Remaining Need for RHNA Period ▶ ▶ ▶ ▶ ▶							

The Missing Middle



Note: Based on CTCAC published 2015 Median Household Income for a family of 4 as compared to average rent for a new market rate 2 BR apartment in San Mateo/Santa Clara Counties 35



The Missing Middle

Unit Size	Extremely Low		Very Low		Low		Moderate	
	30% AMI	40% AMI	50% AMI	60% AMI	80% AMI	100% AMI	120% AMI	
1B	\$741	\$988	\$1,234	\$1,481	\$1,975	\$2,469	\$2,963	
2B	\$889	\$1,185	\$1,481	\$1,778	\$2,370	\$2,963	\$3,555	
3B	\$1,027	\$1,369	\$1,711	\$2,054	\$2,738	\$3,423	\$4,107	

Comparison to Menlo Park New Rentals

1 br: \$3,300; 2br: \$3,900; 3br: \$5,500

Over 30% more than the median household can afford

Belle Haven Single Family Home Rentals

Current Est. Median: \$3,600

Need an annual household income over \$140K to be affordable

Need for Affordable Housing

Belle Haven has about 12,700 jobs

- 100 live in Belle Haven; 270 in the rest of Menlo Park
- Nearly 1/3 live in Santa Clara County
- 19% in the rest of San Mateo County
- 17% in Alameda County
- 13% in San Francisco
- **20% of workers are commuting more than 25 miles**
- Biggest sectors: Information (48%), Manufacturing (29%) and Professional, Scientific and Technical Services (13%)
- **Nearly 10% of those jobs pay less than \$40K annually**

Belle Haven residents' jobs

- Of the roughly 2,200 employed Belle Haven residents,
- 100 work in Belle Haven and another 113 in the rest of Menlo
- **Close to 59% have jobs that pay less than \$40K annually**
- Biggest sectors: Health Care and Social Assistance (13%), Accommodation and Food Services (11%) and Retail Trade (11%)



FISCAL YEAR 2017–18 BUDGET

Budget Adoption - June 20, 2017



2017–18 BUDGET HIGHLIGHTS



- **Balanced budget**
- **All Funds**
 - \$126.54 million in revenues
 - \$117.22 million in expenditures
- **General Fund**
 - \$56.87 million revenue
 - \$56.61 million expenditures
- **Full-time equivalent (FTE) employees**
 - 270 FTEs
 - 2.5 new FTEs





2017-18 BUDGET ASSUMPTIONS

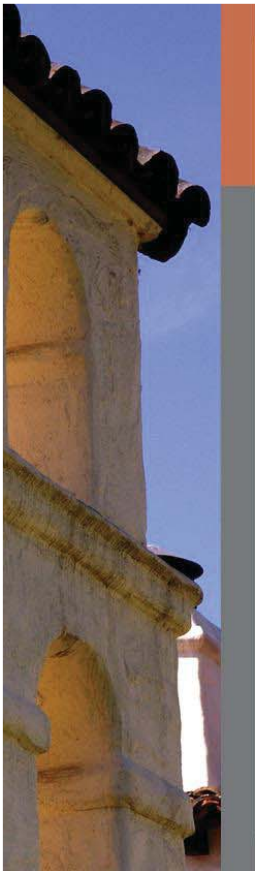


Revenues

- Strong growth in property taxes
- Half funding of Excess ERAF revenue
- Transient occupancy tax increase with new hotel
- Maintain Utility Users' Tax at reduced rate of 1 percent
- Continued strength in private development
- Cost recovery for services

Expenditures

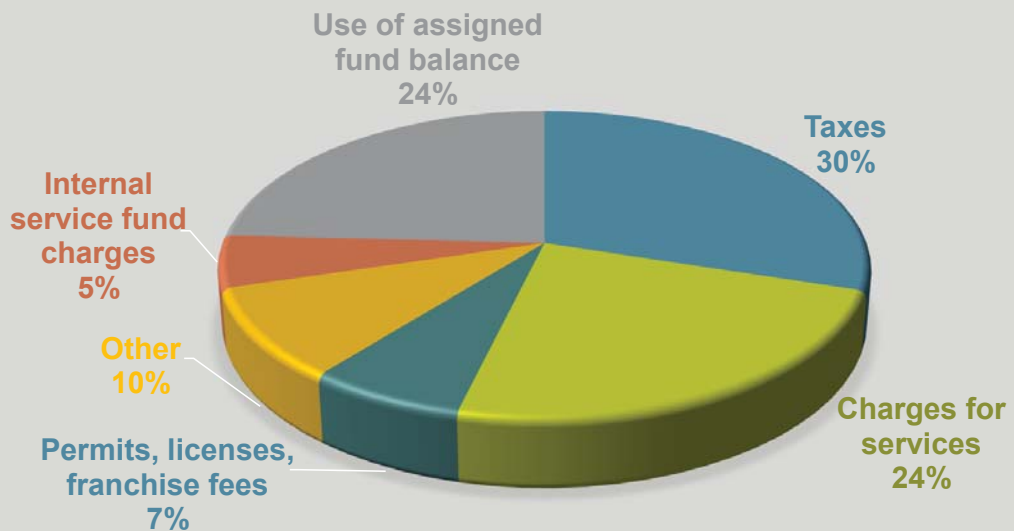
- City Council adopted work plan
- Contingency for compensation increases
- Vacancy factor of 4.2 percent
- Service level enhancements



2017-18 ALL FUNDS REVENUES BY TYPE



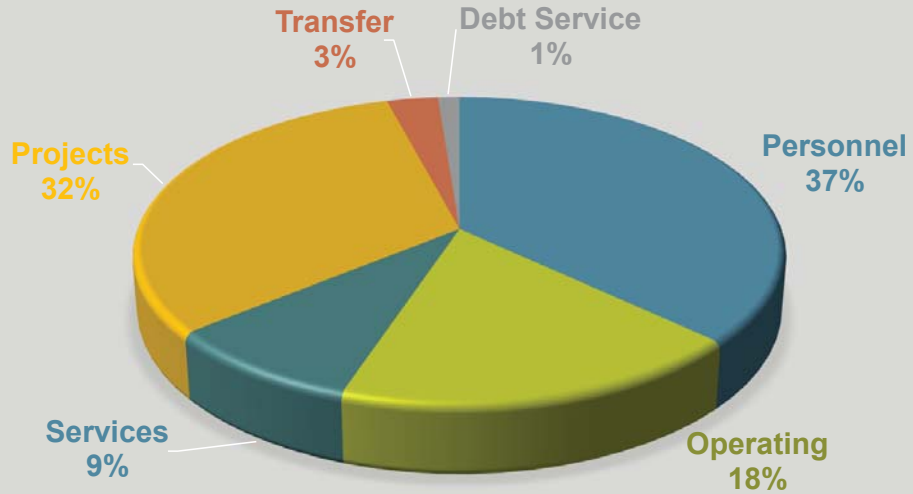
\$126.54 million



2017-18 ALL FUNDS EXPENDITURES BY TYPE



\$117.22 million



2017-18 OPERATING BUDGET: EXPENDITURES BY DEPARTMENT (\$ MILLIONS)



