



SPECIAL AND REGULAR MEETING AGENDA – AMENDED

Date: 2/12/2019
Time: 5:00 p.m.
City Council Chambers
701 Laurel St., Menlo Park, CA 94025

**City Councilmember Catherine Carlton will be participating by phone from:
Jumeirah Beach Hotel, RM. 940
Jumeirah Street, Dubai, UAE.**

According to City Council policy, all regular meetings of the City Council are to end by midnight unless there is a super majority vote taken by 11:00 p.m. to extend the meeting and identify the items to be considered after 11:00 p.m.

5:00 p.m. Closed Session (City Hall – “Downtown” Conference Room, 1st Floor)

Public Comment on these items will be taken before adjourning to Closed Session.

CL1. Closed session pursuant to Government Code Section §54957.6 to confer with labor negotiators regarding current labor negotiations with the Service Employees International Union (SEIU) and American Federation of State, and County and Municipal Employees (AFSCME)

Attendees: Interim City Manager Starla Jerome-Robinson, Assistant City Manager Nick Pegueros, Administrative Services Director Lenka Diaz, City Attorney Bill McClure

6:00 p.m. Study Session and Regular Session (City Council Chambers)

A. Call to Order

B. Roll Call

C. Pledge of Allegiance

D. Study Session

D1. Provide feedback and direction to staff on the Housing Commission's recommendation for an urgency interim tenant relocation assistance Ordinance No. 1053 ([Staff Report #19-025-CC](#))

E. Presentations and Proclamations

E1. Proclamation: Recognizing Barbara Wood

F. Public Comment

Under “Public Comment,” the public may address the City Council on any subject not listed on the agenda. Each speaker may address the City 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 City Council cannot act on items not listed on the agenda and, therefore, the City Council cannot respond to non-agenda issues brought up under Public Comment other than to provide general information.

G. Consent Calendar

- G1. Accept the City Council meeting minutes for January 29 and February 2, 2019 ([Attachment](#))
- G2. Adopt Resolution No. 6484 to approve the amended water supply agreement with the City and County of San Francisco ([Staff Report #19-021-CC](#))
- G3. Authorize the City Manager to amend an agreement with W-Trans for the transportation master plan and transportation impact fee program and appropriate \$120,000 from the undesignated fund balance of the general fund ([Staff Report #19-022-CC](#))
- G4. Adopt Resolution No. 6479 rescinding City Council Procedure No. CC-92-004 and adopting updated City Council Procedure establishing award authority and bid requirements ([Staff Report #19-014-CC](#))
- G5. Authorize the City Manager to execute an agreement with LSA Associates to prepare an environmental impact report for a proposed project at 111 Independence Drive in the amount of \$164,810 plus change orders not exceed to the City Manager's award authority ([Staff Report #19-020-CC](#))

H. Public Hearing

- H1. Consider an appeal of the Planning Commission approval of a use permit and architectural control for a new single-story, 3,681 square-foot nonmedical office building at 40 Middlefield Road, and consider a parking reduction to provide a parking ratio of one space per 230 square feet of gross floor area ([Staff Report #19-019-CC](#))

I. Regular Business

- I1. Discuss and provide direction on the City's travel policy and/or adopt a Resolution rescinding Council Procedure No. CC-18-001 and adopting City Council Procedure No. CC-19-002 titled "City of Menlo Park Travel, Meal, and Lodging Policy" ([Staff Report #19-023-CC](#))

J. Informational Items

- J1. Update on the Santa Cruz and Middle Avenues resurfacing project funded through a One Bay Area Grant 2 program ([Staff Report #19-024-CC](#))

K. City Manager's Report

L. Councilmember Reports

M. Adjournment

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 any matters of public interest not listed on the agenda, members of the public have the right to directly address the Commission on any item listed on the agenda at a time designated by the Chair, either before or during the City Council's consideration of the item.

At every Special Meeting of the City Council, 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 Chair, either before or during consideration of the item.

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 City Clerk's Office, 701 Laurel St., Menlo Park, CA 94025 during regular business hours. Persons with disabilities, who require auxiliary aids or services in attending or participating in City Council meetings, may call the City Clerk's Office at 650-330-6620.

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Community Development



STAFF REPORT

City Council

Meeting Date:

2/12/2019

Staff Report Number:

19-025-CC

Study Session:

Provide feedback and direction to staff on the Housing Commission's recommendation for an urgency interim tenant relocation assistance Ordinance No. 1053

Recommendation

Staff recommends the City Council:

1. Review and consider the Housing Commission's recommended urgency interim tenant relocation assistance ordinance
2. Provide general direction to staff on key provisions for inclusion in tenant relocation ordinance

Policy Issues

At its August 22, 2017, meeting, the City Council identified tenant relocation assistance as a priority one item for consideration as part of the enhanced housing policies list referred to the Housing Commission for study and consideration.

Background

On January 10, 2017, the City Council held a study session on residential displacement in Menlo Park. The study session included Housing Commissioners Tate and Dodick as well as a panel of four housing experts. Staff presented 10 policies that are commonly used or have been considered in other area cities; these included rent control, just cause eviction, relocation assistance and mandatory non-binding arbitration, among others. At that time, the City Council did not support dedicating any staff resources to exploring rent control or just cause eviction. The City Council referred the remaining eight recommended policies, along with seven others introduced by the expert panel, to the Housing Commission for prioritization.

One of the policies referred to the Commission was development of a tenant relocation assistance ordinance. In its initial prioritization review, the Commission looked at triggers used in Mountain View's ordinance that at the time provided relocation assistance to tenants in four or more rental units who had been displaced because of renovations, redevelopment and similar activities. The Commission recommended exploration of various triggers for tenant relocation assistance and that this be a number one priority.

The Housing Commission reviewed the remainder of the enhanced housing policies over the course of three consecutive monthly Housing Commission meetings, received input from stakeholders and experts, and developed a recommended prioritization list.

Staff presented this recommended prioritization list at the August 22, 2017, City Council meeting where the City Council approved the Commission's prioritization list without changes.

In accordance with the City Council's direction, the Housing Commission conducted several public meetings to solicit community input on scope, triggers, eligibility criteria, relocation assistance amount and other ordinance provisions. At its July 11, 2018, regular meeting, the Housing Commission reviewed a draft of the proposed tenant relocation assistance ordinance and recommended changes in regards to the urgency of the ordinance, the household eligibility criteria, the indexing of rent increases to the consumer price index plus 5 percent, the definition of applicable residential units, inclusion of special circumstance provisions and a rental subscription service.

At its August 8, 2018, regular meeting, the Housing Commission modified the eligible tenant definition to include any tenant residing in a rental unit for 12 months or more with an annual household income limit equal to 200 percent of the area median household, and added an owner move-in exemption. The Commission also scheduled two public meetings for September 2018 to gather further public input.

The September 2018 meetings were noticed during the week of August 27, 2018, via mailed postcards to all Menlo Park properties and property owners (including out of town property owners). Additionally, interested organizations who had previously contacted the city about the draft ordinance were also invited to provide comments. These organizations included housing advocacy groups, landlord-tenant mediation services, the California Apartment Association and realtors. Staff created a project page for the proposed tenant relocation assistance ordinance on the city website (menlopark.org/relocationassistance), which included the full text of the ordinance.

During the September 12, 2018, Housing Commission meeting and the September 13, 2018, community meeting, the City received approximately five hours of public testimony. In addition, many emails and letters have been received.

On October 10, 2018, the Commission conducted its final public hearing on the draft ordinance and recommended changing the means test from 200 percent to 150 percent area median income (AMI), changing the assistance payment amounts to correlate with the Housing and Urban Development Fair Market Rent amounts for San Mateo County, recommended removing exceptions for natural lease expirations and units covered by Costa-Hawkins and adding a sunset provision. A copy of the Housing Commission's final recommendation is attached as Attachment A.

Analysis

Tenant relocation assistance can provide a safety net to renters who are displaced from their current housing and find themselves facing potential homelessness. The assistance is often provided in the form of cash payments that can be used by the displaced tenant to address the financial challenge of securing alternate housing (first and last month's rent, new security deposit, etc.) and pay related moving expenses (moving costs, utility deposits, etc.) While this is a challenging transition for any tenant, it is especially difficult for low-income households. By reducing the financial impacts of unexpected displacement, a relocation assistance ordinance may help prevent homelessness, keep more of these residents in Menlo Park, reduce household disruption and preserve community continuity.

Many cities in the bay area are adopting tenant relocation assistance ordinances to help mitigate some of the effects of housing displacement caused by the current housing crisis. The triggers for rental assistance payments, the payment amounts and the types of units covered by the program vary from city to city. A summary chart comparing key elements of different city ordinances is included as Attachment B.

The discussion below highlights key provisions for possible inclusion in a draft ordinance, discusses the

Housing Commission's recommendation and identifies the policy question for Council.

Urgency ordinance provision

Regular ordinances require two separate readings by the City Council and then go into effect 30 days thereafter. However, urgency ordinances may be adopted after just one reading and go into effect immediately. Urgency ordinances must contain findings showing the need to preserve the public peace, health, or safety and must be passed by a four-fifths vote of the City Council.

When adopting urgency ordinances, the best practice is to consider concurrently a similar ordinance on a non-urgency basis following the usual procedure (two readings) in the event the urgency ordinance fails to get the four-fifths vote needed or in the event its urgency findings are challenged. If the urgency ordinance is challenged, the non-urgency version of the ordinance will already have taken effect, thereby limiting or eliminating the "gap" in coverage to the brief window between the effective dates of the emergency and regular ordinances.

Housing Commission recommendation:

The Housing Commission recommended the ordinance be adopted as an urgency ordinance in order to prevent landlords from evicting tenants before a regular ordinance goes into effect.

Policy question for City Council:

Should staff bring forward an urgency ordinance?

Eligible tenant

It is common for relocation ordinances to have some sort of means test. Since one of the goals of relocation ordinances is to prevent homelessness due to tenant displacements, many ordinances restrict eligibility to lower income households. The State of California Department of Housing and Community Development has established a standardized income classification system depending on household size and county.

For reference, the table below shows the 2018 income limits for single person, 2-person and 4-person households.

2018 California State Income Limits for San Mateo County Households						Commission-discussed income limits	
Household size	Extremely low-income	Very low-income (50% AMI)	Low-income (80% AMI)	Area median income	Moderate income (120% AMI)	150% AMI	200% AMI
1-Person	\$30,800	\$51,350	\$82,200	\$82,900	\$99,450	\$124,350	\$165,800
2-Persons	\$35,200	\$58,650	\$93,950	\$94,700	\$113,700	\$142,050	\$189,400
4-Persons	\$44,000	\$73,300	\$117,400	\$118,400	\$142,100	\$177,600	\$236,800

Market rents in Menlo Park are often significantly higher than those rents in several other San Mateo County communities, and have become increasingly out of reach for even moderate-income households (defined as 120 percent area median income.) Using the federal government's definition of rent burden (e.g., a household should spend no more than 30 percent of household income for rent), a 4-person median income household should spend no more than \$2,960 per month for rent.

Between September 2015 and September 2018, the average market rate rent for a two-bedroom

apartment in Menlo Park was \$3,685.

The table below shows the federally defined rent burden guideline for various income levels as compared to the average market rate rent for a two-bedroom Menlo Park apartment.

Federally defined rent burden versus average monthly rent for a 4-person household and a two-bedroom Menlo Park apartment over a 4-year period (September 2015 to September 2018)						Commission-discussed income limits	
	Extremely low-income	Very low-income (50% AMI)	Low- income (80% AMI)	Area median income	Moderate income (120% AMI)	150% AMI	200% AMI
Federal rent burden monthly rent limit	\$1,100	\$1,833	\$2,935	\$2,960	\$3,553	\$4,440	\$5,920
Average monthly rent for a two- bedroom apartment	\$3,685	\$3,685	\$3,685	\$3,685	\$3,685	\$3,685	\$3,685
Difference	(\$2,585)	(\$1,853)	(\$750)	(\$725)	(\$133)	\$755	\$2,235

Housing Commission recommendation:

The Housing Commission had extensive discussions over the means test. On the one hand, the Commission wanted to be responsive to the City Council’s original request to include a means test of some kind, but on the other hand, wanted to capture a wide swath of renters to avoid the unintended consequence of income-based discrimination potentially caused by a landlord’s desire to only rent to people who could afford larger increases without triggering relocation benefits. Based on the above data, the Commission felt a means test of 150 percent AMI would strike the right balance. For comparison to other recently adopted ordinances, Santa Cruz has no means test, Palo Alto and Redwood City have an 80 percent AMI limit and Mountain View has a 120 percent AMI limit.

Policy question for City Council:

What level of means testing should be included in the ordinance?

Landlord-caused termination

The proposed ordinance contains two distinct triggers for payment of relocation benefits. The first trigger is a landlord-caused termination (sometimes referred to as “no-fault” or “no-cause” termination). It includes situations where a landlord takes action to terminate the tenancy of an eligible tenant, but provides clearly outlined exceptions for the tenant’s

1. failure to pay rent
2. breach of the rental agreement
3. continuing to commit or expressly permit a nuisance in the rental unit
4. owner move-in
5. natural expiration of a lease term (the expiration of a one-year rental agreement is provided for in Chapter 8.53 of the Municipal Code.)

Housing Commission recommendation:

The Commission thought it was important to include an owner move-in exception to provide relief for landlords and their families who may need to move back into their rental unit. This exemption includes a clause that use of the rental unit by the landlord under this provision must be for a period of at least 12 months; otherwise, relocation assistance would still have to be paid to the displaced tenant.

Policy question for City Council:

Does the City Council agree with the list of “no-cause” triggers (other than natural lease expiration that is discussed separately below)?

Exception for natural lease expiration

To harmonize the City’s current one-year lease requirement ordinance (Chapter 8.53 of the Municipal Code) which permits landlords to choose not to renew the lease at end of the term, the original draft tenant relocation assistance ordinance included an exemption for the natural expiration of a one-year lease.

Housing Commission recommendation:

The Housing Commission recommended deleting this exemption as it might incentivize landlords to not renew a lease to avoid payment of relocation benefits, thus creating a loophole.

Policy question for City Council:

Should the exception for one-year lease expiration be removed?

Significant rent increase

The second “trigger” for relocation payments is a “significant rent increase.” A significant rent increase is defined in the draft ordinance as any increase that raises the rent, or proposed multiple rent increases that cumulatively raise the rent during any 12-month period, to an amount more than the previous year’s consumer price index plus 5 percent above the base rent for that same period. This formula is based on California Penal Code §396, which governs price increases during a declared disaster or state of emergency and a report by the UC Berkeley Turner Center for Housing Innovation, which defined increases greater than CPI plus 5 percent as rent gouging. Additionally, the American Apartment Association states to its members that a good rule of thumb is to raise rents by 2 to 4 percent annually, and that increases above 8 percent will likely cause a loss of tenants.¹

Housing Commission recommendation:

The Housing Commission felt that a trigger equal to CPI plus 5 percent within a 12-month period was a good threshold.

Policy question for City Council:

Is the Housing Commission’s definition of “significant rent increase” an appropriate trigger?

Definition of rental unit

The definition of rental unit in the draft ordinance includes any housing unit in the city (including, but not limited to: multifamily housing, condos, duplexes and single-family homes), with clear exceptions for

1. affordable housing units already required to be rented at restricted rents to income-qualified tenants
2. secondary dwelling units (commonly referred to as “granny units,” “in-law units,” or backyard cottages)
3. owner-occupied single-family residences where a room is rented to a third party

The second and third exclusions were included to provide additional leeway for property owners who are living in close proximity to their third-party tenant and would not want to be forced to keep a problematic tenant because of the burden to pay relocation assistance.

¹ The American Apartment Association: <https://www.american-apartment-owners-association.org/property-management/tips-for-how-to-increase-rent/>.

From an administration standpoint, staff has concerns that the rental unit triggers of the relocation ordinance are different from the one-year lease ordinance (four or more) and the non-discrimination ordinance (three units or more).

Housing Commission recommendation:

While recognizing the benefit of consistency among regulations, the Housing Commission felt it was important to include all housing units, including single-family homes, within the scope of the ordinance.

Policy question for City Council:

Should the ordinance apply to all housing units in the city with the few exceptions noted above?

Relocation assistance payment amounts

If a tenant is displaced by a landlord-caused termination, the ordinance requires the payment of relocation assistance to eligible tenants. There are several ways for calculating relocation assistance payments. In general, the amount should assist the tenant in moving and relocating to another unit. Ideally, the relocation assistance would permit the tenant to remain in the city, but in any event should prevent the tenant from becoming homeless.

Housing Commission recommendation:

The Housing Commission recommended that relocation assistance be three times the most current applicable Housing and Urban Development (HUD)-published Fair Market Rent (FMR) for San Mateo County based on the rental unit size (Three months' rent.) The Commission also recommended a 60-day subscription to a rental agency service and provision for one additional payment (fourth month) for special circumstance households (elderly, individual with a disability, or one or more minor children in the household.)

Alternative:

Another option for calculating relocation payments is to more directly link the payment to the income level and longevity of the tenant. Thus, lower income residents who have resided in the unit for a longer period of time would receive higher payments. This method recognizes that lower income tenants will have more difficulty relocating to another comparable apartment in Menlo Park (due to escalating rents) and that displacement impacts will be more severe for tenants who have longer established ties to the community.

One example of this method would be tenants earning up to 150 percent AMI who have resided in the unit for 12-24 months would receive one month of HUD Fair Market Rent for San Mateo County and those residing in the unit for more than 24 months would receive two months. Tenants earning up to 120 percent AMI who have resided in the unit for 12-24 months would receive two months of HUD Fair Market Rent and those residing in the unit for more than 24 months would receive three months of rent. Under this alternative, there would be no additional payment for special circumstance households, but displaced residents would still receive a 60-day subscription to a rental-agency service.

Policy question for City Council:

How should relocation assistance payments be structured?

Other considerations

Costa-Hawkins

The City received two comment letters (Attachment C) relating to the effect of the Costa-Hawkins Rental Housing Act ("Costa-Hawkins.") Costa-Hawkins establishes a specific right to "establish the initial and all subsequent rental rates" for rented single-family homes and apartment homes built after 1995. (Civ. Code

§ 1954.2(a) et seq.) The first commenter, Anton Menlo Apartments, argued the ordinance was preempted by Costa-Hawkins because the significant rent increase provision essentially prevented landlords from increasing rents. In addition, Anton Menlo argued that the large relocation payments amounted to unreasonable penalties for exercising their legal right to increase rent. In response, Community Legal Services of East Palo Alto and the Legal Aid Society of San Mateo County argued Costa-Hawkins does not pre-empt because the landlord retains an unqualified right to establish rental rates. However, a landlord may be required to make a payment to mitigate moving costs that are a direct consequence of unaffordable rents, if the rent increase is more than 5 percent above inflation, and if the tenant elects to move.

There are no reported California cases that have directly ruled on this particular issue. There is some risk that the Court could adopt Anton Menlo's position and invalidate the "significant rent increase" provision of the draft ordinance as a violation of Costa-Hawkins. In such event, the Court could award attorney's fees to the plaintiff/petitioner in such action.

There are alternative ways to reduce the legal risk raised by Anton Menlo. One way is to exempt all units covered by Costa-Hawkins (e.g., single-family homes, condominiums and rental units built after February 1, 1995) from the substantial rent increase trigger. San Leandro's ordinance contains a Costa-Hawkins exemption, while Santa Cruz's recently adopted displacement ordinance does not. While including this exception would eliminate a Costa-Hawkins challenge, it would not address the policy of providing relocation benefits for tenants forced to relocate due to a large rent increase.

Another option is to lower the income qualifying levels and reduce the amount of relocation payments to better align the ordinance with the stated policy goal. By reducing the relocation payments to only the most needy individuals and by lowering the relocation payments, it becomes easier for the landlord to amortize the payments over a reasonable time period. The landlords who are unable to feasibly amortize the payments would then be eligible for a waiver or adjustment in payments. Along these lines, the City Council may also want to allow landlords who return the security deposit to tenants within five days², to credit such deposit against the relocation payment. The City Council may also want to create a separate fund to provide relocation assistance payments.

Additional ordinance provisions

In addition to the above policy issues, the City Council is also asked to consider and weigh in on the following additional ordinance provisions.

Hardship waiver

The ordinance contains a hardship waiver that permits landlords to apply to the city manager for a waiver or adjustment of the ordinance under limited circumstances. (See Section 8.55.100.) The ordinance contains two grounds for a hardship waiver. The first ground requires a showing of an unconstitutional

² Under state law, landlords are required to return unused security deposits within 21 days of a tenant vacating the unit. The City may not require early return of the security deposit, but providing a setoff for early return is permitted under state law. This allowed setoff also incents landlords to return the full deposit.

taking. This is similar to the hardship waiver contained in the recent amendment to the City's BMR ordinance. The second ground encompasses other financial impacts that may not constitute a legal taking of property, but which would nevertheless place extreme financial hardship on the landlord. Staff plans to develop administrative guidelines to further flesh out the type of evidence needed for this exception and would like to work with the Housing Commission on a loan or subsidy program that could backfill the adjusted relocation payments, if needed.

Limit on tenant's time to exercise rights

Staff is recommending that tenants be given no more than 60 days following the effective date of the significant rent increase to notify the landlord that they will be vacating the unit and requesting relocation assistance payments. This recommendation is based on staff's review of Santa Cruz's recently adopted ordinance and to minimize the possibility of tenants moving from the unit for reasons other than a significant rent increase and later requesting to collect the relocation payment.

Enforcement

The ordinance grants tenants a private cause of action for violation of its terms and specifies that the landlord's failure to offer relocation benefits and otherwise comply with the ordinance may be asserted as an affirmative defense to any eviction action. At this point, it is not anticipated that City staff will separately enforce the ordinance.

Sunset provision

As this ordinance is intended to address what is hopefully a short term, urgent problem, the Housing Commission recommended the ordinance expire or "sunset" October 1, 2022. If the problem continues to exist at time of expiration, the City Council could choose to extend it.

Correspondence received

In addition to several hours of public comment received by the Housing Commission during their course of study and review of this draft ordinance, many letters and emails were sent to staff, commissioners and the City Council. Public comment received via email and/or letter before the Housing Commission's final recommendation is included as Attachment D. Additional comments since that time are being compiled and will be made available.

Impact on City Resources

While any tenant relocation assistance payments would be made by the landlord to the tenant directly, management of the program could have significant impacts on staff time and resources. There could be significant legal expenses in defending a lawsuit should a legal challenge be filed, as well as potential liability to pay significant plaintiff's attorney's fee in the event the plaintiffs prevail.

Environmental Review

This action is not a project under the California Environmental Quality Act ("CEQA") and therefore not subject to the provisions of the CEQA Guidelines under Sections 15378 and 15061(b)(3).

Public Notice

Public notification was achieved by posting the agenda, with the agenda items being listed, at least 72

hours prior to the meeting.

Attachments

- A. Draft urgency interim tenant relocation assistance ordinance
- B. Tenant relocation assistance ordinance comparison chart
- C. Comment letter from Anton Menlo Apartments and a joint letter from Community Legal Services in East Palo Alto and The Legal Aid Society of San Mateo County.
- D. Correspondence (public comment received before October 10, 2018, via email and/or letter)

Report prepared by:

Clay J. Curtin, Interim Housing and Economic Development Manager

Cara Silver, Assistant City Attorney

ORDINANCE NO. 1053**URGENCY INTERIM ORDINANCE OF THE CITY COUNCIL
OF THE CITY OF MENLO PARK AMENDING TITLE 8
[PEACE, SAFETY AND MORALS] OF THE MENLO PARK
MUNICIPAL CODE TO ADD A NEW CHAPTER 8.55
[TENANT RELOCATION ASSISTANCE]**

The City Council of the City of Menlo Park does hereby ordain as follows:

SECTION 1. FINDINGS AND DETERMINATIONS.

- A. Government Code § 36934 (b) authorizes ordinances to take immediate effect when they are “[f]or the immediate preservation of the public peace, health or safety, containing a declaration of the facts constituting the urgency, and [are] passed by a four-fifths vote of the city council.”
- B. There is a total of 12,347 residential units in Menlo Park. Of those, 6,927 (or 56 percent) units are owner occupied and 5,420 (or 44 percent) units are tenant occupied. In the Belle Haven neighborhood, 57 percent of the total population are tenants.
- C. The City of Menlo Park currently does not regulate rent increases or reasons for evictions from residential property and certain aspects of public peace, health, and safety are not adequately protected due to the lack of regulation.
- D. The California Housing Partnership Corporation estimates there is a shortage of 25,882 affordable rental homes to accommodate low-income renters in San Mateo County, which has a population of 748,732 and 106,289 renting households, according to the U.S. Census.
- E. The report Displacement in San Mateo County: Consequences for Housing, Neighborhoods, Quality of Life, and Health found that after being displaced, only 21 percent of households reported staying in the same neighborhood (within 1 mile of their previous home). Thirty-three percent of households left San Mateo County, generally moving to the Central Valley or eastern communities in the East Bay.
- F. The rents in San Mateo County and Menlo Park in particular have been steadily increasing. Increasing rents combined with a housing shortage places substantial pressure on the existing city residents who rent housing. In particular, rising rents can lead to tenant displacement of longstanding residents.
- G. On August 22, 2017, the City Council directed City Staff to prioritize housing policies, with tenant relocation assistance being part of the priority one recommended policies.
- H. On July 11, 2018, the Housing Commission held a regular public meeting to discuss and consider for recommendation to City Council for adoption of a draft tenant relocation assistance ordinance.
- I. On August 8, 2018, the Housing Commission held an additional regular public meeting to discuss and consider for recommendation to City Council for adoption of a draft tenant relocation assistance ordinance.

- J. The Commission scheduled two additional community meetings, one at the Menlo Park Senior Center, September 12, 2018, and one at the City Council Chambers, September 13, 2018, in order to hear additional public comment on the matter.
- K. Members of the community expressed concern that in light of this proposed relocation assistance ordinance, they would receive eviction or rent increase notices from their landlords.
- L. The process of adopting a relocation assistance ordinance regulating substantial rent increases and no cause evictions by requiring landlords to pay relocation fees in certain instances creates uncertainty and concerns among some landlords that if they do not evict tenants or raise rents before the effective date of the ordinance, they will be required to pay relocation fees later by the new regulations and such actions would defeat the intent and purpose of the new ordinance and substantially impair its effective implementation.
- M. According to the Legal Aid Society of San Mateo County (“Legal Aid”), at least 20 “no fault” eviction notices were issued within the past 32 months in Menlo Park and this sample of eviction activity, self-reported by the Menlo Park residents who elected to consult a lawyer, is a fraction of the total. Legal Aid further reports that at least an additional 10 Menlo Park households reported rent increases of more than ten percent (10%) during the past 32 months. Again, this fractional sampling does not capture the full-scale of significant rent increases in the city.
- N. This data is also supported by reports received by the City from tenants and community organizations that indicate at least 20 instances of “no fault” evictions and at least 10 instances of tenants having received rent increase notices greater than 10 percent (10%) since December 2015.
- O. Legal Aid also reported that in other jurisdictions, which have adopted similar tenant relocation ordinances, landlords responded pre-emptively before the potential effective date of a tenant protection measure. Two examples from Legal Aid’s cases:
- In April 2017, in response to the Pacifica City Council agenda item to place a rent control and just cause eviction ordinance on the November 2017 ballot, the landlord of a 16-unit building increased rents on all units of the building by forty percent (40%). The landlord stated her intention in doing so was to avoid potential fiscal impact of the ordinance, and that the increase was more than she would have routinely sought but for the possibility of future increases being limited.
 - In August 2016, a landlord in Burlingame issued 60-day “no cause” notices of termination of tenancy to all four units in the building, in anticipation of a rent control ordinance on the November 2016 ballot, which if passed, would have rolled back recently implemented rent increases for existing tenants. The landlord publicly state that the only reason the termination notices had been issued was to ensure that the landlord would not be “stuck” with them if the ordinance passed, and that he had been advised to take this preemptive step by his attorney.
- P. Tenants evicted in Menlo Park are forced to incur substantial costs related to new housing including, but not limited to, move-in costs, moving costs, new utility hook-ups, payments for temporary housing, and lost work time seeking housing. Move-in costs commonly include

first and last month's rent plus a security deposit equal to one month's rent, leading to total relocation expenses in excess of three months' rent.

- Q. The impacts of evictions are particularly significant on low-income, elderly, and disabled tenants and tenants with minor children, justifying an additional payment for households with these tenants.
- R. In light of the numerous concerns noted herein, including but not limited to, the current and immediate threat to the public peace, health and safety by the fact that tenants are not adequately protected due to the lack of regulation and the adverse impacts that would result from displacement of City residents, this emergency measure is necessary to preserve the public peace, health, and safety of the community.
- S. In enacting this ordinance, the City is exercising its right to regulate and monitor the basis for eviction.
- T. For the reasons set forth above, and to mitigate displacement issues, the City Council of the City of Menlo Park finds and declares the addition of Chapter 8.55 [Tenant Relocation Assistance] is necessary for immediate preservation of the public peace, health, and safety, and the findings and determinations above taken together constitute the City Council's statement of reasons constituting the urgency.

SECTION 2. ADDITION OF CODE. Chapter 8.55 [Tenant Relocation Assistance] of Title 8 [Peace, Safety and Morals] is hereby added to the Menlo Park Municipal Code to read as follows:

Chapter 8.55
TENANT RELOCATION ASSISTANCE

Sections:

- 8.55.010 Purpose.
- 8.55.020 Definitions.
- 8.55.030 Requirement to provide relocation assistance.
- 8.55.040 Relocation assistance.
- 8.55.050 Procedures for relocation assistance payment.
- 8.55.060 Notice of termination and notice of entitlement to relocation assistance.
- 8.55.070 Text of notice.
- 8.55.080 Retaliation prohibited.
- 8.55.090 Failure to comply.
- 8.55.100 Hardship Waiver.

8.55.010 Purpose.

In enacting these regulations, the City Council recognizes the need to protect tenants and tenant households from the adverse health, safety and economic impacts of displacement. It is the purpose and intent of the City Council to mitigate such impacts on these residents with this Chapter.

8.55.020 Definitions.

For the purpose of this Chapter, unless otherwise apparent from the context, certain words and phrases used in this Chapter are defined as follows:

- (a) **BASE RENT** means the rent for a rental unit required to be paid by the tenant to the landlord in the month immediately preceding the effective date of the rent increase. Base rent shall not include ancillary services including, but not limited to, pet deposits, storage, additional parking or utility pass-throughs.
- (b) **ELIGIBLE TENANT** means any tenant(s) residing in a rental unit in the City for twelve (12) months or more under a valid rental agreement whose annual household income as of the time of a landlord-caused termination, as adjusted for household size, does not exceed one-hundred fifty percent (150%) of the area median household income for San Mateo County according to the United States Department of Housing and Urban Development, as may be adjusted from time to time.
- (c) **LANDLORD** means any person, partnership, corporation or other business entity offering for rent or lease any rental unit in the City. Landlord shall include the agent or representative of the landlord, provided that such agent or representative shall have full authority to answer for the landlord and enter into binding agreements on the landlord's behalf. For the purposes of the owner move-in exception provided in Section 8.55.020 (d)(4) below, "landlord" shall be defined as an owner of record of at least fifty percent (50%) interest in the property.
- (d) **LANDLORD-CAUSED TERMINATION** means the circumstances where a landlord provides an eligible tenant with a proposed significant rent increase and the tenant elects to not remain in the rental unit. It also includes a landlord taking action to terminate the tenancy of an eligible tenant occupying a rental unit for any reason except the following:
- (1) Failure to Pay Rent. The tenant has failed, after three days' written notice as provided by law, to pay the amount stated in the notice, so long as the amount stated does not exceed the rent to which the landlord is legally entitled under the rental agreement, this Chapter, state law, or any other local law.
 - (2) Breach of Rental Agreement. After service of the required notice, the tenant has not cured a violation of a material term of the rental agreement.
 - (3) Nuisance. The tenant has continued, after the landlord served the tenant with a written notice to cease, to commit or expressly permit a nuisance in the rental unit.
 - (4) Owner Move-In. The landlord seeks to recover possession in good faith:
 - a. For the landlord's use or occupancy as his or her principal residence for a period of at least twelve (12) continuous months or
 - b. For the use or occupancy of the landlord's parents, children, brother or sister, as their principal place of residency for a period of at least twelve (12) continuous months.
 - (5) Expiration of lease term. Expiration of a one-year rental agreement as provided in Chapter 8.53 of this Code. **[Housing Commission recommended deleting this.]**
- (e) **RENT** means the amount of fixed periodic compensation paid by a tenant to a landlord, as defined by the rental agreement between the tenant and landlord, for the possession and use of a rental unit. Rent shall not include ancillary services including, but not limited to, pet deposits, storage, additional parking or utility pass-throughs.
- (f) **RENTAL AGREEMENT** means the legal written or oral agreement, including all changes and addenda, governing occupancy of the rental unit between landlord and tenant.
- (g) **RENTAL UNIT** means any housing unit offered for rent or lease in the City of Menlo Park,

except that for purposes of this Chapter Rental Unit shall exclude:

- (1) Any housing unit that is subject to a recorded affordable housing regulatory agreement that requires that the housing unit be rented at restricted rents to income-qualified tenants as defined by the regulatory agreement;
- (2) Secondary Dwelling Units as defined by Chapter 16.79; and
- (3) Owner occupied Single Family Residences where a room is rented to a third party.

(h) **RENT INCREASE** means any upward adjustment of the rent from the base rent amount.

(i) **SIGNIFICANT RENT INCREASE** means a proposed rent increase that raises the rent, or proposed multiple rent increases that cumulatively raise the rent during any twelve (12) month period, to an amount more than the previous year's Consumer Price Index for all Urban Consumers for the San Francisco-Oakland-Hayward area, published by the U.S. Department of Labor, Bureaus of Labor Statistics (CPI) plus five percent (5%) above the base rent that was in place at the beginning of such twelve (12) month period. This excludes circumstances where the proposed rent increase is rescinded by the landlord and excludes residential properties where landlords may establish the initial and all subsequent rental rates for a residential property pursuant to California Civil Code Section 1954.52. **[The Housing Commission recommended deleting this Costa-Hawkins exception.]**

(j) **SPECIAL-CIRCUMSTANCES HOUSEHOLD** means an eligible tenant with any of the following characteristics at the time of notice of landlord-caused termination:

- (1) At least one resident of the rental unit is sixty-two (62) years of age or older;
- (2) At least one resident of the rental unit qualifies as disabled as defined by Title 42, United States Code Section 423 or has a handicap as defined by California Health and Safety Code Section 50072; or
- (3) One or more minor children (under eighteen (18) years of age) who are legally dependent (as determined for federal income tax purposes) reside in the rental unit.

(k) **TENANT** shall have the same meaning as defined in Chapter 8.53.

8.55.030 Requirement to provide relocation assistance.

If any eligible tenant receives notice(s) of a landlord-caused termination, that eligible tenant is entitled to relocation assistance in accordance with this Chapter.

8.55.040 Relocation assistance.

The landlord shall provide relocation assistance where required by Section 8.55.030 to an eligible tenant as set forth below:

- (a) Three times the most current applicable Housing and Urban Development (HUD)-published Fair Market Rent for San Mateo County based on the rental unit size;
- (b) A sixty-day (60-day) subscription to a rental agency service; and
- (c) In addition to the payment specified in Section 8.55.040 (a) above, special circumstances households will also receive a payment equal to one times the most current applicable Housing and Urban Development (HUD)-published Fair Market Rent for San Mateo County based on the rental unit size.

8.55.050 Procedures for relocation assistance payment.

The landlord shall pay relocation assistance as follows:

- (a) The landlord shall pay one-half of the relocation assistance to the eligible tenant(s) no later than five business days following receipt of written notice that the tenant intends to vacate the rental unit, or following service of the notice of landlord-caused termination; and the balance of the relocation assistance no later than five days after the tenant has vacated the rental unit. If the tenant ultimately fails to vacate the rental unit where a landlord provides a proposed rent increase that raises the rent, or proposed multiple rent increases that cumulatively creates a significant rent increase at any time during a twelve (12) month period, the tenant shall reimburse relocation assistance to the landlord.
- (b) The landlord shall provide tenant with the sixty (60) day subscription to a rental agency service no later than five business days following receipt of written notice that the tenant intends to vacate the rental unit, or notice of a landlord-caused termination.
- (c) Nothing provided herein prohibits a landlord and a tenant from agreeing to relocation assistance different from that provided in this section. A landlord shall not attempt to influence a tenant to agree to relocation assistance different from that provided in this Chapter in bad faith by means of fraud, intimidation or coercion (including, but not limited to, threats based on immigration status).
- (d) For tenants who relocate due to a significant rent increase, tenant shall provide such notice of intent to vacate no later than sixty days after the effective date of such increase. If such notice is not given by tenant within sixty days of the effective date of rent increase, tenant is understood to have accepted such increase and is no longer eligible to claim relocation assistance from the landlord.

8.55.060 Notice of termination and notice of entitlement to relocation assistance.

Where a landlord provides a notice of a landlord-caused termination or a significant rent increase to an eligible tenant the landlord shall provide a written notice of tenant's entitlement to relocation assistance at the same time. Such notice of entitlement to relocation assistance shall be posted on the door to the rental unit and sent certified mail or first class mail, or personally served upon tenant, and shall be provided in both English and Spanish.

8.55.070 Text of notice.

The notice of entitlement to relocation assistance for a landlord-caused termination shall state:

NOTICE: Under Civil Code Section 827(b), a landlord must provide a tenant with thirty (30) days' notice before a rent increase of ten percent (10%) or less and sixty (60) days' notice of a rent increase of greater than ten percent (10%). Under Title 8, Chapter 8.55 of the Menlo Park Municipal Code, a landlord must at the same time as a notice under Civil Code Section 827(b), for any landlord-caused termination, provide this notice of the tenant's entitlement to relocation assistance. Eligible tenants are entitled to the following forms of relocation assistance: (a) A relocation fee which shall be the cash equivalent of three times the most current applicable Housing and Urban Development (HUD)-published Fair Market Rent for San Mateo County based on the rental unit size; (b) a sixty (60) day subscription to a rental agency service; and (c) for special circumstances households one times the most current applicable Housing and Urban Development (HUD)-published Fair Market Rent for San Mateo County based on the rental unit size. Special-circumstances households include the following: (1) At least one resident of the rental unit is sixty-two (62) years of age or older; (2) At least one (1) resident of the rental unit qualifies as having a disability defined by Title 42, United States Code Section 423 or has a handicap as defined

by California Health and Safety Code Section 50072; or (3) One or more minor children (under eighteen (18) years of age) who are legally dependent (as determined for federal income tax purposes) reside in the rental unit. Under Civil Code Section 1942.5, it is illegal for a landlord to retaliate against a tenant for lawfully and peaceably exercising his or her legal rights.

8.55.080 Retaliation prohibited.

Commencement of eviction proceedings against a tenant for exercising his or her rights under this Chapter shall be considered a retaliatory eviction. Under Civil Code Section 1942.5, it is illegal for a landlord to retaliate against a tenant for lawfully and peaceably exercising his or her legal rights.

8.55.090 Failure to comply.

A landlord's failure to comply with any requirement of this Chapter may be asserted as an affirmative defense in an action brought by the landlord to recover possession of the rental unit. Additionally, any attempt to recover possession of a rental unit in violation of this Chapter shall render the landlord liable to the tenant for damages permitted by law in a civil action for wrongful eviction. The tenant may also seek injunctive relief and money damages for wrongful eviction and/or failure to pay relocation assistance. A landlord may seek money damages for a tenant's failure to reimburse relocation assistance if the tenant ultimately fails to vacate the rental unit where a landlord provides a legal notice to terminate without cause or where the landlord provides a legal notice of a significant rent increase, or proposed multiple rent increases that cumulatively create a significant rent increase at any time during a twelve (12) month period. The prevailing party in an action for wrongful eviction and/or failure to pay relocation assistance or reimburse relocation assistance shall recover costs and reasonable attorneys' fees.