Department	FTEs	General Fund	Non-General Fund	Total
Public Works	67	\$10.36	\$12.46	\$22.82
Police	70	18.27	0.13	18.40
Community Services	52.5	8.43	-	8.43
Community Development	28	6.63	0.01	6.64
Library	14.5	3.01	0.34	3.35
Administration & Support Departments	38	9.92	8.27	18.19
TOTAL	270	\$56.61	\$21.21	\$77.83

2017–18 ALL FUNDS BUDGET SUMMARY (\$ MILLIONS)



Fund	Unassigned Fund Balance, 6/30/17	Revenues	Expenditures	Net Revenue	Unassigned Fund Balance, 6/30/18
General Fund	\$5.98	\$56.87	\$56.61	\$0.25	\$6.59
Special Revenue Funds	26.71	27.60	18.01	9.58	36.31
Capital Improvement Funds	1.50	18.26	18.73	(0.48)	1.02
Water Funds	4.43	15.37	16.48	(1.11)	3.31
Internal Service Funds	2.88	6.94	5.97	0.98	3.86
Debt Service Funds	1.63	1.50	1.43	0.07	1.71
Total	\$43.14	\$126.54	\$117.22	\$9.29	\$52.79

RECOMMENDED CITY COUNCIL ACTION

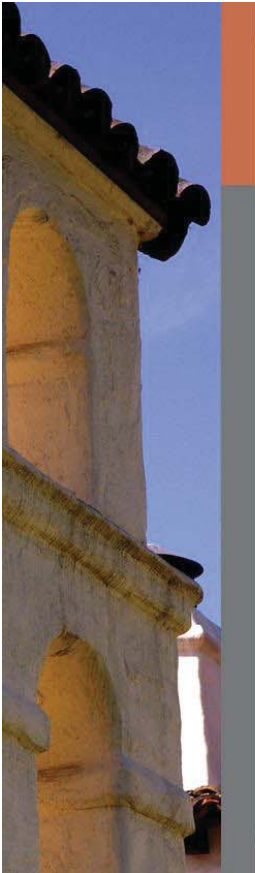


- Resolution adopting the FY 2017–18 Budget & CIP
- Resolution adopting the Appropriations Limit for FY 2017–18
- Resolution maintaining the reduced UUT rate
- Resolution adopting the city-wide salary schedule