8.55.100 Hardship Waiver.

A landlord may request a waiver or adjustment of the relocation assistance payment required by this section upon:

- (a) A showing that strict application of its requirements would effectuate an unconstitutional taking of property or otherwise have an unconstitutional application to the property;
- (b) Other grounds that make payment of the full relocation assistance payment financially infeasible. The director of community development shall have authority to adopt guidelines to administer this provision.

Requests for waiver or adjustment must be submitted in writing to the city manager together with supporting documentation at least 90 days before a landlord serves the proposed termination of tenancy. Requests shall be acted on by the city manager or designee before the proposed termination date.

SECTION 3. SEVERABILITY. If any section of this ordinance, or part hereof, is held by a court of competent jurisdiction in a final judicial action to be void, voidable or unenforceable, such section, or part hereof, shall be deemed severable from the remaining sections of this ordinance and shall in no way affect the validity of the remaining sections hereof.

SECTION 4. CALIFORNIA ENVIRONMENTAL QUALITY ACT DETERMINATION. The City Council hereby finds that this ordinance is not subject to the provisions of the California Environmental Quality Act ("CEQA") under Sections 15378 and 15061(b)(3) of the of the CEQA Guidelines.

SECTION 5. EFFECTIVE DATE. This Ordinance shall take effect immediately following its adoption.

SECTION 6: SUNSET PROVISION. This Ordinance expires on October 1, 2022.

INTRODUCED on the __ day of _____ , 2019.

PASSED AND ADOPTED as an ordinance of the City of Menlo Park at a regular meeting of said City Council on the __ day of __, 2019, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Mayor

ATTEST:

Judi A. Herren, City Clerk

TENANT RELOCATION ASSISTANCE ORDINANCE COMPARISONS CHART
Updated February 7, 2019

City	Rent Control	Just Cause Evictions	Tenant Relocation Assistance	Trigger(s)	Tenant Relocation Assistance “Eligible Tenant”/Needs testing	Tenant Relocation Assistance Payments and other assistance due to the tenant
Menlo Park (Current draft proposal)	No	No	Proposed	<ol style="list-style-type: none"> 1. Landlord-caused termination where “significant rent increase” (greater than CPI + 5%) causes tenant to elect not to remain in unit 2. Landlord taking action to terminate a tenancy not meeting the exceptions as defined in § 8.55.020 	Tenants residing in a rental unit in Menlo Park for 12 months or more with a household income not to exceed 150% AMI. Eligible tenants living in all rental housing units except: those with affordable housing restrictions; secondary dwelling units; and owner-occupied single-family residences where a room is rented to a third party.	<ol style="list-style-type: none"> 1. Three times the applicable HUD fair market rent for San Mateo County. 2. Sixty-day rental service subscription. 3. Special circumstance households receive one additional month’s payment.
Redwood City (Approved in June 2018; effective January 1, 2019)	No	No	Yes	<ol style="list-style-type: none"> 1. Withdrawal from rental market 2. Demolish/otherwise remove from rental housing use. 3. To renovate/ remodel. 4. Condo conversion. 5. Change use to nonresidential 	Displaced residential household whose annual household income does not exceed 80% AMI and where the residential projects include more than 4 units	<ol style="list-style-type: none"> 1. Sixty-day rental service subscription. 2. Cash equivalent of 3 months’ rent calculated at time the relocation application is approved by City based on the most recent HUD Fair Market Rent calculation for San Mateo Co.. 3. Special circumstance households receive additional 1 month payment. 4. Admin fee set forth in the Code.
Santa Cruz (Effective February 8, 2019)	No	No, but considering	Yes	<ol style="list-style-type: none"> 1. Unsafe or hazardous living conditions 2. Illegal use of structure as residence 3. Large rent increase (defined as more than 5% in one year or cumulatively more than 7% in any two consecutive years 	No needs testing.	<ol style="list-style-type: none"> 1. For triggers 1 and 2, two months of HUD fair market rent. One additional month of HUD rent for tenants forced to leave in less than 30 days. 2. For large rent increase trigger, two months of tenant’s actual rent

TENANT RELOCATION ASSISTANCE ORDINANCE COMPARISONS CHART

Updated February 7, 2019

City	Rent Control	Just Cause Evictions	Tenant Relocation Assistance	Trigger(s)	Tenant Relocation Assistance "Eligible Tenant"/Needs testing	Tenant Relocation Assistance Payments and other assistance due to the tenant
East Palo Alto	Yes	Yes	Yes	Demolition or removal of a rental unit	Any tenant residing in a rental unit of any type that is not specifically exempt	<ol style="list-style-type: none"> 1. Provide tenants with reasonably complete and current list of vacant and available rental units comparable in size and amenities 2. Make reasonable and good faith effort to assure tenants without cars are driven, at no cost and tenants with cars are assisted to inspect replacement units 3. Take reasonable steps to assist any disabled or handicapped tenant with relocation activities; 4. Each tenant of a residential unit that is required to move (only adults and emancipated minors) residing on property for less than 2 years \$7,500 and residing on property for 2 years or longer \$10,000. (After April 1, 2012, payment to increase annually at rate of increase in consumer price index. 5. Plus, additional \$2,500 for special circumstances (low-income, disabled, elderly, dependent, or terminally ill). 6. Plus, actual moving costs up to \$2,500 if subject to rental control, or flat rate of \$1,500 if agreed by Tenant before move.
San Mateo	No	No	Yes ¹	<ol style="list-style-type: none"> 1. Demo of units; 2. Rehab of units when the rehab exceeds 25% of the market value of the unit 3. Conversion into nonresidential units 4. Conversion into owner occupied units 5. Displaced by rent increase rendering unit not affordable. 	Low to moderate-income households within the downtown redevelopment project area who are displaced after having received a notice to vacate or a rent increase rendering their unit not affordable.	<ol style="list-style-type: none"> 1. 3 months' rent being paid immediately prior to displacement.

¹ Only applies to Downtown Redevelopment Project Area.

TENANT RELOCATION ASSISTANCE ORDINANCE COMPARISONS CHART

Updated February 7, 2019

City	Rent Control	Just Cause Evictions	Tenant Relocation Assistance	Trigger(s)	Tenant Relocation Assistance “Eligible Tenant”/Needs testing	Tenant Relocation Assistance Payments and other assistance due to the tenant
Mountain View	Yes	Yes (\$1705)	Yes	<ol style="list-style-type: none"> 1. Terminating tenancy of a rental unit covered by the CSFRA² 2. Terminating tenancy of three or more rental units on one parcel within one year. 	A displaced residential household provided the annual household income does not exceed 120% of the median household income for the county as adjusted for household size according to the state department of housing and community development.	<ol style="list-style-type: none"> 1. Sixty-day rental service subscription. 2. Cash equivalent of 3 months’ rent based on the median monthly rent for a similar-sized unit with the same number of bedrooms and bathrooms as determined by a survey taken at least once a year of apartment rents in Mountain View; and 3. \$3,000 per unit for special-circumstances households adjusted annually for inflation based on the consumer price index.
Palo Alto	No	No	Yes	<ol style="list-style-type: none"> 1. No-fault evictions on properties with 50 or more units. 2. Demo of units 3. Rehab of uninhabitable unit(s) 4. Occupancy by the landlord or landlord’s family 	Applicable only to structures or lots containing 50 or more rental units. (Note: previous draft proposal included a means test of 100% AMI)	<ol style="list-style-type: none"> 1. Eligible household experiencing displacement over 31 days receives flat rate payments as follows: Studio \$7,000 1 bedroom \$9,000 2 bedroom \$13,000 3 or more bedrooms \$17,000. 2. Special circumstance households receive additional, one-time \$3,000 payment. 3. Rates increase annually based on regional CPI
San Leandro	No	No	Yes	Landlord caused terminating tenancy, when landlord provides tenant w/ a proposed rent increase that raises the rent to an amount more than 12% greater than the base rent in place at any time during a 12-month period.	Any tenant of a housing unit that contains 2 or more tenant-occupied housing units, and excludes tenant owned mobile homes and affordable housing.	<ol style="list-style-type: none"> 1. Cash equivalent of 3 months’ rent based on the most recent HUD Fair Market Rent calculation for Oakland-Fremont, CA, or 3 times the monthly rent the tenant is paying at the time the notice of the landlord-caused termination is delivered. Total amount not to exceed \$7,000. 2. Special circumstance households receive additional \$1,000 payment.

² A CSFRA (Community Stabilization and Fair Rent Act) covered rental unit means all rental units, except those specifically listed as exempt under the CSFRA. Exempt units include: hotels, motels, inns, tourist homes, etc.; hospital, dorm, convent, etc.; not-for-profit rental units; units owned/operated/managed by a government agency; units with a certificate of occupancy after Nov. 2016; single family homes; companion units; and duplexes. Partially exempt units (just cause eviction applies) rental units with initial certificate of occupancy between February 1, 1995, and November 2016 and rental units governed by the “Affordable Housing Program.”

TENANT RELOCATION ASSISTANCE ORDINANCE COMPARISONS CHART

Updated February 7, 2019

City	Rent Control	Just Cause Evictions	Tenant Relocation Assistance	Trigger(s)	Tenant Relocation Assistance “Eligible Tenant”/Needs testing	Tenant Relocation Assistance Payments and other assistance due to the tenant
Alameda ³	No	No ⁴	Yes	<ol style="list-style-type: none"> 1. No cause eviction 2. Owner Move-In 3. Demolition 4. Capital Improvement Plan 5. Withdrawal from Rental Market 6. Compliance with Gov’t order 	Rental Unit means a Housing unit (except single family homes) offered for rent <i>except</i> , where rents are regulated by federal, law or agreements with another governmental agency, housing units rented or leased for 30 days or less, hotels, motels and inns; commercial units; housing in hospital, convent, monastery, etc.; and mobile home lots.	<ol style="list-style-type: none"> 1. Payments based on a sliding scale based on tenancy length: 1 month rent, as averaged over the 12 months preceding terminating tenancy notice, for each year or portion thereof, to a maximum of 4 months’ rent; If the tenant lived in the unit for 4 years or more, an additional payment of \$1,500 (adjusted each year based on the consumer price index change). 2. Tenant permitted to stay in rental unit longer for no cause, demolition and withdrawal from rental market terminating tenancy, for an additional month for every year, up to a max of 4 months. The portion of the relocation fee will be reduced by 1 month’s rent for every month the tenant remains in the rental unit beyond the date required to vacate.
Union City	No	Yes ⁵	No			
Fremont	No	No	Yes	When the City determines that, the condition of a building or portion thereof is such that the tenant cannot safely occupy a residential unit while the building is being brought into compliance.	Any tenant of a dwelling, apartment, room etc., including mobile homes.	The building official has the sole discretion to determine the amount, type and duration of the relocation benefits.
Portland, OR	No	No	Yes	<ol style="list-style-type: none"> 1. Terminating tenancy w/out cause 2. Rent increase of more than 10% in 12-month period and tenant elects to terminate. 	Tenants, <i>except</i> week to week tenancy, landlord rents out only 1 dwelling unit in City, or landlord temporarily rents principal residence in landlord’s absence for less than 3 years	<ol style="list-style-type: none"> 1. 90-day notice 2. Payment as follows: \$2,900 for studio or single room occupancy; \$3,300 for one-bedroom \$4,200 for two bedroom \$4,500 for three bedroom or larger

³ Alameda ordinance is set to be repealed if City Council does not make affirmative vote to retain the Ordinance by December 31, 2019. This ordinance also contains a rent increase limitation.

⁴ In June 2017, Alameda City Council adopted an ordinance that would have eliminated “no cause” as a ground for eviction and requiring that if a tenant has a fixed term lease and that lease is not renewed the tenant is entitled to relocation payments if the tenant vacates at the end of the subsequent term. In June and July 2017, a referendum was certified by the Registrar of Voters and in September 2017 City Council voted to rescind the ordinance.

⁵ Effective May 10, 2017, landlords may only terminate a tenancy for a specific reason as listed in the Code. This requirement applies to all rental units including single-family homes and condominiums.

File No. 066778

August 28, 2018

VIA E-MAIL & U.S. MAIL

Clay J. Curtin
Interim Housing and Economic Development Manager
Community Development Department
City of Menlo Park
701 Laurel Street
Menlo Park, CA 94025
E-mail: cjcurtin@menlopark.org

**Re: City of Menlo Park Housing Commission's Consideration of a Proposed
"Tenant Relocation Assistance" Ordinance**

Dear Mr. Curtin:

This letter is written on behalf of the owners of the Anton Menlo Apartments located at 3639 Haven Avenue. As you know, the City Housing Commission is considering an ordinance requiring landlords to provide "tenant relocation assistance" where rent would be increased in excess of the previous year's Consumer Price Index plus five percent within a 12-month period and the tenant elects not to remain. As it relates to properties where the owner has the unqualified right to establish the initial *and all subsequent rental rates* under the Costa-Hawkins Rental Housing Act, however, the ordinance would be directly in conflict with state law. (Civ. Code, § 1954.50 et seq.) For the reasons stated below, it therefore must be revised to exclude such properties, such as the Anton Menlo Apartments. If the City refuses, the owners are prepared to pursue whatever legal action is necessary, including the filing of a petition for writ of mandate and the seeking of monetary damages.

Because Anton Menlo Apartments received a certificate of occupancy after February 1, 1995, it is statutorily exempt from rent control under the Costa-Hawkins Act. (Civ. Code, § 1954.52(a)(1).) As such, the owners have the right to both impose whatever rent they choose at the commencement of a tenancy as well as establish "all subsequent rental rates." (Civ. Code, § 1954.52(a).) This right to choose "subsequent rental rates" is unfettered under Costa-Hawkins. (See *Bisno v. Douglas Emmett Realty Fund 1988* (2009) 174 Cal.App.4th 1534, 1553 ["[A]t heart Costa-Hawkins allows landlords to avoid local rent control ordinances and impose whatever rent they think the market will bear."].)

As drafted, the ordinance would require *any* landlord who makes certain rent increases within a 12-month period to provide relocation assistance where the tenant elects to leave. But

under the “plain meaning” rule of statutory construction, if the language is unambiguous then it is presumed that the Legislature meant what it said. (*Palmer/Sixth Street Properties, L.P. v. City of Los Angeles* (2009) 175 Cal.App.4th 1396, 1410.) Here, the text plainly allows owners of certain residential property—such as Anton Menlo—the unqualified right to establish “all subsequent rental rates,” and the imposition of a substantial penalty on owners who chose to exercise such right is clearly hostile thereto. Because the proposed ordinance is contradictory to that plain language, it is therefore at least partially preempted by state law and unlawful. (See *Palmer/Sixth Street Properties, L.P. v. City of Los Angeles* (2009) 175 Cal.App.4th 1396, 1410 [explaining that local ordinance is preempted when it is “contradictory” to state law].)

The ordinance also is not otherwise authorized under the section of Costa-Hawkins that preserves local authority “to regulate or monitor the basis for eviction.” (Civ. Code, § 1954.52(c).) So-called “savings clauses” like this one, which preserve some preexisting legal authority from the effect of some newly enacted legal authority, are strictly construed. (*Coyne v. City and County of San Francisco* (2017) 9 Cal.App.5th 1215, 1231.) Indeed, courts have refused to interpret such clauses in a manner that would authorize any activity that directly conflicts with the statutory scheme containing the clause, as would be the case here. (*Id.*)

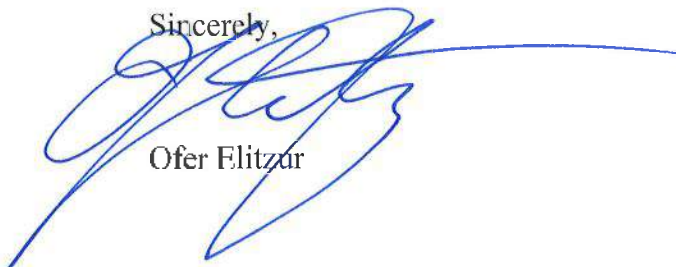
Nor is the ordinance even reasonably designed “to regulate or monitor the basis for eviction.” (Civ. Code, § 1954.52(c).) There is, in fact, no actual “eviction,” nor is the tenant otherwise forced to vacate. It is wholly unlike the scenarios contemplated in the savings clause, such as bad faith evictions by landowners. Instead, at least regarding those owners of property exempted under Costa-Hawkins, the ordinance seeks to penalize landlords who choose to exercise their right under state law to establish “all subsequent rental rates” and thereby impose indirectly what the City could not otherwise impose directly (i.e., rent control).

At a minimum, therefore, the proposed ordinance must be revised to exclude any residential properties where landlords may establish the initial and all subsequent rental rates for a residential property under California Civil Code section 1954.52. Indeed, other cities that have passed similar tenant relocation ordinances, such as the City of San Leandro, have included provisions that contain that precise exclusion. (See San Leandro Mun. Code, § 4-37-200(f).) In the event that the City refuses, the owners are prepared to take whatever legal action ultimately is necessary, including the filing of a petition for writ of mandate and the seeking of monetary damages as appropriate.

City of Menlo Park
August 28, 2018
Page 3

We will continue to monitor the City's consideration of this proposed ordinance and are willing to discuss this matter further with the City. If you have any questions, please do not hesitate to contact me at (415) 262-5165.

Sincerely,

A handwritten signature in blue ink, appearing to be 'Ofer Elitzur', with a long horizontal flourish extending to the right.

Ofer Elitzur

OE

066778\10013901

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COMMUNITY
LEGAL SERVICES
IN EAST PALO ALTO



October 4, 2018

VIA US MAIL AND ELECTRONIC MAIL

Clay J. Curtin
Interim Housing and Economic Development Manager
Community Development Department
City of Menlo Park
701 Laurel Street
Menlo Park, CA 94025
E-mail: cjcurtin@menlopark.org

Re: City of Menlo Park Housing Commission's Consideration of the Proposed Tenant Relocation Assistance Ordinance

Dear Mr. Curtin:

Thank you for the opportunity to comment on the draft ordinance establishing tenant relocation assistance. We write specifically to respond to legal arguments raised by the Anton Menlo Apartments in their letter dated August 28, 2018, and to share the basis for our belief in the legal soundness of the proposed ordinance.

The Costa-Hawkins Rental Housing Act (“Costa-Hawkins”) establishes a specific right to “establish the initial and all subsequent rental rates” for rented single family homes and apartment homes built after 1995. (Civ. Code § 1954.2(a) et seq.) The proposed tenant relocation assistance ordinance has no bearing on the ability of a landlord to choose what rental rate to charge, and is therefore not preempted by Costa-Hawkins.

A local ordinance conflicts with state law if it “duplicates, contradicts, or enters an area fully occupied by general law, either expressly or by legislative implication.” (*Coyne v. City and County of San Francisco* (2017) 9 Cal.App.5th 1215, 1231.) The proposed ordinance at issue here requires modest relocation payments, tailored to costs associated with moving and finding a new rental unit, if a tenant receives a substantial rent increase and decides to move out of their home. It is designed to prevent homelessness and displacement where tenants cannot afford the high cost of moving. It in no way affects the ability to establish rental rates, but rather provides for an ancillary obligation triggered by a small subset of extremely high rent increases. The proposed ordinance places no substantive burden on the specific right established by Costa-Hawkins—the right to determine the amount of rent that must be paid every month.¹ As such, a

¹ The requirement to supplement the notice already required for rent increases with an additional notice informing tenants of their right to relocation assistance is a minor procedural obligation that does not materially affect the right to set rental rates.

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F 650.326.9722

challenge could not overcome the strong presumption against preemption. *See Coyne v. City and County of San Francisco* (2017) 9 Cal.App.5th 1215, 1225.)²

Anton Menlo argues that the proposed ordinance is “hostile to” or conflicts with Costa-Hawkins, citing *Coyne v. City and County of San Francisco* (2017). This argument fails because *Coyne* is inapposite. First, rather than discussing Costa-Hawkins preemption, the holding of *Coyne* is limited to preemption analysis under the Ellis Act, a distinct statute that guarantees the right of landlords to convert apartment homes into condos or otherwise exit the rental business. (9 Cal.App.5th 1215). Anton Menlo cites to no authority in which the Ellis preemption jurisprudence is applied to Costa-Hawkins. Second, the reasoning in *Coyne* belies its inapplicability to the proposed ordinance. The San Francisco ordinance at issue in *Coyne* required unprecedentedly high payments to tenants evicted by landlords invoking the Ellis Act. Because the payments were a condition precedent to invoking the Ellis Act to remove tenants, it placed a direct burden on the right provided for in the Act. Here, by contrast, a landlord retains an unqualified right pursuant to Costa-Hawkins to establish rental rates. After setting the rate at any level, a landlord may be required to make a payment to mitigate moving costs that are a direct consequence of unaffordable rents, if the rent increase is more than five percent above inflation, and if the tenant elects to move. As noted in Anton Menlo’s letter, under the “plain meaning of statutory construction, if the language is unambiguous then it is presumed that the Legislature meant what it said.” Costa-Hawkins did not create a right to remove tenants without cost; it created a right to establish rental rates. The proposed ordinance does not affect this right.

Even if the preemption standard of *Coyne* applied, this ordinance would survive scrutiny. Under *Coyne*, a local ordinance must not “impose a prohibitive price” on the landlord’s ability to exercise the Ellis Act right to exit the rental market. (*See Coyne v. City and County of San Francisco* (2017) 9 Cal.App.5th 1215, 1226.) Ordinances struck down under this standard are those that “in effect, barred” landowners from exercising the protected right—those that imposed a price so great that no reasonable decision maker would elect to exercise the right. (*See San Francisco Apartment Assn. v. City and County of San Francisco* (2016) 3 Cal.App.5th 463, 482 (striking down a *mandatory ten-year delay* on certain kinds of Ellis Act conversions); *see also Bullock v. City and County of San Francisco* (1990) 221 Cal.App.3d 1072 (striking down an ordinance requiring one-for-one replacement of converted units by construction or payment of 40 percent of the construction costs of the number of units converted)). The ordinance in *Coyne* required payment of the *two-year differential* between the tenant’s current rent and the prevailing rent for a comparable apartment, with a cap of \$50,000. (*Coyne v. City and County of San Francisco* (2017) 9 Cal.App.5th 1215, 1219.) By contrast, the same appellate court upheld the ordinance at issue in *Pieri v. City of San Francisco*, which required relocation payments of \$4,500 per tenant with a maximum of \$13,500 per unit. (*Pieri v. City and County of San Francisco* (2006) 137 Cal.App.4th 886, 889.)

² As stated in *Coyne*, “When local government regulates in an area over which it traditionally has exercised control[,] California courts will presume, absent a clear indication of preemptive intent from the Legislature, that such regulation is not preempted by state statute. The presumption against preemption accords with our more general understanding that ‘it is not to be presumed that the legislature in the enactment of statutes intends to overthrow long-established principles of law unless such intention is made clearly to appear either by express declaration or by necessary implication.’” (*Coyne v. City and County of San Francisco* (2017) 9 Cal.App.5th 1215, 1225) (internal citations and quotation marks omitted.)

Clay J. Curtin and Menlo Park Housing Commissioners
October 4, 2018

Notably, the Court in *Coyne* considered whether or not payments were “directed at the adverse impacts caused by the landlords decision” to be highly relevant to determining the ordinance’s validity. (*Coyne v. City and County of San Francisco* (2017) 9 Cal.App.5th 1215, 1227.) Unlike the *two-year differential* rent payments at issue in *Coyne*, this proposed ordinance requires payments closely tailored to the cost of moving. Three months’ rent, or “first, last, and deposit” is the most common payment requirement for moving into a new apartment.

The payments in the current proposal are neither prohibitive nor likely to dissuade a landlord from establishing any rental rate he or she would otherwise choose to establish. By definition, the payments are limited to an amount equal to the amount of revenue a landlord can bring in by charging market rate to new tenants for three months. (Menlo Park Municipal Code Proposed Chapter 8.55.040.) The addition of a basic hardship waiver, ensuring that no landlord is impoverished or risks foreclosure as a result of relocation payments, would eliminate any risk that payments could be “prohibitive.”

Recently, an Oregon court upheld a similar relocation ordinance enacted by the city of Portland against a challenge claiming preemption by state law. In spite of the broader language in the state statute, prohibiting local laws that “control[] the rent that may be charged,” the court found that legislature could have but did not proscribe local laws that may have an “indirect effect” of influencing rents. In light of the presumption against preemption, a law limiting rent control should not be read to bar contingent relocation assistance payments. (*Owen, et al. v. City of Portland* (2017) No. 17CV05043.)

Because it has no bearing on and does not substantially burden the ability of landlords to establish rental rates, the proposed ordinance need not fall within Civil Code Section 1954.52(c), which clarifies that Costa-Hawkins does not affect the ability of localities to regulate the basis for eviction. Nonetheless, that proposed ordinance is properly construed as regulating the basis for eviction, and therefore falls within the savings clause. The relocation payments are required only where a tenant (1) receives a substantial rent increase; and (2) elects to leave; in other words, where a tenant is evicted because they cannot afford the increased rent. The ordinance regulates the manner in which tenants may be evicted because of rent increases, but has no effect on the ability of landlords to establish rental rates for current or future tenants.

Menlo Park and the Bay Area are experiencing an unprecedented housing and homelessness crisis that threatens our communities. Teachers, health care workers, and other people who serve our communities cannot afford to live in them. This proposal would help people find homes so they can continue to contribute to the community. It asks only that landlords offset the cost of displacement by contributing a modest amount, and in no way affects a landlord’s right to set rental rates.


We appreciate you taking the time to review this letter and strongly encourage adoption of the proposed ordinance. Please reach out with any questions regarding this letter.

Clay J. Curtin and Menlo Park Housing Commissioners
October 4, 2018

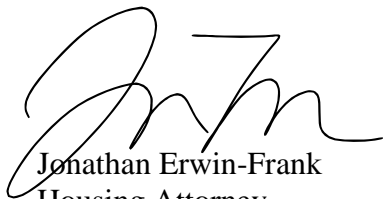
Sincerely,



Keith Ogden
Senior Housing Attorney
Community Legal Services in East Palo Alto
1861 Bay Road
East Palo Alto, CA 94303
Keith@clsepa.org
(650) 391-0346



Shirley Gibson
Directing Attorney
The Legal Aid Society of San Mateo County
Natalie Lanam Justice Center
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Redwood City, CA 94065
SGibson@legalaidsmc.org
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Jonathan Erwin-Frank
Housing Attorney
Community Legal Services in East Palo Alto
1861 Bay Road
East Palo Alto, CA 94303
Jerwin-frank@clsepa.org
(650) 391-0360

cc: Menlo Park Housing Commissioners
cc: William L. ("Bill") McClure, City Attorney, wlm@jsmf.com

Curtin, Clay J

From: Mical Atz Brenzel
Sent: Monday, July 30, 2018 6:19 PM
To: Curtin, Clay J
Cc: _CCIN; hello@caanet.org
Subject: Menlo Park Housing Commission to Review Rental Relocation Assistance Ordinance

Dear Mr. Curtin, Interim Housing and Economic Development Manager for the City of Menlo Park,

I received an e-mail message on July 27 that stated that “the Housing Commission will be reviewing and considering a draft ordinance that would require rental relocation assistance payments for eligible tenants within Menlo Park.” The staff report on, and draft of, this ordinance will be issued on August 2.

I am writing to you on July 30, in advance of even seeing the staff report and the draft ordinance, because I can tell you *a priori* that any such rental ordinance is a **TERRIBLE IDEA** for City of Menlo Park — indeed for any city on the planet.

If there is one precept that must be inviolate in the residential rental market, it is that no government interference in the workings of the marketplace, no matter how well intentioned, ever turns out well. There are always negative consequences to any attempts to regulate rent increases, eviction requirements, rental tenant screening practices, lease tenors, and now this, relocation assistance requirements.

Rental housing exists because investors build or buy residential properties to rent them at a profit. That is how capitalism works: it is underpinned by private property ownership. Property ownership has risks and it has rewards. The owner takes on both. The tenant is not an owner; he takes none of the risks of property ownership and gets none of the rewards. He has a contractual arrangement with his landlord to pay periodic rent in return for the opportunity to occupy the property. The government needs to steer absolutely clear of that relationship, just as it should in other contractual business relationships. If rents are regulated and a property owner’s return on investment is limited or eliminated, he will cease to rent, buy or develop residential rental property. Rent control **guarantees** a decline in a city’s habitable rental housing stock. This has been proven again and again, in rental markets from New York City (my home town) to San Francisco to Caracas, Venezuela. Imposing other rental regulations, like so-called just-eviction rules, the elimination of vacancy rent de-control, the requirement to consider tenants presenting Section 8 housing vouchers (this is NOT a requirement of the Federal Section 8 program, I will add) and now here, the requirement to provide relocation assistance to tenants whose leases are not being renewed after the lease term, inevitably reduces the return on rental housing and quickly diminishes the quality and quantity of rental housing stock in the city. Tenants have no right to

occupy a rental property outside the terms of their lease and the consent of their landlord. The landlord has **NO OBLIGATION WHATSOEVER** to house or relocate his tenants beyond the term of the lease. The very concept of a “rental relocation assistance payments” flies in the face of this rental contract limitation.

If I own an exercise studio and decide to change it from one catering to adults to one catering to teenagers, am I obligated to find my existing exercise clients — even if they have loyally come to my studio for decades — a new gym and pay for their new gym’s initial membership cost? I have a membership contract with my gym clients, and that is the full extent of my obligations to them. A residential rental contract is absolutely identical in nature.

Menlo Park has started down a very dangerous and destructive road in the housing sector. First, the City Council unwisely passed an ordinance requiring landlords to be indiscriminate in viewing the source of a prospective tenant’s income — directly implying that Section 8 housing vouchers must be considered on an equal footing with earned income, something every landlord in the country knows is not true. Section 8 tenants have a long, long history of being more difficult, destructive, and abusive tenants than individuals who earn their rent themselves. Forcing a landlord to take on Section 8 tenants simply will drive landlords who offer lower rent properties out of the marketplace. They will sell their buildings to investors who will develop them into luxury housing, which will not be subject to the Section 8 tenancy requirement. The next step down this destructive housing road is to make that redevelopment process more onerous, by requiring tenant rental relocation assistance payments from property owners who want to redevelop their property. I can guarantee you that this will be the final nail in the coffin for middle and lower middle income housing in Menlo Park. No one will wait to unload properties immediately for redevelopment, before the relocation requirements and costs are litigated even higher as a result of whatever ordinance you pass.

Scrap this idea before it even reaches the drawing board, or you will be very unhappy with its eventual consequences.

Sincerely,

Mrs. Mical Atz Brenzel
(30 year Menlo Park resident and homeowner)

Curtin, Clay J

From: Shirley Gibson

Date: Wednesday, August 8, 2018 at 11:02 AM

To: Karen Grove

Subject: urgency, tenant relocation ordinance

Dear Karen:

This is to follow up on our phone conversation regarding the tenant relocation ordinance under consideration, and why it is important to frame as an urgency ordinance. I understand that staff have drafted the current version without an urgency clause, based on lack of available data that shows how many tenants would face displacement without assistance during the 30-day lag time to implementation. I do think there is sufficient evidence of urgency to support findings for immediate implementation, given what we know of the frequency and severity of these issues.

The current scale of the problem can only be estimated, but that estimate should include both significant rent increases and instances of “no fault” eviction notices, since both scenarios are addressed in the ordinance. Legal Aid knows of 20 “no fault” eviction notices issued within the past 32-months, and that this sample of eviction activity, self-reported by the Menlo Park residents who were motivated to consult a lawyer, is but a fraction of the total. We do not consistently track contacts from Menlo Park tenants regarding rent increases, but our records reflect that at least an additional 10 Menlo Park households reported rent increases of more than 10% during the past 32 months. Again, this is a fractional sampling that in no way captures the full scale of significant rent increases in the city. However, we can extrapolate from this sample that during any recent 30-day period, at least a few households in Menlo Park received a “no fault” eviction notice or significant rent increase.

The rate and scale of significant rent increases will inevitably escalate if tenant protections of any degree are contemplated by the City Council. With prior similar initiatives in other jurisdictions, we know that landlords responded pre-emptively before the potential effective date of a tenant protection measure. Two examples from Legal Aid’s cases:

- In April 2017, in response to the Pacifica City Council agenda item to place a rent control and just cause for eviction ordinance on the November 2017 ballot, the landlord of 360 Talbot Street increased rents on all 16 units of the building by 40%. The landlord was very candid about her intention in doing so, that she wished to avoid potential fiscal impact of the ordinance, and that the increase was more than she would have routinely sought but for the possibility of future increases being limited.
- In August 2016, the landlord of 117 Anita Road, Burlingame, issued 60-day “no-cause” notices of termination of tenancy to all four units in the building, in anticipation of a rent control ordinance on the November 2016 ballot which, if passed, would roll back recently implemented rent increases for existing tenants. This landlord stated openly to the tenants that the only reason the termination notices had been issued was to ensure that the landlord would not be “stuck” with them if the ordinance passed, and that he had been advised to take this pre-emptive step by his attorney Todd Rothbard.

We can be certain that in anticipation of a new obligation to provide relocation assistance to displaced tenants, some landlords will hasten to serve rent increase notices before that obligation becomes effective. In addition, if the 36-month residency qualification for eligibility were to be included in the proposed ordinance, we can be certain that landlords will be motivated to pre-emptively terminate the tenancies of long-term tenants if they wish to avoid the obligations of the ordinance by restricting future rentals to less than 36-months in duration. In short, whatever the current scale of rent increases and displacement, it is reasonable to expect that to escalate in anticipation of the effective date of the ordinance.

Finally, there is recent and relevant research that shows the hardship and community impact when a tenant is displaced without benefit of financial assistance. Even if we cannot precisely quantify the number of households who would face this hardship during a 30-day interval, the severity of the hardship that would certainly result is sufficient to demonstrate urgency. The Urban Displacement study of San Mateo County households (http://www.urbandisplacement.org/sites/default/files/images/impacts_of_displacement_in_san_mateo_county.pdf) includes these findings:

- Approximately one in three displaced households reported some period of homelessness or marginal housing in the two years following their displacement. Several of these households remained homeless even months after they were displaced.
- After being displaced, only 20 percent of households reported staying in the same neighborhood (within one mile of their previous home). Thirty-three percent of households left San Mateo County, generally moving to the Central Valley or eastern communities in the East Bay.
- After being displaced, households moved to neighborhoods with fewer job opportunities on average, leading to longer, more costly commutes for households who left the county. These new neighborhoods also had more environmental and safety concerns as well as fewer healthcare resources.
- Displacement was a significant disruption and trauma for respondents and their children. Two out of three children in displaced households had to change schools.

These are precisely the types of hardships that the proposed tenant relocation assistance is designed to mitigate. If even a handful of tenant households can have these alleviated by immediate implementation of the ordinance, than an urgency is justified.

I hope this is helpful to your review. Please let me know if there is other information I can provide to support your deliberations.

Regards,
Shirley

Shirley E. Gibson
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Curtin, Clay J

From: Rhovy Lyn Antonio
Sent: Wednesday, August 8, 2018 1:50 PM
To: Meg McGraw-Scherer; Julianna Dodick; Karen Grove; Rachel Horst; Wendy McPherson; Nevada Merriman; Michele Tate

Cc: Curtin, Clay J
Subject: Letter from CAA re: Tenant Relocation Assistance
Attachments: SKMBT_C554e18080813440.pdf

Good afternoon Chair McGraw0Shcerer and Housing Commission Members,

Please see the attached letter from the California Apartment Association, Tr-County Division re: Tenant Relocation Assistance that is on tonight's meeting agenda. Thank you for your consideration.

Best,

[Rhovy Lyn Antonio](#) - Vice President of Public Affairs
California Apartment Association
1530 The Alameda, Suite 100, San Jose, CA 95126
rantonio@caanet.org - (408) 342-3506

*CAA is your partner in the rental housing industry.
[Find out how we're working for you.](#)*



California Apartment Association

1530 The Alameda, Suite 100
San Jose, CA 95126
408.342.3500 • caanet.org

August 7, 2018

Menlo Park Housing Commission
City of Menlo Park
701 Laurel Street
Menlo Park, CA 94025

Re: August 8, 2017 Housing Commission Meeting Item D3 Tenant Relocation Assistance

Dear Chair McGraw-Scherer and Members,

The California Apartment Association, Tri-County Division (CAA Tri-County) which represents over 3,000 owners and managers of residential rental properties in San Mateo, Santa Clara, and Santa Cruz Counties offers our feedback on the Housing Commission's proposal to establish a tenant relocation assistance ordinance. Given the nature of the proposal before the Housing Commission, CAA Tri-County opposes the proposed Tenant Relocation Assistance Ordinance and urges the Housing Commission to re-consider its recommendation to the City Council to be consistent with the Council's direction of January 10, 2017.

As a key stakeholder in housing issues in Menlo Park and a participant of the joint City Council and Housing Commission Study Session held on January 10, 2017, CAA Tri-County and its members have worked tirelessly to engage with the city in developing meaningful housing solutions that are fair, equitable, collaborative, and most importantly, based on facts. We partnered with the city in developing its Right to a Lease Ordinance and offer guidance to Menlo Park housing providers to ensure compliance.

As we shared during the January 2017 joint study session, CAA Tri-County and its members do not oppose the city exploring a reasonable tenant relocation assistance program when a unit is permanently removed from the market or when a unit must be vacated for renovations. These were the parameters supported by the City Council at that meeting and CAA Tri-County agreed with this approach. CAA Tri-County also did not oppose the Housing Commission's recommendation to identify tenant relocation assistance as priority #1 at the August 2017 City Council meeting.

However, upon reviewing the current proposal by the Housing Commission, CAA Tri-County has serious concerns with the proposed ordinance as written. The ordinance, in its current form, has

tremendously expanded its scope beyond the City Council's original intention. **Due to the extreme deviation from the program's original intent and eligibility, CAA Tri-County opposes the proposal as written.**

Neither one of the January or August 2017 meetings included a discussion to expand the program scope beyond displacement caused by the sale of a property or redevelopment. Triggers related to rent increases or the ambiguous term "landlord-caused termination" were never addressed. In fact, the City Council made it clear that rent or eviction-related regulations were not included in any of the housing initiatives they discussed. The ordinance's trigger of "significant rent increase" of 5% plus CPI is a form of rent control, which the City Council has already spoken against.

CAA Tri-County is aware of the discussions made to use the City of Mountain View's tenant relocation assistance program as a model. However, the reference to the Mountain View program referred to the provisions of the original program which was related to units permanently removed from the market. There was no indication to replicate Mountain View's amended version tenant relocation assistance program which was just recently overhauled to comply with Measure V, Mountain View's rent control ballot initiative which went into effect in 2016-2017.

CAA Tri-County, in good faith, trusted that the Housing Commission exploration of the program would be aligned with the City Council's feedback. An increased public outreach especially to housing providers would have been helpful as soon as the Housing Commission made the decision to expand the program parameters. Changing course without full disclosure or outreach are not good basis for policy making.

Again, CAA Tri-County and its members continue to recognize the various policy concerns the City of Menlo Park is trying to balance and we are confident that, if all stakeholders continue to work together, we can find a reasonable and lawful solution that more fairly addresses the city's housing challenges. The proposed ordinance, however, is not that solution. We urge you to work with local housing providers and seek more input to explore the feasibility of a tenant relocation assistance program that is aligned with the City Council's original intention.

Thank you for your consideration.