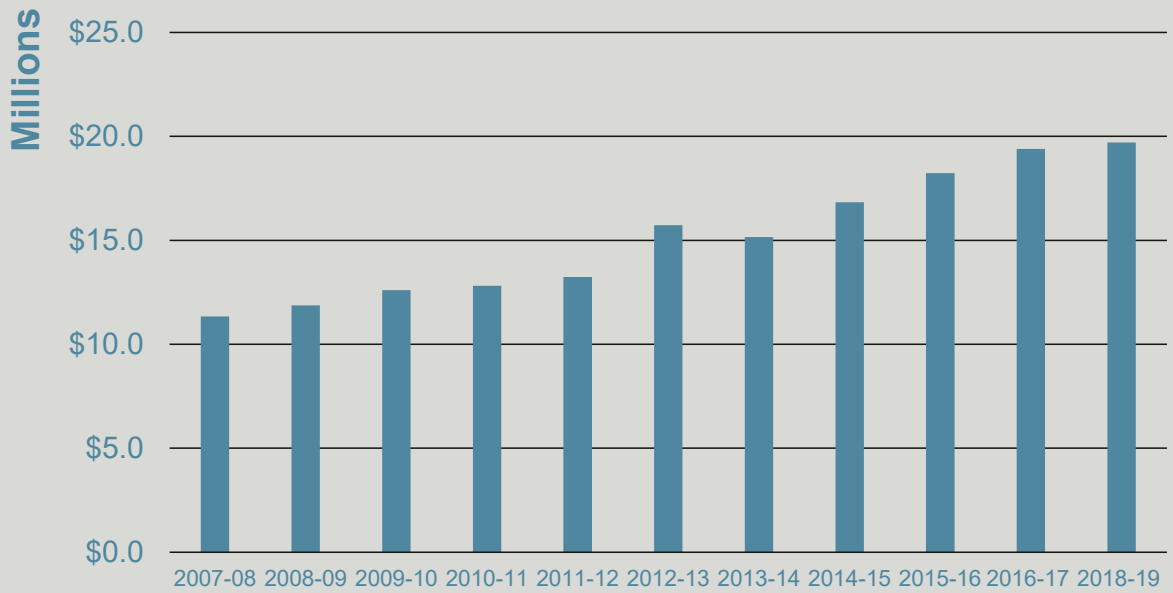


QUESTIONS

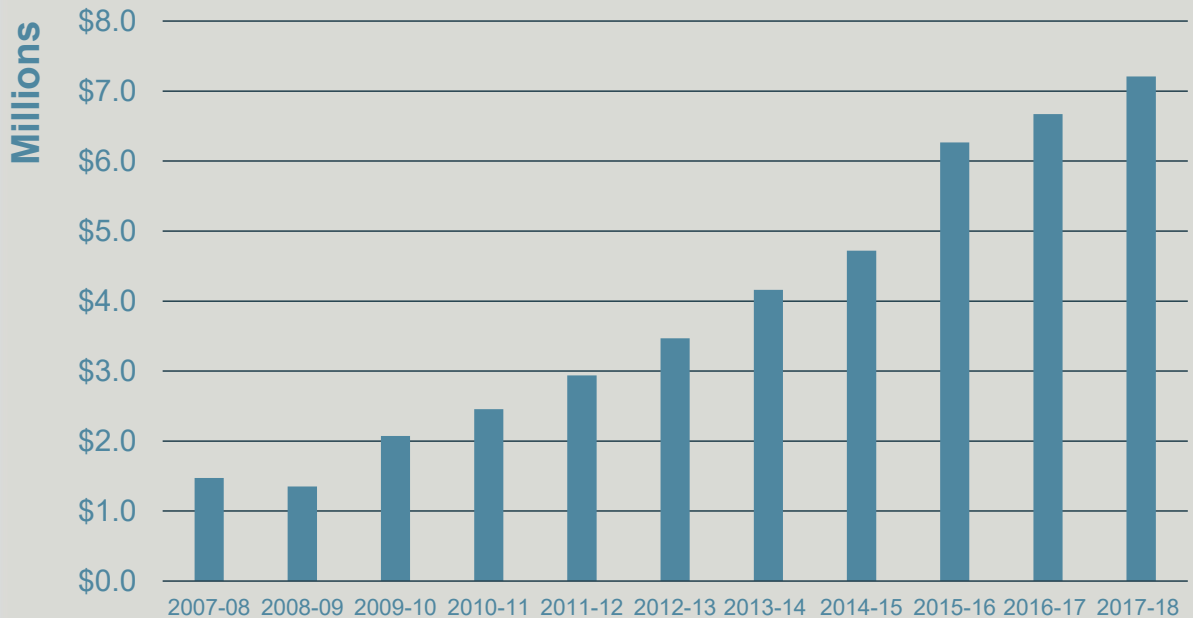




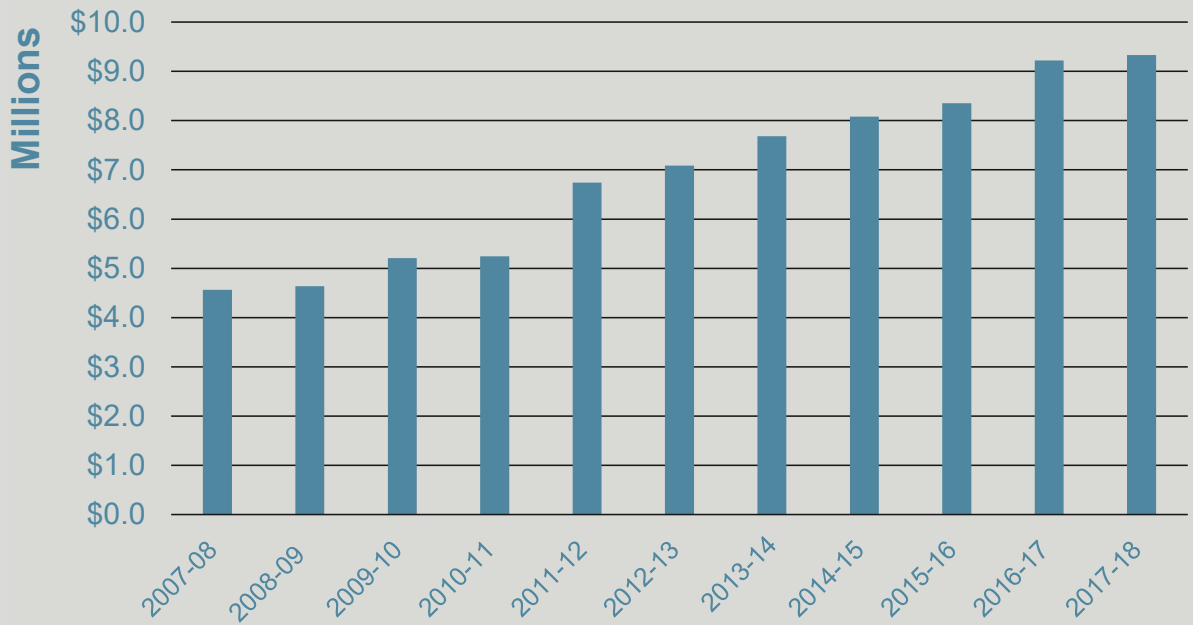
2017–18 GENERAL FUND PROPERTY TAX



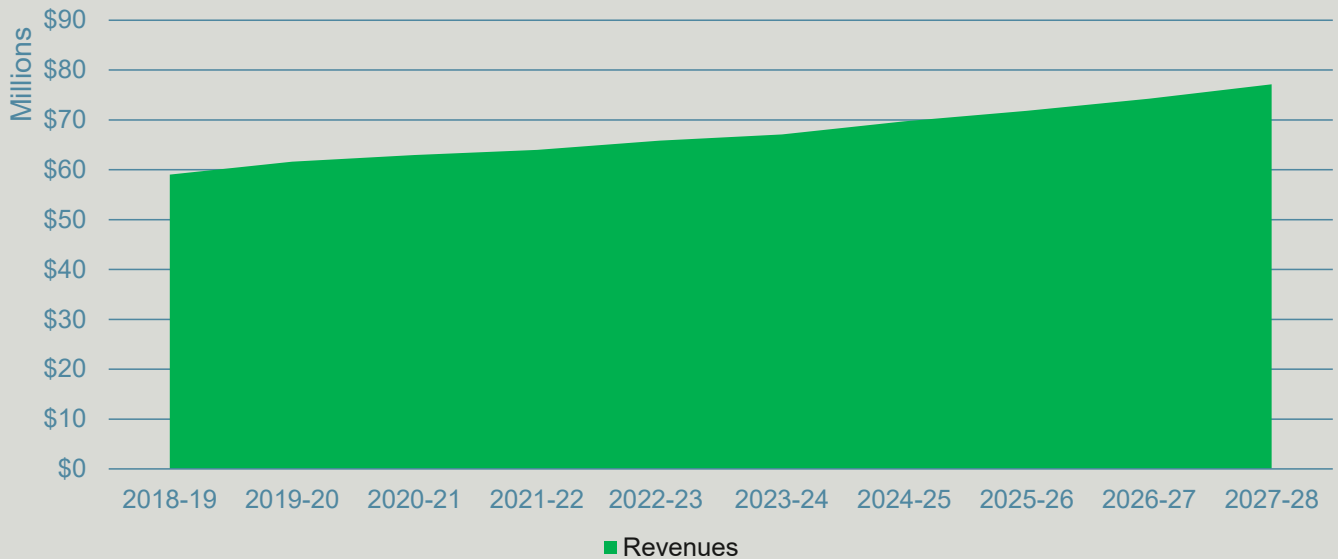
2017–18 GENERAL FUND BUDGET TRANSIENT OCCUPANCY TAX (TOT)



2017–18 GENERAL FUND BUDGET CHARGES FOR SERVICES

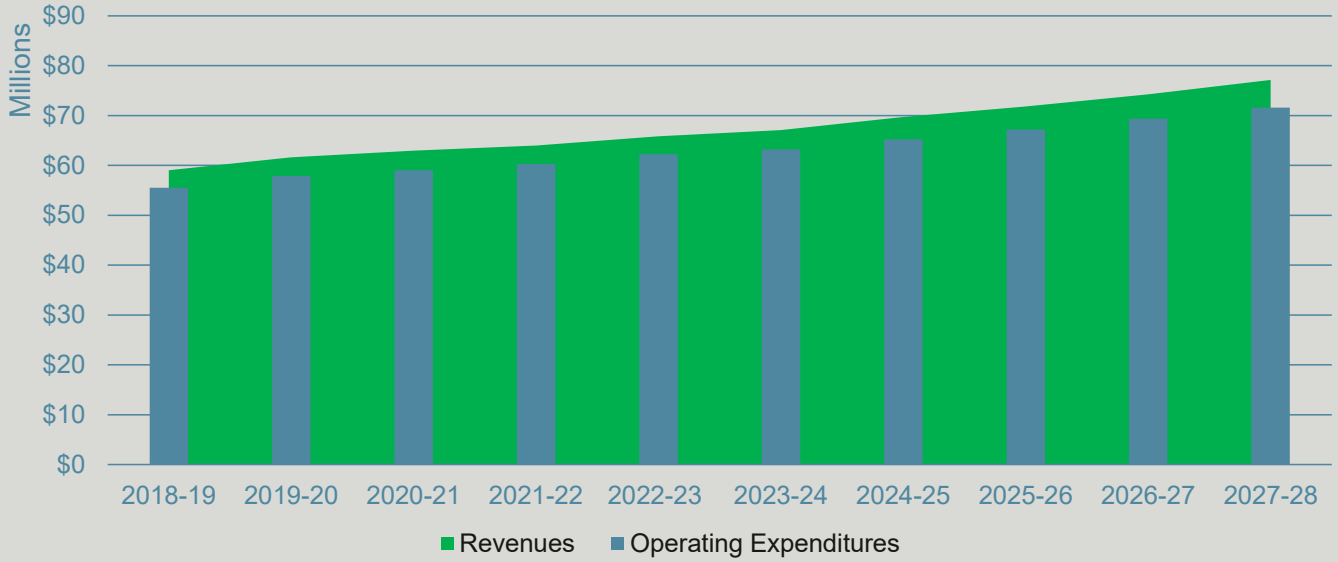


GENERAL FUND 10-YEAR FORECAST

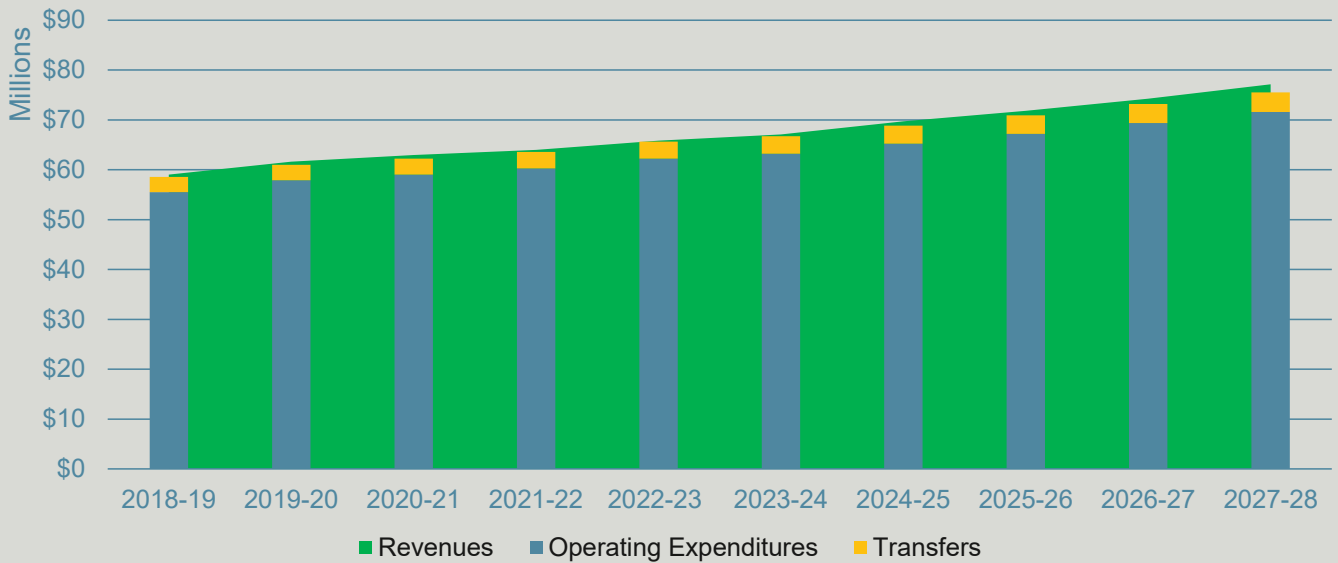


■ Revenues

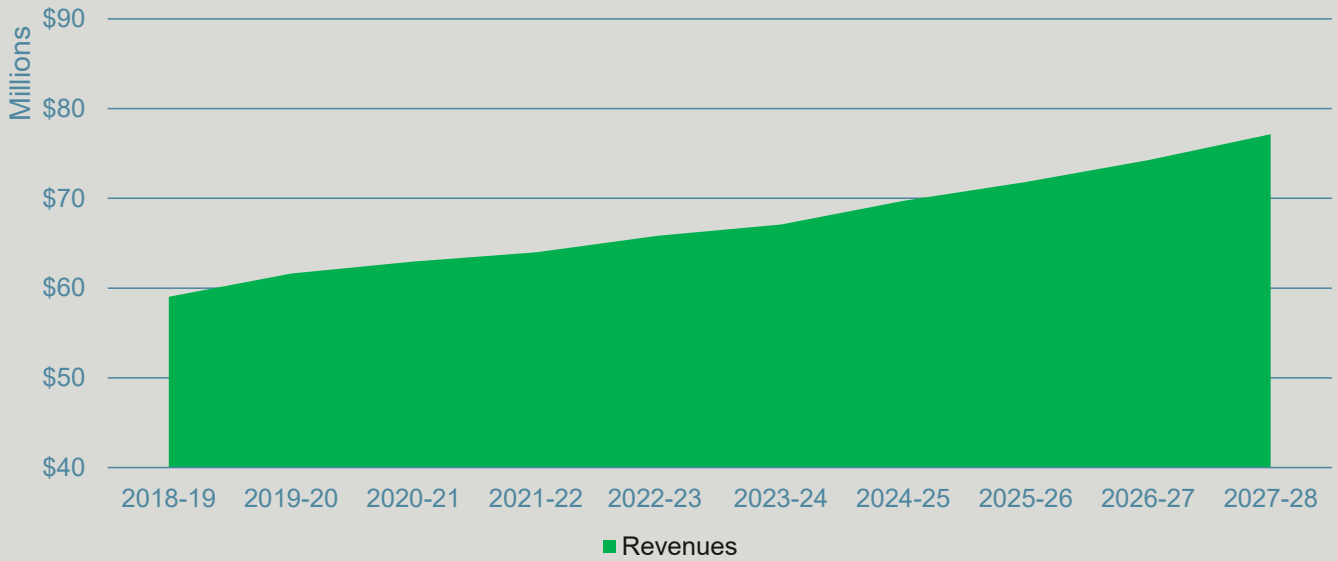