Sincerely,



Rhovy Lyn Antonio
Vice President of Public Affairs
CAA Tri-County

Curtin, Clay J

From: Ryan Carrigan
Sent: Wednesday, August 8, 2018 2:22 PM
To: Curtin, Clay J
Cc: Julianna Dodick; Karen Grove; Rachel Horst; Wendy McPherson; Meg McGraw-Scherer; Nevada Merriman; Michele Tate
Subject: Item D3 Tenant Relocation Assistance - MP Housing Commission

Mr. Curtin,

I am reaching out regarding Item D3, to be discussed at tonight's Housing Commission meeting. On behalf of the real estate community and our members, including property managers and owners, the Silicon Valley Association of REALTORS (SILVAR) has serious concerns with many of the regulations outlined in the draft tenant relocation ordinance. We directly understand the impact the high cost of housing has on families in our community and are proactively working to be part of the solution with many partners throughout the region. However, we feel the draft ordinance, as proposed, will only contribute to the problem and create further obstacles to housing affordability in Menlo Park.

Our foremost concern is the Housing Commission going beyond City Council's original request and proposing regulations they weren't tasked with discussing. From reviewing council discussion in January and August of 2017, it seems clear that council gave direction to bring forward a tenant relocation assistance ordinance that would apply under Ellis Act removals or substantial renovation of a property. In fact SILVAR was part of those discussions, and worked with council to find viable solutions. The original direction given by council was something that we supported, but the subsequent Housing Commission proposal of including rent increases, and rental rates, as terms of relocation assistance are confusing to us and go beyond the policy proposals discussed last year.

The lack of follow up and outreach since then is something that we also have significant concern about. A change in direction of such magnitude, and of such impact, should receive multiple public hearings, and consider input from many stakeholders involved with providing multi-family housing. To submit a draft ordinance that goes beyond council direction and only engages the community and stakeholders after one public meeting seems like a waste of council time and city resources. We hope to see a robust discussion with the many mom and pop property owners, and others providing multi-family housing, as well as tenants, before a finalized draft ordinance is submitted to council.

I look forward to working with you as this issue moves forward.

Thank you,
Ryan

Ryan Carrigan
Government Affairs Director
Silicon Valley Association of REALTORS®
19400 Stevens Creek Blvd., #100
Cupertino, CA 95014
www.silvar.org
Phone: 408.200.0100
Direct: 408.200.0108
Mobile: 510.393.7622
rcarrigan@silvar.org

Curtin, Clay J

From: Adina Levin
Sent: Wednesday, August 8, 2018 5:04 PM

Subject: Tenant Relocation Assistance

Dear Housing Commissioners,

Thank you for considering the important issue of tenant relocation assistance. As housing prices skyrocket, many of our neighbors are facing eviction due to increased rents. Data shows that many families experience homelessness after eviction, especially among households that are low income and minority, who lack savings to weather the transition.

Please recommend to City Council a policy that provides tenants with financial assistance sufficient to pay for first and last month's rent plus moving expenses at market rate, so they can afford housing while they look for a new home. Such a policy would require the landlord to assist tenants with their move in situations where the tenant is not at fault.

Thank you very much for your consideration,

- Adina
Adina Levin
Menlo Park Resident
650-646-4344

Curtin, Clay J

From: Mical Atz Brenzel
Sent: Tuesday, August 14, 2018 12:58 AM
To: Curtin, Clay J
Cc: _CCIN
Subject: Fwd: Menlo Park Housing Commission to Review Rental Relocation Assistance Ordinance

Mr. Curtin, I appreciate your response to my e-mail and I do hope you shared my message with the Housing Commission.

I have just read the draft language for the ordinance that you provided and I am even more outraged. Please pass on these additional comments to the Housing Commission and to the City Council.

This is the preamble to the ordinance:

The City of Menlo Park currently does not regulate rent increases or reasons for evictions from residential property and certain aspects of public peace, health, and safety are not adequately protected due to the lack of regulation. The increasing rents combined with a housing shortage places substantial pressure on the existing city residents who rent housing. In particular, rising rents can lead to tenant displacement of residents.

The very premise of this ordinance is RUBBISH. The idea that the entire landlord/tenant relationship can only be a good one if there is governmental rental regulation is FALSE. If that were true, no contractual relationship between any two private parties over anything would be reliable. The idea that without rent regulation there will be no protection of public peace, health and safety is appalling. That is what a LEASE AGREEMENT does: protect landlord and tenant with the written terms of their agreement with each other. The government doesn't need to be a part of this contractual relationship and shouldn't be. This ordinance would give tenants privileges way in excess of what property owners get. What about a property owner who is forced to move because of rising mortgage rates on his adjustable rate mortgage or rising property taxes because of poor fiscal management by county and city governments? Why doesn't a bank pay relocation assistance to a displaced mortgagee or a city or county pay relocation assistance to a property owner unable to pay his property tax and forced to move from his home? If this ordinance passes in Menlo Park, I would advise every single landlord in the city to convert his property into condos and get out of the rental business entirely. I would certainly advise no one to *ever* rent to the "protected groups" that will get EXTRA rental relocation assistance under this ordinance: seniors over age 62; the disabled; households with children under 18.

The proposed rental relocation assistance is THREE times the current citywide average rent, plus a 60-day subscription to a rental relocation assistance service, plus another month's assistance for "protected class" tenants. Yes, if the average rent in Menlo Park is \$5000/month (I think this could be the number, averaging in the rents on all homes, big luxury apartments, etc. in the city), the landlord would have to pay \$15,000 to relocate ANY tenant who says, "Sorry, I can't pay the rent you are now asking" or if the landlord wants to substantially modify or remodel the rental property (or even move into it himself). Who on earth would rent anything with this potential penalty payment hanging over his head?

Menlo Park and its socialist sister cities in the People's Republic of California had better realize sooner rather than later that this type of market interference will ELIMINATE housing; it will surely not create more "affordable" housing. And here is a catch: a tenant is only eligible for this rental relocation windfall if he has resided in the rental unit for more than 36 months. Therefore, if this abomination passes, I would advise every landlord in the city to force out every tenant before his occupancy reaches the 36-month marker. Even a high earning tenant should be forced out: you never know — that tech guy could lose his \$200K/year job and then he'd be eligible for the rental assistance just as much as the part-time street sweeper. Yup, churning your tenants every 3 years will improve the housing stability in the community.

Regards,

Mrs. Mical Atz Brenzel

Begin forwarded message:

From: "Curtin, Clay J"
Subject: RE: Menlo Park Housing Commission to Review Rental Relocation Assistance Ordinance
Date: August 3, 2018 at 6:50:15 PM PDT
To: 'Mical Atz Brenzel'

Hello Mrs. Brenzel,

I wanted to acknowledge the receipt of your email and let you know that I will share your email with the Housing Commission when it considers this item on August 8, 2018.

The staff report (attached) has been released with the updated draft language requested by the Commission. I anticipate a robust public outreach effort before this comes before the City Council for its consideration.

Sincerely,

Clay J. Curtin

Curtin, Clay J

From: Elitzur, Ofer
Sent: Tuesday, August 28, 2018 4:18 PM
To: Curtin, Clay J
Cc: Ardie Zahedani; Trisha L. Malone - Anton Development Company, LLC
Subject: Letter regarding Menlo Park Housing Commission's proposed Tenant Relocation Assistance Ordinance
Attachments: Anton Menlo Apartments letter.pdf

Mr. Curtin:

Please see the attached letter.

Thank you,

Ofer Elitzur



Cox, Castle & Nicholson LLP
50 California Street | Ste 3200 | San Francisco, CA 94111
direct: 415.262.5165
main: 415.262.5100 | *fax:* 415.262.5199
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File No. 066778

August 28, 2018

VIA E-MAIL & U.S. MAIL

Clay J. Curtin
Interim Housing and Economic Development Manager
Community Development Department
City of Menlo Park
701 Laurel Street
Menlo Park, CA 94025
E-mail: cjcurtin@menlopark.org

**Re: City of Menlo Park Housing Commission's Consideration of a Proposed
"Tenant Relocation Assistance" Ordinance**

Dear Mr. Curtin:

This letter is written on behalf of the owners of the Anton Menlo Apartments located at 3639 Haven Avenue. As you know, the City Housing Commission is considering an ordinance requiring landlords to provide "tenant relocation assistance" where rent would be increased in excess of the previous year's Consumer Price Index plus five percent within a 12-month period and the tenant elects not to remain. As it relates to properties where the owner has the unqualified right to establish the initial *and all subsequent rental rates* under the Costa-Hawkins Rental Housing Act, however, the ordinance would be directly in conflict with state law. (Civ. Code, § 1954.50 et seq.) For the reasons stated below, it therefore must be revised to exclude such properties, such as the Anton Menlo Apartments. If the City refuses, the owners are prepared to pursue whatever legal action is necessary, including the filing of a petition for writ of mandate and the seeking of monetary damages.

Because Anton Menlo Apartments received a certificate of occupancy after February 1, 1995, it is statutorily exempt from rent control under the Costa-Hawkins Act. (Civ. Code, § 1954.52(a)(1).) As such, the owners have the right to both impose whatever rent they choose at the commencement of a tenancy as well as establish "all subsequent rental rates." (Civ. Code, § 1954.52(a).) This right to choose "subsequent rental rates" is unfettered under Costa-Hawkins. (See *Bisno v. Douglas Emmett Realty Fund 1988* (2009) 174 Cal.App.4th 1534, 1553 ["[A]t heart Costa-Hawkins allows landlords to avoid local rent control ordinances and impose whatever rent they think the market will bear."].)

As drafted, the ordinance would require *any* landlord who makes certain rent increases within a 12-month period to provide relocation assistance where the tenant elects to leave. But

under the “plain meaning” rule of statutory construction, if the language is unambiguous then it is presumed that the Legislature meant what it said. (*Palmer/Sixth Street Properties, L.P. v. City of Los Angeles* (2009) 175 Cal.App.4th 1396, 1410.) Here, the text plainly allows owners of certain residential property—such as Anton Menlo—the unqualified right to establish “all subsequent rental rates,” and the imposition of a substantial penalty on owners who chose to exercise such right is clearly hostile thereto. Because the proposed ordinance is contradictory to that plain language, it is therefore at least partially preempted by state law and unlawful. (See *Palmer/Sixth Street Properties, L.P. v. City of Los Angeles* (2009) 175 Cal.App.4th 1396, 1410 [explaining that local ordinance is preempted when it is “contradictory” to state law].)

The ordinance also is not otherwise authorized under the section of Costa-Hawkins that preserves local authority “to regulate or monitor the basis for eviction.” (Civ. Code, § 1954.52(c).) So-called “savings clauses” like this one, which preserve some preexisting legal authority from the effect of some newly enacted legal authority, are strictly construed. (*Coyne v. City and County of San Francisco* (2017) 9 Cal.App.5th 1215, 1231.) Indeed, courts have refused to interpret such clauses in a manner that would authorize any activity that directly conflicts with the statutory scheme containing the clause, as would be the case here. (*Id.*)

Nor is the ordinance even reasonably designed “to regulate or monitor the basis for eviction.” (Civ. Code, § 1954.52(c).) There is, in fact, no actual “eviction,” nor is the tenant otherwise forced to vacate. It is wholly unlike the scenarios contemplated in the savings clause, such as bad faith evictions by landowners. Instead, at least regarding those owners of property exempted under Costa-Hawkins, the ordinance seeks to penalize landlords who choose to exercise their right under state law to establish “all subsequent rental rates” and thereby impose indirectly what the City could not otherwise impose directly (i.e., rent control).

At a minimum, therefore, the proposed ordinance must be revised to exclude any residential properties where landlords may establish the initial and all subsequent rental rates for a residential property under California Civil Code section 1954.52. Indeed, other cities that have passed similar tenant relocation ordinances, such as the City of San Leandro, have included provisions that contain that precise exclusion. (See San Leandro Mun. Code, § 4-37-200(f).) In the event that the City refuses, the owners are prepared to take whatever legal action ultimately is necessary, including the filing of a petition for writ of mandate and the seeking of monetary damages as appropriate.

City of Menlo Park
August 28, 2018
Page 3

We will continue to monitor the City's consideration of this proposed ordinance and are willing to discuss this matter further with the City. If you have any questions, please do not hesitate to contact me at (415) 262-5165.

Sincerely,

A handwritten signature in blue ink, appearing to be 'Ofer Elitzur', with a long horizontal flourish extending to the right.

Ofer Elitzur

OE

066778\10013901

Curtin, Clay J

From: Blake Campbell
Sent: Sunday, September 2, 2018 1:23 PM
To:

Subject: Opposition to Required Tenant Relocation Assistance

Ladies and Gentlemen:

I am writing to you to express my opposition to the proposal to force landlords to provide mandatory relocation assistance to departing tenants.

I'm not a landlord or apartment owner. Just a taxpaying citizen.

But I don't think it should be the role of a municipal government to regulate the economic relationships between two voluntarily contracting parties.

It will just further distort the market, and will cause landlords to pass the costs on to other existing and future renters.

The city shouldn't be in the business of favoring one class of residents over another.

Thank you for your consideration.

Blake Campbell

Curtin, Clay J

From: Roberta Ahlquist
Sent: Monday, September 3, 2018 1:00 PM
To: _CCIN; Council, City
Subject: Fwd: Fw: Los Angeles Tenants: The Rent's Getting Too Damn High!

Residents across the state are hampered if there is no rent controls

----- Forwarded Message -----

From: Capital & Main <info@capitalandmain.com>

Sent: Friday, August 31, 2018, 12:52:29 PM PDT

Subject: Los Angeles Tenants: The Rent's Getting Too Damn High!

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August 31, 2018

Los Angeles County has not had a rent control policy for its unincorporated areas since Ronald Reagan was president. That leaves low-income tenants like 62-year-old Jose Nuñez, of Florence-Firestone, with limited options. Nuñez, who gets by on a \$975 monthly disability payment, was recently [served with an eviction notice](#), along with other tenants in his apartment complex.

Nuñez hasn't been able to find another apartment he can afford. And so he and other tenants have banded together to fight the eviction in court. Theirs is an increasingly common battle in California, where skyrocketing rents have given rise [to a burgeoning tenants-rights movement](#). Renters are taking their grievances to local governments, to courtrooms and, in November, to the ballot box, where voters will decide a controversial measure that could give municipalities more latitude to regulate rents.

RECEIVED

SEPT 4, 2018

SEP 13 2018

City of Menlo Park
City Manager's Office

DEAR HOUSING COMMISSION

WHAT BUSINESS IS IT OF YOURS.

THE HANNY STATIST TO HELP
DISLOCATED PEOPLE??

ENOUGH IS ENOUGH
STAY OUT OF IT.

YOURS IN LIBERTY

IRVIN E. CHAMBERS
2160 MENALTO AVENUE
MENLO PARK, CA, 94025

Curtin, Clay J

From: phairmai
Sent: Tuesday, September 4, 2018 2:15 PM
To: Curtin, Clay J
Subject: public response to " Proposed tenant relocation assistance ordinance"
Attachments: Scan.pdf

Dear Mr. Clay J. Curtin,
Interim Housing and Economic Development Manager,

Please submit my attached response letter to this proposed Menlo Park Ordinance at the public special meetings of the Housing Commission on Sept 12th and 13th, 2018. If you would be so kind as to provide them and the Menlo Park council members with a written copy of it and have it read into the public record as my comments, since I cannot attend personally.

If you would like any further clarification of my comments or input from me on this ordinance, I am available by telephone and this email.

Thank you, Thomas Phair 831-728-1674

Sept. 3, 2018

Menlo Park City Council members,
Housing Commissioners and Staff

Ref : Response to : "Proposed tenant relocation assistance ordinance."

Dear Officials;

I am the owner of a duplex in Menlo Park since 1977 and have just received my first notice of your draft ordinance by mail, since I no longer reside nor can vote in Menlo Park. I therefore need to make the following public comments and the reasons for my objection to this ordinance in total and in the specific effects it will have.

1.0 Your declaration of urgency and immediate jeopardy of public peace appears to be based upon the referenced 30 contested and unhappy tenants over 32 months that were subject to leaving or facing 10+% increases up to market rents. This is a rate of only 1 case per month and guessing there are 12000 rentals in Menlo Park a small 1/10th of 1% problem on an annual basis. As you have referenced, some of this is due to the prospect of this ordinance itself, that might not have otherwise occurred. You can be sure that for every tenant utilizing this ordinance you will have harmed and alienated a property owner who is invested in your city and paying the city bills. Therefore I doubt this ordinance will preserve public peace and the welfare of the city or requires the urgency declaration on an issue that has been in study since Jan 2017 without specifically notifying property owners, as the city does on most other property matters.

2.0 In the 40+ years I have rented out this duplex, I have had rents rise and fall with the local job/housing economy, go flat for many years and surge in catch up mode, as it has done recently. No one complains when rents go down and we cannot charge for regular or cost increases when market rents do not increase. When rents are limited by the market or your proposed ordinance, it makes major improvements, additions and renovations to them uneconomic to do and investment in new or updated rental housing will be reduced or stop. Annual rent increase limits can make it impossible to catch up with market rents, recoup an added investment or make a new purchase or investment feasible in rentals.

The Menlo Park area obviously needs more lower cost housing and that is what will make rents more affordable, increase less, give renters more options and reduce unwanted displacement. Rent controls/ tenant stabilization measures will not solve the housing shortage, but will reduce investment in new and improved housing and actually raise the rents of what housing remains available for rent,

3.0 The transfer of some property rights from the owner to the renter, just adds to the cost of rental housing. Limiting rent increases transfers income from the owner to subsidize the renter's lower than market rate. A longer term tenant may well be paying substantially below market rates and is benefiting from this agreement with an owner

and that can help smooth out the rapid changes in market rents, both up and down. This is often acceptable until major changes occur like improvements, additions, property sale and tax reassessment or the owner is so generous over time that the rent can no longer support the property as an investment. In this lower rent case your ordinance is further penalizing the owner for his lower rent generosity by imposing a 3-4 month rent penalty for stopping that generosity and provides a windfall benefit to the renter that far exceeds their added costs of moving to another home. This penalty further adds to the cost of housing, new rental rates, reduces renter turnover and rental availability. How is this helping solve the housing shortage, more affordable housing and market rental rate increases?

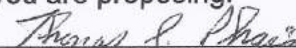
4.0 Please realize what this ordinance is beginning. It is making the city take on some of the responsibilities of the property owner and it is setting price controls that will be impossible to administer equitably on a case by case basis. Does the city want to be a landlord? If so please invest in city owned rentals accordingly and see if it can be worked out financially. Or do you think it's a good investment that you would do vs other investments of your time and money.?

What is the difference between price increase limitations on rental property income, and wage and price increase controls on your salary and business income, medical expenses, food prices and services? Why control just rental housing, that has been limited by local and state government regulations and planning, made expensive by codes and fees and generally not economically feasible to build affordably or profitably by an investor in your surrounding community? Do you want all of your income and expenses limited by comparable ordinances?

5.0 If you think that renters are "not adequately protected due to the lack of regulation", you apparently have never operated a rental property and are unaware of the extensive California, HUD regulations and legal procedures governing housing. These regulations continue to grow and mandate strict guidelines that makes the tenant's "possession 9/10th of the law." Legal Aid is very aware of all these laws and an active advocate for the tenant, as is the court system in its strict application of the law.

6.0 As a long time financial controller, investor and multi-area small landlord, I will not invest in cities that try imposing rent control type measures that take away my property rights and think a housing commission can operate rentals more responsibly and cost effectively than the owners, like Berkeley, Richmond, San Francisco, Santa Cruz and now Menlo Park. Do you see increased rental housing supply, lower market rents and more rental availability in those cities due to their rent controls/ stabilizations?

Thank you for listening to my points of contention and hopefully you will at least take more time and council to realize the impact of what you are proposing.



Thomas S. Phair, owner AP# 062-311-270

Curtin, Clay J

From: Mary Maxwell
Sent: Thursday, September 6, 2018 5:11 PM
To: Curtin, Clay J
Subject: Tenant relocation assistance draft ordinance

Dear Clay,

I am writing to express my vehement opposition to this proposed ordinance. In all fairness to whomever came up with this seemingly half baked proposal I wonder if there are some unknown extenuating circumstances that resulted in this idea ever even getting this far. If there are please let me know so I can revise my response. Otherwise, I think this is a terrible idea and should not be considered any further. It doesn't take a genius to figure out that this idea would never work the way it is intended to work-whatever that is. Any increase in the cost to landlords will of course be passed on to the tenants ultimately. Not everyone gets to live in Menlo Park just like not everyone gets to be the queen of England. People have to move out of houses all the time. It's an opportunity for a new beginning. My family moved all the time when I was a kid. The first year I went to the same school two years in a row was in high school. I turned out OK-college grad, medical school grad, practiced anesthesiology for 30 years. My advice to any tenants in Menlo Park is to work really hard, get a good education, save their money, delay some gratification, and they, too, will achieve financial security someday.

Thank you.

Mary Maxwell, MD

Curtin, Clay J

From: erna metzger
Sent: Saturday, September 8, 2018 2:50 PM
To: Curtin, Clay J
Subject: draft ordinance to require tenant relocation assistance

Dear Mr. Curtin,

I am a long time resident of Menlo Park, (1973) and attempted to review the relocation assistance draft ordinance. Is there some way to get this information to residents in a format that is more easily understood? It is all legalize and very difficult to understand. It makes one wonder what one might really be supporting should one agree to it.

In light of the above, and as a long time resident, I support whatever relocation assistance is possible, including rent control. It is unconscionable that a landlord would raise rents more than 10% a year, knowing fully well what the housing situation is in this area. Tenants should be given assistance to help find new housing if there is to just reason to evict them. Tenants should have at least a 90 day notice.

In addition, Menlo Park City should look very carefully at restrictions for allowing granny units to be built. Yes, (even) in my back yard....

My concerns may not fit neatly into the legalize ordinances described, but hopefully my concerns can be addressed at the meeting September 12.

Kindly direct this email to the appropriate person or persons.

Thank you,
Erna Metzger
Menlo Park

Curtin, Clay J

From: Timi Most
Sent: Monday, September 10, 2018 11:38 AM
To:

Subject: Tenant Relocation Assistance

Dear Menlo Park Housing Commission,

As a 40 year Menlo Park resident and Menlo Park Business owner, I have seen the housing crisis develop and negatively affect the residents of our community. The forcing out of working class and low income tenants is morally wrong. I also am on the board, and work directly with students and families, of Foundation for a College Education in East Palo Alto. Our students live in East Menlo Park and East Palo Alto. The stories of displacement due to tremendous rent increases is heartbreaking. One student says she and her family were given 2 weeks notice to leave their home of 13 years. They were forced to sleep in friends' garages and similar while they sought to find housing.

The recommendation of your commission for tenant relocation assistance is absolutely the right thing to do. I support your efforts and congratulate you on your proposal.

Regards,

Timi B. Most

Vice President

Mind Garden, Inc.

www.mindgarden.com

Curtin, Clay J

From: Betty Schink
Sent: Monday, September 10, 2018 4:46 PM
To: Curtin, Clay J
Subject: Tenant Relocation Assistance Draft Ordinance-FEEDBACK

Mr. Curtin

I am a long-time landlord of a small apartment building in Menlo Park and am opposed to rent control for more than financial reasons. In areas where there is rent control multi-family housing tends to deteriorate. Furthermore, whenever the subject comes up I feel as though I should raise my long-time tenants far more than I normally would since I've been extremely fair to them throughout the years and they are way below market.

That said, your CPI plus 5% is not onerous although it would be fairer to make it specifically local housing CPI plus 5%.

However, there are no provisions for unusual events and the associated costs that the landlord has to absorb. If there is fire, earthquake or water damage and the tenant wishes to return after the apartment has been brought up to code and replaced with new cabinets, appliances, etc., the new ordinance would mandate that I could either not raise the rent or raise it the legal maximum, i.e., far below the new market value. The proposed ordinance must address the numerous reasonable exceptions to the maximum rent raise and high relocation costs caused by a force majeure.

Betty Schink

From: Maya Sewald
Sent: Monday, September 10, 2018 5:37 PM
To: _CCIN
Subject: Comments on the Menlo Park Proposed Tenant Relocation Assistance Ordinance
Attachments: Yup, Rent Control Does More Harm Than Good.pdf; California Rent Controls, Good Intentions with Disastrous Consequences.pdf; The Effects of Rent Control Expansion on Tenants.pdf

Dear Council Members,

Although the Proposed Tenant Relocation Assistance Ordinance is well intended, I anticipate that it will create a situation of a scarcity of rental housing and ultimately a reduction in the amount of rental units and is UNFAIR! Here are some thoughts:

1. Where is the incentive for the Landlord to continue leasing?

Quite often owners are seniors who own properties to rent for retirement income. These owners do not want to lose their property's fair market rent and particularly under government control decided not by the electorate but by legislation. Government control is exactly what this proposed tenant relocation assistance ordinance is.

Imagine that you are a landlord leasing to a couple over 62 years old. You are made aware that the rent you are charging is below market rate. Let's say the rent is \$3,000 and fair market value is now \$4500. The tenant's lease is about to expire. The tenant elects not to pay the new rate.

Now the owner under this program will have to pay:

- A. 2 months rental subscription fee..... \$75
- B. 3 times the monthly rent..... \$9000
- C. 1 time the monthly rate..... \$3000 (Because one or more tenants is a Special-Circumstance Household, for example 62 years of age or older.)

In my scenario above and assuming base rent only, the "assistance/penalty" would amount to \$12,075 for a couple only wanting fair market value. Based on the proposed \$4500 fair market rent, the landlord would be penalized almost 9 months of fair market income to make up the difference. UNFAIR

Note: The alternative in the proposed legislation to the "base rent" is the "Menlo Park market rate monthly rent penalty". How do we know this will not even be higher than the base rent indicated above? I inquired of our Assistant to the City Manager, Clay Curtin, regarding if this was established and he replied that "We (Menlo Park) currently don't publish the market rate rent figure proposed in the ordinance. We would likely hire a consultant or company to figure that amount for us if the ordinance is ultimately approved, as I am aware there are several different methods and most numbers I find online are simply surveys of property listings, not necessarily the actual contracted price." More government and ultimately taxpayer expense. UNFAIR

2. How does a landlord oust a difficult tenant?

As a real estate Broker I have often seen/heard of tenants that pay their rent on time but may have other activities that make this tenant undesirable (drug use or dealing, intrusive noise, etc. ?). The Landlord has not served a written notice to cease and just wants to get that tenant out. So to evict this kind of tenant, he/she is rewarded? UNFAIR

3. Landlords, as in the example of paragraph 1, decide they do not want to deal with government interference and decide to sell, thereby reducing the amount of available and much needed rental supply units. Is this fair to tenants? UNFAIR

4. Is it fair to burden the City, our general fund, and taxpayers with enforcing this ordinance? The administrative costs can be substantial and would be better spent promoting our public safety. UNFAIR

I am including the following attachments for your review prior to the meeting:

“Yup, Rent Control Does More Harm than Good” dated January 18, 2018

“California Rent Controls: Good Intentions with Disastrous Consequences” dated May 16, 2018

“The Effects of Rent Control Expansion on Tenants, Landlords, and Inequality: Evidence from San Francisco” dated August 24, 2018

Thank you for your time and consideration.

Maya Sewald

Maya Sewald
Broker-Associate

Pacific Union Real Estate
1706 El Camino Real, Suite 220, Menlo Park, CA 94025
C: 650.346.1228
maya@mayasewald.com | pacificunion.com | sewaldrealestate.com
License #00993290



Economics

Yup, Rent Control Does More Harm Than Good

Economists put the profession's conventional wisdom to the test, only to discover that it's correct.

By [Noah Smith](#)

January 18, 2018 2:00 AM



Not helping. Photographer: Justin Sullivan/Getty Images

Noah Smith is a Bloomberg Opinion columnist. He was an assistant professor of finance at Stony Brook University, and he blogs at [Noahpinion](#).

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COMMENTS

▲ 45

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Rent control is one of the first policies that students traditionally learn about in undergraduate economics classes. The idea is to get young people thinking about how policies intended to help the poor can backfire and hurt them instead. According to the basic theory of supply and demand, rent control causes housing shortages that reduce the number of low-income people who can live in a city. Even worse, rent control will tend to raise demand for housing – and therefore, rents – in other areas.

Rent control, the Econ 101 student learns, helps a few people, but overall does more harm than good.

Over the years, rent control has acquired a special bogeyman status among economists. Assar Lindbeck, a Swedish economist who chaired the Nobel prize committee for many years, once reportedly declared that rent control is “the best way to destroy a city, other than bombing.”

In the real world, of course, things rarely work exactly as they do in Econ 101. Labor markets don't seem to follow the

basic supply-and-demand model. Minimum wages don't seem to throw many people out of work. Building more highways often increases traffic. Given the existence of all these cases where simple models break down, might economists' negative view of rent control be unjustified?

As with so many questions, the answer can only come from looking at data. Economists Rebecca Diamond, Timothy McQuade and Franklin Qian have a new paper that looks at the effects of rent control in San Francisco, a city notorious for high housing costs. They find that the effects of rent control are pretty much what economics textbooks would predict.

Many studies rely on patchy or incomplete data, but not this one. Diamond and her colleagues used data from a private company that was able to combine public records to track the addresses of all San Francisco residents between 1980 and 2016, even if they moved out of California. This allowed them to study the effects of a change in San Francisco's rent control policy in 1995. Previously, all small multi-family buildings were exempt from rent control, but since 1995, only buildings built after 1980 are exempt.

How did this large increase in rent control affect renters? Predictably, people subject to the new policy became less likely to move – between 8 and 9 percent less likely, over the medium to long term.

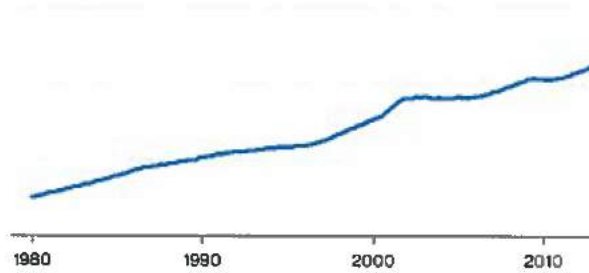
But not all renters benefitted equally. The new policy created a powerful incentive for landlords either to convert rental units into condominiums or to demolish old buildings and build new ones. Either course forced existing tenants – especially younger renters – to move. Landlords affected by the new 1995 policy tended to reduce rental-unit supply by 15 percent.

Being forced to move is traumatic. Not only is it expensive, it can take people out of their longtime communities. It also tends to hurt the most vulnerable members of society the most, since it often forces them to move to poorer neighborhoods with lower education levels and higher unemployment.

There are two other important but invisible groups of people who were hurt by San Francisco's rent policy. First, there are people who want to move to the city, but can't. Second, converting apartments into condos reduces the supply of rental housing and raises rents. The authors' model estimates that the 1995 policy raised rents in San Francisco by 5.1 percent. That is certainly an unwelcome development in a region plagued by high housing costs:

Up, Up and Away

Bay Area California monthly rent price index



Source: Federal Reserve Bank of St. Louis
1980=100

So rent control helped some people and hurt others. How can these effects be weighed? Diamond and the others constructed an economic model of the demand for housing that let them measure the utilitarian consequences of the policy, and found that the benefit to those who get to stay in their homes almost exactly balances out the various harms the policy causes. Ultimately, they say, rent control is a wash.

But few people are likely to believe strongly in the assumptions of this particular model – there’s the risk that rent control could be more harmful than the authors realize. For example, if greater housing density increases citywide productivity, as is probably the case, the effects of rent control are even more pernicious. And policymakers who believe in an ethos of “first do no harm” have reason to be skeptical of a policy whose effects are so ambiguous.

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In the end, the strongest argument against rent control is that there are better ways to protect vulnerable renters. Diamond and her coauthors suggest an idea that I’ve also endorsed in the past – a citywide system of government social insurance for renters. Households that see their rents go up could be eligible for tax credits or welfare payments to offset rent hikes, and vouchers to help pay the cost of moving. The money for the system would come from taxes on landlords, which would effectively spread the cost among all renters and landowners instead of laying the burden on the vulnerable few.

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To contact the author of this story:
Noah Smith at nsmith150@bloomberg.net

To contact the editor responsible for this story:
Jonathan Landman at jlandman4@bloomberg.net

California Rent Controls: Good Intentions with Disastrous Consequences

by Norm Miller, Hahn Chair of Real Estate Finance

WEDNESDAY, MAY 16, 2018

SHARE THIS POST



Supporters of rent control suggest it is necessary in an era of unaffordable housing. Of course, if you are old enough and have followed the housing market, it seems that California has always been in an unaffordable housing crisis.[1] A recent report focused on Los Angeles suggested a "shortfall" of some 500,000 affordable housing units.[2] Many cities in California seem to be considering rent control at this time.[3] Long Beach, Inglewood, Glendale, Santa Ana, Pasadena and Los Angeles County are all considering joining a band of California cities that already have rent control and "just cause" eviction laws that prevent landlords from ousting tenants in good standing. There is even a statewide effort to put an initiative on California's November ballot that would repeal the Costa-Hawkins Act, a 1995 law that severely limits rent control in the 17 California cities that already have it.[4]

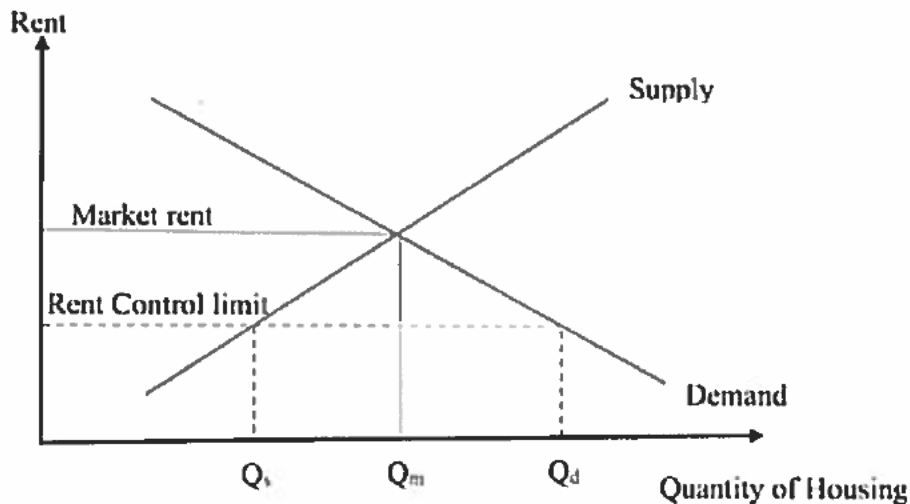
The challenges of providing affordable housing are most pronounced in large coastal cities, where healthy economies have pushed housing from the demand side. At the same time, political activism (NIMBY's for Not in My Back Yard), has spurred development challenges and hurdles, such as excessive parking requirements, maximum height limits and development fees that are not prorated by unit size, so that only larger unaffordable units are provided in the non-subsidized private portion of the market. Traffic and congestion are always cited as reasons not to permit any development dense enough to be mainstream market affordable. Some of these same activists will be found protesting all new developments, as they do not seem to realize that as long as they continue to have kids and expand the population base, the housing problem will only get worse unless more density is allowed. Rather than point fingers at ourselves as the primary cause of the problem, some naïve voters are now supporting more rent controls in California. Be careful what you wish for.

Proponent of rent controls argue that tenants can be exploited if building owners are allowed to raise rents to market levels and in some cases tenants will become homeless. Rent controls vary by market, but in most markets, rents can be increased only when a tenant moves out, so the landlord-tenant game becomes discovering when the real tenant moved out and the sub-let secret tenant moved in, often paying the original tenant a large windfall gain beyond the current rent. In some markets, only new or rehabilitated units can have rent increases, so the landlord-tenant game becomes one of waiting for the tenants to move out, then "rehabilitating" the unit to the minimum level necessary for a new market based rental charge. New York City is a classic case of such rent controls and a great laboratory to show what happens with long term rent controls.

While many of us understand the intention behind rent controls, few free market economists find any redeeming value in rent controls. Opponents to rent controls find such regulation is not only terribly inefficient, but also inequitable in serving a city's residents with different levels of windfall gains extracted like a tax from landlords. Abuses are sometimes difficult to detect with rent-controlled units. Various "lucky," long-time residents of rent controlled units receive more benefits than other newer residents or those residents living in areas without rent controls.

Rent controls hurt residents in the longer run in that such controls result in less housing investment (maintenance and repair) and less new stock than otherwise. With less housing stock, rent controls result in a rationing system where units subject to rent controls have huge pent up demand. The problem is illustrated in the graph, Exhibit 1 below. Over time as market rents exceed controlled rents, the demand at the controlled rent level is Q_d while the actual supply is Q_s , rather than the market solution at Q_m .

Exhibit 1: Rent Control Effects on Supply



The gap between Q_s and Q_m is a shortfall in supply that the market refuses to provide at lower rent levels. In fact, over time, the gap continues to grow and the housing affordability problem, for those not in rent-controlled units, becomes even worse. That is, new rental housing is simply not built, except for subsidized development, where the profit comes from fees and rents do not matter. Developers would build units to sell as condominiums or even convert apartments to condominiums rather than be subject to rent controls, when possible.

Here is what we know will happen in the housing market, if extensive rent controls are enacted:

- Fewer units will be built over time leading to an even greater housing shortfall.
- Units subject to rent control will not be well maintained and owners will not provide amenities or services that are otherwise designed to keep tenants.
- Landlords will discriminate more on tenant selection, seeking those more likely to move out versus those likely to stay long term.
- Housing unit quality will deteriorate and tenants will need to maintain their own units.
- Values will fall leading to possibly more defaults and foreclosures.

Value implications

How much will values fall? The greater the difference between the natural expected growth rate in rents and the rent-controlled rate, the larger will be the increase in cap rates. Currently, we can estimate cap rates based on the typical going-in net operating income over price. For multifamily in California, assume this is around five percent currently. The five percent cap rate is based upon an expectation of rental growth. If that rental growth rate is constrained so that two percent becomes more realistic rather than three and a half percent, the effect on the cap rate will be to drive it up by approximately one and a half percent to six and a half percent. When you divide any income level by six and a half percent instead of five percent, you lower the value by thirty percent. This means that an apartment building that was worth \$1 million is now worth \$700,000, assuming the rent controls

are long term. The mortgage on the building, if fairly new, may be more than the \$700,000 and some owners will simply hand over the keys to the bank. Others might milk the property and let them deteriorate. But few new multifamily property developers would enter such a rental market. They may provide more single family and condominium type housing to owners, who might rent them out if small owners are exempt from rent controls and this would result in a very fragmented, but still under-supplied market.[1]

Conclusions

Rent controls result in reducing future housing supply, providing a windfall gain to a few tenants while gutting the value of existing rental stock, and lowering the quality of rental housing over time. It would result in more residents needing to leave California rather than helping future renters stay here, thus hurting the businesses and economy that has so successfully supported a strong housing market to date. What will really solve the affordability problem for tenants are state enforced approvals of new housing developments with greater density, higher maximum heights, lower parking requirements, development fees prorated by unit size and some protection from politically motivated CEQA lawsuits that do nothing but delay projects and raise the costs of production.

References

1 For example, see Locked Out: California's Affordable Housing Crisis, Erin Riches and Jean Ross, May 2000 at <http://calbudgetcenter.org/wp-content/uploads/0005lockedout.pdf>

2 See <http://1p08d91kd0c03rlxhmhtydpr.wpengine.netdna-cdn.com/wp-content/uploads/2017/05/Los-Angeles-County-2017.pdf> SCANPH Southern California Association of Non Profit Housing, May 2017.

3 See for example "Rent control gains traction as housing costs 'crush' tenants" in the Orange County Register by Jeff Collins, March 24, 2018.

4 IBID quote from Jeff Collins.

5 For details on the value effects see Geltner Miller "Commercial Real Estate Analysis and Investment" On Course Pub, 3rd Ed. 2015.