GENERAL FUND 10-YEAR FORECAST



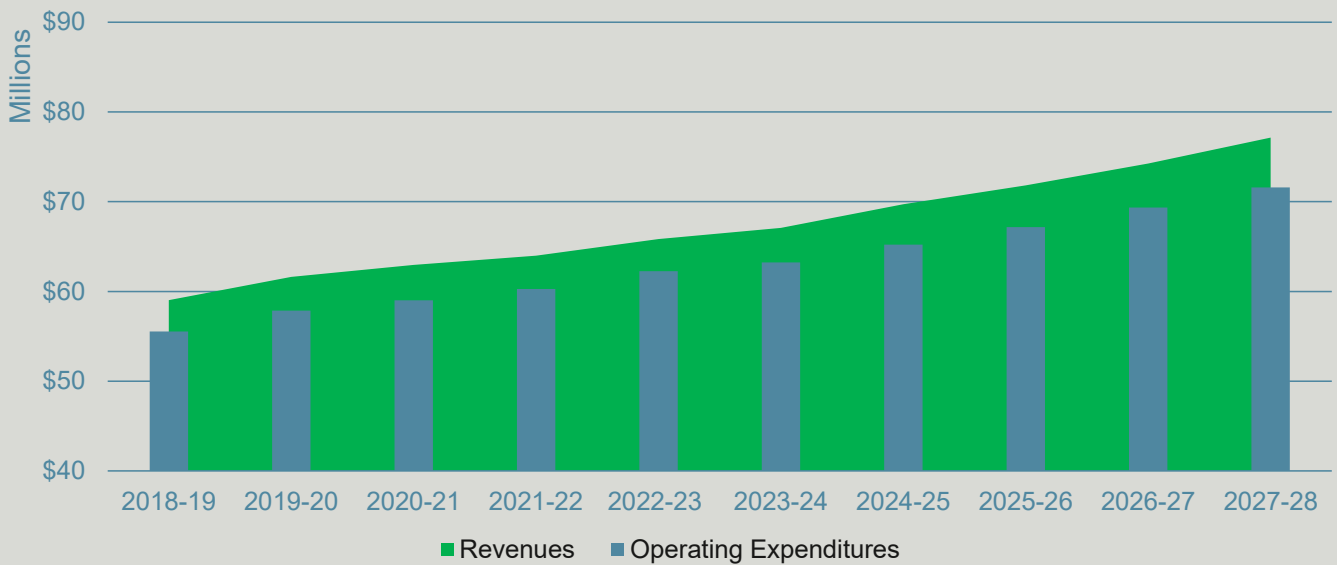
GENERAL FUND 10-YEAR FORECAST



GENERAL FUND 10-YEAR FORECAST

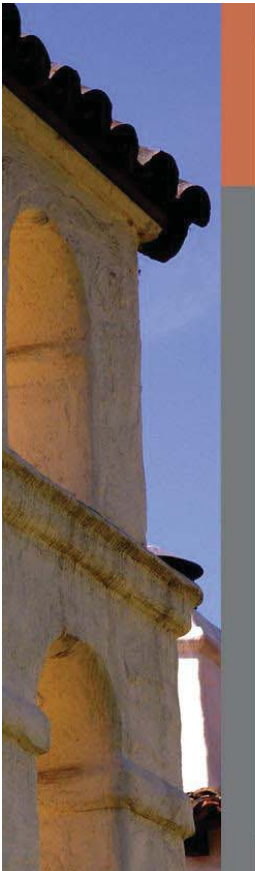
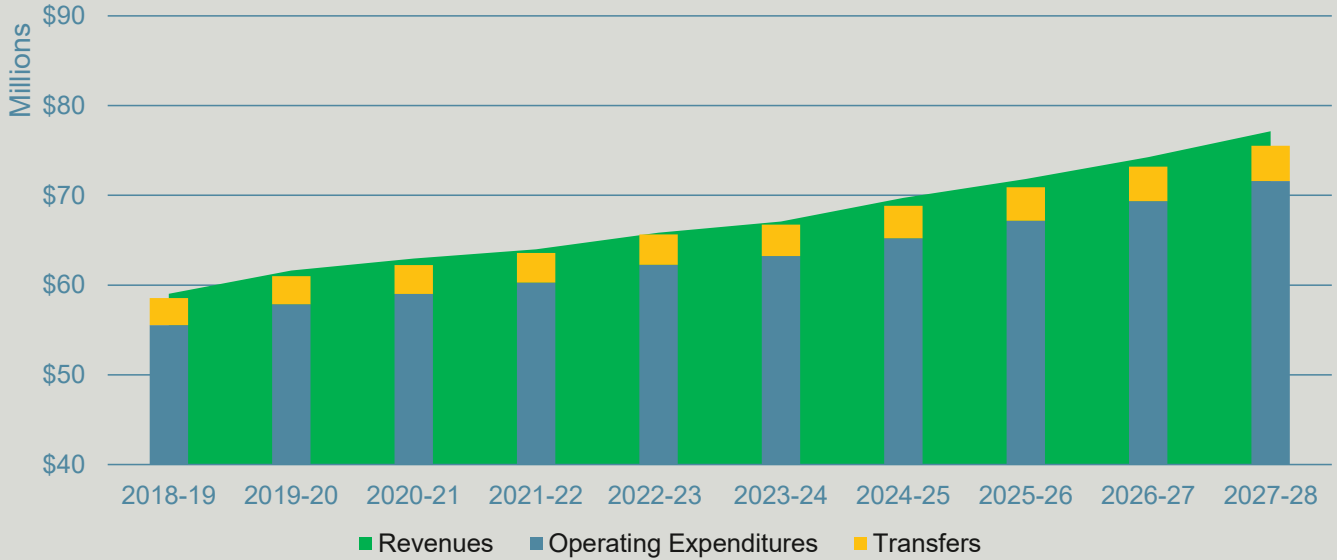


GENERAL FUND 10-YEAR FORECAST

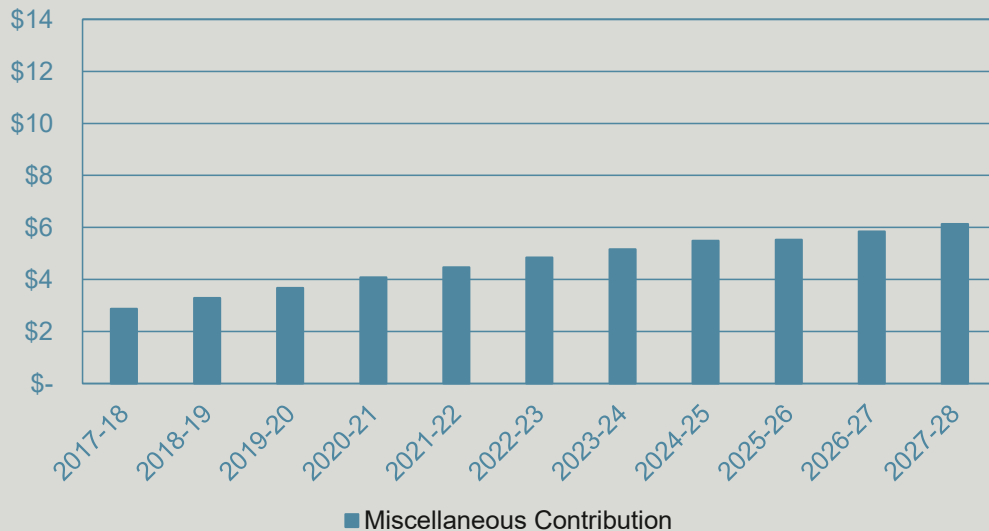


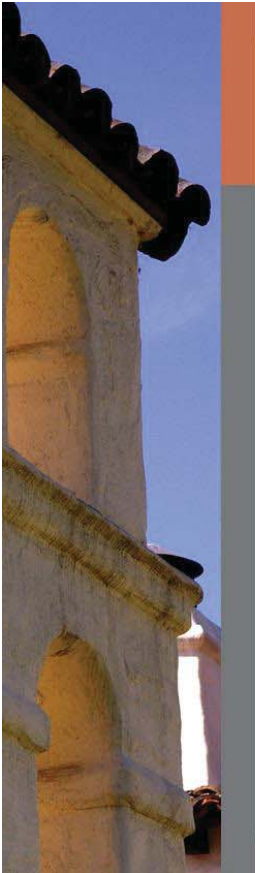


GENERAL FUND 10-YEAR FORECAST

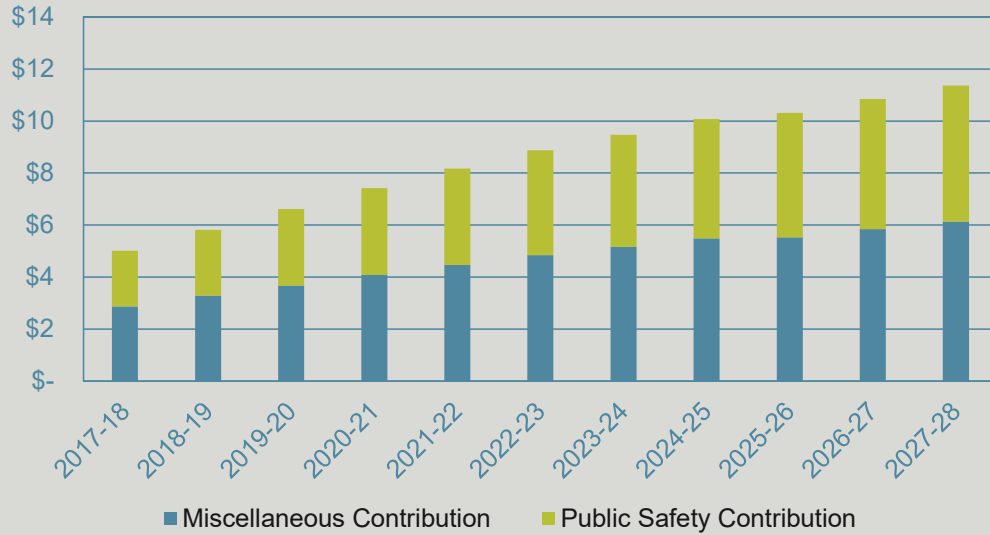


CALPERS PENSION COST FORECAST (\$ MILLIONS)

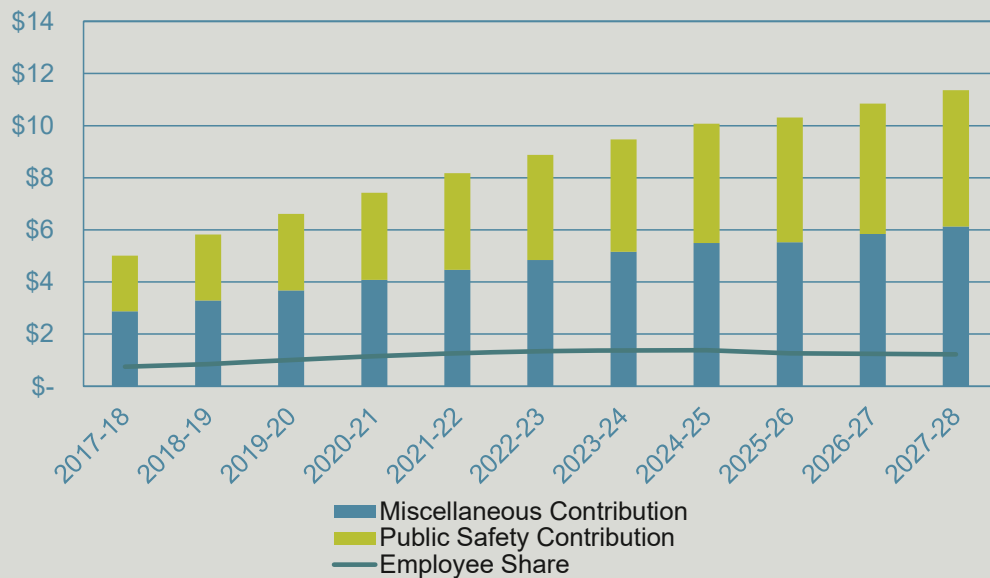




CALPERS PENSION COST FORECAST (\$ MILLIONS)



CALPERS PENSION COST FORECAST (\$ MILLIONS)



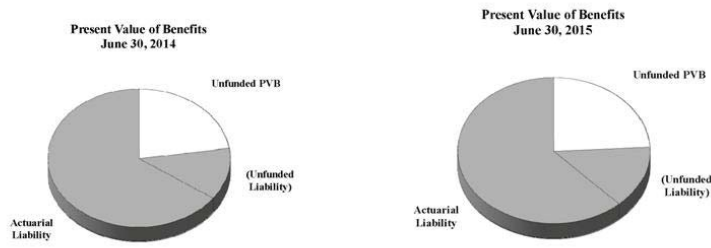


2017-18 MISCELLANEOUS CALPERS RATES (\$ MILLIONS)

June 30, 2015 Valuation	Normal Cost	Unfunded Liability	Total	% of Projected Payroll
Menlo Park	\$1.57	\$1.85	\$3.43	21.703%
Redwood City	2.93	6.05	8.98	26.895%
Palo Alto	7.85	15.77	23.62	30.196%
Mountain View	4.12	7.20	11.31	27.737%
San Mateo	2.38	3.77	6.14	20.881%