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The Effects of Rent Control Expansion on Tenants, Landlords, and Inequality: Evidence from San Francisco*

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Abstract

We exploit quasi-experimental variation in assignment of rent control in San Francisco to study its impacts on tenants, landlords, and inequality. Leveraging new data tracking individuals' migration, we find rent control limits renters' mobility by 20% and lowers displacement from San Francisco, especially for minorities. Landlords treated by rent control reduce rental housing supplies by 15%, either by converting to condos/TICs, selling to owner occupants, or redeveloping buildings. In the long-run, we find rent control increased the gentrification of San Francisco, as the endogenous changes in the housing supply attracted higher income residents, undermining the goals of rent control.

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1 Introduction

Steadily rising housing rents in many of the US's large, productive cities has brought the issue of affordable housing to the forefront of the policy debate and reignited the discussion over expanding or enacting rent control provisions. State lawmakers in Illinois, Oregon, and California are currently considering repealing laws that limit cities' abilities to pass or expand rent control. Rent control is already extremely popular around the San Francisco Bay Area. Nine Bay Area cities already impose rent control regulations, two of which recently passed rent control laws through majority votes on the November 2016 ballot. Rent control in the Bay Area consists of regulated caps on price increases within the duration of a tenancy, but no price restrictions between tenants. Rent control also places restrictions on evictions.

A substantial body of economic research has warned about potential negative efficiency consequences to limiting rent increases below market rates, including over-consumption of housing by tenants of rent controlled apartments (Olsen (1972), Gyourko and Linneman (1989)), mis-allocation of heterogeneous housing to heterogeneous tenants (Suen (1989), Glaeser and Luttmer (2003), Sims (2011), Bulow and Klemperer (2012)), negative spillovers onto neighboring housing (Sims (2007), Autor et al. (2014)) and neglect of required maintenance (Downs (1988)). Yet, due to incomplete markets in the absence of rent control, many tenants are unable to insure themselves against rent increases. A variety of affordable housing advocates have argued that tenants greatly value these insurance benefits. If long-term tenants have developed neighborhood specific capital, such as a network of friends and family, proximity to one's job, or proximity to the schools of one's children, then these tenants face large risks from rent appreciation. In contrast, individuals who have little connection to any specific area can easily insure themselves against local rental price appreciation by moving to a cheaper location. However, those invested in the local community are not able to use this type of "self-insurance" as easily, since they must give up some or all of their neighborhood specific capital. Rent control can provide these tenants with this type of insurance.

Due to a lack of detailed data and natural experiments, we have little well-identified empirical evidence evaluating how introducing local rent controls affects tenants, landlords, or the broader housing market.¹ In this paper, we bring to bear new micro data and exploit quasi-experimental variation in the assignment of rent control provided by a unique 1994 local San Francisco ballot initiative to fill this gap. We exploit an unexpected law change that suddenly rent controlled a subset of San Francisco buildings and their tenants, based on the year each building was built. However, the law left very similar buildings and tenants

¹A notable exception to this is Sims (2007) and Autor et al. (2014) which use the repeal of rent control in Cambridge, MA to study its spillover effects onto nearby property values and building maintenance.

without rent control. We find tenants covered by rent control do place a substantial value on the benefit, as revealed by their choice to remain in their apartments longer than those without rent control. We find especially large effects on minority renters who, absent rent control, would have been disproportionately displaced from San Francisco as a whole.

However, landlords of properties affected by the law change respond over the long term by substituting to other types of real estate, in particular by converting to condos and redeveloping buildings so as to exempt them from rent control. Landlords' substitution toward owner occupied and high-end new construction rental housing fueled the gentrification of San Francisco, as these types of properties cater to higher income individuals. Rent control's combined effects of increased gentrification and limiting displacement of minority tenants have arguably led to a higher level of income inequality in the city overall.

In 1979, San Francisco imposed rent control on all standing buildings with 5 or more apartments. New construction was exempt from rent control, since legislators did not want to discourage new development. In addition, smaller multi-family buildings were exempt from this 1979 law change since they were viewed as more "mom and pop" ventures, and did not have market power over rents. However, this exemption was lifted through a 1994 San Francisco ballot initiative. Proponents of this law change argued small multi-family housing was now primarily owned by large businesses and should face the same rent control of large multi-family housing. Since the initial 1979 rent control law only impacted properties built from 1979 and earlier, the removal of the small multi-family exemption also only affected properties built 1979 and earlier. This led to quasi-experimental rent control expansion in 1994 based on whether the small multi-family housing was built prior to or post 1980.

To examine rent control's effects on tenant migration and neighborhood choices, we make use of new panel data which provides address-level migration decisions and housing characteristics for the majority of adults living in San Francisco in the early 1990s. This allows us to define our treatment group as renters who lived in small multi-family apartment buildings built prior to 1980 and our control group as renters living in small multi-family housing built between 1980 and 1990. Using our data, we can follow each of these groups over time up until the present, regardless of where they migrate.

On average, we find that between five and ten years after the law change, the beneficiaries of rent control are 3.5 percentage points more likely to still remain at their 1994 address relative to the control group. Only 18% of the control group still remained at their 1994 address for this long. This implies that the 3.5 percentage point increase represents a 19.4 percent increase in not moving ($3.5/18$), relative to the control group's migration rate. Further, we find that the beneficiaries are also 4.5 percentage points more likely to remain in San Francisco relative to the control group, indicating a large share of the renters that rent

control caused to remain at their 1994 address would have left San Francisco had they not been covered by rent control. This would likely be viewed as a desirable outcome by rent control advocates.

We next analyze treatment effect heterogeneity along a number of dimensions. We first find that our estimated effects are significantly stronger among older households and among households that have already spent a number of years at their address prior to treatment. This is consistent with the fact that both of these populations are likely to be less mobile. Renters who don't need to move very often are more likely to find it worthwhile to remain in their rent controlled apartment for a long time, enabling them to accrue larger rent savings.

Turning to differential effects based on minority status, we find Hispanics and Blacks are more likely to remain in their rent controlled properties, as compared to Whites. Asians respond similarly to Whites. However, the effect of rent control on the likelihood of staying in San Francisco is stronger for all minority groups, likely indicating that minorities faced greater displacement pressures in San Francisco than Whites.²

We next examine how displacement effects vary between neighborhoods that experience high versus low appreciation in house prices.³ One might expect neighborhoods with the largest increases in market prices would be ones where tenants would remain in their rent controlled apartments the longest, since their outside options in the neighborhood would be especially expensive. However, for these same reasons, landlords in these high appreciation neighborhoods would have large incentives to remove tenants. They then could either reset rents to market rates with a new tenant or redevelop the building as condos or new construction, both of which are exempt from rent control. We find evidence for both of these effects. Among renters who had only lived at their address for less than four years, as of 1994, and who lived in neighborhoods where prices strongly appreciated from 1990 to 2000, we find rent control actually *decreased* the probability they remained at their 1994 address. These tenants who had not lived in the area very long likely had relatively less desire to remain in this neighborhood long-term and would be more willing to respond to landlord pressure for them to move away. In contrast, we find tenants who had lived in the area for four years or more at time of treatment and lived in high appreciation areas were substantially more likely to remain at their 1994 address. Indeed, this population would likely desire to stay in the neighborhood long-term and remaining in the rent controlled apartment would be by far the cheapest way to do this. Landlord pressure to move out would thus likely be less effective on this population.

²We impute race by combining imputed race based on first and last name (Ye et al. (2017)) and the racial mix of one's census block of residence in 1990. See the Data Section for more details.

³Since no data source exists for market rate rents at the neighborhood level, we rely on house price transaction data as a proxy.

In practice, landlords have a few possible ways of removing tenants. First, landlords could move into the property themselves, known as move-in eviction. Second, the Ellis Act allows landlords to evict tenants if they intend to remove the property from the rental market - for instance, in order to convert the units to condos. Finally, landlords are legally allowed to offer their tenants monetary compensation for leaving. In practice, these transfer payments from landlords are quite common and can be quite large. Moreover, consistent with the empirical evidence, it seems likely that landlords would be most successful at removing tenants with the least built-up neighborhood capital, i.e. those tenants who have not lived in the neighborhood for long.

Finally, we analyze whether rent control enables tenants to live in higher amenity neighborhoods. Our previous analysis highlights that rent control could either raise or lower the quality of tenants' neighborhoods, since landlords actively remove tenants in the most expensive, high amenity areas. Indeed, we find that the average tenant treated by rent control lives in a census tract with worse observable amenities, as measured by the census tract's median household income, share of the population with a college degree, median house value, and share unemployed. This further highlights that landlords actively remove tenants in the areas where they have the most to gain, completely removing any impact rent control could have on living in a higher quality neighborhood.

To further study the landlord response to the rent control expansion and to understand the impact of rent control on rental supply, we merge in historical parcel history data from the SF Assessor's Office, which allows us to observe parcel splits and condo conversions. We find that rent-controlled buildings were 8 percentage points more likely to convert to a condo or a Tenancy in Common (TIC) than buildings in the control group. Consistent with these findings, we find that rent control led to a 15 percentage point decline in the number of renters living in treated buildings and a 25 percentage point reduction in the number of renters living in rent-controlled units, relative to 1994 levels. This large reduction in rental housing supply was driven by both converting existing structures to owner-occupied condominium housing and by replacing existing structures with new construction.

This 15 percentage point reduction in the rental supply of small multi-family housing likely led to rent increases in the long-run, consistent with standard economic theory. In this sense, rent control operated as a transfer between the future renters of San Francisco (who would pay these higher rents due to lower supply) to the renters living in San Francisco in 1994 (who benefited directly from lower rents). Furthermore, since many of the existing rental properties were converted to higher-end, owner-occupied condominium housing and new construction rentals, the passage of rent control ultimately led to a housing stock which caters to higher income individuals. We directly test whether rent control led to in-migration

of higher income residents by imputing household income with the per-capita income of residents' census block groups of their residences five year prior. We find that this high-end housing, developed in response to rent control, attracted residents with at least 18% higher income, relative to control group buildings in the same zipcode. Taking all of these points together, it appears rent control has actually contributed to the gentrification of San Francisco, the exact opposite of the policy's intended goal. Indeed, by simultaneously bringing in higher income residents and preventing displacement of minorities, rent control has contributed to widening income inequality of the city. For a full quantitative analysis of the welfare gains and losses due to rent control, see our companion paper (Diamond et al. (2018)), which estimates a dynamic discrete choice model of tenant migration and performs general equilibrium counterfactual analysis of the impacts of rent control.

Our paper is most related to the literature on rent control. Recent work by Autor et al. (2014) and Sims (2007) leverages policy variation in rent control laws in Cambridge, Massachusetts to study the property and neighborhood effects of removing rent control regulations. Our paper studies the effects of enacting rent control laws, which could have very different effects than de-control. De-control studies the effects of removing rent control on buildings which remain covered. Indeed, we find a large share of landlords substitute away from supply of rent controlled housing, making those properties which remain subject to rent control a selected set.

There also exists an older literature on rent control combining applied theory with cross-sectional empirical methods. These papers test whether the data are consistent with the theory being studied, but usually cannot quantify causal effects of rent control (Early (2000), Glaeser and Luttmer (2003), Gyourko and Linneman (1989), Gyourko and Linneman (1990), Moon and Stotsky (1993), Olsen (1972)).

The remainder of the paper proceeds as follows. Section 2 discusses the history of rent control in San Francisco. Section 3 discusses the data used for the analysis. Section 4 presents our empirical results. Section 5 concludes.

2 A History of Rent Control in San Francisco

Regulations are widespread in housing markets, and rent controls are arguably among the most important historically (Stigler and Friedman (1946), Gyourko and Glaeser (2008)). The modern era of US rent controls began as a part of World War II-era price controls and as a reaction to housing shortages following demographic changes immediately after the war (Fetter (2016)). These "hard price controls" that directly regulate the exact price of housing have been replaced by newer policies that regulate rent increases (Arnott (1995)).

This “newer style” policy is what exists in San Francisco.

Rent Control in San Francisco began in 1979, when acting Mayor Dianne Feinstein signed San Francisco’s first rent-control law. Pressure to pass rent control measures was mounting due to high inflation rates nationwide, strong housing demand in San Francisco, and recently passed Proposition 13.⁴ This law capped annual nominal rent increases to 7% and covered all rental units built before June 13th, 1979 with one key exemption: owner occupied buildings containing 4 units or less.⁵ These “mom and pop” landlords were cast as less profit driven than the large scale, corporate landlords, and more similar to the tenants being protected. These small multi-family structures made up about 44% of the rental housing stock in 1990, making this a large exemption to the rent control law.

While this exemption was intended to target “mom and pop” landlords, in practice small multi-families were increasingly purchased by larger businesses who would then sell a small share of the building to a live-in owner so as to satisfy the rent control law exemption. This became fuel for a new ballot initiative in 1994 to remove the small multi-family rent control exemption. This ballot initiative barely passed in November 1994. Beginning in 1995, all multi-family structures with four units or less built in 1979 or earlier were now subject to rent control. These small multi-family structures built prior to 1980 remain rent controlled today, while all of those built from 1980 or later are still not subject to rent control. San Francisco rent control laws have remained stable since then, possibly due to the state-wide Costa-Hawkins Act. This law precludes any California city from rent controlling their housing stock built 1994 or later, as well as regulates the scope of rent control allowed. For example, it requires rent controlled apartment rents to be unregulated between tenants. This law is up for repeal by majority vote on the 2018 November ballot. Removing it would greatly expand the scope of rent control in California.

3 Data

We bring together data from multiple sources to enable us to observe property characteristics, determine treatment and control groups, track migration decisions of tenants, and observe the property decisions of landlords. Our first dataset is from Infutor, which provides the entire address history of individuals who resided in San Francisco at some point between the

⁴Proposition 13, passed in 1978, limited annual property tax increases for owners. Tenants felt they were entitled to similar benefits in the form of capped annual rent increases.

⁵The annual allowable rent increase was cut to 4% in 1984 and later to 60% of the CPI in 1992, where it remains today.

years of 1980 and 2016.⁶ The data include not only individuals' San Francisco addresses, but any other address within the United States at which that individual lived during the period of 1980 – 2016. The dataset provides the exact street address, the month and year at which the individual lived at that particular location, the name of the individual, and some demographic information including age and gender.

We link these data to property records provided by DataQuick. These data provide us with a variety of property characteristics, such as the use-code (single-family, multi-family, commercial, etc.), the year the building was built, and the number of units in the structure. For each property, the data also details its transaction history since 1988, including transaction prices, as well as the buyer and seller names. By comparing last names in Infutor to the listed owners of the property in DataQuick, we are able to distinguish owners from renters.

Next, we match each address to its official parcel number from the San Francisco Assessor's office. Using the parcel ID number from the Secured Roll data, we merge in any building permits that have been associated with that property since 1980. These data come from the San Francisco Planning Office. This allows us to track large investments in renovations over time based on the quantity and type of permit issued to each building.

Finally, the parcel number also allows us to link to the parcel history file from the Assessor's office. This allows us to observe changes in the parcel structure over time. In particular, this allows us to determine whether parcels were split off over time, a common occurrence when a multi-family apartment building (one parcel) splits into separate parcels for each apartment during a condo conversion.

Summary statistics are provided in Table 1. We see the average renter in our sample in 1994 is about 37 years old and has lived at their current address for 6 years. We also see that these small multi-family properties are made up of 82% (0.74/0.9) renters and 18% owner occupants prior to 1994.

3.1 Data Representativeness

To examine the representativeness of the Infutor data, we link all individuals reported as living in San Francisco in 1990 to their census tract, to create census tract population counts as measured in Infutor. We make similar census tract population counts for the year 2000 and compare these San Francisco census tract population counts to those reported in the 1990 and 2000 census for adults 18 years old and above. Regressions of the Infutor populations

⁶Infutor is a data aggregator of address data using many sources including sources such as phone-books, voter files, property deeds, magazine subscriptions, credit header files, and others.

on census population are shown in Figures 1 and 2.⁷ Figure 1 shows that for each additional person recorded in the 1990 Census, Infutor contains an additional 0.44 people, suggesting we have a 44% sample of the population. While we do not observe the universe of San Francisco residents in 1990, the data appear quite representative, as the census tract population in the 1990 Census can explain 69% of the census tract variation in population measured from Infutor. Our data is even better in the year 2000. Figure 2 shows that we appear to have 1.1 people in Infutor for each person observed in the 2000 US census. We likely over count the number of people in each tract in Infutor since we are not conditioning on year of death in the Infutor data, leading to over counting of alive people. However, the Infutor data still tracks population well, as the census tract population in the 2000 Census can explain 90% of the census tract variation in population measured from Infutor.

Infutor also provides information on age. As additional checks, we compare the population counts within decadal age groups living in a particular census tract as reported by Infutor to that reported by the Census. We again report the results for both 1990 and 2000. Unlike the prior analysis, we must drop Infutor observations missing birth date information for this, making our sample smaller. As shown in Figure 3, the slopes of the regression lines for the 18-29, 30-39, 40-49, 50-59, and 60-69 age groups are 0.31, 0.44, 0.42, 0.24, and 0.16, respectively. This indicates the Infutor coverage is strongest for 30-49 year olds in 1990. The R-squareds are also the highest in this age range at 65% – 76%. The coverage of the data improves dramatically by 2000, as shown in Figure 4. The regression line slopes for the respective age groups are now 0.33, 0.74, 0.72, 0.70, 0.45. The R-squareds range from 0.61-0.85. It is clear the data disproportionately under samples the youngest group, but this is unsurprising as these data come from sources such as credit header files, voter files, and property deeds. Eighteen year olds are less likely to show up in these sources right away. Overall the data coverage looks quite good.

As described above, we merge the Infutor data with public records information provided by DataQuick about the particular property located at a given address, such as use-code and age of the property. We assess the quality of the matching procedure by comparing the distribution of the year buildings were built across census tracts among addresses listed as occupied in Infutor versus the 1990 and 2000 censuses. If a building is constructed after 1993 according to its current day use-code, but we observe a person living there in 1993, we include it in the treatment group for rent control. Figures 5 and 6 show the age distribution of the occupied stock by census tract. In both of the years 1990 and 2000, our R-squareds range from 67% to 91% and we often cannot reject a slope of one.⁸ This highlights the

⁷We only can do data validation relative to the US Censuses for census tracts in San Francisco because we only have address histories for people that lived in San Francisco at some point in their life.

⁸Since year built comes from the Census long form, these data are based only on a 20% sample of the

extremely high quality of the linked Infutor-DataQuick data, as the addresses are clean enough to merge in the outside data source DataQuick and still manage to recover the same distribution of building ages as reported in both the 1990 and 2000 Censuses.

To measure whether Infutor residents were owners or renters of their properties, we compare the last names of the property owners list in DataQuick to the last names of the residents listed in Infutor. Since property can be owned in trusts, under a business name, or by a partner or spouse with a different last name, we expect to under-classify residents as owners. Figures 7 and 8 plot the Infutor measure of ownership rates by census tract in 1990 and 2000, respectively, against measures constructed using the 1990 and 2000 censuses. In 1990 (2000), a one percentage point increase in the owner-occupied rate leads to a 0.43 (0.56) percentage point increase in the ownership rate measured in Infutor. Despite the under counting, our cross-sectional variation across census tract matches the 1990 and 2000 censuses extremely well, with R-squareds over 90% in both decades. This further highlights the quality of the Infutor data.

3.2 Imputing Tenant Race

We use a two-step procedure to impute the race/ethnicity of individuals in our main sample of analysis: all tenants between 20 and 65 years old living in San Francisco as of December 31st, 1993. In the first step, we use “NamePrism”, a non-commercial ethnicity/nationality classification tool intended to support academic research (Ye et al. (2017)), to compute baseline probabilities of race/ethnicity for each tenant based on her first name and last name. In the second step, we use Bayes’ Rule to update the name-based probabilities for race and ethnicity using the local racial distribution at each tenant’s place of residence in 1990, following a similar methodology used by the Consumer Financial Protection Bureau (CFPB (2014)). More details about each step is described below.

In step 1, for each tenant, we use both of her first and last name and query the website for “NamePrism” to obtain baseline probabilities for the 6 ethnic categories defined by the U.S. Census Bureau: Hispanic; non-Hispanic White, non-Hispanic Black or African American, non-Hispanic Asian/Pacific Islander, non-Hispanic American Indian and Alaska Native, and non-Hispanic Multi-racial.⁹ “NamePrism” employs a training data set of 57 million contact lists from a major Internet company, US census data on the distribution of last names by race, and trains its algorithm using the homophily principle exhibited in communication

true distribution of building ages in each tract, creating measurement error that is likely worse in the census than in the merged Infutor-DataQuick data.

⁹This classification considers Hispanic as mutually exclusive from the race categories, with individuals identified as Hispanic belonging only to that category, regardless of racial background.

as the basis for its ethnicity classifier.¹⁰ In this step, each tenant is assigned a probability, ranging from 0% to 100%, of belonging to each of the 6 ethnic groups, and the 6 probabilities sum to 1.

In step 2, we update each tenant’s baseline racial probabilities with the racial and ethnic characteristics of the census block associated with her place of residence in 1990 using Bayes’ Rule to obtain posterior probabilities for the 6 ethnic groups.¹¹ In particular, for a tenant with name s who resides in geographic area g , we calculate the probability of race or ethnicity r for each of the 6 categories for a given name s , denoted as $\Pr(r|s)$. From the Summary File 1 (SF1) from Census 1990, we obtain the proportion of the population belonging to race or ethnicity r that lives in geographic area g , denoted as $\Pr(g|r)$. Bayes’ Rule then gives the probability that a tenant with name s residing in geographic area g belongs to race or ethnicity r :

$$\Pr(r|g, s) = \frac{\Pr(r|s) \Pr(g|r)}{\sum_{r' \in R} \Pr(r'|s) \Pr(g|r')},$$

where R denotes the set of 6 ethnic categories. An assumption necessary for the validity of the Bayesian updating procedure is that the probability of living in a given geographic area, given one’s race, is independent of one’s name. For example, it requires that Blacks with the name John Smith are equally likely to live in a certain neighborhood as both Blacks in general and all people with the name John Smith.

For each tenant, we then assign a final racial probability if the maximum of the 6 posterior probabilities is equal to or above 0.8, and a final racial/ethnic category corresponding to the maximum posterior; otherwise a tenant’s race/ethnicity is unclassified. Table 2 shows the breakdown of our racial and ethnic classification for our main sample of analysis.

Our methodology is similar to what’s used by the CFPB to construct proxy consumer race in order to conduct fair lending analysis. CFPB (2014) and Elliott et al. (2009) demonstrate combining geography- and name-based information into a single proxy probability for race/ethnicity significantly outperforms traditional classification methods based on names or geography alone. The key difference between our method and CFPB’s method is that we use “NamePrism” to compute “prior” probabilities, whereas CFPB relies on the racial distribution for common last names in the U.S. published by the Census Bureau (Comenetz (2016)). Since “NamePrism” uses both first and last names from a much larger name database, it is able to classify race/ethnicity for a much wider range of names at higher accuracy. Moreover,

¹⁰People tend to communicate more frequently with others of similar age, language and location.

¹¹In practice, census block level information on the racial and ethnic composition is available for 94.7% of our sample. For the rest of sample, we use racial and ethnic composition at the census block group (4%), census tract (0.2%), and 5-digit zip code levels (1%), whichever one is first available in the order listed. We set the posterior probabilities equal to the baseline probabilities from “NamePrism” for the rest 0.1% of our sample.

we use census block level racial composition for Bayesian updating of racial probabilities whenever possible, whereas CFPB uses racial distribution at the census block group level, which is a larger geographic unit, and thus less refined.

3.2.1 Validation of Race Imputation

In this section, we report some summary statistics regarding our race imputation methodology and perform a few validation checks. Using our imputation procedure and the linked Infutor-DataQuick data, we first report in Table 2 the racial distribution of all tenants aged 20-65 living in multi-family residences with 2-4 units as of December 31, 1993. The table also reports the 1990 Census measure of this distribution. As in the census, we find that Asians are the most numerous minority, followed by Hispanics and then Blacks. This table also shows that our procedure somewhat over-represents Whites in San Francisco and under-represents the number of minorities. This is because we only assign a race to an individual if the probability of that race is above 80%. In practice, this means 8,009 tenants are not assigned a race, equal to 17.27% of our tenant sample. Many of these unassigned individuals are, in fact, likely minorities as a large fraction of the unassigned are those with minority-sounding names but who live in relatively racially integrated neighborhoods.¹²

To further validate our methodology, we examine the average racial makeup of the 2010 census block in which our assigned individuals live. Note that this is an out-of-sample check since we use an individual's 1990 address, not their 2010 address, in our imputation procedure. The results are reported in Table 3. Consistent with what one would expect from some degree of continued racial sorting, individuals we classify as White live in neighborhoods with the greatest fraction of Whites (as of 2010), those we classify as Black live in neighborhoods with the greatest fraction of Blacks (as of 2010), and similarly for Hispanics and Asians. The same sorting result appears when we regress racial shares of an individual's 2010 census block on the individual's assigned race. The results are reported in Table 4, with Black being the omitted category. For example, being White is the strongest positive predictor of the 2010 White share, being Hispanic is the strongest positive predictor of the 2010 Hispanic share, and similarly for Asians and Blacks. We feel this racial sorting in 2010 provides strong evidence that our imputation procedure is correctly identifying an individual's race.

¹²If we do not impose this cutoff and instead simply calculate raw means of each racial group's probabilities, our racial distribution looks much closer to the distribution reported by the Census. We feel that imposing the cutoff is appropriate, however, since it ameliorates concerns regarding measurement error in our regression analysis by restricting to those individuals whose racial classification is more precise.

4 Empirical Results

Studying the effects of rent control is challenged by the usual endogeneity issues. The tenants who choose to live in rent-controlled housing, for example, are likely a selected sample. To overcome these issues, we exploit the particular institutional history of the expansion of rent control in San Francisco. Specifically, we exploit the successful 1994 ballot initiative which removed the original 1979 exemption for small multi-family housing of four units or less, as discussed in Section 2.

In 1994, as a result of the ballot initiative, tenants who happened to live in small multi-family housing built prior to 1980 were, all of a sudden, protected by statute against rent increases. Tenants who lived in small multi-family housing built 1980 and later continued to not receive rent control protections. We therefore use as our treatment group those renters who, as of December 31, 1993, lived in multi-family buildings of less than or equal to 4 units, built between years 1900 and 1979. We use as our control group those renters who, as of December 31, 1993, lived in multi-family buildings of less than or equal to 4 units, built between the years of 1980 and 1990. We exclude those renters who lived in small multi-family buildings constructed post 1990 since individuals who choose to live in new construction may constitute a selected sample and exhibit differential trends. We also exclude tenants who moved into their property prior to 1980, as none of the control group buildings would have been constructed at the time.

When examining the impact of rent control on the parcels themselves, we use small multi-family buildings built between the years of 1900 and 1979 as our treatment group and buildings built between the years of 1980 and 1990 as our control group. We again exclude buildings constructed in the early 1990s to remove any differential effects of new construction. Figure 9 shows the geographic distribution of treated buildings and control buildings in San Francisco. Since our control group was built over a narrow time span, the sample size of the treatment group is much larger than the control group. However, the control group buildings cover many neighborhoods across San Francisco, giving the treatment and control samples good overlap.

We next estimate balance tests between our treatment and control samples to evaluate whether rent control status was as good as randomly assigned. Table 1 compares the characteristics of tenants in treatment and control buildings, from 1990-1993, prior to treatment. The comparisons in raw means do not control for the zipcode of the building, which we will always condition on in our analysis. Panel A1 shows that tenants in the treated buildings are 0.6 years older than tenants in control buildings. This is unsurprising as the older buildings have been around much longer, allowing for longer tenancies and thus older residents. In-

deed, we also see that the average tenant in the treatment building has lived there for 6 years prior to treatment, while control group tenants have lived there for 5.8 years. To account for this differences, we will always condition on the length of tenancy, measured at the time of treatment, when comparing treatment and control groups in the following analysis.

4.1 Tenant Effects

We begin our analysis by studying the impact of rent control provisions on its tenant beneficiaries. We use a differences-in-differences design described above, with the following exact specification:

$$Y_{iszt} = \delta_{zt} + \alpha_i + \beta_t T_i + \gamma_{st} + \epsilon_{it}. \quad (1)$$

Here, Y_{iszt} are outcome variables equal to one if, in year t , the tenant i is still living at either the same address as they were at the end of 1993, or, alternatively, if the tenant is still living in San Francisco. The variables α_i denote individual tenant fixed effects. The variable T_i denotes treatment, equal to one if, on December 31, 1993, the tenant is living in a multi-family building with less than or equal to four units built between the years 1900 and 1979.

We include fixed effects γ_{st} denoting the interaction of dummies for the year s the tenant moved into their 1993 apartment with calendar year t time dummies. These additional controls are needed since older buildings are mechanically more likely to have long-term, low turnover tenants; not all of the control group buildings were built when some tenants in older buildings moved in. Finally, note we have included a full set of zipcode by year fixed effects, δ_{zt} . In this way, we control for any differences in the geographic distribution of treated buildings vs. control buildings, ensuring that our identification is based off of individuals who live in the same neighborhood, as measured by zipcode. Our coefficient of interest, quantifying the effect of rent control on future residency, is denoted by β_t .

Our estimated effects are shown in Figure 10, along with 90% confidence intervals. As further evidence of random assignment, we see no pre-trends leading up to time of treatment. Exactly at time of treatment we see a large spike in the probability that the treatment group remains at their 1993 address, versus the control group. We can see that tenants who receive rent control protections are persistently more likely to remain at their 1993 address relative to the control group. This effect decays over time, which likely reflects that as more years go by, all tenants are increasingly likely to move away from where they lived in 1993. Further, we find that treated tenants are also more likely to be living in San Francisco. This result indicates that the assignment of rent control not only impacts the type of property a tenant chooses to live in, but also their choice of location and neighborhood type.

These figures also illustrate how the time pattern of our effects correlates with rental rates in San Francisco.¹³ We would expect that our results would be particularly strong in those years when the outside option is worse due to quickly rising rents. Along with our yearly estimated effect of rent control, we plot the yearly deviation from the log trend in rental rates against our estimated effect of rent control in that given year. We indeed see that our effects grew quite strongly in the mid to late 1990s in conjunction with quickly rising rents, relative to trend. Our effects then stabilize and slightly decline in the early 2000s in the wake of the Dot-com bubble crash, which led to falling rental rates relative to trend. Overall, we measure a correlation of 49.4% between our estimated same address effects and median rents, and a correlation of 78.4% between our estimated SF effects and median rents.

In Table 5, we collapse our estimated effects into a short-term 1994-1999 effect, a medium-term 2000-2004 effect, and a long-term post-2005 effect. We find that in the short-run, tenants in rent-controlled housing are 2.18 percentage points more likely to remain at the same address. This estimate reflects a 4.03% increase relative to the 1994-1999 control group mean of 54.10%. In the medium term, rent-controlled tenants are 3.54 percentage points more likely to remain at the same address, reflecting a 19.38% increase over the 2000-2004 control group mean of 18.27%. Finally, in the long-term, rent-controlled tenants are 1.47 percentage points more likely to remain at the same address. This is a 12.95% increase over the control group mean of 11.35%. Whether these effects should widen or narrow over time is ambiguous. On one hand, the wedge between market rate rents and rent control rents diverge, the longer one remains at their rent controlled address. On the other hand, the mismatch between one's 1993 address and the ideal location and type of housing is likely to grow over time, pushing tenants to give up their rent control. Since our long-term results are smaller than our medium term findings, it appears the mismatch effect begins to grow faster than the below market rent effect over the medium to long-term.

Tenants who benefit from rent control are 2.00 percentage points more likely to remain in San Francisco in the short-term, 4.51 percentage points more likely in the medium-term, and 3.66 percentage points more likely in the long-term. Relative to the control group means, these estimates reflect increases of 2.62%, 8.78%, and 8.42% respectively. Since these numbers are of the same magnitude as the treatment effects of stay at one's exact 1993 apartment, we find that absent rent control a large share of those incentivized to stay in their apartments would have otherwise moved out of San Francisco.

A key identifying assumption for our analysis is that once neighborhood characteristics

¹³Annual advertised rents from the San Francisco Chronicle and Craigslist have been collected by Eric Fischer (<https://github.com/ericfischer/housing-inventory/>). Since we do not have the microdata, this gives us an aggregate San Francisco-wide annual time series of rents. Given that this data is based on actual listings, this is likely the most accurate measure of true *market* rate rents, among all possible data sources.

have been controlled for, as well as the number of years lived in the apartment as of December 31, 1993, those living in older versus newer buildings would not exhibit differential trends in migration. As a robustness test, in Table 6, we have restricted our treatment group to individuals who lived in structures built between 1960 and 1979, thereby comparing tenants in buildings built slightly before 1979 to tenants in buildings built slightly after 1979. We find statistically indistinguishable results from our main analysis, with point estimates actually 5% to 63% larger across the six point estimates. As further robustness, we redefine the neighborhood more finely, using census tracts instead of zipcodes. Table 6 repeats the analysis using census tract by year fixed effects. The results are also statistically indistinguishable from our main results, although the point estimates are between 1% and 28% smaller across the six point estimates. Dropping the zip-year fixed effects also produces similar results.

4.1.1 Treatment Effect Heterogeneity

These estimated overall effects mask interesting heterogeneity. We first begin by repeating our analysis separately within each racial group. Since our sample sizes within any given racial group are smaller, we will focus on the overall “post” impact of rent control, not separating out the short, medium, and long run effects. Figure 11 shows the treatment effects of remaining in one’s 1993 address for Whites, and then the differential effects for each racial group. Whites are 2.1 percentage points more likely to remain at their treated address due to rent control. For both Blacks and Hispanics, we find larger treatment effects of 10.7 and 7.1 percentage point increases for these groups, respectively.¹⁴ This suggests these minority groups disproportionately valued rent control. In contrast, the effect for Asians is statistically indistinguishable from the Whites effect, with a point estimate of 0.9 percentage points.

We see further evidence that racial minorities disproportionately benefited from rent control when looking at the impact of the law on remaining in San Francisco. Rent control leads treated Whites to be 2.8 percentage points more likely to remain in San Francisco, while Blacks, Hispanics, and Asians are 10.7, 10.1, and 6.4 percentage points more likely to remain in San Francisco, respectively. This suggests that rent control had a substantial impact on limiting displacement of minorities from the city.

We next examine treatment effect heterogeneity across neighborhoods, duration of tenancy, and age.¹⁵ First, we cut the data by age, sorting individuals into two groups, a young

¹⁴Since our sample of Blacks is quite small, the differential effects for Blacks are not statistically indistinguishable from Whites.

¹⁵We do not cut on race here as well, as the samples would become too thin.

group who were aged 20-39 in 1993 and an old group who were aged 40-65 in 1993. We also sort the data based on the number of years the individual has been living at their 1993 address. We create a “high turnover” group of individuals who had been living at their address for less than four years and a “low turnover” group of individuals who had been living at their address for between four and fourteen years. Finally, we cut the sample of zipcodes based on whether their housing price appreciation from 1990 to 2000 was above or below the median, as measured by the housing transactions observed in DataQuick. Ideally, we would measure market rental price appreciation across neighborhoods, but no data source of this exists. While rents and house prices need not be perfectly correlated, house prices and market rents tend to move together. We form eight subsamples by taking the $2 \times 2 \times 2$ cross across each of these three dimensions and re-estimate our effects for each subsample.

The results are reported in Figures 12 and 13. We summarize the key implications. First, we find that the effects are weaker for younger individuals. We believe this is intuitive. Younger households are more likely to face larger idiosyncratic shocks to their neighborhood and housing preferences (such as changes in family structure and employment opportunities), which makes staying in their current location particularly costly, relative to the types of shocks older households receive. Thus, younger households may feel more inclined to give up the benefits afforded by rent control to secure housing more appropriate for their circumstances.

Moreover, among older individuals, there is a large gap between the estimated effects based on turnover. Older, low turnover households have a strong, positive response to rent control. That is, they are more likely to remain at their 1993 address relative to the control group. In contrast, older, high turnover individuals are estimated to have a weaker response to rent control. They are less likely to remain at their 1993 address relative to the control group.

To further explore the mechanism behind this result, we now investigate these effects based on the 1990-2000 price appreciation of their 1993 zipcodes. Among older, lower turnover individuals, we find that the effects are always positive and strongest in those areas which experienced the most price appreciation between 1990 and 2000, as one might expect. For older, high turnover households, however, the results are quite different. For this subgroup, the effects are actually *negative* in the areas which experienced the *highest* price appreciation. They are positive in the areas which experienced below median price appreciation.¹⁶

This result suggests that landlords are likely actively trying to remove tenants in those areas where rent control is affording the most benefits, i.e. high price appreciation areas.

¹⁶A similar pattern holds for younger individuals as well, although the results are weaker.

There are a few ways a landlord could accomplish this. First, landlords could try to legally evict their tenants by, for example, moving into the properties themselves, known as owner move-in eviction. Alternatively, landlords could evict tenants according to the provisions of the Ellis Act, which allows evictions when an owner wants to remove units from the rental market - for instance, in order to convert the units into condos or a tenancy in common. Finally, landlords are legally allowed to negotiate with tenants over a monetary transfer convincing them to leave. Such transfers are, in fact, quite prevalent in San Francisco. Moreover, it is likely that those individuals who have not lived in the neighborhood long, and thus not developed an attachment to the area, could be more readily convinced to accept such payments. Since we find that the tenants who are most likely to leave rent control are those who likely value it the least (those who have not lived in the neighborhood for a long time), it appears that landlords are paying people to move out instead of evicting them. If landlords were mostly using evictions, we would expect them to evict those whose evictions are most profitable to the landlord: those who likely will stay a long time. Indeed, since landlords can pay tenants to move out, rent control need not inefficiently distort renters' decisions to remain in their rent controlled apartments. Tenants may "bring their rent control with them" in the form of a lump sum tenant buyout. Of course, if landlords predominantly use evictions, tenants are not compensated for their loss of rent protection, weakening the insurance value of rent control.

4.1.2 Effects on Neighborhood Quality

The results from the previous subsection help to rationalize some additional, final findings. In Figure 14a, we examine the impact that rent control has on the types of neighborhoods tenants live in in a given year. We find that treated individuals, i.e. those who received rent control, ultimately live in census tracts with lower house prices, lower median incomes, lower college shares, and higher unemployment rates than the control group. As Figure 14b shows, this is not a function of the areas in which treated individuals lived in 1993. In this figure, we fix the location of those treated by rent control at their 1993 locations, but allow the control group to migrate as seen in the data. If rent-controlled renters were equally likely to remain in their 1993 apartments across all locations in San Francisco, we would see the sign of the treatment effects on each neighborhood characteristic to be the same as in the previous regression. Instead, we find strong evidence that the out-migration of rent-controlled tenants came from very selected neighborhoods. Had treated individuals remained in their 1993 addresses, they would have lived in census tracts which had significantly higher college shares, higher house prices, lower unemployment rates, and similar levels of household median income relative to the control group. This evidence is consistent with the idea that

landlords undertake efforts to remove their tenants or convince them to leave in improving, gentrifying areas.

4.2 Parcel and Landlord Effects

We continue our analysis by studying the impact of rent control on the structures themselves. In particular, we examine how rent control affects the nature of the residents who live in the buildings, as well as its impact on investments that landlords choose to make in the properties. Summary statistics for our key outcomes are in Panel B of Table 1. This table shows that treatment and control properties are balanced in the pre-period in terms of total residents and number of renter residents. We see 1.2 percentage points more owners in the control group and 1.6 percentage points more construction/renovation permits. These small differences reflect that fact that the control buildings are slightly newer.

We run a similar specification to that above:

$$Y_{kzt} = \delta_{zt} + \lambda_k + \beta_t T_k + \epsilon_{kt}, \quad (2)$$

where k now denotes the individual parcel and λ_k represent parcel fixed effects. The variable T_k denotes treatment, equal to one if, on December 31, 1993, the parcel is a multi-family building with less than or equal to four units built between the years 1900 and 1979. The δ_{zt} variables once again reflect zipcode by year fixed effects. Our outcome variables Y_{kt} now include the number of renters and owners living in the building, the number of renovation permits associated with the building, and whether the building is ever converted to a condo or TIC. The permits we look at specifically are addition/alteration permits, taken out when major work is done to a property.