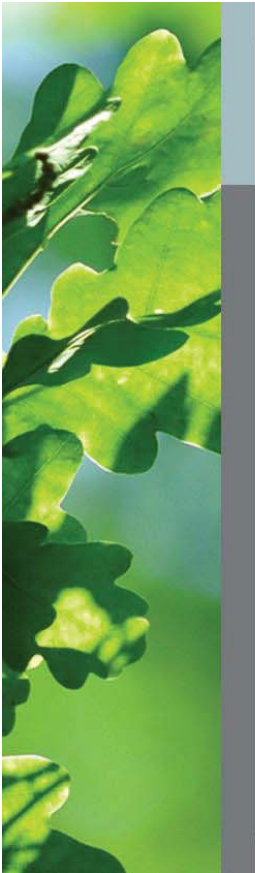


PLAN FUNDED STATUS - MISCELLANEOUS

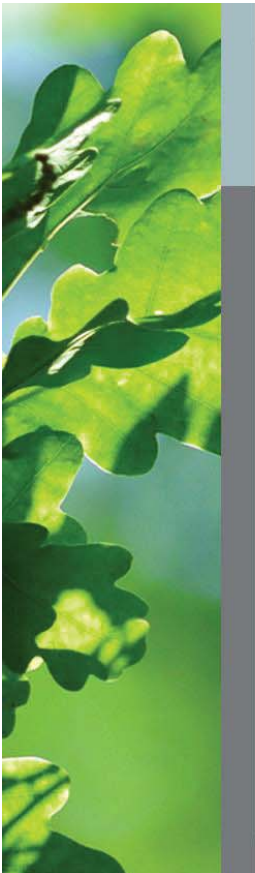
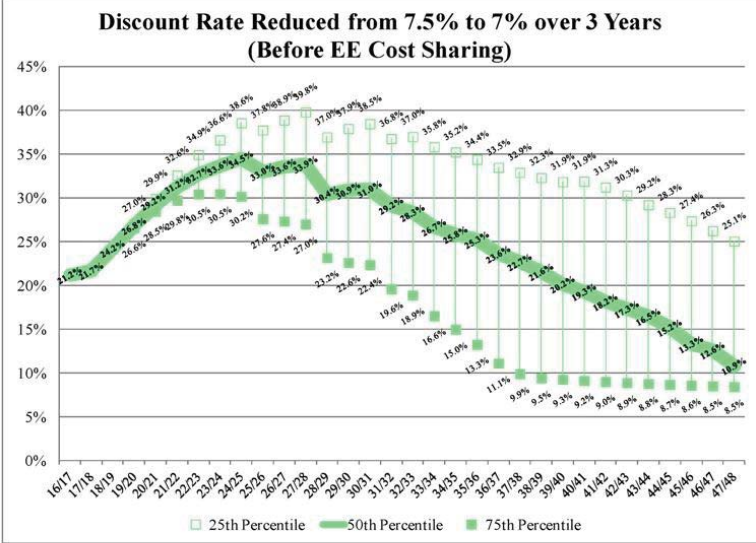


June 30, 2014			June 30, 2015	
\$ 39,100,000	Active AAL		\$ 42,100,000	
54,700,000	Retiree AAL		58,100,000	
11,500,000	Inactive AAL		11,700,000	
105,300,000	Total AAL		111,900,000	
85,800,000	Market Asset Value		86,800,000	
(19,500,000)	(Unfunded Liability)		(25,100,000)	

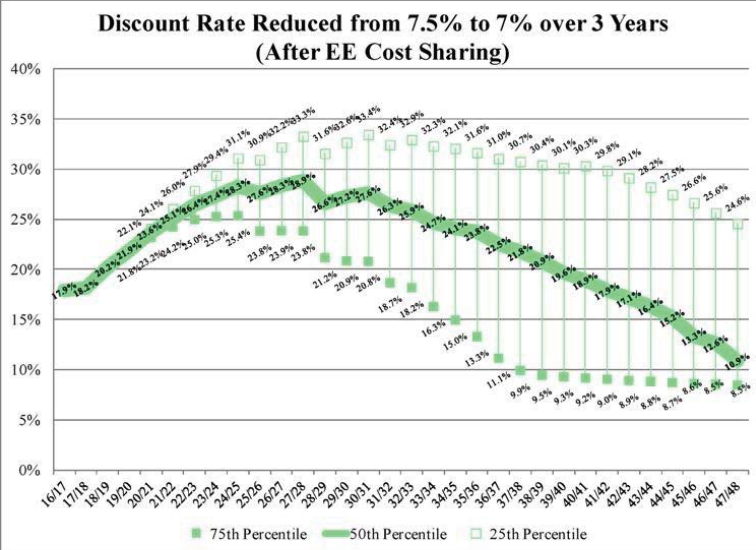




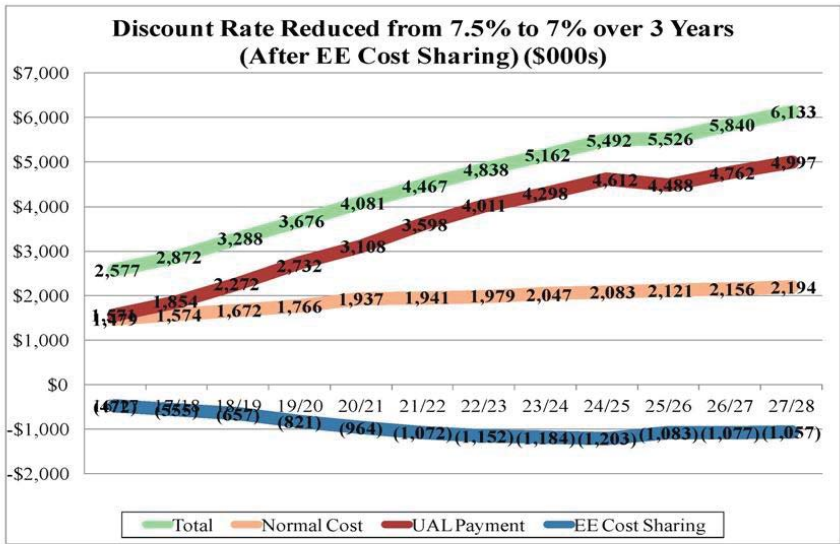
CONTRIBUTION PROJECTIONS - MISCELLANEOUS



CONTRIBUTION PROJECTIONS - MISCELLANEOUS



CONTRIBUTION PROJECTIONS - MISCELLANEOUS



BA May 2, 2017

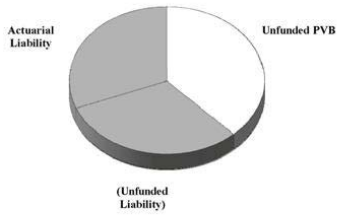


2017-18 SAFETY CALPERS RATES (\$ MILLIONS)

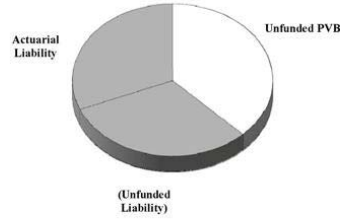
June 30, 2015 Valuation	Normal Cost	Unfunded Liability	Total	% of Projected Payroll
Menlo Park	\$1.18	\$1.06	\$2.24	37.506%
Redwood City	5.84	6.43	12.26	44.683%
Palo Alto	4.38	7.13	11.50	49.689%
Mountain View	4.36	5.45	9.81	41.107%
San Mateo	4.37	7.47	11.85	48.396%
Sunnyvale	7.00	8.75	15.75	47.212%

PLAN FUNDED STATUS - SAFETY

Present Value of Benefits
June 30, 2014



Present Value of Benefits
June 30, 2015



June 30, 2014		June 30, 2015	
\$ 19,100,000	Active AAL	\$ 21,100,000	
52,300,000	Retiree AAL	54,800,000	
5,700,000	Inactive AAL	5,000,000	
77,100,000	Total AAL	80,900,000	
62,500,000	Market Asset Value	62,400,000	
(14,600,000)	(Unfunded Liability)	(18,500,000)	



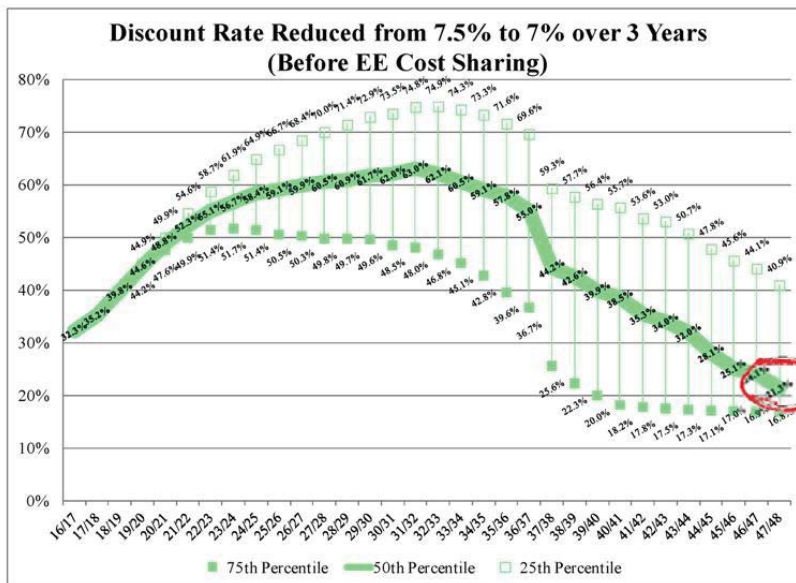
May 2, 2017

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CONTRIBUTION PROJECTIONS - SAFETY

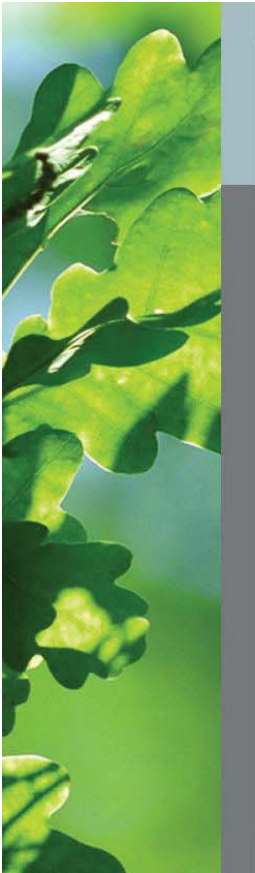
Discount Rate Reduced from 7.5% to 7% over 3 Years
(Before EE Cost Sharing)



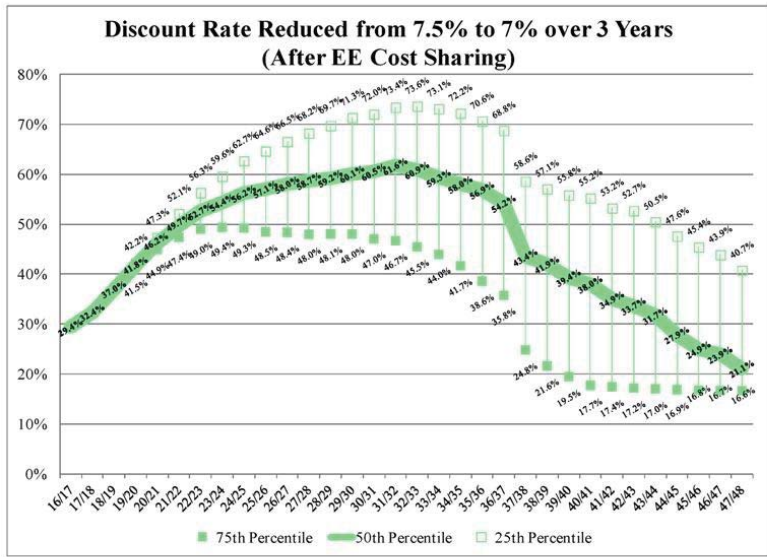
May 2, 2017

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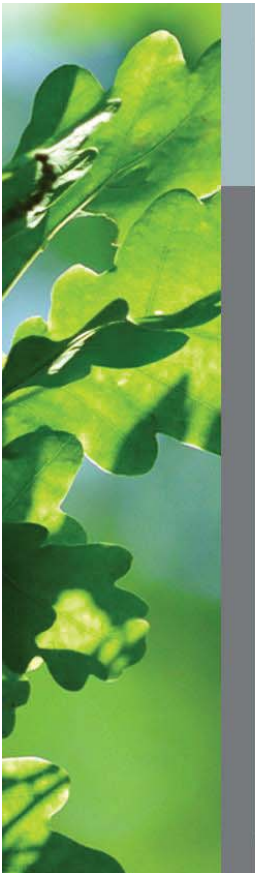




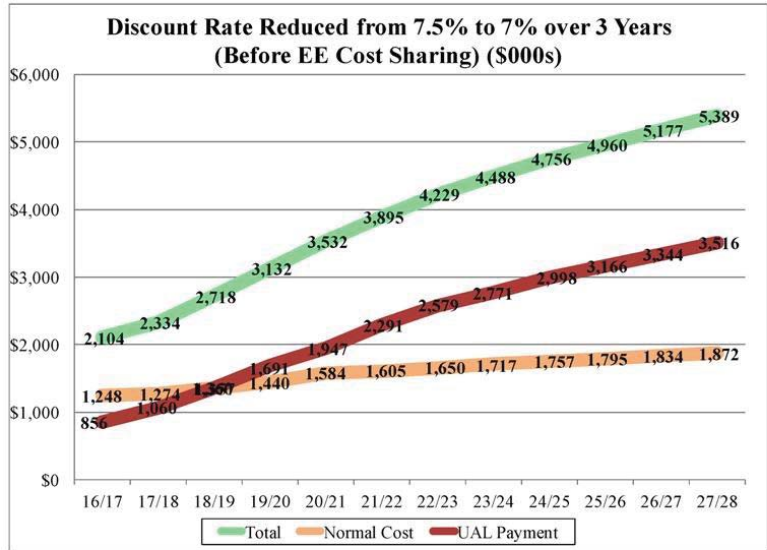
CONTRIBUTION PROJECTIONS - SAFETY



May 2, 2017



CONTRIBUTION PROJECTIONS - SAFETY



May 2, 2017