We begin by plotting in Figure 15a the effects of rent control on the number of individuals living at a given parcel, calculated as percentage of the average number of individuals living at that parcel between the years 1990-1994. We estimate a decline of approximately 6.4% over the long-run, although this effect is not statistically significant.

We next decompose this effect into the impact on the number of renters and the number of owners living at the treated buildings. As shown in Figure 15b, we find that there is a significant decline in the number of renters living at a parcel, equal to 14.5% in the late 2000s, relative to the 1990-1994 level. Figure 15c shows that the decline in renters was counterbalanced by an increase of 8.1% in the number of owners in the late 2000s. This is our first evidence suggestive of the idea that landlords redeveloped or converted their properties so as to exempt them from the new rent control regulations.

We now look more closely at the decline in renters. In Figure 16a, we see that there is

an eventual decline of 24.6% in the number of renters living in rent-controlled apartments, relative to the 1990-1994 average.¹⁷ This decline is significantly larger than the overall decline in renters. This is because a number of buildings which were subject to rent control status in 1994 were redeveloped in such way so as to no longer be subject to it. These redevelopment activities include tearing down the existing structure and putting up new single family, condominium, or multi-family housing or simply converting the existing structure to condos. These redeveloped buildings replaced 7.2% of the initial rental housing stock treated by rent control, as shown in Figure 16b).

A natural question is whether this redevelopment activity was a response of landlords to the imposition of rent control or, instead, if such activity was also taking place within the control group and thus reflected other trends. Since we have the entire parcel history for a property, we can check directly whether a multi-family property which fell under the rent control regulations in 1994 is more likely to have converted to condominium housing or a tenancy in common, relative to a multi-family property which did become subject to rent control. In Figure 16c, we show that treated buildings are 8 percentage points likely to convert to condo or TIC in response to the rent control law. This represents a significant loss in the supply of rent controlled housing.

As a final test of whether landlords actively respond to the imposition of rent control, we examine whether the landlords of rent-controlled properties disproportionately take out addition/alteration (i.e. renovation) permits. We find this to strongly be the case, with treated buildings received 4.6% more addition/alteration permits per unit as shown in Figure 16d. Of course, conversions of multi-family housing to condos undoubtedly require significant alteration to the structural properties of the building and thus would require such a permit to be taken out. These results are thus consistent with our results regarding condo conversion.

4.2.1 Treatment Effect Heterogeneity

We now explore the heterogeneity in these effects between high and low house price appreciation zipcodes. Our tenant regressions suggested that landlords of rent controlled buildings actively removed tenants in high appreciation zipcodes. Table 7 reports the average treatment effects within high and low appreciation zips. We find a 21% decline in the renter population and a 12% increase in the owner population within the high appreciation zipcodes, versus a 11% renter decline and 6% owner increase in low appreciation areas. Further, we find condo conversions increase by 10% in high appreciation zipcodes versus 5.8% in low appreciation areas. The conversion to owner occupied housing may be especially lucrative

¹⁷Note here that we mean relative to the number of individuals who lived at parcels which received rent control status due to the 1994 law change.

in these high appreciation zipcodes as they likely have higher income residents. In contrast, we find a larger effect (9.3% vs 3.2%) of properties being knocked down and rebuilt in low appreciation areas than high priced areas. This effect is possibly driven by land use regulations making it very hard to build new construction in high-end areas of San Francisco.¹⁸ Overall, these effects reaffirm that the landlords remove rental housing stock in areas where their profits to do so are the highest.

4.2.2 Gentrification Effects

The previous section shows that rent control incentivized landlords to substitute away from an older rental housing stock towards new construction rentals and owner occupied condos. Combining our estimates of rent control's effect on the number of owner occupants (8.1%) and renters living in rent control exempt housing (7.2%) suggests that 15.3% of the treated properties engaged in renovations to evade rent control. Since these types of renovations create housing that likely caters to high income tastes, rent control may have fueled the gentrification of San Francisco. To assess this, we compare the 2015 residents living in properties treated by rent control to those living in the control buildings in 2015. While we do not have data directly on the income levels of the 2015 residents of these properties, we can use the historical neighborhood choices of these tenants as a proxy for their income. Intuitively, if residents of treated buildings used to live in high-end neighborhoods, while residents of control buildings used to live in low end neighborhoods, we can infer that the residents of treated buildings are likely to be higher income. Specifically, we take all residents in the treatment and control buildings as of 2015. We then look at their addresses as of 2010, five years prior. We geocode these 2010 addresses to census block groups and measure the block group per capita income of their 2010 address, from the ACS. Table 8 shows that properties treated by rent control have tenants who came from neighborhoods with \$1292 higher per capita incomes, representing a 2.8% increase, relative to residents of control group buildings located in the same zipcode. This 2.8% increase represents the average income increase across *all* properties treated by rent control. Since only 15.3% of these properties upgraded their housing stock, we would expect these high income residents to only be drawn into this 15.3%. Indeed, the other 85% of the treated housing stock that did not renovate likely have lower income residents due to the direct effect of rent control on tenant mobility. To construct a lower bound estimate of the effect of rent control on gentrification, we will assume that residents of the non-renovated housing stock have incomes similar to that of the control group. Under this assumption, our estimate of a 2.8% increase

¹⁸Most new construction in San Francisco has occurred in neighborhoods that historically were dominated by industry and warehouses.

in residents' incomes suggests that the renovated buildings attracted residents with *at least* 18% (2.8/0.153) higher incomes than residents of control group buildings in the same zipcode. In this way, rent control appears to have brought higher income residents into San Francisco, fueling gentrification.

Taken together, we see rent control increased property investment, spurred the demolition and reconstruction of new buildings, generated conversion of rental units to owner occupied housing, and caused a decline of the number of renters per building. This reduction in rental supply likely led to rent increases in San Francisco, which had to be borne by future renters. In this way, the law served as a transfer from future renters in the city to renters in 1994. Moreover, all of the landlord responses ultimately have led to a housing stock which caters to higher income individuals, fueling the gentrification of San Francisco, the exact opposite of the policy's intended goal. Further, rent control appears to have increased income inequality in the city by simultaneously limiting displacement of minorities and attracting higher income residents.

5 Conclusion

In this paper, we study the impact of rent control on its tenant beneficiaries as well as the landlord response. To answer this question, we exploit a unique rent control expansion in San Francisco in 1994 that suddenly provided rent control protections for small multi-family housing built prior to 1980. By combining new panel micro data on individual migration decisions with detailed assessor data on individual SF parcels, we get quasi-experimental variation in the assignment of rent control at both the individual tenant level and at the parcel level.

We find that, on average, in the medium to long term the beneficiaries of rent control are between 10 and 20% more likely to remain at their 1994 address relative to the control group and, moreover, are more likely to remain in San Francisco. Further, we find the effects of rent control on tenants are stronger for racial minorities, suggesting rent control helped prevent minority displacement from San Francisco. All our estimated effects are significantly stronger among older households and among households that have already spent a number of years at their current address. On the other hand, individuals in areas with quickly rising house prices and with few years at their 1994 address are less likely to remain at their current address, consistent with the idea that landlords try to remove tenants when the reward is high, through either eviction or negotiated payments.

We find that landlords actively respond to the imposition of rent control by converting their properties to condos and TICs or by redeveloping the building in such as a way as to

exempt it from the regulations. In sum, we find that impacted landlords reduced the supply of available rental housing by 15%. Further, we find that there was a 25% decline in the number of renters living in units protected by rent control, as many buildings were converted to new construction or condos that are exempt from rent control.

This reduction in rental supply likely increased rents in the long-run, leading to a transfer between future San Francisco renters and renters living in San Francisco in 1994. In addition, the conversion of existing rental properties to higher-end, owner-occupied condominium housing ultimately led to a housing stock increasingly directed towards higher income individuals. In this way, rent control contributed to the gentrification of San Francisco, contrary to the stated policy goal. Rent control appears to have increased income inequality in the city by simultaneously limiting displacement of minorities and attracting higher income residents.

These results highlight that forcing landlords to provide insurance against rent increases can ultimately be counterproductive. If society desires to provide social insurance against rent increases, it may be less distortionary to offer this subsidy in the form of a government subsidy or tax credit. This would remove landlords' incentives to decrease the housing supply and could provide households with the insurance they desire. A point of future research would be to design an optimal social insurance program to insure renters against large rent increases.

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Table 1: Sample Characteristics of Multi-Family Properties (2 – 4 Units) and their Tenants

A. Tenants Living in Multi-Family Residence (2 – 4 Units)						
	1990–1993			1994–2016		
	Treat	Control	Difference	Treat	Control	Difference
A1. Demographics						
Age in 1993	37.708 (10.438)	37.120 (10.639)	0.587 (0.247)	37.708 10.438	37.120 (10.639)	0.587 (0.247)
A2. Residency						
In SF	0.954 (0.210)	0.954 (0.210)	0.000 (0.002)	0.569 (0.495)	0.538 (0.499)	0.032 (0.002)
Same Address	0.870 (0.336)	0.867 (0.340)	0.003 (0.004)	0.261 (0.439)	0.240 (0.427)	0.021 (0.002)
Years at Address	6.015 (3.958)	5.825 (3.927)	0.190 (0.047)	6.590 (5.898)	6.267 (5.530)	0.324 (0.029)
No. Persons	44502	1861	46363	44502	1861	46363
B. Multi-Family Properties (2 – 4 Units)						
B1. Residency						
Conversion	0.000 (0.009)	0.000 (0.000)	0.000 (0.000)	0.096 (0.294)	0.041 (0.206)	0.051 (0.002)
B2. Population						
Population/Avg Pop 90-94	0.898 (0.436)	0.905 (0.426)	-0.008 (0.007)	2.282 (4.029)	2.252 (2.998)	0.030 (0.028)
Renters/Avg Pop 90-94	0.741 (0.484)	0.737 (0.482)	0.004 (0.008)	1.680 (3.555)	1.700 (2.517)	-0.020 (0.025)
Renters in Rent-Controlled Buildings/Avg Pop 90-94	0.741 (0.484)	0.737 (0.482)	0.004 (0.008)	1.404 (1.927)	1.570 (2.053)	-0.165 (0.014)
Renters in Redeveloped Buildings/Avg Pop 90-94	0 (0)	0 (0)	0 (0)	0.129 (0.740)	0.060 (0.541)	0.069 (0.005)
Owners/Avg Pop 90-94	0.157 (0.329)	0.168 (0.335)	-0.012 (0.006)	0.602 (1.581)	0.552 (1.348)	0.050 (0.011)
B3. Permits						
Cumulative Add/Alter/Repair per Unit	0.072 (0.231)	0.088 (0.287)	-0.016 (0.004)	0.290 (0.511)	0.254 (0.536)	0.035 (0.004)
No. Parcels	25925	892	26817	25925	892	26817

Notes: Panel A reports the summary statistics of the demographic characteristics and residency outcomes during 1990 – 2016 of our tenant sample. The sample consists of all tenants between 20 and 65 years old living in San Francisco as of December 31, 1993 and in multi-family residences with 2 – 4 units that were built during 1900 – 1990. Panel B reports the summary statistics of the outcomes variables related to residency, population changes and permit issuance during 1990 – 2016 of our property sample. The sample consists of all parcels that are multi-family residence with 2 – 4 units in San Francisco that were built during 1900 – 1990. The “Treat” and “Control” columns report the mean and standard deviation (in parentheses) of each outcome variable at the tenant level in Panel A and at the property level in Panel B. The “Difference” column reports the coefficient and standard error (in parentheses) of a regression of each outcome variable on the treatment dummy at the tenant level in Panel A and at the property level in Panel B.

Table 2: Race of Tenants in Multi-Family Residence (2 – 4 Units)

	(1)	(2)	(3)	(4)
Predicted Race	Freq.	Percent	Avg. Racial Probability	Percent of SF Tenants Aged 20 – 65 in Small-Multi Family Residences – 1990 Census
White	28771	75.01%	0.95	57.36%
Black	537	1.40%	0.93	7.72%
Hispanic	3144	8.20%	0.95	14.18%
Asian	5902	15.39%	0.98	20.16%
Other	.	.	.	0.59%
Total	38354	100%	0.95	100%

Notes: Sample consists of all tenants between 20 and 65 years old living in San Francisco as of December 31, 1993 and in multi-family residences with 2 – 4 units that were built during 1900 – 1990. Table shows the racial distribution for the 38354 tenants with a classified race/ethnicity. In addition, 8009 tenants are not assigned a race, corresponding to 17.27% of our sample of tenants. They are not assigned a predicted race because their maximum racial probability from the set of predicted racial probabilities for all ethnic categories is below 0.8, following the procedure detailed in section 3.2. Columns 1 and 2 report the number of tenants and the share of the sample by predicted race. Column 3 reports the average final racial probability by predicted racial categories. Column 4 reports the share of tenants in San Francisco between 20 and 65 years old who were living in small multi-family residences by racial/ethnic categories. The data source is 1990 U.S. Census. The category “Other” refers to all other racial/ethnic categories from the Census which include non-Hispanic American Indian and Alaska Native, and non-Hispanic Multi-racial.

Table 3: 2010 Census Block Racial Distribution by Race of Tenants of the 1994 Rent Control Cohort

Predicted Race	Avg. Share in Census Block of 2010 Address			
	White	Black	Hispanic	Asian
White	63.4%	4.2%	12.1%	16.4%
Black	24.8%	24.0%	24.4%	22.8%
Hispanic	33.7%	6.3%	31.4%	24.9%
Asian	38.1%	4.1%	13.2%	40.8%

Notes: Sample consists of all tenants with a classified race/ethnicity between 20 and 65 years old living in San Francisco as of December 31, 1993 and in multi-family residences with 2 – 4 units that were built during 1900 – 1990. We geocode the 2010 addresses of tenants in our sample to the census block level. The columns report the average shares of White, Black, Hispanic and Asian population in the census blocks containing the 2010 addresses of tenants in each classified racial/ethnic category.

Table 4: Prediction of 2010 Census Block Racial Distribution using Racial Classification

	(1) Share White	(2) Share Black	(3) Share Hispanic	(4) Share Asian
White	0.385 (0.010)	-0.199 (0.004)	-0.123 (0.006)	-0.064 (0.008)
Hispanic	0.089 (0.011)	-0.178 (0.004)	0.071 (0.007)	0.021 (0.009)
Asian	0.133 (0.011)	-0.199 (0.004)	-0.111 (0.007)	0.180 (0.008)
R^2	0.212	0.062	0.129	0.189
Observations	36656	36656	36656	36656

Notes: Sample consists of all tenants with a classified race/ethnicity between 20 and 65 years old living in San Francisco as of December 31, 1993 and in multi-family residences with 2 – 4 units that were built during 1900 – 1990. We geocode the 2010 addresses of tenants in our sample to the census block level. The dependent variable is share of White, Black, Hispanic or Asian population in the census block that contains a tenant's 2010 address. The independent variable is a tenant's racial classification. Black is the omitted category.

Table 5: Treatment Effect for Tenants of Multi-Family Residence (2 – 4 Units)

	(1) In SF	(2) Same Address
<i>Treat × Period</i>		
1994-1999	0.0200 (0.0081)	0.0218 (0.0083)
2000-2004	0.0451 (0.0115)	0.0354 (0.0088)
Post 2005	0.0366 (0.0109)	0.0147 (0.0063)
Control Mean 1994 – 1999	0.7641	0.5410
Control Mean 2000 – 2004	0.5138	0.1827
Control Mean Post 2005	0.4346	0.1135
Adjusted R^2	0.586	0.608
Observations	1251801	1251801

Notes: Sample consists of all tenants between 20 and 65 years old living in San Francisco as of December 31, 1993 and in multi-family residences with 2 – 4 units that were built during 1900 – 1990. Table reports the mean of dependent variables for the control group during 1990 – 1994, 2000 – 2004 and post-2005. Standard errors are clustered at the person level.

Table 6: Robustness Check of Treatment Effect for Tenants of Multi-Family Residence (2 – 4 Units)

A. Treatment Group Lives in Buildings Built between 1960 & 1979		
	(1) In SF	(2) Same Address
Treat × Period		
1994 – 1999	0.0326 (0.0105)	0.0289 (0.011)
2000 – 2004	0.0642 (0.0151)	0.0370 (0.0118)
Post 2005	0.0531 (0.0145)	0.0164 (0.0084)
Control Mean 1994 – 1999	0.7641	0.541
Control Mean 2000 – 2004	0.5138	0.1827
Control Mean Post 2005	0.4346	0.1135
Adjusted R^2	0.584	0.609
Observations	135594	135594
B. Census Tract Fixed Effects		
	(1) In SF	(2) Same Address
Treat × Period		
1994 – 1999	0.0175 (0.0084)	0.0157 (0.0087)
2000 – 2004	0.0426 (0.012)	0.0284 (0.0092)
Post 2005	0.0364 (0.0114)	0.0113 (0.0066)
Control Mean 1994 – 1999	0.7641	0.541
Control Mean 2000 – 2004	0.5138	0.1827
Control Mean Post 2005	0.4346	0.1135
Adjusted R^2	0.588	0.609
Observations	1243242	1243242

Notes: In Panel A, we change our tenant sample to all tenants between 20 and 65 years old living in San Francisco as of December 31, 1993 and in multi-family residences with 2 – 4 units that were built during 1960 – 1990. Hence we have restricted our treatment group to individuals who lived in buildings built between 1960 and 1979. In Panel B, the sample of tenants is the same as in our baseline regressions. Instead of using zipcode by year fixed effects in our baseline regressions, we use census tract by year fixed effects. Table reports the mean of dependent variables for the control group during 1990 – 1994, 2000 – 2004 and post-2005. Standard errors are clustered at the person level.

Table 7: Treatment Effect Heterogeneity for Multi-Family Parcels by House Price Appreciation

	(1) High Appreciation	(2) Low Appreciation
Population/Avg Pop 90-94	-0.092 (0.176)	-0.050 (0.108)
Renters/Avg Pop 90-94	-0.207 (0.144)	-0.112 (0.085)
Renters in Rent-Controlled Buildings/Avg Pop 90-94	-0.284 (0.148)	-0.225 (0.088)
Renters in Redeveloped Buildings/Avg Pop 90-94	0.032 (0.058)	0.093 (0.016)
Owners/Avg Pop 90-94	0.116 (0.066)	0.063 (0.052)
Conversion	0.100 (0.011)	0.058 (0.006)
Cumulative Add/Alter/Repair per Unit	0.016 (0.03)	0.061 (0.015)

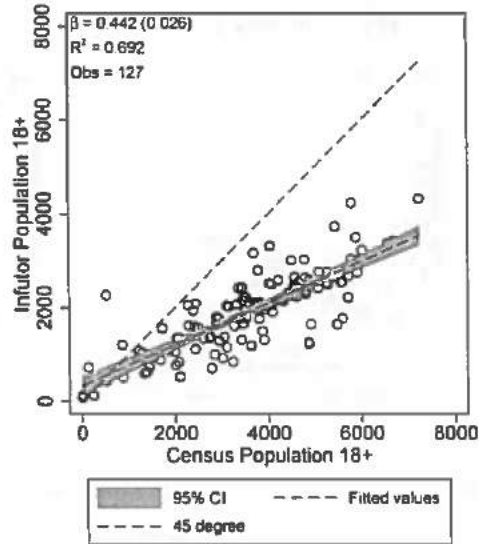
Notes: Sample consists of all multi-family residences with 2 – 4 units in San Francisco that were built during 1900 – 1990. We divide tenants into two groups by whether their 1993 zipcode experienced above or below median house price appreciation during 1990 – 2000. Columns 1 and 2 report the average treatment effects for various parcel level outcomes in the post-2006 period for residences in the high and low appreciation areas respectively. Standard errors in parentheses are clustered at the parcel level.

Table 8: Treatment Effect on Parcel Level Average Income for Multi-Family Residence (2-4 Units)

	(1) Per Capita Income
Treat	1292 (522)
Constant	53084 (514)
Control Mean	45703
Control S.D.	22071
R^2	0.398
Observations	24271

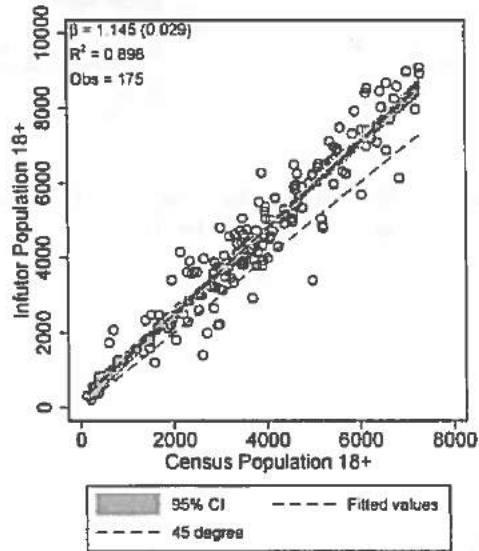
Notes: Table reports parcel level regression for the 2015 cross-section of parcels in San Francisco that we can match people living there. We further restricts to parcels that we can match someone living there before 1994. The dependent variable is the average per capita income across individuals living in each parcel. Per capita income is measured in 2010 dollars in the census block group of each individual's 2010 address. Regression includes zipcode fixed effects. Robust standard errors are reported.

Figure 1: Population Age 18 and above: 1990 Census



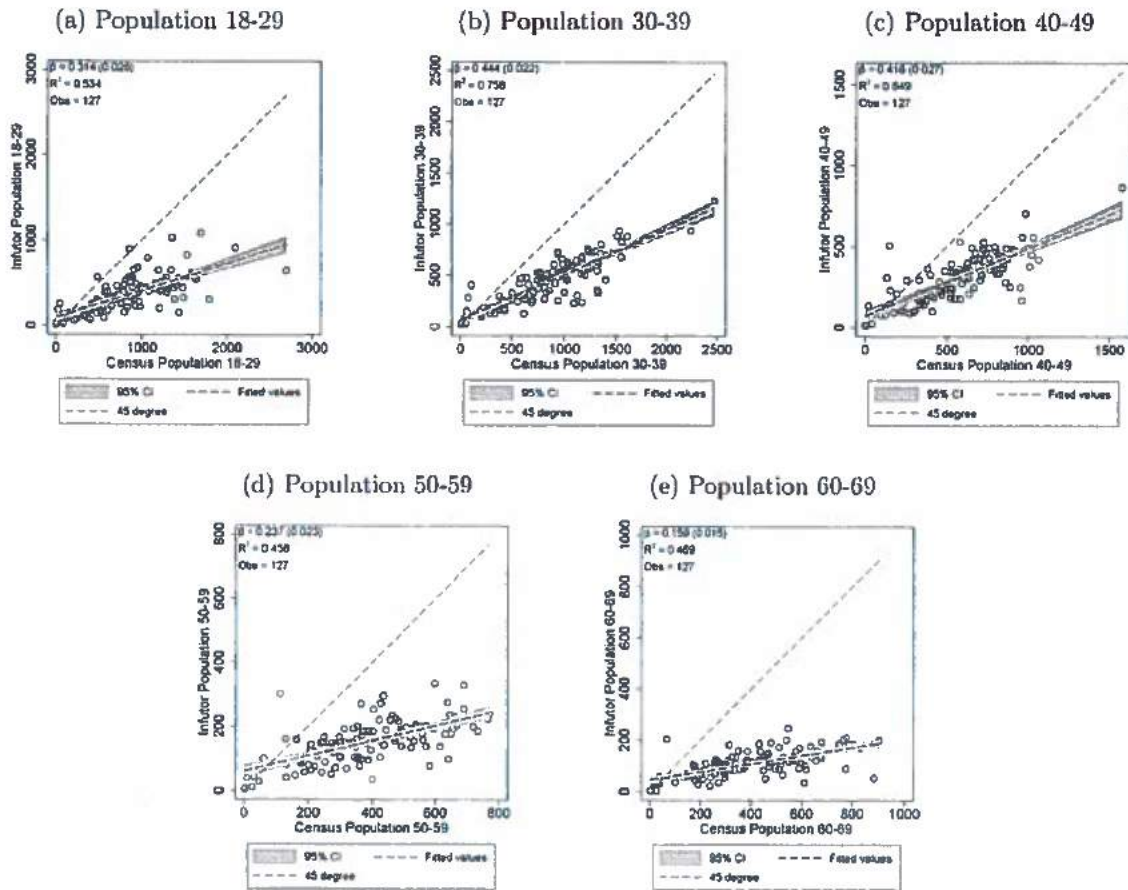
Notes: Plot shows the population of 18 and over in each census tract in 1990 from Infutor data against that from 1990 Census.

Figure 2: Population Age 18 and above: 2000 Census



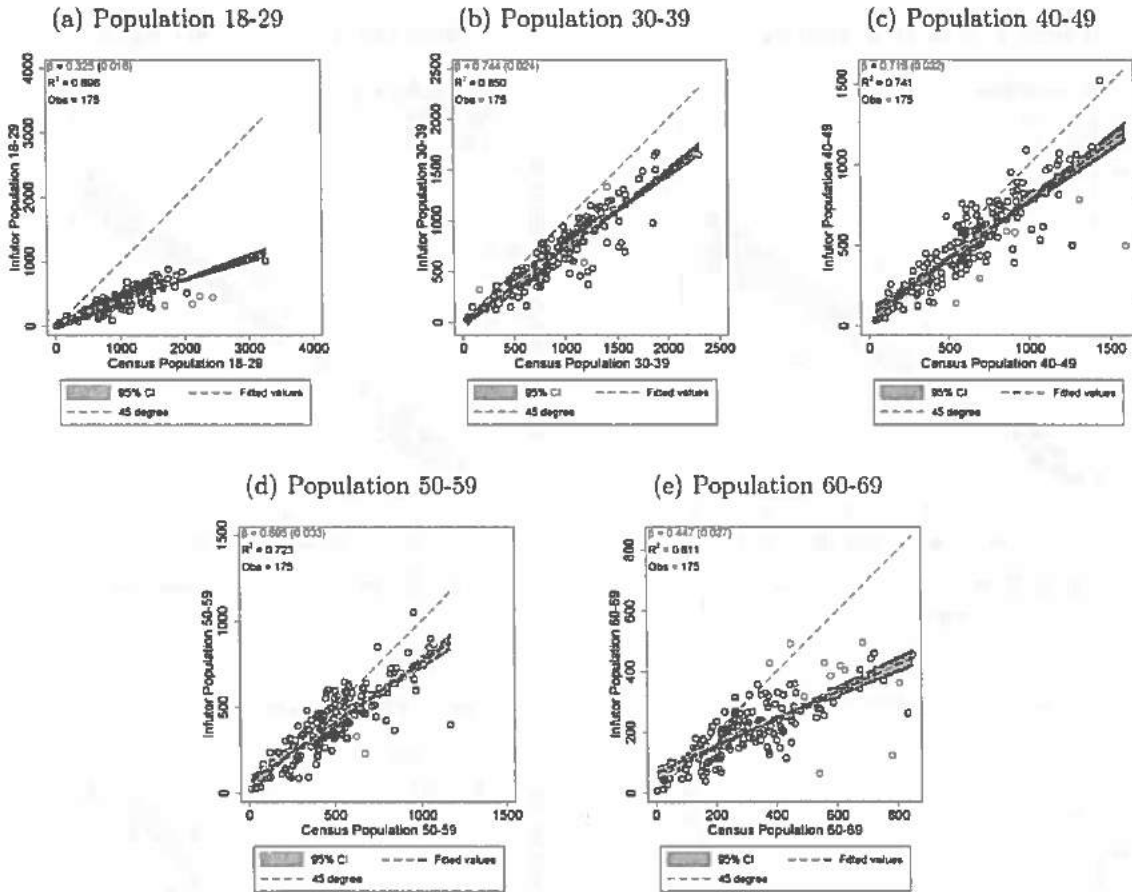
Notes: Plot shows the population of 18 and over in each census tract in 2000 from Infutor data against that from 2000 Census.

Figure 3: Population by Age Group: 1990 Census



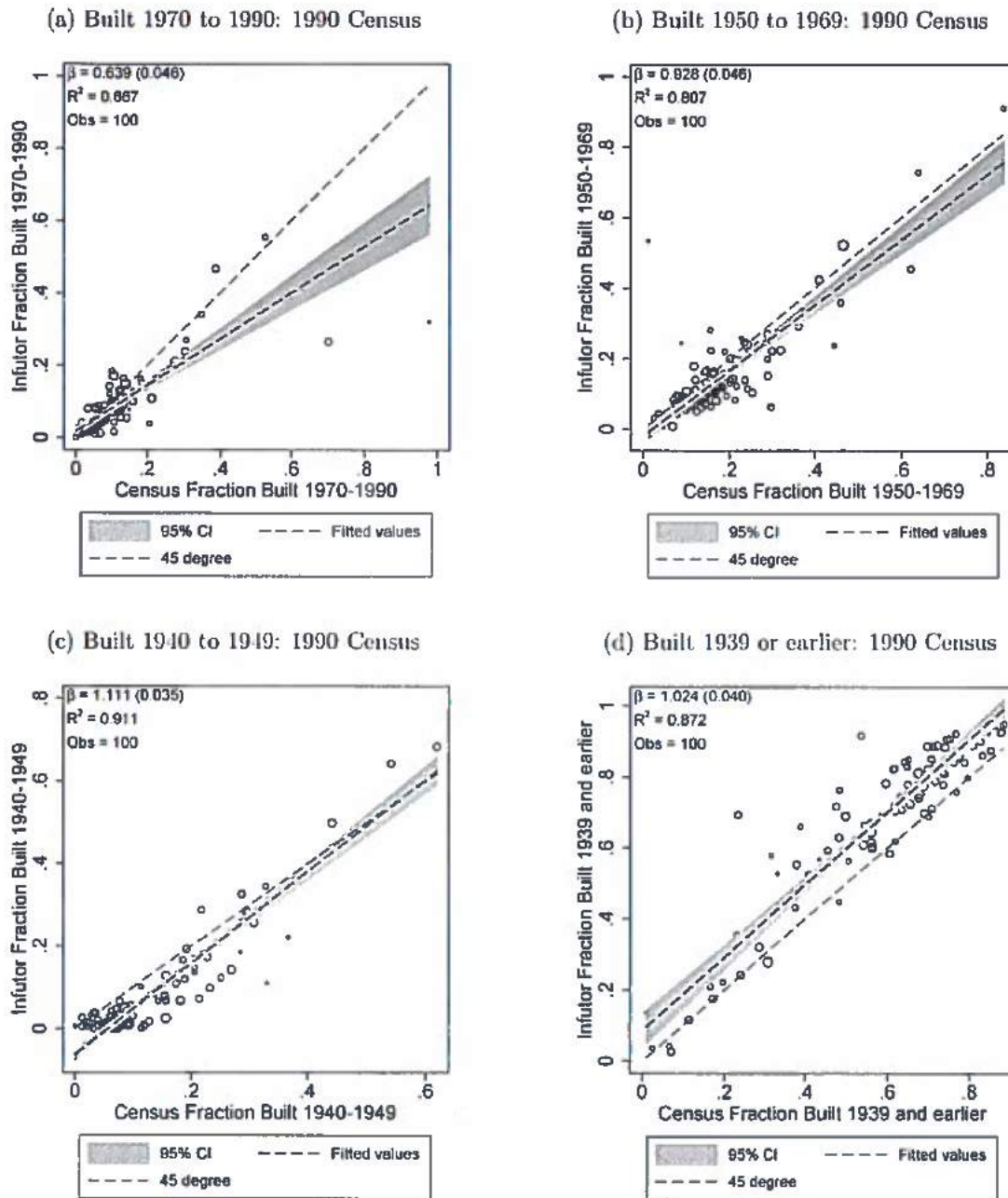
Notes: Plot shows the population counts within a given age group in each census tract in 1990 from Infutor data against that from 1990 Census. The fitted line is estimated by OLS.

Figure 4: Population by Age Group: 2000 Census



Notes: Plot shows the population counts within a given age group in each census tract in 1990 from Infutor data against that from 1990 Census. The fitted line is estimated by OLS.

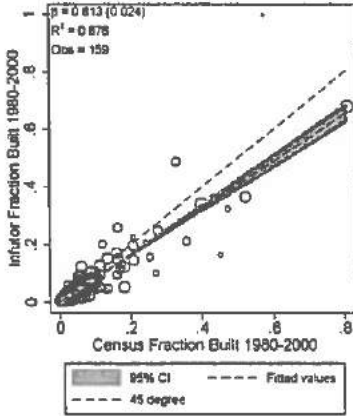
Figure 5: Age of Occupied Housing: 1990 Census



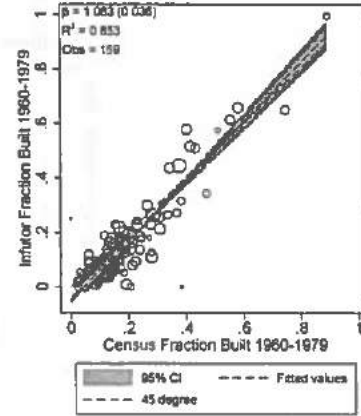
Notes: Plot shows the fraction of buildings built in each time period in each census tract in 1990 from Infutor data against that from 1990 Census. The size of marker is proportional to the number of occupied housing units in each census tract. The fitted line is by weighted least square using the number of occupied housing units as weights.

Figure 6: Age of Occupied Housing: 2000 Census

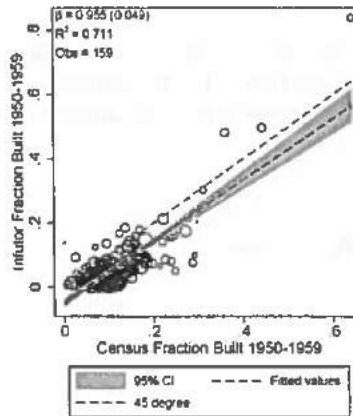
(a) Built 1980 to 2000: 2000 Census



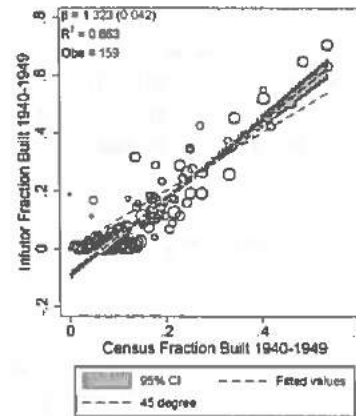
(b) Built 1960 to 1979: 2000 Census



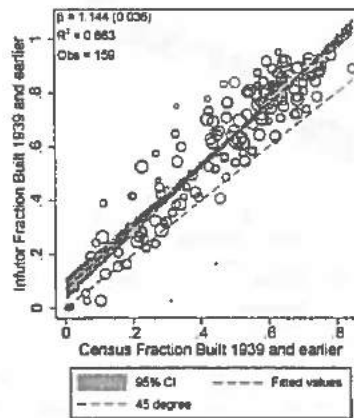
(c) Built 1950 to 1959: 2000 Census



(d) Built 1940 to 1949: 2000 Census

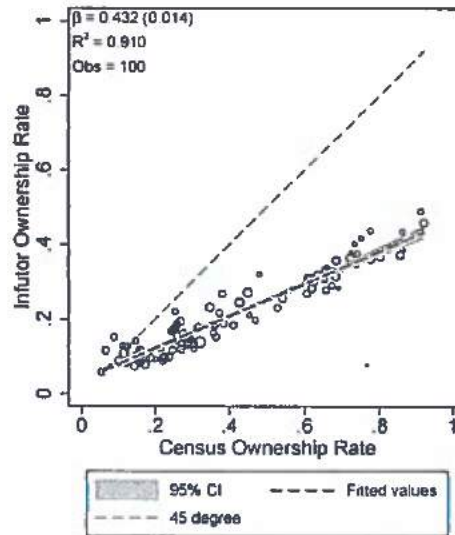


(e) Built 1930 or earlier: 2000 Census



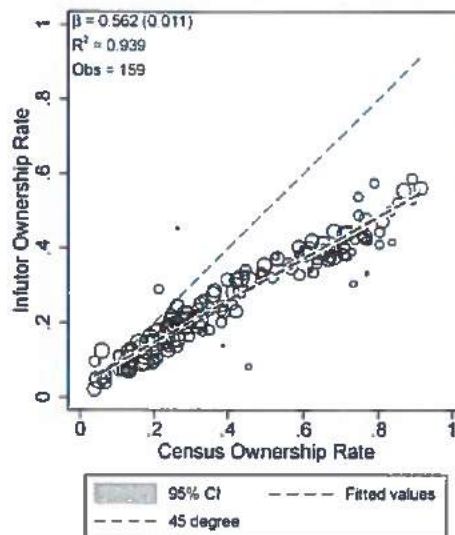
Notes: Plot shows the fraction of buildings built in each time period in each census tract in 2000 from Infutor data against that from 2000 Census. The size of marker is proportional to the number of occupied housing units in each census tract. The fitted line is by weighted least square using the number of occupied housing units as weights.

Figure 7: Ownership Rate at Individual Level: 1990 Census



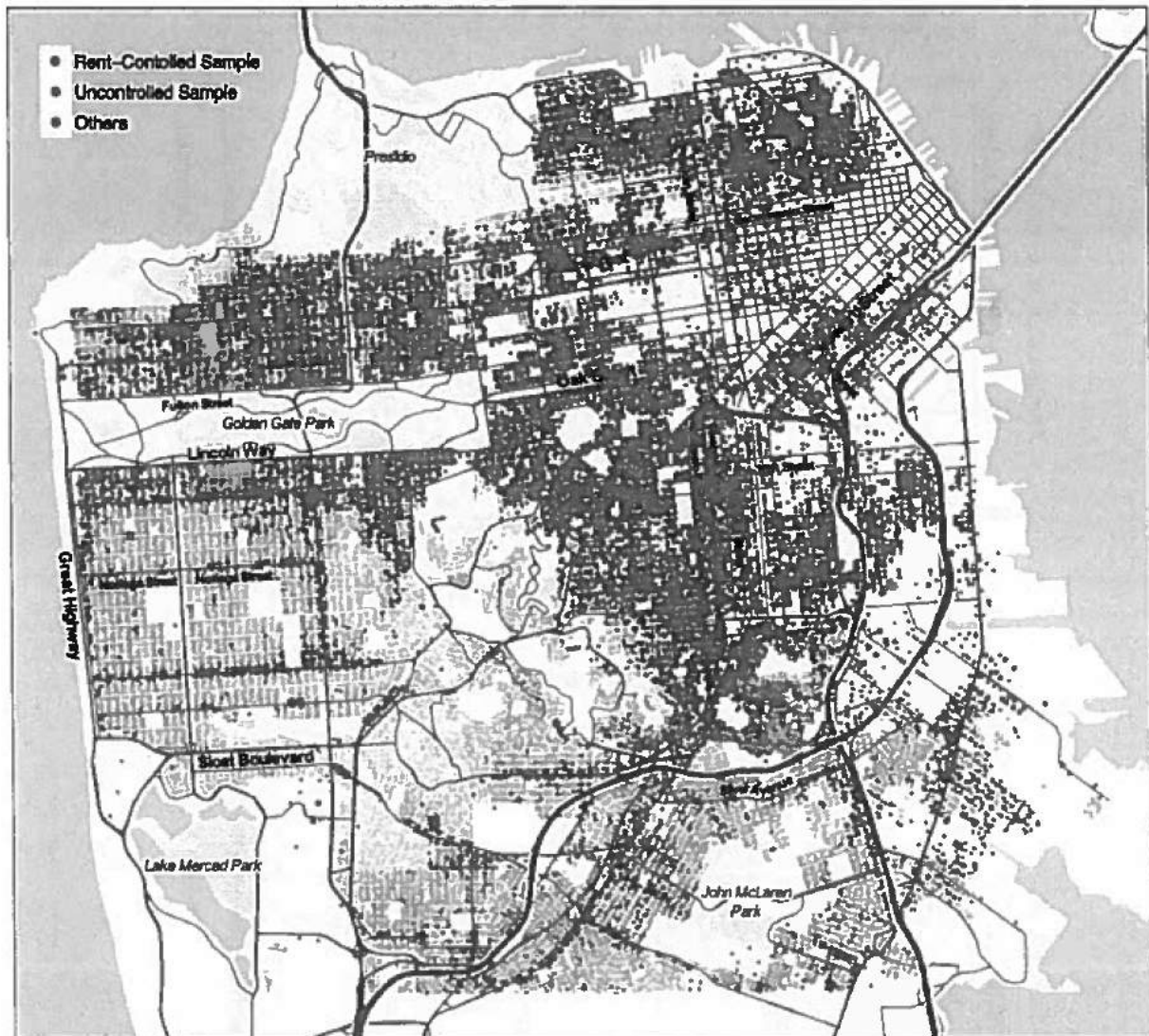
Notes: Plot shows the ownership rate at the individual level in 1990 from Infutor data against the ownership rate of occupied housing units from 1990 Census. The size of marker is proportional to the number of occupied housing units in each census tract. The fitted line is by weighted least square using the number of occupied housing units as weights.

Figure 8: Ownership Rate at Individual Level: 2000 Census



Notes: Plot shows the ownership rate at the individual level in 2000 from Infutor data against the ownership rate of occupied housing units from 2000 Census. The size of marker is proportional to the number of occupied housing units in each census tract. The fitted line is by weighted least square using the number of occupied housing units as weights.

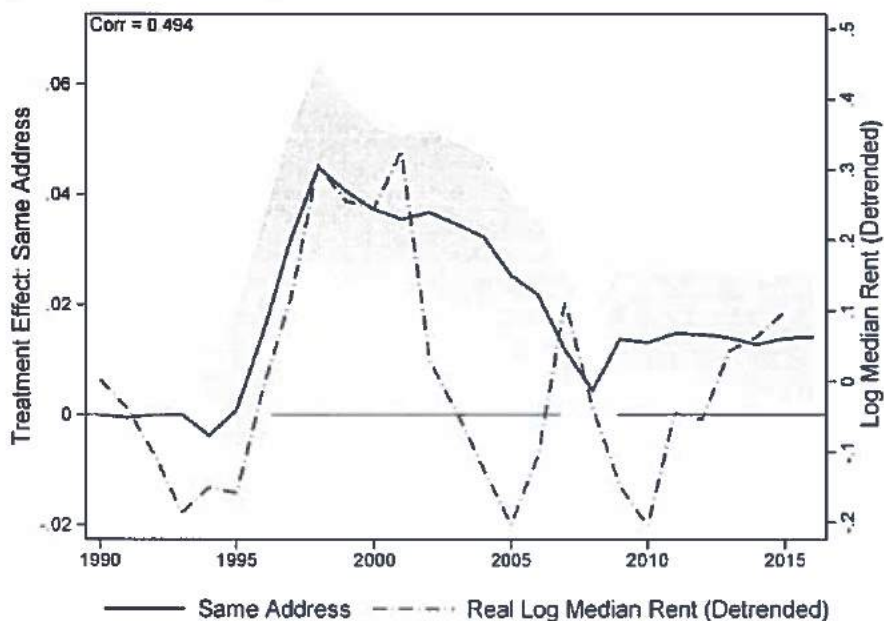
Figure 9: Geographic Distribution of Treated and Control Buildings in San Francisco



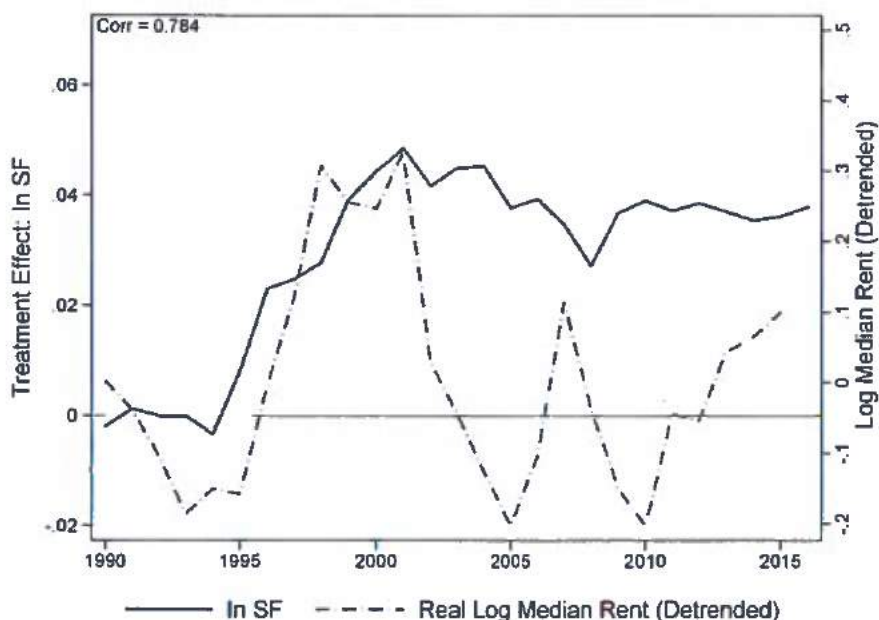
Notes: The purple dots represent parcels in the treatment group, which are parcels corresponding to multi-family residences with 2 – 4 units in San Francisco that were built between 1900-1979. The green dots represent parcels in the control group, which are parcels corresponding to multi-family residences with 2 – 4 units in San Francisco that were built between 1980-1990. The gray dots represent other types of housing stocks such as single-family residences and multi-family residences with 5 or more units.

Figure 10: Treatment Effect for Tenants in Multi-Family Residence (2 – 4 Units)

(a) Staying at Same Address



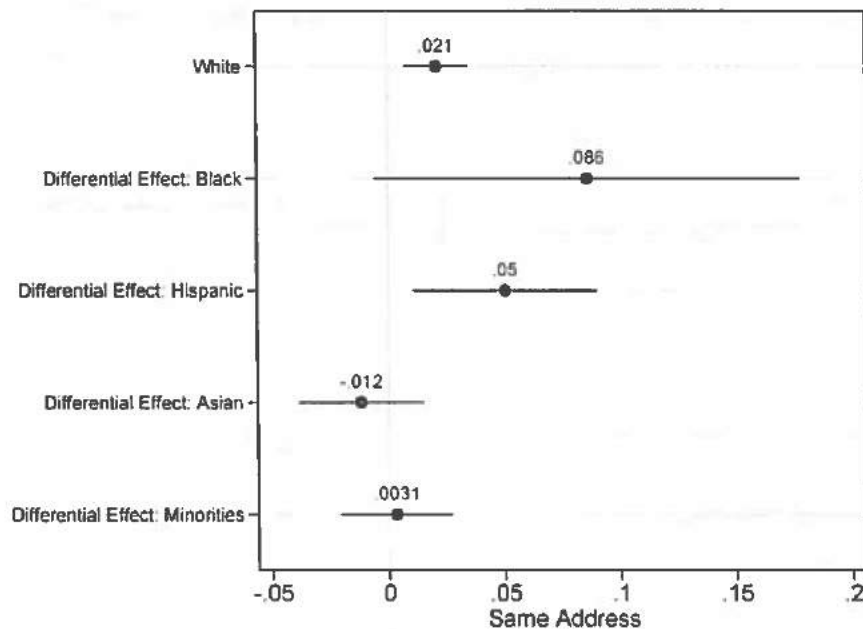
(b) Staying in San Francisco



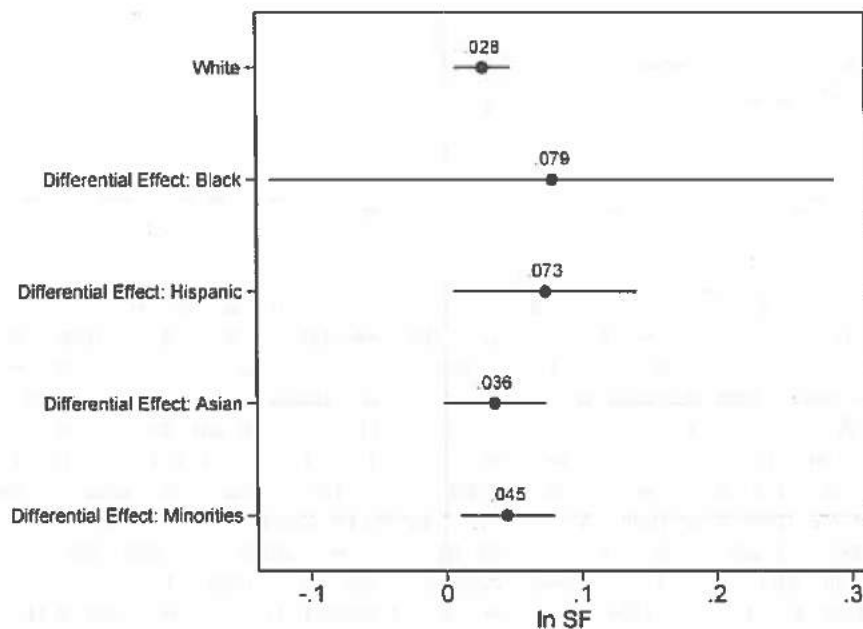
Notes: Sample consists of all tenants between 20 and 65 years old living in San Francisco as of December 31, 1993 and in multi-family residences with 2 – 4 units that were built during 1900 – 1990. The solid line plots the treatment effects for staying at the same address in Panel (a) and staying in San Francisco in Panel (b) along with 90% CI in shaded area. The dotted line plots the yearly deviation from the log trend in median rental rates. Standard errors are clustered at the person level.

Figure 11: Heterogeneity by Tenant's Race in Treatment Effect for Tenants

(a) Staying at Same Address

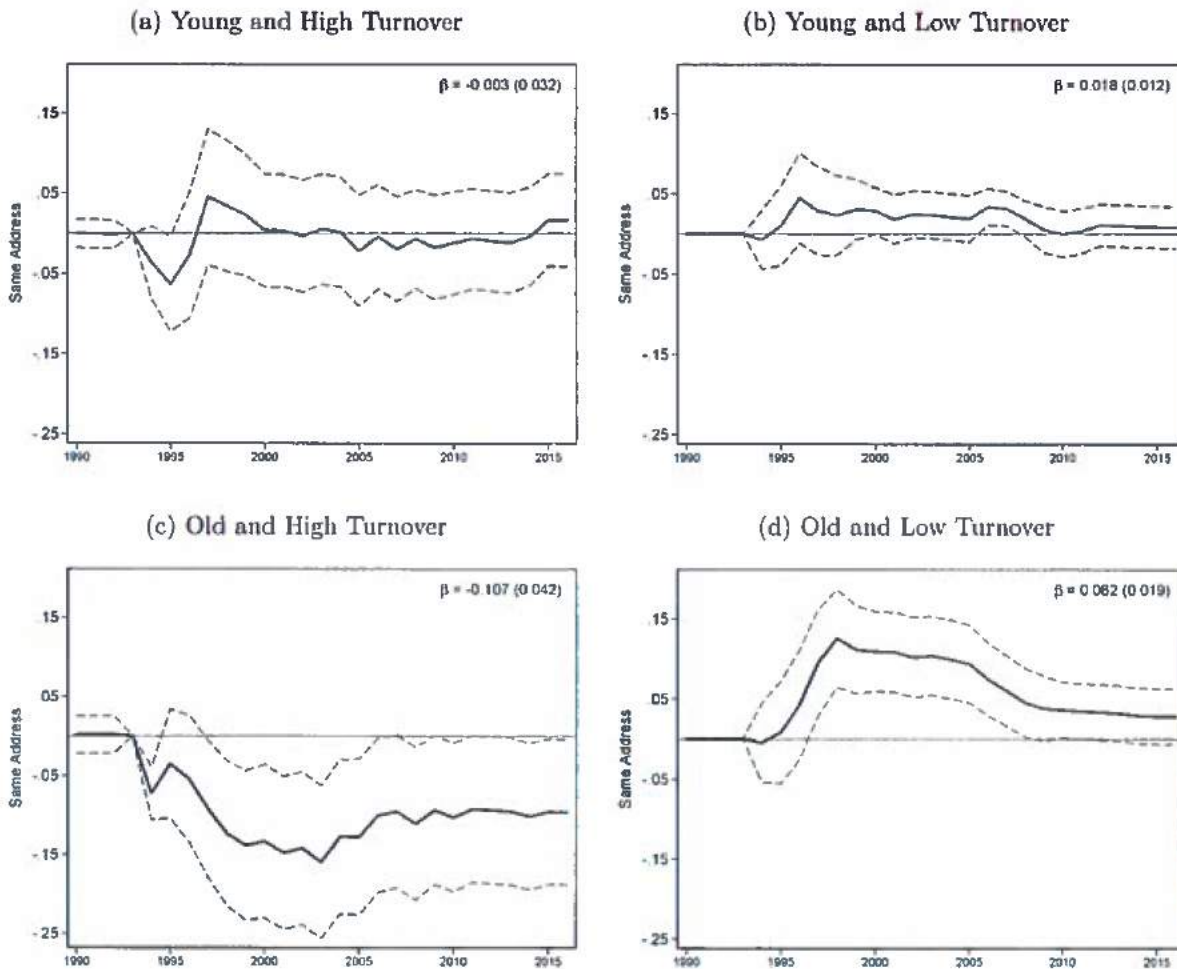


(b) Staying in San Francisco



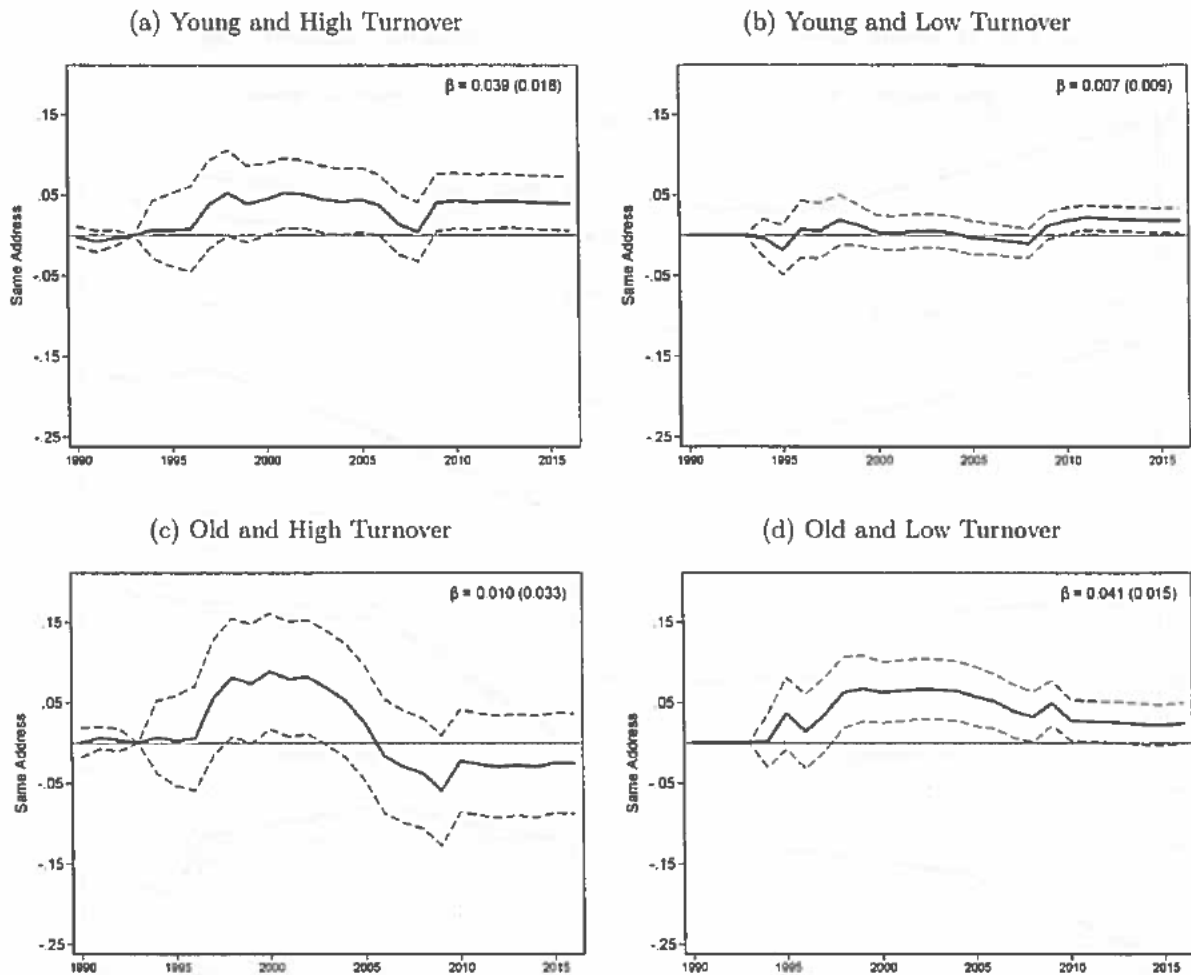
Notes: Sample consists of all tenants with a classified race/ethnicity between 20 and 65 years old living in San Francisco as of December 31, 1993 and in multi-family residences with 2 – 4 units that were built during 1900 – 1990. For White tenants, we report the average treatment effect in the post-1994 period along with 90% CI. For the other ethnic categories, we report the differential treatment effect in the post-1994 period between White and each ethnic category along with 90% CI. Minorities consist of all ethnic groups other than White. Standard errors are clustered at the person level.

Figure 12: Heterogeneity by Age and Tenure in Treatment Effect for Tenants of Multi-Family Residence (2 – 4 Units) with High House Price Appreciation



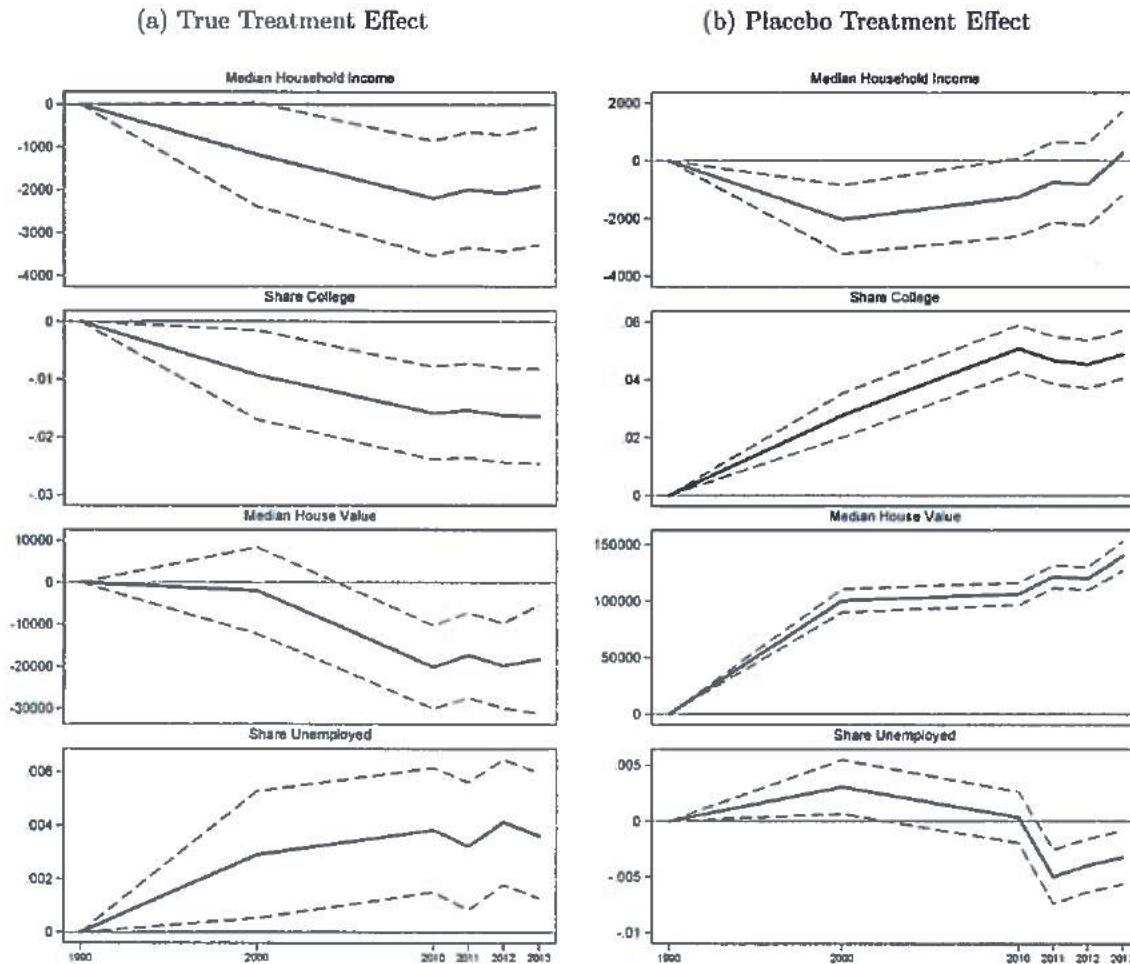
Notes: Sample consists of all tenants between 20 and 65 years old living in San Francisco as of December 31, 1993 and in multi-family residences with 2 – 4 units that were built during 1900 – 1990. We first divide individuals into two groups by whether their 1993 zipcode experienced above or below median house price appreciation during 1990 – 2000, and restrict our sample to individuals living in zipcodes that experienced high appreciation. We further sort the sample by age group. The young group refers to residents who were aged 20 – 39 in 1993 and the old group are residents who were aged 40 – 65 in 1993. Finally, we cut the data by number of years the individual has been living at their 1993 address. We define a “low turnover” group of individuals who had been living at their 1993 address for greater than or equal to four years and a “high turnover” group of individuals who had been living at their address for less than four years. The treatment effects along with 90% CI are plotted. Standard errors are clustered at the person level. The average treatment effects in the post-1994 period and their standard errors are reported in the upper-right corner.

Figure 13: Heterogeneity by Age and Tenure in Treatment Effect for Tenants of Multi-Family Residence (2 – 4 Units) with Low House Price Appreciation



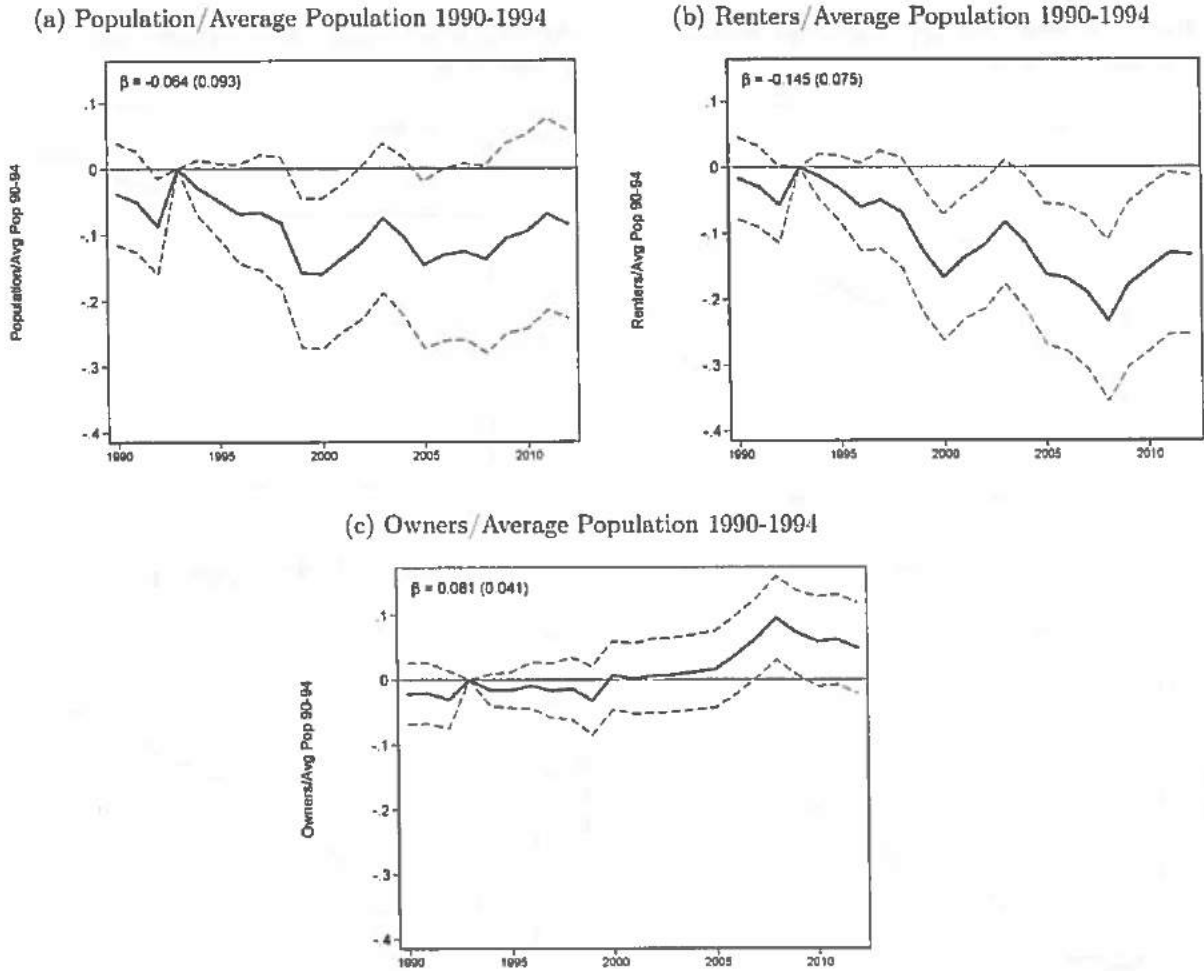
Notes: Sample consists of all tenants between 20 and 65 years old living in San Francisco as of December 31, 1993 and in multi-family residences with 2 – 4 units that were built during 1900 – 1990. We first divide individuals into two groups by whether their 1993 zipcode experienced above or below median house price appreciation during 1990 – 2000, and restrict our sample to individuals living in zipcodes that experienced low appreciation. We further sort the sample by age group. The young group refers to residents who were aged 20 – 39 in 1993 and the old group are residents who were aged 40 – 65 in 1993. Finally, we cut the data by number of years the individual has been living at their 1993 address. We define a “low turnover” group of individuals who had been living at their 1993 address for greater than or equal to four years and a “high turnover” group of individuals who had been living at their address for less than four years. The treatment effects along with 90% CI are plotted. Standard errors are clustered at the person level. The average treatment effects in the post-1994 period and their standard errors are reported in the upper-right corner.

Figure 14: Treatment Effect on Neighborhood Quality for Tenants of Multi-Family Residence (2 – 4 Units)



Notes: Sample consists of all tenants between 20 and 65 years old living in San Francisco as of December 31, 1993 and in multi-family residences with 2 – 4 units that were built during 1900 – 1990. Median household income, share of residents with college education and above, median house value, and share of unemployed are measured in the census tract that an individual is living in a given year. The data sources are decennial censuses in 1990 and 2000, as well as 5-year pooled ACS for 2010 to 2013. Panel (a) plots the true treatment effects for various proxies of neighborhood quality. Panel (b) plots the placebo treatment effects where we assume those treated by rent control remain at their 1993 addresses, but allow the control group to migrate as seen in the data. The treatment effects along with 90% CI are plotted. Standard errors are clustered at the person level.

Figure 15: Treatment Effect for Multi-Family Residence (2 – 4 Units)

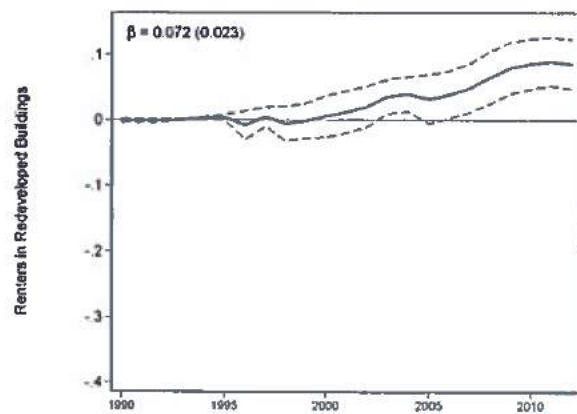
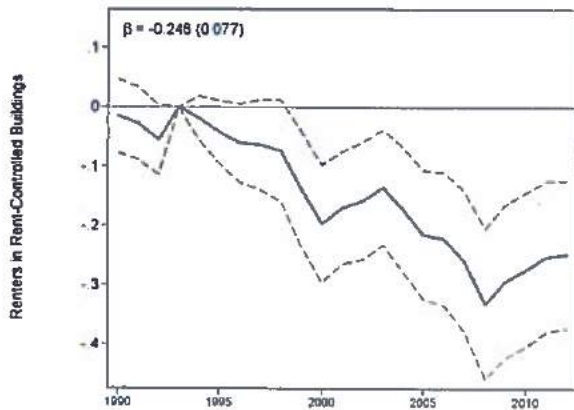


Notes: Sample consists of all multi-family residences with 2 – 4 units in San Francisco that were built during 1900 – 1990. The treatment effects along with 90% CI are plotted. Standard errors are clustered at the parcel level. The average treatment effects in the post-2006 period and their standard errors are reported in the upper-left corner.

Figure 16: Treatment Effect for Multi-Family Residence (2 – 4 Units)

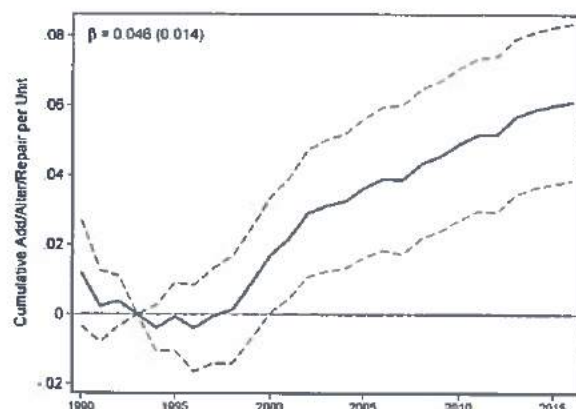
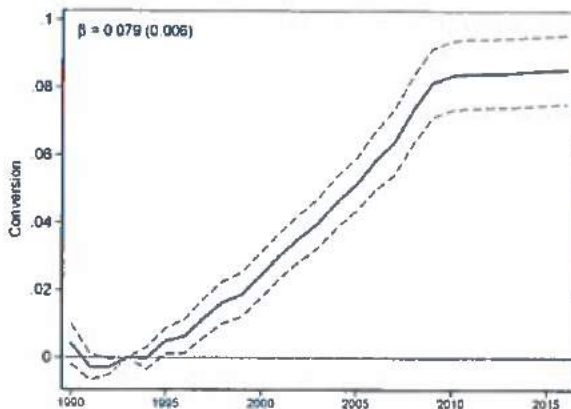
(a) Renters in Rent-Controlled Buildings/Average Population 1990-1994

(b) Renters in Redeveloped Buildings/Average Population 1990-1994



(c) Conversion

(d) Cumulative Add/Alter/Repair per Unit



Notes: Sample consists of all multi-family residences with 2 – 4 units in San Francisco that were built during 1900 – 1990. The treatment effects along with 90% CI are plotted. Standard errors are clustered at the parcel level. The average treatment effects in the post-2006 period and their standard errors are reported in the upper-left corner.

Curtin, Clay J

From: Ruby Das
Sent: Tuesday, September 11, 2018 2:03 AM
To: _CCIN
Subject: Do not impose Tenant Relocation Assistance Ordinance

Dear Council-person:

We read (<https://www.menlopark.org/1399/Proposed-tenant-relocation-assistance-or>) with dismay the efforts from City of Menlo Park Council to impose the Tenant Relocation Assistance Ordinance. We believe this will discriminate against new tenants moving into the area, and in favor of existing tenants, while giving the landlords no incentive to invest in the property refurbishment and upgrades, while driving down rental real estate values, driving out landlords/ investors from this already high rent area with already very poor yields on the existing properties.

We believe that any type of 'well-intentioned' interventions from bureaucratic agencies invariably make a bad situation worse because the bureaucrats do not understand the dynamics of rental process and how many risk and cost factors make owning and renting apartments a barely worthwhile activity. We believe the City of Menlo Park to be utterly oblivious of the deleterious effects the City rental ordinance is going to have on the very demographic of tenants that it is intended to help. I can understand the temptation of favoring the majority class (i.e., the tenant base) at the expense of the landlords because of sheer number disparity. However, consider the following likely consequences as free market forces act to 'balance the scales':.

1. **Overall living conditions will deteriorate** - tenants will know that without substantial proof of their neglect, landlords will have to spend significant amount of money to remove them from the property, and any eviction action may require investment of personal time and resources from landlord (both my wife and I work full time so we earn enough to pay the bills - the rent barely covers the cost and mortgages for the properties), which will be another deterrent to legal action from landlords, making tenants violate as many of the lease terms they can with impunity. With limited opportunity to recover the investments made in keeping the property in the best possible shape, the landlords are likely to choose to let the condition of the rental properties gradually deteriorate, causing a death spiral (sub-standard but un-evictable tenants + low rents = poor quality of apartments + poor living conditions). Keep in mind that there is a very big grey area between Class A property and Class C property, which may be perfectly habitable and check all boxes to meet minimum habitability requirements, but the quality of life is obviously much worse in poorly kept properties.
2. **Quality of neighborhoods will deteriorate** - Good neighborhoods will ultimately be crowded with badly behaving but 'unevictable' tenants resulting in a general deterioration of the quality of life of these neighborhoods due to the nuisance such tenants can cause with impunity.
3. **Market failure resulting in reduced supply of rental apartments:** Existing landlords will simply choose to move back into their own properties, or sell and move out, and the desirability for owning the regulated duplexes will also go down for potential investors resulting in property value reductions. This will impact city / county revenue resulting in loss of critical services to the very people who are the neediest (the indigent and poor). In fact, we expect the duplex market to collapse as a result of this ordinance because we believe that to be only a stepping stone to full-blown rent control (which was unsuccessfully attempted before.)

4. **Landlords will become extra selective in terms of finding tenants:** Today, as conscientious landlords, we try to give the benefit of the doubt to prospective tenants to enable them to avail of the best possible option they can afford by looking at not just their credit score, employment history but income, savings, their past rental record etc, to find *all the reasons WHY* the tenant *SHOULD* qualify to rent our apartment. An attitude change from the City of Menlo Park will definitely make us pause to consider the downsides of renting to a borderline qualified tenant (marginal credit, low liquidity and marginal income with difficult prior credit history) more conservatively, leading to some of these tenants missing out on the opportunity to rent our property and build their credit. When you add up cumulative actions of all of the landlords in Menlo Park, this will invariably result in all the marginal tenants (exactly the kind that the ordinance is intended to help) missing out on renting the property. There is a wide range of factors that can be uniformly applied to prospective tenants, and ultimately it's up to the landlord's discretion as to which of the qualified tenants to offer the apartment to. Landlords are therefore likely to use the conservative approach to offer only the most qualified tenants the apartments, and if they cannot find such tenants, either keep the property vacant until they do find them, or sell and quit the San Jose market altogether.

So, as you can see, the policy of putting restrictions on landlords over conditions under which the tenants can be evicted is going to result in

1. falling property values (resulting in falling property taxes and reduced city services for the needy),
2. poor conditions of the properties,
3. poorer quality of life of the neighborhoods and
4. overall reduction of stock of available duplexes to marginally qualified tenants as landlords apply stricter selection criteria (credit scores, incomes, stability, rental record etc) for tenants,
5. this will be further exacerbated by some landlords converting their rentals (duplexes etc) to their primary residences and some just quitting the market altogether by taking their business to areas without landlord restrictions.

I also have the following concerns and suggestions:

- 1) All residential owner-occupied properties should be out of relocation assistance mandate, which is 1-4 [units as](#) City of Hayward has done. So, restrict this ordinance for 5 units or more. Four units properties can be owner occupied and then 3 tenants can gang against owner and abuse owner.
- 2) If the owner returns to occupy one unit of the property, it should be exempt from this type of tenant relocation assistance mandate
- 3) Nicest landlords who did not increase rent for many years or who accepted very low rents compared to market rent should be allowed to increase rent at least counties section 8 level payment equivalent. and is exempt from payment if tenants decide to move out and taking the money to put down payment to buy a house where as landlord will go bankrupt or will be in serious financial hardship if they continue to subsidize the rent substantially. Just try to get an honest answer to this question: How many of the rental properties considered to be the focus of this ordinance currently have rents at market and how many have subsidized rent? Why should a landlord continue to subsidize the rents and why should they be penalized to bring the rents to market?
- 4) Menlo park has high percentage of retirees and all their life they worked hard and bought the only place they have (May be fourplex+) as owner occupied rental. They should be exempted from this. So 1-4 units owner-occupied properties are out of scope.
- 5) How will city protect elderly kind landlords from vicious 3 tenants in a 4 plex where tenants know that elderly landlord cannot afford to pay relocation assistance so landlord can not evict them. Where is the accountability for tenants? City only seems to want to punish the landlords.

6) All rental properties that are under Tenant Relocation Assistance should be considered for Property tax equivalent to Historical property tax and property tax should be frozen at these levels. We see this issue with 4 stakeholders: (1) Large employer (e.g., Facebook) causing the widespread displacement of subsidized tenants from rental properties in its vicinity (2) Tenants being displaced (3) Large and small / individual Landlords who own and maintain the rental properties to tenants, follow the rules, pay property taxes and (4) City of Menlo Park which collects the property taxes and funds the pension plans. It seems that of the four stakeholders, landlords are being imposed with barriers to allow moving the below-par tenants out with restrictions, so that tenants who cannot otherwise afford to pay the rents get to stay at subsidized rents, and no imposition on Facebook, the root cause of this issue and no sacrifice from the City of Menlo Park in terms of taking a haircut on pension contributions (make them 401k, for example). So, where is the justice in only punishing the hardest working segment of this stakeholder group who puts their money at risk, their lives on hold to serve the tenants and are left holding the bag when tenants leave to have to pay the relocation assistance.

If the City of Menlo Park makes the goals and objectives of this exercise of restricting landlords explicitly known, then perhaps a solution set that does not help one stakeholder class at the expense of the other can be found. Clearly the path that the City is on to restrict landlord options and force certain decisions on them such as the ones being proposed appear more designed to hurt the landlords than help the tenants (even if they aren't, that's exactly the effect they will accomplish).

Please understand that I empathize with City Council's position and intentions and do acknowledge that certain landlords engage in unreasonable price gouging and unjustifiable rent increases, and such tendencies ought to be curbed because a vibrant city indeed has an obligation to provide equal access to the diversity of tenant base. However, perhaps market-based approaches encouraging landlords to provide affordable housing, increasing the supply of affordable housing, **putting some of the burden of affordable housing on the area employers (e.g., Facebook)** who cause continual quality of life issues such as congestion and traffic, could be workable. I believe the City of Menlo Park has a huge opportunity to show to the world sustainable affordable housing solutions that are built upon public/private partnerships rather than ordinances and regulations. I believe that with your experience and leadership to the City of Menlo Park, you are uniquely positioned to bring the broad stakeholder coalition and stimulate positive action, that could ultimately become a benchmark and a shining example of how to do this right. I sincerely believe this.

Thanks for your attention,
Ruby

Curtin, Clay J

From: Suzanne Karl
Sent: Tuesday, September 11, 2018 10:42 AM
To: _CCIN
Subject: Comments on the Menlo Park Proposed Tenant Relocation Assistance Ordinance

Dear Council Members

May I voice my objection to a proposed ordinance that requires Landlords to provide extremely costly relocation assistance.

We have owned our home in Menlo and raised our family there. We have maintained this property at a high standard, but have provided very fair rent (currently thousands under market) to our excellent and primarily long term tenants. While I applaud your concern over affordable housing, well documented research concludes that these measures basically requiring the Landlord to supplement the tenants housing, backfires and has unwanted consequences. We are retirees and at some point plan to return to our home to enjoy our grandchildren. The ominous cost of the plans currently under consideration would cause us to consider removing our property from the market. What you're proposing amounts to deciding that Landlords should supplement a tenants housing costs at their own expense. Other investments would make retaining the property under rent, unviable for retirees. I love our home and our tenants. We treat each other with respect and care for this home.

Please look into the research on unintended consequences of Rent Control and actions such as Forced Relocation Assistance. It backfires.

I am aware of an owner of several apartment buildings in SF, she removed her apartments from the market a few years ago, rather than deal with the legal hassles of rent control. I am horrified that they have been sitting empty now for a few years! Your actions are victimizing the Landlords. Most of us are NOT the problem and these proposed actions only exacerbate the problem, making it worse instead of better. Please understand that such actions will force most retiree owners to remove their properties from the rental market. We are dependent upon the rent to pay our mortgage, your actions tip this model out of balance putting the Landlords at financial risk.

I understand that the answer to the housing dilemma is to build more housing and to increase BART transportation. This would relieve pressure on the ever increasing density. In the meantime, perhaps providing government and corporate supplements to tenants to offset the housing market might be an interim option until more housing can be built and BART expanded.

Thank you for your consideration. As a long term homeowner and taxpayer, I hope that you will understand that taking the above actions sounds well intended, but the consequences are profoundly negative and have the opposite results.

Warm Regards,

Suzanne and Herman Karl

Curtin, Clay J

From: Yvonne Murray
Sent: Tuesday, September 11, 2018 4:49 PM
To: _CCIN
Subject: Tenant relocation assistance ordinance

As a long time resident of Menlo Park I continue to be very concerned about the lack of affordable housing in our community. If we are going to insure the vibrancy and long term health of our community, we need to be a place where people from diverse walks of life can afford to live. The ability of landlords to create turnover via large rent increases (over 9%) or no-fault evictions exacerbates an already serious crisis due to the lack of affordable housing. I urge you to support the Tenant Relocation Assistance Ordinance. This is an important step for our community to appropriately care for tenants who are at risk of homelessness due to the tight rental and housing market in the bay area.

Thank-you,
Yvonne Murray
4 Elder Ct
Menlo Park

Curtin, Clay J

From: Lois McCormick
Sent: Wednesday, September 12, 2018 8:02 AM
To: _CCIN
Subject: Meeting Rent Control

Sent from my iPad Sent.as a favor to Jean Clansky who is in North Carolina and a computer is not available.

To Menlo Park Council members

I am a longtime resident of Menlo Park and moved from my first home in Menlo Park to another house in Menlo Park. I chose to rent that first house rather than sell it. That was 37 years ago.

It is not always easy to be a landlord but I have been blessed with some wonderful tenants. We call my rental home "Happy House" because so many children have been born there.

I maintain my property - inside and out - and tenants tend to stay until their situation changes. I raise the rent to cover rising costs and make improvements to keep my tenants, rather than have short-term turnovers.

I am not in favor of rent control for Menlo Park.

One of my family members owns a rental building in San Francisco and rent control has created the worst problems for them. Renters know the law is on their side!

Restrictions, legal demands and actions favoring tenants over landlords would influence my decisions on whether to sell or continue to rent my property. A sale of course lowers the number of rentals available in Menlo Park. And buyers are eager to buy in Menlo Park!

Yours most sincerely,
Mrs. Jean Clansky

Curtin, Clay J

From: Pearlie Young-Rainer
Sent: Wednesday, September 12, 2018 12:59 PM
To: Curtin, Clay J
Subject: TENANT RELOCATION ASSISTANCE

Sorry i can't attend the meeting, however, i don't agree with the DRAFT ORDINANCE as being proposed.

Thank you so much,

Pearlie Young Rainer
2878 Illinois St. East Palo Alto, Ca.

[Sent from Yahoo Mail on Android](#)

Curtin, Clay J

From: nbatliwa
Sent: Wednesday, September 12, 2018 2:15 PM
To: _CCIN
Subject: Relocation payments

Importance: High

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,
Regards
Neville Batliwalla
650-345-5626

Curtin, Clay J

From: Zarine Batliwalla
Sent: Wednesday, September 12, 2018 2:22 PM
To: _CCIN
Subject: Housing

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Zarine Batliwalla

Curtin, Clay J

From: Roberta Ahlquist
Sent: Wednesday, September 12, 2018 3:11 PM
To: _CCIN
Subject: Relocation assistance

Dear Menlo Park Council People,

We have a severe housing crisis. It's not just Palo Alto or Menlo Park. Cities in the Bay Area without rent control means that tenants have no recourse if rents are raised. Please provide some relocation assistance protection for such tenants so that they can have time to search for the small % of low income/affordable housing that exists. Longterm, we need caps on rents, and one year lease requirements, and just-cause evictions. As a university professor of teachers, I know first hand that my beginning teachers are not able to find adequate, low-cost housing, with no eviction protection, no relocation assistance, and thus are doubling up, families even. This is shameful. Please provide fair tenant relocation assistance and just cause evictions.

Sincerely,

Professor Roberta Ahlquist, Emerita
SJSU

Curtin, Clay J

From: runchey555
Sent: Wednesday, September 12, 2018 2:22 PM
To: _CCIN
Cc: Steve Runchey
Subject: Relocation Payment Proposal

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,

Steven Runchey

Sent from my iPhone

Curtin, Clay J

From: Ken Meislin
Sent: Wednesday, September 12, 2018 2:43 PM
To: _CCIN
Subject: Relocation Payments, Just Eviction, and Rent Control

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise. I own many rental properties, small and large, and I own in many other cities, including rent control locations such as San Francisco, and Oakland. I have never raised my rent more than 10% in one year Ever! If we have seniors or other people that are struggling, we often try to go easier on the increases. I consider myself an excellent landlord, and I always do my part to be reasonable and responsible as an owner. I also have maintained all my buildings to the absolute highest standards.

Ultimately, rent control only hurts the housing stock, decreases housing affordability, and causes many owners to neglect their properties. Even though I do not neglect any of my properties, I can share with you the following. Most buildings in San Francisco and Oakland have below market rents, and therefore many of my neighbors have buildings that have fallen into disrepair. This is because regulated rents creates a disincentive for owners to spend money. The classic example would be..... Patch the roof..... and continue to patch it, again and again, even if it is past it's useful life. Don't replace it. Why ??? - Because the rent can't be raised to compensate the owner. This is an issue, but it's not even the worst problem. More significantly, when rent control is implemented, tenants get further and further behind, and this creates a "split market". As time goes forward, old tenants pay less and less, relative to the real value, and then new tenants have substantially less and less units to choose from. This drives prices up. Later in the cycle – it drives rents WAY up. Look at the price of a unit in San Francisco..... Studios are now \$2,500 to \$3,000. Two bedrooms are more than \$4,000. With rent control, over time, a lucky few get a hall pass for subsidies, regardless of need, and everybody else is less able to afford housing.

As an example - Check this out:

San Francisco's median rent hits a ridiculous \$4,225

<http://flip.it/Wqm8y>

This is not something we would want to see in Menlo Park.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you in advance.

Most respectfully,

Kenneth Meislin
Mill Valley, CA

WE HAVE MOVED! PLEASE NOTE OUR NEW INFORMATION BELOW

ken@meislin.net

Kenneth Meislin - Principal
Meislin Investments
P.O. Box 489
Mill Valley, CA 94942

Direct Line 415 273 2170
415 652-0178 (cell)
Fax – 415 449 3655



Curtin, Clay J

From: Roberta Ahlquist
Sent: Wednesday, September 12, 2018 3:11 PM
To: _CCIN
Subject: Relocation assistance

Dear Menlo Park Council People,

We have a severe housing crisis. It's not just Palo Alto or Menlo Park. Cities in the Bay Area without rent control means that tenants have no recourse if rents are raised. Please provide some relocation assistance protection for such tenants so that they can have time to search for the small % of low income/affordable housing that exists. Longterm, we need caps on rents, and one year lease requirements, and just-cause evictions. As a university professor of teachers, I know first hand that my beginning teachers are not able to find adequate, low-cost housing, with no eviction protection, no relocation assistance, and thus are doubling up, families even. This is shameful. Please provide fair tenant relocation assistance and just cause evictions.

Sincerely,

Professor Roberta Ahlquist, Emerita
SJSU

Curtin, Clay J

From: Dave Laurance
Sent: Wednesday, September 12, 2018 3:17 PM
To: _CCIN
Subject: Tenant relocation

Thank you for your leadership and for the opportunity to comment.

I am writing to express my support for tenant relocation assistance in the event of no-fault evictions and price gouging. This policy is about making sure that tenants who get a large rent increase don't end up sleeping in their cars, on the streets, or on the waitlist for one of our shelters. This is about fairness. No one should become homeless through no fault of their own.

Respectfully submitted,

David Laurance
Principal, Beechwood School

Curtin, Clay J

From: Meina Young
Sent: Wednesday, September 12, 2018 3:17 PM
To: _CCIN
Subject: No to Housing Commission's proposal

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,

Meina Young

Curtin, Clay J

From: Manuel Grech
Sent: Wednesday, September 12, 2018 3:19 PM
To: _CCIN
Subject: rent control

Dear council member

We are writing this letter to let you know how we feel about the tenant protection measure being considered for renters

We are retired and on a fixed income , our monthly social security does not even come close to able us to stay in our home if it were not for our long term planning and hard work to purchase our rental property over twenty years ago we would have to move out of our home.

We understand and empathize with renters in our city but we also feel that having mom and pop landlords pay for rent and relocation services is not fair and puts undue hardship on people like us who depend on our rental property for a decent living.

The rental problems are a county and statewide problem that can't be solved by singling out a group of people who did not create the problem in the first place, if the city wants to help renters by rent control or relocation expenses then it should be done by a tax on everyone including commercial properties since they are severely under charged because of prop 13 which allows them to keep the low tax rates even when properties are turned over to new owners.

Please consider the hardship you will cause small rental property owners before you act.

Thank You
Manuel & Leslie Grech .

Curtin, Clay J

From: Sally Cadigan
Sent: Wednesday, September 12, 2018 4:33 PM
To: _CCIN
Subject: Tenant relocation assistance — support

Dear Mayor Ohtaki and Menlo Park Councilmembers,

Thank you for your concern and leadership in attempting to address the severe and growing housing crisis in our City.

I write now to express my strong support for tenant relocation assistance in the event of no-fault evictions and excessive rent increases. Adopting this policy will ensure that tenants who face certain no-fault evictions or large rent increases will not end up sleeping in their cars, on the street, homeless or on a long waiting list for shelter accommodations. Adopting this policy is one small but very important step we can take in making Menlo Park a more fair and more caring community.

I urge you all to adopt this policy.

Thank you,

Sally Cadigan
Retired non-profit ED and Manager
Former Menlo Park Housing Commissioner
212 Santa Margarita Avenue, Menlo Park

Sent from my iPad

Curtin, Clay J

From: Saira Bates
Sent: Wednesday, September 12, 2018 4:53 PM
To: _CCIN
Subject: Tenant relocation assistance - SUPPORT

Dear Mayor Ohtaki and Menlo Park Councilmembers,

My name is Saira Bates. I'm a resident of Redwood City and work in Menlo Park. I am writing to express my support for tenant relocation assistance in the event of no-fault evictions and price gouging. This policy is about making sure that tenants who get a large rent increase don't end up sleeping in their cars, on the streets, or on the waitlist for one of our shelters. This is about fairness. No one should become homeless through no fault of their own.

I own a home now, but as a young person I have experienced first-hand what it's like not having a place to live. As a mature adult now, I'm still being affected by the housing issues in the community. All of my grown children have moved away after college because they could not afford to live here. The housing crisis that we have in the Bay Area is bad enough; let's do everything we can to institute a fair housing policy to make our community stronger.

Respectfully submitted,

Saira Bates

Curtin, Clay J

From: Liza Vernazza
Sent: Wednesday, September 12, 2018 4:56 PM
To: _CCIN
Subject: Urgent Email...

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,

Liza Vernazza

Liza Vernazza
Keller Williams San Carlos
650-218-8040
628 El Camino Real
San Carlos, CA 94070
CalBre#00993753
Liza@Lizavernazza.com
www.Lizavernazza.com

Curtin, Clay J

From: Helen Young
Sent: Wednesday, September 12, 2018 5:06 PM
To: _CCIN
Subject: rent control

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,

Helen Young

Curtin, Clay J

From: Brian Ponty
Sent: Wednesday, September 12, 2018 5:44 PM
To: _CCIN
Subject: Rent Control

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize property owners ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,

Brian Ponty

Curtin, Clay J

From: William Nguyen
Sent: Wednesday, September 12, 2018 6:25 PM
To: _CCIN
Subject: Rent Control Measure

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,

William Nguyen

Curtin, Clay J

From: Zarine Batliwalla
Sent: Wednesday, September 12, 2018 7:02 PM
To: _CCIN

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Zarine Batliwalla

Curtin, Clay J

From: Jian Zhao
Sent: Wednesday, September 12, 2018 7:27 PM
To: _CCIN
Subject: My Opinion

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,

Jim Zhao

Curtin, Clay J

From: Alex Beltramo
Sent: Wednesday, September 12, 2018 7:33 PM
To: _CCIN
Subject: Please, no rent control in Menlo Park

Dear Mayor Ohtaki and Members of the City Council,

We own and manage apartment buildings in Menlo Park.

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,
Alex

*Alex Beltramo
Glenwood Ventures, Inc.
415-238-8949 (mobile)
650-338-1721 (office)*

Curtin, Clay J

From: Lalwani, Ashok
Sent: Wednesday, September 12, 2018 7:45 PM
To: _CCIN
Subject: Rent Control and Eviction Provision

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

I would also note that this proposal will have the unintended effect of tenants being subject to annual rent increases when they may not have otherwise. With good tenants, we usually let them renew with no rent increase. If this ordinance is enacted, we will need to protect ourselves with charging higher rent to begin with and then ask for annual increases up to the max allowed.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,

Ashok K. Lalwani
1120 Saxon Way
Menlo Park, CA 94025

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This message may contain confidential and privileged information. If it has been sent to you in error, please reply to advise the sender of the error and then immediately delete this message. Please visit www.bakermckenzie.com/disclaimer_singapore for other important information concerning this message.

All Singapore law work will be discharged under Wong & Leow LLC, a constituent Singapore law practice of Baker & McKenzie. Wong & Leow a Joint Law Venture.
=====

Curtin, Clay J

From: kevin guibara
Sent: Wednesday, September 12, 2018 9:52 PM
To: _CCIN
Subject: Renter Protections

Hi,

I appreciate your efforts to explore renter protections. I understand and agree with the value of looking out for all of our citizens.

Government needs to be forward looking and not look for band aid solutions that will help the problem today. We need government to look 10, 20 and 50 years into the future and create the foundation now, in order to solve the housing crisis in the future. There are many strategies to increase supply. Every year the price of rent increases, government has failed the tenants and failed to create enough supply to keep up with demand.

Sincerely,

Kevin Guibara

Curtin, Clay J

From: TOM GARCIA
Sent: Thursday, September 13, 2018 6:04 AM
To: _CCIN
Subject: No rent control in any form please

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,

TOM R. GARCIA
H 650-589-7067
C 650-455-3052

Curtin, Clay J

From: JUDITH G FIELD
Sent: Thursday, September 13, 2018 10:09 AM
To: _CCIN
Subject: Landlord Relocation Payments

Dear Sir/Madam:

I rent my family home in Niles, California, across the Bay from Menlo Park, and it supplements my retirement income from many of teaching in a poverty area. My career was meaningful and rewarding, but the salary substandard. The tenant relocation payments proposed by your housing agency present an unfair financial burden to landlords and set an unfortunate precedent. As a senior, my income funds savings for the possibility of huge medical bills and care later in life. Relocation payments would further erode my attempts to maintain this security.

Thank you for your consideration of the ideas in this letter.

Best regards,

Judy Field

Fremont Landlord

Curtin, Clay J

From: Pam Salvatierra
Sent: Thursday, September 13, 2018 12:27 PM
To: _CCIN
Subject: Tenant Relocation Assistance

Hi Council Members.

Thank you for all you do for Menlo Park.

I am writing to express my support for tenant assistance in the event of no-fault evictions and price gouging. This policy is making sure that tenants who get a large rent increase (over 10%) don't end up sleeping in their care, on the street, or on the waitlist for one of our shelters. This is about fairness. No one should become homeless through no fault of their own.

Respectfully submitted,

Pam Salvatierra
1794 Stanford Ave

Curtin, Clay J

From: Lynne Bramlett
Sent: Thursday, September 13, 2018 4:51 PM
To: _CCIN; Julianna Dodick; Karen Grove; Meg McGraw-Scherer; Michele Tate; Mike Nore; Nevada Merriman; Wendy McPherson; Daniel Valverde; Curtin, Clay J
Subject: Support Tenant Relocation Assistance Ordinance

Hello Housing Commission, Staff and Council,

I fully support the proposed Tenant relocation assistance ordinance as detailed at the [project page](#). A lot of time and diligent effort went into developing the ordinance and I commend all those who played a direct role in this effort.

Skyrocketing rent is a serious problem. The recent Mercury News (Sep 5, 2018) article on "[Anxious Tenants facing more Bay Area rent Increases](#)" explains the urgency as well as landlord's efforts to defeat rent control efforts. At a certain point, one also has to ask how much profit is enough. So I don't have sympathy for the landlords who are making excessive rental profits from buildings bought years ago. Landlords benefit from owning rental property in Menlo Park, a city where they can rapidly raise rents due to the overall jobs/housing imbalance. I consider the tenant relocation assistance a minor fee for the landlords. The amount is small, overall, compared with the disruption on the tenants' lives.

I would also talk with our local small business owners about staffing shortages because of the high costs of living in MP. I recently heard about one place that had to close due to the lack of help. That kind of data might be helpful in convincing the landlord community that it's important to consider the needs of MP overall. They need to do their part for the overall good of MP.

I applaud the good work in this ordinance.

Lynne Bramlett

Curtin, Clay J

From: Judy Adams
Sent: Thursday, September 13, 2018 6:09 PM
To: _CCIN
Subject: Tenant Relocation Assistance Draft Ordinance

To Council Members and Planning Department,

I support Menlo Park finally establishing a strong Tenant Relocation Assistance Ordinance. In reviewing Almanac articles going back to 2016 (and probably earlier) it has been discussed and debated - it is time to pass. I would support a stronger ordinance in terms of the # of months' rent given and a larger moving allowance; what we have in the draft ordinance is too small for the cost of relocation given the tight housing market for low-income and even middle-income residents. I also strongly support a rent increase cap of a maximum of 10-15%; any other rental increase is surious.

I am also concerned that in anticipation of, and in advance of the implementation of any such ordinance becoming law, that landlords, property managers and developers will raise rents and shut renters out before the ordinance is enacted and becomes the law.

In addition, I am in favor of the passage of Prop 10, the Affordable Housing Act to further protect renters, who are at the mercy of unconscionable rent increases. Finally, we must work to build low-income (not just "affordable") housing Immediately before our city loses more of its already shrinking diversity, and when possible, on city land, such as the proposed parking structures on current downtown surface parking lots with housing at the top story, not businesses. While I'm in favor of **one** structure accommodating a movie theater, now that we are losing our only remaining full-time movie theater, the remaining lots should be converted ASAP to accommodate parking structures and low-income housing.

Have you seen the number of Menlo Park businesses looking for workers? Where can they find housing they can afford? What small businesses will be forced to close and what will happen to the agreeable "small town" atmosphere of a thriving Menlo Park, a walkable, "tree city," with mom and pop, locally owned businesses?

Respectfully,

Judy Adams
Downtown District resident

Curtin, Clay J

From: Mina Malek
Sent: Friday, September 21, 2018 1:42 PM
To: _CCIN
Subject: No on rent control in disguise!

DEAR MAYOR OHTAKI AND MEMBERS OF THE CITY COUNCIL,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,

Mina Malek

--

MINA MALEK

Vice President / Asset Manager

MPM Corporation

Ph: (650) 961-1234 Fax: (650) 961-0255

mina@mpmcorporation.com

Curtin, Clay J

From: Mitra Malek
Sent: Friday, September 21, 2018 1:56 PM
To: _CCIN
Subject: Letter of Opposition to Housing Commission's Proposal

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,

Mitra Malek

Curtin, Clay J

From: Rick Dodson
Sent: Friday, September 21, 2018 2:34 PM
To: _CCIN
Subject: Housing Commission Proposal
Attachments: Relocation Program.pdf

Dear Mayor Ohtaki and Members of the City Council. I have attached a letter relating to the Housing Commission's proposal requiring relocation payments. Please read and act to reconsider passing this proposal. Thank you for your service....Rick Dodson

Rick Dodson

BRE - 00933204

Property Manager

rick@daltonmngt.com

Dalton Realty | www.daltonmngt.com

510 Waverley Street Palo Alto, CA 94301

650.321.1711 [o](#) | 650.327.2383 [f](#)

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(650) 321-1711 or 888-321-1711 TOLL FREE

FAX (650) 327-2383

Email: info@daltonrealty.com

September 21, 2018

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,



Rick Dodson
Property Manager

Curtin, Clay J

From: Sherman Tran
Sent: Friday, September 21, 2018 3:10 PM
To: _CCIN
Subject: Oppose relocation payment

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,

Sherman
Owner of apartments in Menlo Park.

*** please note my email has changed to mdonline01@gmail.com *****

Sherman Tran
429 Llewellyn Ave
Campbell, CA 95008

Curtin, Clay J

From: fernanda.manente
Sent: Friday, September 21, 2018 3:11 PM
To: _CCIN
Subject: Oppose

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,

Fernanda Tran

Curtin, Clay J

From: leasing
Sent: Friday, September 21, 2018 3:12 PM
To: _CCIN
Subject: Oppose

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,

Ana Salinas

Curtin, Clay J

From: tranenteonellc
Sent: Friday, September 21, 2018 3:13 PM
To: _CCIN
Subject: Oppose

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,

Esther Fils

Curtin, Clay J

From: marinamtg
Sent: Friday, September 21, 2018 6:34 PM
To: _CCIN
Subject: Menlo Park Rentals

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,

Janet Rocha

895 Middle Ave.

Menlo Park, CA 94025

Your name

Curtin, Clay J

From: Bin Hu
Sent: Friday, September 21, 2018 10:31 PM
To: _CCIN
Subject: Please reject the proposal of the Housing Commission to require relocation payments

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just-cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,
Bin Hu

Sent from my iPhone 6S

Curtin, Clay J

From: jane
Sent: Friday, September 21, 2018 10:45 PM
To: _CCIN
Subject: Strongly oppose

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just-cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

We are hard working people too. House we bought were not coming from the air.

Sincerely,

Jane

Curtin, Clay J

From: Cecelia Ng
Sent: Saturday, September 22, 2018 8:59 AM
To: _CCIN
Subject: Fw: Unfair Relocate payment

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just-cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,
Your name

[Sent from Yahoo Mail for iPhone](#)

Curtin, Clay J

From: Lin Jiang
Sent: Saturday, September 22, 2018 6:28 PM
To: _CCIN
Subject: Housing Commission proposal

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just-cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,
Lin Jiang

Curtin, Clay J

From: Lawrence Lee
Sent: Sunday, September 23, 2018 1:44 PM
To: _CCIN
Subject: Proposed tenant relocation assistance ordinance

Dear Mayor Ohtaki and Members of the City Council,

My name is Lawrence Lee. Me and my family are long-time resident of Menlo Park. We built and own a couple of houses in Menlo Park currently renting them to supplement our income.

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just-cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Respectfully,

Lawrence Lee

Curtin, Clay J

From: Scott Rosenblum
Sent: Sunday, September 23, 2018 2:46 PM
To: Curtin, Clay J
Subject: Tenant relocation assistance ordinance

Dear Mr. Curtin,

I recently sent this email to all of the housing commission members and one suggested that I send it to you so it can be added to the public record.

_-----

I am writing you today to express my support for the tenant relocation assistance ordinance under review by the housing commission.

This ordinance would provide some basic level of stability for renters in Menlo Park, a group that includes a diverse group of hard working members of our community. Just on our block, our neighbors include a member of the Menlo Park fire department, a high school teacher, an emergency room physician, as well as my wife and I (a clinical psychologist and a public health professional respectively).

Many of us have children and we are trying to make long-term home in Menlo Park. However, every year, we worry that we will be priced out of our homes due to skyrocketing rents. While this measure does not preclude landlords from raising rents too dramatically, it does at least provide some disincentive to doing so.

My wife attended the meeting the other day and you heard from a number of landlords explaining that this would an undue hardship on their incomes. I believe this is an erroneous, if not greedy, request. The ordinance as written would allow annual rent increase of 5% plus CPI, which means that rents could still double every 10 years! Should we put that "right" ahead of the ability to feel comfortable and secure in one's home?

Sincerely,

Scott

Curtin, Clay J

From: lily hong
Sent: Sunday, September 23, 2018 10:26 PM
To: _CCIN
Subject: Tenant Relocation Assistance

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just-cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,

Lily Hong (I am not a landlord or tenant in city of Menlo Park)

Sent from my iPhone

Curtin, Clay J

From: Paul Hopkins
Sent: Sunday, September 23, 2018 10:55 PM
To: _CCIN
Subject: support the tenant relocation assistance ordinance

Dear Mayor Ohtaki and Members of the City Council,

I urge you to pass the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

I support such an ordinance because that is the only way to put a stop to the unreasonable and uncontrolled rent increase that we have seen more and more in Menlo Park. The city of Menlo Park has seen many incidents of "no fault" evictions due to the dramatic rent increase. This has created lots of uncertainties and confusions and over the long run would hurt the city's potential and reputation to grow.

Thank you for your consideration!

Curtin, Clay J

From: ForestLight
Sent: Monday, September 24, 2018 4:21 PM
To: _CCIN
Subject: Menlo Park Rental Relocation Issue

Dear Mayor Ohtaki and Members of the City Council,

I am a very small scale rental owner in Menlo Park. And I strongly urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission's proposal is rent control and just cause eviction in disguise.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market or vacated due to redevelopment.

Please do not create more legal hurdles and financial burdens on property owners. These proposals will eliminate my ability to continue to provide safe, stable, reliable and reasonably-priced rental housing for Menlo Park residents.

Instead, please continue working with housing providers to explore a true relocation assistance program that addresses situations when residents are displaced due to redevelopment.

Thank you for your collaborative approach to addressing the region's housing challenges.

Sincerely,

Michael Maurier

Curtin, Clay J

From: Karen Berman
Sent: Wednesday, September 26, 2018 10:01 AM
To: _CCIN
Subject: Tenant relocation assistance

Hello. Just read about the above proposal in the "Post." This proposal sounds like an excellent idea from what I learned from the short article. I believe Menlo Park must take steps to ameliorate the housing situation, and this one seems a very reasonable one.

I don't see why any landlord would need to raise rents more than 9.3%, except to chase the market or finance an overleveraged, speculative position. Landlords are investors, often speculators and corporations, and they need to be prepared for an occasional loss just like others of us who invest our money in other ways.

As for the letters opposing the proposal, I found some of the comments ridiculous, even laughable, such as "will discriminate against new tenants," "will drive out landlord/investors . . .with already very poor yields on existing properties." Discriminate against tenants because they don't get to pay higher rent? Sounds okay to me.

Karen Berman
150 Alma Street #201
Menlo Park 94025

Sent from my iPhone

Curtin, Clay J

From: Evan Collins
Sent: Thursday, September 27, 2018 10:44 AM
To: _CCIN
Cc: Carol
Subject: Relocation Assistance

Dear Mayor Ohtaki and Members of the City Council,
Carol and I are mom and pop landlords with units on Roble Ave. near University Ave. We believe the Housing Commission's proposal is a watered-down version of rent control and just cause eviction. We met with Ms. Grove and had a good discussion. We are sympathetic with her concerns regarding potential homelessness when tenants are evicted. We may have unintentionally left her with the impression that we do not oppose this proposal. We do oppose it. What we tried to communicate in our discussion with Ms. Grove is that this proposal would not materially impact our rental business as we are presently running it. We have only evicted one tenant without cause over many years and we have not lost any tenants over a rent increase. Although we presently choose to charge most tenants below market rents and earn less than we could, it does not mean that we wish to surrender the right to earn the market rent and raise rents accordingly should our circumstances change. Furthermore, we do not wish to have the rights of other landlord's restricted just because the proposal may not impact us much. This proposal also puts landlords with older units at a disadvantage because the additional large relocation expense dramatically increases the cost of keeping older units functional. We treat our tenants fairly and believe it is unnecessary to have our practices and property rights further regulated. We urge the City Council to reject this proposal. Finally, we are not opposed to a relocation program that is triggered when units are permanently removed from the market or vacated for redevelopment.

Regards, Carol and Evan Collins

Curtin, Clay J

From: Michael Palma
Sent: Sunday, September 30, 2018 5:14 PM
To: _CCIN
Subject: Regarding draft ordinance establishing tenant relocation assistance

To the Menlo Park City Council,

I wish to add my voice to those that oppose this potential ordinance. I believe the basic concept intrudes on the private property rights of property owners and will only drive up rents for for the working poor.

The first things landlords would do would be to increase rents to account for these transfer payments. Then it will lead to fewer investments in new rental property because who would want to run the risk of having to pay this and potentially other transfer payments once precedence it set. When gas costs go up, we don't make oil companies pay a rebate. When the state increases taxes, we don't require them to provide equal tax discounts. When milk, bread, or fruit costs increase, there is no mandated transfer payment from growers and producers to consumers.

The city's opportunity to affect rents and housing availability is tied to zoning and building permits and development policy - done hand in hand with business development and transportation and infrastructure management. But to actually weigh in and dictate terms on how private property owners may manage and sell their assets or in this case rent apartments or homes, should be beyond the reach of government.

Let's remember that many people have invested in real estate, either directly or through the stock market, for their income or retirements. It is improper for the city to endanger these investments to favor another group of citizens. This bias and intrusion is not in keeping with the best interests of our community.

Sincerely,
Michael

Curtin, Clay J

From: Qiming Huang
Sent: Tuesday, October 2, 2018 8:25 PM
To: _CCIN
Subject: Strongly Oppose Relocation Payment

Dear Mayor Ohtaki and Members of the City Council,

I urge you to reject the proposal of the Housing Commission to require relocation payments unless rent increases are capped.

The Housing Commission has expanded the scope of a relocation program beyond the City Council's original intent – which was to pursue a relocation assistance program triggered when units are permanently removed from the market.

Please do not create more legal hurdles and financial burdens on property owners. These proposals jeopardize my ability to continue to provide safe, stable, and reliable housing for Menlo Park residents, and to pay property tax to support county and city public initiatives.

Thank you for your efforts to represent and protect interests of all the parties from Menlo Park.

Sincerely,

Qiming Huang

Menlo Park Property Owner

Curtin, Clay J

From: Sunil Chhaya
Sent: Wednesday, October 3, 2018 12:44 AM
To: _CCIN
Subject: Fwd: Do not impose Tenant Relocation Assistance Ordinance

Dear Council-person:

We read (<https://www.menlopark.org/1399/Proposed-tenant-relocation-assistance-or>) with dismay the efforts from City of Menlo Park Council to impose the Tenant Relocation Assistance Ordinance. We believe this will discriminate against new tenants moving into the area, and in favor of existing tenants, while giving the landlords no incentive to invest in the property refurbishment and upgrades, while driving down rental real estate values, driving out landlords/ investors from this already high rent area with already very poor yields on the existing properties.

We believe that any type of 'well-intentioned' interventions from bureaucratic agencies invariably make a bad situation worse because the bureaucrats do not understand the dynamics of rental process and how many risk and cost factors make owning and renting apartments a barely worthwhile activity. We believe the City of Menlo Park to be utterly oblivious of the deleterious effects the City rental ordinance is going to have on the very demographic of tenants that it is intended to help. I can understand the temptation of favoring the majority class (i.e., the tenant base) at the expense of the landlords because of sheer number disparity. However, consider the following likely consequences as free market forces act to 'balance the scales':.

1. **Overall living conditions will deteriorate** - tenants will know that without substantial proof of their neglect, landlords will have to spend significant amount of money to remove them from the property, and any eviction action may require investment of personal time and resources from landlord (both my wife and I work full time so we earn enough to pay the bills - the rent barely covers the cost and mortgages for the properties), which will be another deterrent to legal action from landlords, making tenants violate as many of the lease terms they can with impunity. With limited opportunity to recover the investments made in keeping the property in the best possible shape, the landlords are likely to choose to let the condition of the rental properties gradually deteriorate, causing a death spiral (sub-standard but un-evictable tenants + low rents = poor quality of apartments + poor living conditions). Keep in mind that there is a very big grey area between Class A property and Class C property, which may be perfectly habitable and check all boxes to meet minimum habitability requirements, but the quality of life is obviously much worse in poorly kept properties.
2. **Quality of neighborhoods will deteriorate** - Good neighborhoods will ultimately be crowded with badly behaving but 'unevictable' tenants resulting in a general deterioration of the quality of life of these neighborhoods due to the nuisance such tenants can cause with impunity.
3. **Market failure resulting in reduced supply of rental apartments:** Existing landlords will simply choose to move back into their own properties, or sell and move out, and the desirability for owning the regulated duplexes will also go down for potential investors resulting in property value reductions. This will impact city / county revenue resulting in loss of critical services to the very people who are the neediest (the indigent and poor). In fact, we expect the duplex market to collapse as a result of this ordinance because we believe that to be only a stepping stone to full-blown rent control (which was unsuccessfully attempted before.)
4. **Landlords will become extra selective in terms of finding tenants:** Today, as conscientious landlords, we try to give the benefit of the doubt to prospective tenants to enable them to avail of the best possible option they can afford by looking at not just their credit score, employment history but income, savings,

their past rental record etc, to find *all the reasons WHY* the tenant *SHOULD* qualify to rent our apartment. An attitude change from the City of Menlo Park will definitely make us pause to consider the downsides of renting to a borderline qualified tenant (marginal credit, low liquidity and marginal income with difficult prior credit history) more conservatively, leading to some of these tenants missing out on the opportunity to rent our property and build their credit. When you add up cumulative actions of all of the landlords in Menlo Park, this will invariably result in all the marginal tenants (exactly the kind that the ordinance is intended to help) missing out on renting the property. There is a wide range of factors that can be uniformly applied to prospective tenants, and ultimately it's up to the landlord's discretion as to which of the qualified tenants to offer the apartment to. Landlords are therefore likely to use the conservative approach to offer only the most qualified tenants the apartments, and if they cannot find such tenants, either keep the property vacant until they do find them, or sell and quit the San Jose market altogether.

So, as you can see, the policy of putting restrictions on landlords over conditions under which the tenants can be evicted is going to result in

1. falling property values (resulting in falling property taxes and reduced city services for the needy),
2. poor conditions of the properties,
3. poorer quality of life of the neighborhoods and
4. overall reduction of stock of available duplexes to marginally qualified tenants as landlords apply stricter selection criteria (credit scores, incomes, stability, rental record etc) for tenants,
5. this will be further exacerbated by some landlords converting their rentals (duplexes etc) to their primary residences and some just quitting the market altogether by taking their business to areas without landlord restrictions.

I also have the following concerns and suggestions:

- 1) All residential owner-occupied properties should be out of relocation assistance mandate, which is 1-4 [units as](#) City of Hayward has done. So, restrict this ordinance for 5 units or more. Four units properties can be owner occupied and then 3 tenants can gang against owner and abuse owner.
- 2) If the owner returns to occupy one unit of the property, it should be exempt from this type of tenant relocation assistance mandate
- 3) Nicest landlords who did not increase rent for many years or who accepted very low rents compared to market rent should be allowed to increase rent at least counties section 8 level payment equivalent. and is exempt from payment if tenants decide to move out and taking the money to put down payment to buy a house where as landlord will go bankrupt or will be in serious financial hardship if they continue to subsidize the rent substantially. Just try to get an honest answer to this question: How many of the rental properties considered to be the focus of this ordinance currently have rents at market and how many have subsidized rent? Why should a landlord continue to subsidize the rents and why should they be penalized to bring the rents to market?
- 4) Menlo Park has high percentage of retirees and all their life they worked hard and bought the only place they have (May be fourplex+) as owner occupied rental. They should be exempted from this. So 1-4 units owner-occupied properties are out of scope.
- 5) How will city protect elderly kind landlords from vicious 3 tenants in a 4 plex where tenants know that elderly landlord cannot afford to pay relocation assistance so landlord can not evict them. Where is the accountability for tenants? City only seems to want to punish the landlords.
- 6) All rental properties that are under Tenant Relocation Assistance should be considered for Property tax equivalent to Historical property tax and property tax should be frozen at these levels. We see this issue with 4 stakeholders: (1) Large employer (e.g., Facebook) causing the widespread displacement of subsidized tenants from rental properties in its vicinity (2) Tenants being displaced (3) Large and small / individual Landlords who own and maintain the rental properties to tenants, follow the rules, pay property taxes and (4) City of Menlo Park which collects the property taxes and funds the

pension plans. It seems that of the four stakeholders, landlords are being imposed with barriers to allow moving the below-par tenants out with restrictions, so that tenants who cannot otherwise afford to pay the rents get to stay at subsidized rents, and no imposition on Facebook, the root cause of this issue and no sacrifice from the City of Menlo Park in terms of taking a haircut on pension contributions (make them 401k, for example). So, where is the justice in only punishing the hardest working segment of this stakeholder group who puts their money at risk, their lives on hold to serve the tenants and are left holding the bag when tenants leave to have to pay the relocation assistance. Also, the minimum household income standards required / recommended for this ordinance make most of the homeowners themselves qualify for such an assistance. How many people in Menlo Park - the legacy landlords - make \$300,000 household income? Can they really be considered 'low income' by any stretch of the imagination? Do they need any help finding another place to stay? The whole scheme seems to be to fleece the landlords or homeowners.

If the City of Menlo Park makes the real goals and objectives of this exercise of restricting landlords explicitly known, then perhaps a solution set that does not help one stakeholder class at the expense of the other can be found. Clearly the path that the City is on to restrict landlord options and force certain decisions on them such as the ones being proposed appear more designed to hurt the landlords than help the tenants (even if they aren't, that's exactly the effect they will accomplish).

Please understand that I empathize with City Council's position and intentions and do acknowledge that certain landlords engage in unreasonable price gouging and arbitrary rent increases, which is exacerbated in the East Menlo Park neighborhoods abutting Facebook campus, and such tendencies ought to be curbed because a vibrant city indeed has an obligation to provide equal access to the diversity of tenant base. However, perhaps market-based approaches encouraging landlords to provide affordable housing, increasing the supply of affordable housing, **putting some of the burden of affordable housing on the area employers (e.g., Facebook)** who cause continual quality of life deterioration issues such as congestion and traffic, could be workable. I believe the City of Menlo Park has a huge opportunity to show to the world sustainable affordable housing solutions that are built upon public/private partnerships rather than ordinances and regulations. I believe that with your experience and leadership to the City of Menlo Park, you are uniquely positioned to bring the broad stakeholder coalition and stimulate positive action, that could ultimately become a benchmark and a shining example of how to do this right. I sincerely believe this.

Thanks for your attention,

Sunil Chhaya

Curtin, Clay J

From: Louise DeDera
Sent: Wednesday, October 3, 2018 2:18 PM
To: _CCIN
Subject: Rent Control

The proposed tenant relocation changes will result in an increase in rent in Menlo Park and this will negatively impact the population of workers that have a hard enough time living in this area.

If you apply tenant relocation changes to single family homes, owners of those properties will raise rents in order to make up the possible cost of helping tenants relocate in the future.

Louise DeDera
1003 Louise Street
Menlo Park

Sent from my iPhone

Curtin, Clay J

From: Keri Nicholas
Sent: Wednesday, October 3, 2018 3:13 PM
To: _CCIN
Subject: Please do not vote in Rent control

1. **The current proposal would apply to single-family homes.** This is a violation of Costa Hawkins, which restricts rent control on single-family properties. Imposing this on single-family homes will only drive up the cost of such rentals, or incentivize landlords of these homes to redevelop or sell their properties, removing them from the rental market.

2. **Requires relocation payment when tenants receive "significant rent increases."** This is defined as CPI plus 5% of the previous rental rate. This is rent control. Any attempt to limit rent increases or place financial penalties on a rent increase functions for the same purpose. Furthermore, it was stated several times by housing commissioners and by the public that rent increases need to be limited; revealing the true aim.

3. **Relocation payments are intended to be substantial and imposed at the highest possible rate.** Payments are to be assessed at up to four times the "most current applicable Menlo Park market rate monthly rent" or four times the current rent the tenant is paying if it is greater. The City of Menlo Park does not currently publish a monthly market rate rent, and it is not defined how this should be calculated. Is it the monthly rate of all single-family rentals, multi-family rentals, or an average of all rental units?

4. **Imposes Just Cause rental restrictions.** A "landlord-caused termination" also includes a landlord taking action to terminate the tenancy of an eligible tenant occupying a rental unit, except when at least one of the following conditions exist: 1) failure to pay rent; 2) breach of rental agreement; 3) nuisance; 4) owner move-in. This limits private property rights as it would allow government to dictate who lives in your home.

5. **Doesn't address the real housing crisis.** Even if all these conditions are approved and a displaced tenant receives a \$30,000 relocation payment, where will they go? What does this program do to create more housing in our community? The real solution is building more housing, and affordable housing for those who need it in our community. Protecting those who can already afford to rent a single-family home in Menlo Park is an insult to those who are really struggling in our community.

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Keri Nicholas

Oppose Rent control



KERI NICHOLAS

#18 Individual Agent Nationwide - Wall Street Journal

BRE #01198898

650.533.7373

Alain Pinel Realtors

keri@kerinicholas.com www.kerinicholas.com

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Curtin, Clay J

From: mike because
Sent: Thursday, October 4, 2018 10:26 AM
To: _CCIN
Subject: OPPOSE Rent Control, Eviction Penalties and Relocation Penalties

October 2, 2018

Re: OPPOSE Rent Control, Eviction Penalties and Relocation Penalties

Mayor Ohtaki and Menlo Park City Council Members -

I am a proud mom and pop small housing provider. I do not presume to know about the intricacies of city government. However, I do know the difficult work of providing housing. Those who do not work in this field every day cannot possibly understand the nature of our day-to-day business challenges.

We mom and pop rental property owners supply the affordable medium priced housing. We realize minimal return on our investments. In the first 5 years of owning any rental property, the return is negative. That is correct – owners lose money for years on a new rental investment. That is due to the high purchase, renovation and maintenance costs. Even for a mature property, housing providers struggle to reach a 3 - 4 % capital return on investment.

Five year CDs are now paying a guaranteed return of 3 %. To earn that, there are no management challenges or governmental headaches. The Menlo Park city council would be wise to consider the future. **How will you encourage investors to provide any housing at all – including affordable housing – if you seek to punish providers who are making scarce returns for their risk and work ?**

It is worth noting that the data presented doesn't justify the need for punitive regulations. The fact is that, according to both the 2015 and 2016 San Mateo County Eviction Reports, as prepared by CLSEPA And Legal Aid, only 0.01 % of all renters over a 3 year period in all of San Mateo County were faced with eviction.

If you must make public policy, be sure that policy is based on verified facts, not emotional hearsay.

Renters are our customers and friends. We treat them fairly. No housing provider makes money by losing customers through over pricing. We work hard to keep our renters in their homes. **Responsible renters suffer under eviction policies which make it very difficult for owners to remove the few problem residents.** Why make good renters suffer under inflexible eviction policies in which nuisance neighbors destroy the quality of life for all ?

Onerous, hackneyed ideas such as outlandish **relocation penalties or eviction penalties are certain to remove housing from the market.** Why should investors take a huge risk on housing ? Why would they want to supply housing under a constant threat of unfair policies such as relocation penalties and eviction penalties ?

We know that our renters deal with the rising cost of all goods and services – including housing. **Realize that we housing providers are struggling, too !**

As proposed, such ill-conceived regulations do not hold down the cost of housing and rents. Nor do they preserve and maintain units or facilitate the creation of more housing. **We do not need knee jerk responses that would cause renter displacements and increase costs for everyone.**

M. K. Haddock
Proud Housing Provider

Curtin, Clay J

From: Jonathan Erwin-Frank
Sent: Thursday, October 4, 2018 5:49 PM
To:

Cc: Keith Ogden; Shirley Gibson
Subject: CLSEPA and LASSMC Comment Letter re Proposed Tenant Relocation Assistance Ordinance
Attachments: CLSEPA LASSMC - Re Proposed Tenant Relocation Assistance Ordinance 10.4.18.pdf

Dear Mr. Curtin and Menlo Park Housing Commissioners,

Attached please find a comment letter regarding the proposed tenant relocation assistance ordinance.

Thank you for your consideration,

--
JONATHAN ERWIN-FRANK, ESQ. | HOUSING ATTORNEY
Community Legal Services in East Palo Alto
www.clsepa.org
Phone: [\(650\) 391-0360](tel:6503910360) | Fax: [\(866\) 688-5204](tel:8666885204)
1861 Bay Road | East Palo Alto, CA 94303



COMMUNITY
LEGAL SERVICES
IN EAST PALO ALTO



October 4, 2018

VIA US MAIL AND ELECTRONIC MAIL

Clay J. Curtin
Interim Housing and Economic Development Manager
Community Development Department
City of Menlo Park
701 Laurel Street
Menlo Park, CA 94025
E-mail: cjcurtin@menlopark.org

Re: City of Menlo Park Housing Commission's Consideration of the Proposed Tenant Relocation Assistance Ordinance

Dear Mr. Curtin:

Thank you for the opportunity to comment on the draft ordinance establishing tenant relocation assistance. We write specifically to respond to legal arguments raised by the Anton Menlo Apartments in their letter dated August 28, 2018, and to share the basis for our belief in the legal soundness of the proposed ordinance.

The Costa-Hawkins Rental Housing Act (“Costa-Hawkins”) establishes a specific right to “establish the initial and all subsequent rental rates” for rented single family homes and apartment homes built after 1995. (Civ. Code § 1954.2(a) et seq.) The proposed tenant relocation assistance ordinance has no bearing on the ability of a landlord to choose what rental rate to charge, and is therefore not preempted by Costa-Hawkins.

A local ordinance conflicts with state law if it “duplicates, contradicts, or enters an area fully occupied by general law, either expressly or by legislative implication.” (*Coyne v. City and County of San Francisco* (2017) 9 Cal.App.5th 1215, 1231.) The proposed ordinance at issue here requires modest relocation payments, tailored to costs associated with moving and finding a new rental unit, if a tenant receives a substantial rent increase and decides to move out of their home. It is designed to prevent homelessness and displacement where tenants cannot afford the high cost of moving. It in no way affects the ability to establish rental rates, but rather provides for an ancillary obligation triggered by a small subset of extremely high rent increases. The proposed ordinance places no substantive burden on the specific right established by Costa-Hawkins—the right to determine the amount of rent that must be paid every month.¹ As such, a

¹ The requirement to supplement the notice already required for rent increases with an additional notice informing tenants of their right to relocation assistance is a minor procedural obligation that does not materially affect the right to set rental rates.

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www.clsepa.org
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challenge could not overcome the strong presumption against preemption. *See Coyne v. City and County of San Francisco* (2017) 9 Cal.App.5th 1215, 1225.)²

Anton Menlo argues that the proposed ordinance is “hostile to” or conflicts with Costa-Hawkins, citing *Coyne v. City and County of San Francisco* (2017). This argument fails because *Coyne* is inapposite. First, rather than discussing Costa-Hawkins preemption, the holding of *Coyne* is limited to preemption analysis under the Ellis Act, a distinct statute that guarantees the right of landlords to convert apartment homes into condos or otherwise exit the rental business. (9 Cal.App.5th 1215). Anton Menlo cites to no authority in which the Ellis preemption jurisprudence is applied to Costa-Hawkins. Second, the reasoning in *Coyne* belies its inapplicability to the proposed ordinance. The San Francisco ordinance at issue in *Coyne* required unprecedentedly high payments to tenants evicted by landlords invoking the Ellis Act. Because the payments were a condition precedent to invoking the Ellis Act to remove tenants, it placed a direct burden on the right provided for in the Act. Here, by contrast, a landlord retains an unqualified right pursuant to Costa-Hawkins to establish rental rates. After setting the rate at any level, a landlord may be required to make a payment to mitigate moving costs that are a direct consequence of unaffordable rents, if the rent increase is more than five percent above inflation, and if the tenant elects to move. As noted in Anton Menlo’s letter, under the “plain meaning of statutory construction, if the language is unambiguous then it is presumed that the Legislature meant what it said.” Costa-Hawkins did not create a right to remove tenants without cost; it created a right to establish rental rates. The proposed ordinance does not affect this right.

Even if the preemption standard of *Coyne* applied, this ordinance would survive scrutiny. Under *Coyne*, a local ordinance must not “impose a prohibitive price” on the landlord’s ability to exercise the Ellis Act right to exit the rental market. (*See Coyne v. City and County of San Francisco* (2017) 9 Cal.App.5th 1215, 1226.) Ordinances struck down under this standard are those that “in effect, barred” landowners from exercising the protected right—those that imposed a price so great that no reasonable decision maker would elect to exercise the right. (*See San Francisco Apartment Assn. v. City and County of San Francisco* (2016) 3 Cal.App.5th 463, 482 (striking down a *mandatory ten-year delay* on certain kinds of Ellis Act conversions); *see also Bullock v. City and County of San Francisco* (1990) 221 Cal.App.3d 1072 (striking down an ordinance requiring one-for-one replacement of converted units by construction or payment of 40 percent of the construction costs of the number of units converted)). The ordinance in *Coyne* required payment of the *two-year differential* between the tenant’s current rent and the prevailing rent for a comparable apartment, with a cap of \$50,000. (*Coyne v. City and County of San Francisco* (2017) 9 Cal.App.5th 1215, 1219.) By contrast, the same appellate court upheld the ordinance at issue in *Pieri v. City of San Francisco*, which required relocation payments of \$4,500 per tenant with a maximum of \$13,500 per unit. (*Pieri v. City and County of San Francisco* (2006) 137 Cal.App.4th 886, 889.)

² As stated in *Coyne*, “When local government regulates in an area over which it traditionally has exercised control[,] California courts will presume, absent a clear indication of preemptive intent from the Legislature, that such regulation is not preempted by state statute. The presumption against preemption accords with our more general understanding that ‘it is not to be presumed that the legislature in the enactment of statutes intends to overthrow long-established principles of law unless such intention is made clearly to appear either by express declaration or by necessary implication.’” (*Coyne v. City and County of San Francisco* (2017) 9 Cal.App.5th 1215, 1225) (internal citations and quotation marks omitted.)

Clay J. Curtin and Menlo Park Housing Commissioners
October 4, 2018

Notably, the Court in *Coyne* considered whether or not payments were “directed at the adverse impacts caused by the landlords decision” to be highly relevant to determining the ordinance’s validity. (*Coyne v. City and County of San Francisco* (2017) 9 Cal.App.5th 1215, 1227.) Unlike the *two-year differential* rent payments at issue in *Coyne*, this proposed ordinance requires payments closely tailored to the cost of moving. Three months’ rent, or “first, last, and deposit” is the most common payment requirement for moving into a new apartment.

The payments in the current proposal are neither prohibitive nor likely to dissuade a landlord from establishing any rental rate he or she would otherwise choose to establish. By definition, the payments are limited to an amount equal to the amount of revenue a landlord can bring in by charging market rate to new tenants for three months. (Menlo Park Municipal Code Proposed Chapter 8.55.040.) The addition of a basic hardship waiver, ensuring that no landlord is impoverished or risks foreclosure as a result of relocation payments, would eliminate any risk that payments could be “prohibitive.”

Recently, an Oregon court upheld a similar relocation ordinance enacted by the city of Portland against a challenge claiming preemption by state law. In spite of the broader language in the state statute, prohibiting local laws that “control[] the rent that may be charged,” the court found that legislature could have but did not proscribe local laws that may have an “indirect effect” of influencing rents. In light of the presumption against preemption, a law limiting rent control should not be read to bar contingent relocation assistance payments. (*Owen, et al. v. City of Portland* (2017) No. 17CV05043.)

Because it has no bearing on and does not substantially burden the ability of landlords to establish rental rates, the proposed ordinance need not fall within Civil Code Section 1954.52(c), which clarifies that Costa-Hawkins does not affect the ability of localities to regulate the basis for eviction. Nonetheless, that proposed ordinance is properly construed as regulating the basis for eviction, and therefore falls within the savings clause. The relocation payments are required only where a tenant (1) receives a substantial rent increase; and (2) elects to leave; in other words, where a tenant is evicted because they cannot afford the increased rent. The ordinance regulates the manner in which tenants may be evicted because of rent increases, but has no effect on the ability of landlords to establish rental rates for current or future tenants.

Menlo Park and the Bay Area are experiencing an unprecedented housing and homelessness crisis that threatens our communities. Teachers, health care workers, and other people who serve our communities cannot afford to live in them. This proposal would help people find homes so they can continue to contribute to the community. It asks only that landlords offset the cost of displacement by contributing a modest amount, and in no way affects a landlord’s right to set rental rates.

We appreciate you taking the time to review this letter and strongly encourage adoption of the proposed ordinance. Please reach out with any questions regarding this letter.

Clay J. Curtin and Menlo Park Housing Commissioners
October 4, 2018

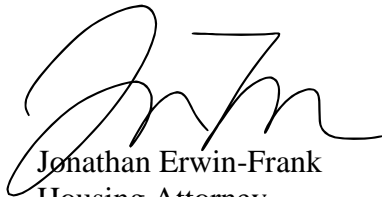
Sincerely,



Keith Ogden
Senior Housing Attorney
Community Legal Services in East Palo Alto
1861 Bay Road
East Palo Alto, CA 94303
Keith@clsepa.org
(650) 391-0346



Shirley Gibson
Directing Attorney
The Legal Aid Society of San Mateo County
Natalie Lanam Justice Center
Sabrato Center for Nonprofits
330 Twin Dolphin Drive, Suite 123
Redwood City, CA 94065
SGibson@legalaidsmc.org
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Jonathan Erwin-Frank
Housing Attorney
Community Legal Services in East Palo Alto
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Jerwin-frank@clsepa.org
(650) 391-0360

cc: Menlo Park Housing Commissioners
cc: William L. ("Bill") McClure, City Attorney, wlm@jsmf.com

B. Robinson
1126 Berkeley Ave.
Menlo Park, CA 94025
September 26, 2018

RECEIVED
OCT 01 2018
City of Menlo Park
City Manager's Office

City of Menlo Park Community Development
Attn: Housing Commission
701 Laurel St.
Menlo park, CA 94025

Dear Commissioners:

RE: Proposed Relocation Assistance Ordinance

As a resident of Menlo Park Belle Haven Community for 59 years and a landlord of a single- family residence, I do not support the proposed relocation assistance ordinance.

It is commendable that the ordinance addresses the problem of sudden homelessness due to exorbitant rent increase by linking the rental increase to the consumer price index plus 5%. This is a reasonable regulation of rent. However, the sanctions in this ordinance are unreasonable and oppressive. These sanctions do not consider the financial issues confronting landlord.

- As a landlord of a single-family residence the burden to pay 3-4 months of relocation assistance and 60-day subscription to a rental agency service has me displaced. Under this ordinance the government is controlling the rent, determining relocation assistance, and specifying who can live in property to recover it from the rental market. It certainly feels like the city has shifted the total responsibility for displacement to owner/landlord. If I were to terminate tenancy for an eligible tenant, it would be problematic for me because my tenant's rent is significantly less than average monthly rent, but the ordinance requires relocation payment at the greater amount. Frankly, to provide thousands of dollars of relocation assistance I would need to sell my home.
- What we are dealing with is a need to implement regulations which show compassion for tenants without placing disproportionate expenses on landlord. If we must have rent control, rent increase should be linked to CPI plus 5%. Now to further minimize sudden displacement of tenants, landlords should be required to give tenants ample amount of time to relocate due to rent increase or a sell of property. Instead of a 60- day notice, landlords must give 120- day notice (4months). I believe these requirements show consideration and compassion to the tenants without penalizing the landlord for taking possession and use of their property. The landlord is not responsible for the support of the tenant so no relocation assistant payments and rental agency subscriptions are paid by the landlord.

Thank you for the opportunity to submit my comment.

Sincerely,

Birtha Robinson



SPECIAL AND REGULAR MEETING MINUTES – DRAFT

Date: 1/29/2019
Time: 5:30 p.m.
City Council Chambers
701 Laurel St., Menlo Park, CA 94025

**City Councilmember Cat Carlton participated in the Regular meeting by phone from:
Hama'agal 9, 1st floor
Givatayim, Israel**

5:31 p.m. Closed Session (City Hall - "Downtown" Conference Room, 1st Floor)

Public Comment on these items will be taken before adjourning to Closed Session.

- Karen Grove spoke in support of expediting the tenant relocation ordinance as drafted by the Housing Commission.
- Timi Mosf spoke in support of a tenant relocation ordinance.
- Angela Evans spoke in favor of adopting a tenant relocation ordinance.

CL1. Closed session conference with legal counsel on anticipated litigation pursuant to Government Code §54956.9(d)(2) – one case

City Councilmember Carlton was absent.

Mayor Mueller exited the room at 5:42 p.m. and rejoined the meeting at 6:03 p.m.

7:00 p.m. Regular Session

A. Call to Order

Mayor Mueller called the meeting to order at 7:15 p.m.

B. Roll Call

Present: Carlton (joined at 7:30 p.m.), Combs, Nash, Taylor, Mueller

Absent: None

Staff: Interim City Manager Starla Jerome-Robinson, City Attorney Bill McClure, City Clerk Judi A. Herren

C. Pledge of Allegiance

Mayor Mueller led the Pledge of Allegiance.

D. Report from Closed Session

Report on action taken in Closed Session, if required, pursuant to Government Code §54957.1.

None.

E. Presentations and Proclamations

E1. Professional Staff Commendation: Tree Lighting Ceremony

Mayor Muller read the proclamations and presented them to Recreation Coordinator Mayra Lombera, Public Works Supervisor - Fleet Don Weber, and Public Works Supervisor – Streets Hugo Torres.

E2. Professional Staff Commendation: Football Parade and Rally

Mayor Muller read the proclamations and presented them to Recreation Coordinator Mayra Lombera, Public Works Supervisor - Fleet Don Weber, Public Works Supervisor – Streets Hugo Torres, and Sergeant Romero.

F. Public Comment

- Craig Cornelius had questions regarding the tenant relocation ordinance.
- Cathy Oyster spoke against a rent control ordinance.
- Gregory Fariz spoke in favor of the West Menlo annexation.
- Meg McGraw-Scherer spoke about the processes of the Housing Commission in drafting the tenant relocation ordinance. McGraw-Schere also spoke in support of the ordinance.
- Rose Bickerstaff asked the City Council to prioritize District 1.
- Maryann Young spoke in support of the tenant relocation ordinance.

G. Commission Report

G1. Consider applicants and make appointments to fill unexpected vacancies on the various City commissions and committees (Staff Report #19-010-CC)

- Lynne Bramlett requested the addition of details to the term "unexpected vacancy" and improvements to the roles of commission/committee members.
- Michael Doran spoke about his application for Planning Commission.
- Evan Goldin spoke about his application for the Complete Streets Commission.

The City Council made appointments to fill the unexpected vacancies on the Complete Streets Commission, Environmental Quality Commission, Planning Commission, and Sister City Committee.

Complete Streets Commission appointed:

- Evan Goldin

Environmental Quality Commission appointed:

- Rebecca Turley

Planning Commission appointed:

- Michael Doran

Sister City Committee appointed:

- Stuart Soffer

H. Consent Calendar

H1. Accept the City Council meeting minutes for January 15 and January 22, 2019 (Attachment)

H2. Adopt Resolution No. 6477 approving updates to City Council Policy CC-01-0004, Commissions/Committees Policies and Procedures Roles (Staff Report #19-011-CC)

The City Council pulled item H2 for discussion.

H3. Adopt Resolution No. 6478 initiating the Menlo Park Landscape Assessment District proceedings for fiscal year 2019-20 (Staff Report #19-013-CC)

H4. Adopt Resolution No. 6480 proposing to abandon public right-of-way and public utility easements adjacent to 1345 Willow Road (Staff Report #19-015-CC)

ACTION: Motion and second (Combs/Nash) to approve the consent calendar with the exception of item H2, passed unanimously.

H5. Adopt Resolution No. 6477 approving updates to City Council Policy CC-01-0004, Commissions/Committees Policies and Procedures Roles (Staff Report #19-011-CC)

- Lynne Bramlett spoke about the disbanding of the Belle Haven Neighborhood Library Advisory Committee (BHNLC) as a surprise to the Library Commission and suggested a study session to better define commission/committee member roles.
- Pamela Jones spoke against the disbanding of BHNLC and suggested that all commission/committee meetings be held in the City Council chambers.

The City Council directed staff to revise the updated commission/committee policy and return it to City Council.

I. Regular Business

I1. Receive and file the comprehensive annual financial report for the fiscal year ended June 30, 2018 (Staff Report #19-016-CC)

Finance and Budget Manager Dan Jacobson and partner of Badawi and Associates Ahmed Badawi made the presentation.

- Lynne Bramlett commented that the City should consider replacing the firm preparing the audit dependent on the number of years they have conducted it. Bramlett also requested that more City Council items go through the appropriate committee/commission.

ACTION: Motion and second (Carlton/ Combs) to receive and file the comprehensive annual financial report for the fiscal year ended June 30, 2018, passed unanimously.

I2. Approve the terms of a successor agreement between the City of Menlo Park and the Menlo Park Police Officers' Association (Staff Report #19-012-CC)

Administrative Services Director Lenka Diaz made the presentation.

ACTION: Motion and second (Combs/Nash) to approve the terms of a successor agreement between the City of Menlo Park and the Menlo Park Police Officers' Association, passed unanimously.

- I3. Adopt Resolution Nos. 6481 and 6482 to amend the City salary schedule (Staff Report #19-017-CC)
No staff presentation.

ACTION: Motion and second (Combs/Taylor) to adopt Resolution Nos. 6481 and 6482 to amend the City salary schedule, passed unanimously.

J. Informational Items

- J1. 2019 City Council policy priorities and work plan (Staff Report #19-018-CC)
- Lynne Bramlett requested more financial information be included to the referenced projects.

K. City Manager's Report

None.

L. Councilmember Reports

- L1. Mayor's Future Calendar Request: Sunshine calendar transparency policy

Mayor Mueller requested creation of a policy that listed out City Council business and the timeline of when it will be brought to the City Council

- L2. Mayor's Future Calendar Request: Travel policy direction

Mayor Mueller requested the travel policy be brought back to the City Council.

- L3. Mayor's Future Calendar Request: Unincorporated Menlo Park annexation policy

Mayor Mueller requested that information be brought to the City Council regarding the necessary work from the City and County.

City Councilmember Nash reported out on the Stanford General Use Permit ad-hoc subcommittee meeting.

Mayor Pro Tem Taylor reported out on the New Mayor and City Councilmember academy.

M. Adjournment

Mayor Mueller adjourned the meeting at 10:04 p.m.

Judi A. Herren, City Clerk



SPECIAL MEETING MINUTES – CITY COUNCIL GOAL SETTING – DRAFT

Date: 2/2/2019
Time: 9:00 a.m.
City Council Chambers
701 Laurel St., Menlo Park, CA 94025

9:00 a.m. Special Meeting

A. Call to Order

Mayor Mueller called the meeting to order at 9:15 a.m.

Mayor Mueller led the Pledge of Allegiance.

B. Roll Call

Present: Carlton, Combs, Nash, Taylor, Mueller
Absent: None
Staff: Interim City Manager Starla Jerome-Robinson, City Attorney Bill McClure, City Clerk Judi A. Herren, Community Development Director Mark Muenzer, Assistant City Manager Nick Pegueros, Public Works Director Justin Murphy, Police Chief Dave Bertini, Administrative Services Director Lenka Diaz, Assistant to the City Manager Clay Curtin, Interim Library Director Sean Reinhart, Community Services Director Derek Schweigart

C. Regular Business

C1. 2018 work plan review and direction (menlopark.org/goalsetting)

Budget and Finance Manager Dan Jacobson made the presentation on the 10-year forecast and budget.

- Ron Shepherd spoke in support of the 10-year forecast and encouraged long term forecasting in areas other than finance. Shepherd also expressed concerns on Capital Improvement Projects (CIP) expenditures transparency and pensions.
- Adina Levin spoke about staffing issues hindering transportation projects.
- Lynne Bramlett requested more details on the CIP budget.
- Hayward Robinson spoke in support of staffing prudence and an increase of community involvement.
- Patty Frye commented that focus be put on the quality of life for residents.
- Sheryl Bims requested more information as to where funds are coming from and an increase in transparency.

The City Council discussed staff capacity, being proactive and document procedures, practices and processes.

Assistant City Manager Nick Pegueros made the presentation on the 2018 work plan completion by June 2019.

- Lynne Bramlett requested adding budget's to the list on the 2018 work plan items.
- Jen Wolosin requested expanding the scope of staffing for the safe routes project.
- Katie Behroozi requested that the safe routes be institutionalized.
- Manuel Paz Arribas spoke in support of citywide safe routes.
- Karen Grove requested that the City monitor the Stanford General Use Permit project because of the traffic and housing impacts that will result.

The City Council received clarification on the citywide communication program, striping at the Willow Road and Highway 101, Chilco Street streetscaping project, and safe routes as a citywide project.

Assistant City Manager Nick Pegueros made the presentation on the 2018 work plan continuing onto 2019-20.

- Katie Behroozi spoke about expanding the term downtown parking structure to downtown accesses.
- Adina Levin encouraged City Council to look at downtown access not just in the form of parking garage.
- Jen Wolosin spoke in favor of downtown access and to prioritize the transportation impact fees.
- Scott Marshall spoke in favor of the downtown parking structure as a mixed-use building.
- Karen Grove spoke in support of prioritizing renters and tenant relocation assistance.
- Pamela Jones urged City Council to finish what has begun by incorporating new ideas and concepts.
- Diane Bailey spoke in support of retaining the downtown plan update.
- Patty Frye advocated for a study on Middle Avenue crossing study.
- Lynne Bramlett suggested that interconnected projects be prioritized together and requested more budget details.
- Fran Dehn requested that the term downtown parking structure be rephrased as downtown parking solution and suggested that the El Camino Real/Downtown specific plan be prioritized.
- Rachel Horst stated that housing, equity, and transportation and all interconnected and should be approached that way.
- Evan Goldin suggested that the downtown parking structure focus on improving access. Gregory Faris encouraged a parking solution by Menlo Avenue.

Mayor Mueller and City Attorney McClure were recused.

The City Council came to a consensus to keep the downtown park structure and El Camino Real/Downtown specific plan as a top priority.

Public Works Director Justin Murphy made the presentation on CIP 2018 transfer to CIP budget.

- Terry requested that Belle Haven streets and sidewalks be upgraded to a tier 3.
- Steve Haas spoke in support of improvements to both Belle Haven and main library.
- Jen Wolosin spoke in support of citywide safe routes and implementation of a bike/pedestrian network.
- Lynne Bramlett spoke in support of the main library as a tier 2.
- Monica Corman spoke in support of the main and Belle Haven library.
- Elyse Stein spoke in support of the main and Belle Haven library improvements.
- Allan Bedwell had concerns with the implementation of the park and recreation master plan.
- Katie Behroozi spoke in support of Middle Avenue as a safe route.
- Katie Hadrovic spoke in support of the main and Belle Haven library as tier 1.
- Julie Shanson spoke against the tier process and urged for more strategy for transparency and equity.
- Adina Levin commented that the parking garage language should be rephrased as downtown accessibility, safe routes to be citywide, and upgrading the Dumbarton project.
- Fran Dehn stated streets and sidewalks in parking plazas 7 and 8 should be prioritized.
- Pamela Jones suggested to prioritize traffic and transportation to tier 1.
- Michelle Tate questioned on where we can put housing on city owned properties.

The City Council discussed the restroom improvements at Fremont Park, creation of a public amenities fund, an energy reach code and carbon policy, subregional TMA, and tenant/landlord support.

C2. 2019 work plan development and prioritization

Assistant City Manager Nick Pegueros made the 2019 work plan requiring city council decision presentation.

- Gregory Faris spoke in favor of the West Menlo triangle annexation.
- Jen Wolosin spoke in support of safe routes.
- Pamela Jones spoke in favor of the snack shack, against the charter initiative, and reprioritizing of the El Camino Real corridor study, equity in education joint powers authority, downtown utility undergrounding, high speed rail coordination and environmental review, minimum wage ordinance.
- Lynne Bramlett requested more public outreach be done for CIP projects
- Adina Levin spoke about keeping an eye on high speed rail and the EIR review and to prioritize the minimum wage ordinance.
- Julie Shanson spoke in support of a minimum wage ordinance and the West Menlo annexation.
- Fran Dehn spoke in support of prioritizing downtown underground utility and the restrooms in Fremont Park.
- Terry spoke in support of prioritizing education in the Belle Haven neighborhood.
- Julie Shanson encouraged transparent amenities fund.

- Katie Behroozi spoke in support of a safer bike route on Middle Avenue and Olive Street.
- Tom Kabat spoke in support reach codes for a new energy code.
- Diane Bailey spoke support for reach code where new buildings can be carbon free.
- Pamela Jones recommend that City Council revisit their mission statement.
- Mila Zelkha spoke in favor of the formation of a TMA focusing on transportation equity.
- Sheryl Bims referenced a Daily Post article regarding the lack of gym availability to members of the public in conjunction with the need for transparency.
- Lynne Bramlett urged the City Council to commit to the process of a 10-year strategic plan, improving public outreach, establishing municipal benchmarks, and raising Belle Haven standards.
- Karen Grove spoke in support of a lower carbon footprint.
- Jen Wolosin spoke in support of climate change by getting more people on bikes and foot.
- Adina Levin spoke in support of public safety, jobs and housing balance, and a regional TMA.
- Rachel Horst commented on the interconnectedness between transportation, housing, and commercial property.
- Harry Bims spoke on the need for considering prioritizing projects that address multiple areas of concern (e.g., housing and traffic).
- Sue Connley requested more transparency in the process to allow citizens voice in to City government.
- Sateez Kadivar spoke in favor of housing for the missing middle.

The City Council discussed prioritizing teacher housing/pay, a quarterly policy report for new commercial real estate requirements for zero carbon and fossil free, updating the City Council policy manual including a CCIN (City Council email) policy, Middle Avenue and Olive Street bike lanes, Caltrain access, and citywide safe routes.

C3. City Council procedures manual

None.

D. Adjournment

Mayor Mueller adjourned the meeting at 2:45 p.m.

Judi A. Herren, City Clerk



STAFF REPORT

City Council

Meeting Date:

2/12/2019

Staff Report Number:

19-021-CC

Consent Calendar:

Adopt Resolution No. 6484 to approve the amended water supply agreement with the City and County of San Francisco

Recommendation

Staff recommends that the City Council adopt Resolution No. 6484 (Attachment A) to approve the "amended and restated water supply agreement between the City and County of San Francisco wholesale customers in Alameda County, San Mateo County and Santa Clara County," City Manager to execute the amended agreement.

Policy Issues

In 1952, the City of Menlo Park (City) formed Menlo Park municipal water (MPMW) as a self-supporting City enterprise. The role of MPMW was defined as the entity responsible for the purchase and sale of water and for controlling the construction, operation and maintenance of the water system (Municipal Code Section 2.48.010.) Since its creation, MPMW has purchased water from the City and County of San Francisco to serve properties located in its service area. The terms of the purchase are part of a water supply agreement (WSA) between the City and County of San Francisco and its wholesale customers, including Menlo Park, approved in 2009. The term of the WSA is 25 years; however, amendments have been made since 2009 and more are now proposed.

Background

MPMW purchases 100 percent of its water from the San Francisco Public Utilities Commission (SFPUC.) SFPUC manages and operates the City and County of San Francisco's regional water system, which transports water from the Hetch Hetchy Valley in Yosemite National Park through a network of reservoirs, pipelines and pumping stations to the Bay Area and remains one of the purest urban water supplies in the United States. Entitlements for the Hetch Hetchy system date back almost a century and were granted to the City and County of San Francisco through federal legislation known as the Raker Act in 1913.

The City is a member of the Bay Area Water Supply and Conservation Agency (BAWSCA), which was created by the state Legislature to represent the collective interests of its 27 agencies, commonly referred to as the "wholesale customers," that purchase water from the SFPUC regional water system. Before the formation of BAWSCA, the wholesale customers were represented by an organization called Bay Area Water Users Association (BAWUA.) In 1984, these agencies joined together to negotiate a "settlement agreement and master water sales contract" with the City and County of San Francisco for the delivery of water from the Hetch Hetchy system. The 1984 contract settled a federal lawsuit brought on behalf of the wholesale customers challenging the legality of water rates charged by San Francisco. Since then, BAWSCA and its predecessor BAWUA have overseen the San Francisco contract on behalf of its member agencies. The City has a seat on the BAWSCA board which is filled by Kirsten Keith, a former City Councilmember, for a 4-year term that expires June 30, 2021.

With BAWSCA's formation in 2002 and the adoption of the new WSA in 2009, the wholesale customers have an agency in place that can attend to the many technical but important matters related to contract administration, which continue to require oversight and decision each year. The proposed amendments fall within the authority delegated to BAWSCA in the WSA.

On August 28, 2018, the City Council adopted Resolution No. 6456 authorizing BAWSCA to negotiate with the City and County of San Francisco to amend the WSA, as did all the other BAWSCA agencies this past Fall. BAWSCA held several meetings inviting City Managers and City Attorneys to learn about the amendments and provide feedback. Former City Manager, Alex McIntyre, attended a meeting in October 2018, and Cara Silver from the City Attorney's office attended two meetings in November 2018 and December 2018. BAWSCA completed negotiations with the City and County of San Francisco in November 2018, and SFPUC approved the WSA amendments December 11, 2018 pending approval by the wholesale customers. BAWSCA has requested that each member agency's governing board approve these amendments no later than March 31, 2019.

Analysis

In the course of implementing the WSA, it became clear to BAWSCA and SFPUC that a number of amendments were needed to address substantive, important and discrete issues. These amendments do not diverge from the existing policies and spirit of the WSA and do not change the basic contract structure. BAWSCA and SFPUC identified the following seven amendments (detailed in Attachment B) of the greatest importance to each agency.

1. Oversight of SFPUC's capital improvement program (CIP) (2009 WSA new Section 6.09)
The wholesale customers have had some oversight of the water system improvement program (WSIP), both through the enactment of AB 1823 (2002), and also through quarterly meetings and public reporting. As WSIP nears completion, the SFPUC's CIP is expanding to achieve a sustainable rate of repair and replacement consistent with overall asset management of the System and SFPUC's adopted level of service goals. This amendment adds a new section to the WSA obligating SFPUC to formally engage with BAWSCA on its 10-year CIP development. This amendment ensures that BAWSCA and the wholesale customers are involved in the development of the 10-year CIP, have the opportunity to comment on proposed changes to the level of service goals, requires the SFPUC to create an asset management policy applicable to the regional water system by December 31, 2020, and commits the SFPUC to quarterly reporting and meetings on CIP implementation.
2. Tier 1 drought allocation plan (2009 WSA Attachment H Section 2.1)
The 1984 agreement required the SFPUC and the wholesale customers to develop a shortage allocation plan during droughts. The plan was approved in 2000 for average system wide shortages of up to 20 percent. Under the plan, the SFPUC allocates the available water supply during droughts between retail and wholesale customers (the "Tier 1 allocation") for incremental shortages of 5, 10, 15 and 20 percent. The wholesale customers then collectively allocate the wholesale portion of the available supply among themselves (the "Tier 2 allocations").

Various factors that affect this formula have changed since 2009, particularly the proportionate purchases from the system from San Francisco retail and wholesale customers. If the Tier 1 allocation had been applied during the 2014-2017 drought, retail customers would have received a positive allocation of water. The Tier 1 drought allocation plan amendment includes a modest change to the existing formula to ensure that that, in the event of a cutback, San Francisco retail customers do not receive a positive allocation of water and will take a minimum 5 percent cutback. Any positive allocation of water would be re-distributed to Wholesale Customers; additional water conserved by retail

customers up to the minimum 5 percent level would remain in storage for allocation in future successive dry years.

3. 2018 decisions (2009 WSA Sections 3.13, 4.01, 4.05, 4.06, 9.06, Attachment Q)

The 1984 agreement memorialized the perpetual 184 million gallons per day "supply assurance" to the wholesale customers which survives the expiration or termination of the 2009 agreement. The supply assurance is subject to reduction due to drought, emergencies and system maintenance/malfunction. The wholesale customers have allocated shares of the supply assurance called "individual supply guarantees."

The SFPUC delivers water to the northern portions of the cities of San Jose and Santa Clara on a temporary and interruptible basis in accordance with individual contracts with these cities. To date, the SFPUC has not exercised its contractual right to terminate or reduce water supply to San Jose and Santa Clara, nor has it agreed to make either of the cities a permanent customer. Accordingly, San Jose and Santa Clara do not have individual supply guarantees.

The WSA required that by December 31, 2018, the SFPUC was to decide whether to make San Jose and Santa Clara permanent customers and whether to offer additional supply to other wholesale customers. Currently, there is insufficient data for the SFPUC to make these decisions at this time. This amendment will extend the deadlines for SFPUC to decide and obligate SFPUC to providing annual updates to its commission regarding developing permanent supply for San Jose and Santa Clara. The amendment also expands Santa Clara's service area map for operational purposes.

4. Asset classification (2009 WSA new Section 5.11 and definitions and Attachment R; revisions to Section 4.07)

A basic principle of the 1984 agreement involved the classification of regional water system assets used to serve retail and wholesale customers. Asset classification is critical to the allocation of Hetch Hetchy Enterprise capital and operating costs in order to separate out the power function, the costs for which have never been paid by wholesale customers. "Upcountry" regional water system assets, which are generally those assets located in the Tuolumne, Stanislaus and San Joaquin counties, are classified as water, power or joint. For joint upcountry assets that have both power and water benefits, costs are split 55 percent to the power enterprise and 45 percent to the water enterprise. Wholesale and retail customers then pay for the water portion based on their proportional purchases of water. The 1984 agreement was a legal settlement that included a list of Hetch Hetchy asset classifications. These classifications were incorporated into the 2009 agreement without change.

In fiscal year 2010-11, SFPUC unilaterally changed the classification and the related cost allocation of a small number of assets of the system. BAWSCA disputed this decision and, rather than submit the dispute to arbitration, the parties negotiated this resolution. This amendment documents and fixes the classification of all significant "upcountry" existing assets of the regional water system and limits the changes from historical classifications for seven specific and known projects on five assets, without changing the classification of the underlying asset. This facilitates efficient contract administration and limits and mitigates wholesale customer exposure to financial risks on certain projects. In particular:

- Mountain tunnel interim and long term improvements: these improvements for mountain tunnel will be classified as water, except for the new flow control facility, which will be classified as joint.
- Lower cherry aqueduct repair: this project will be classified as water.
- Kirkwood and Moccasin penstock repairs or replacement: these projects will be classified as joint.
- Moccasin Dam and reservoir flood response short term and long-term projects: classification of this work, which is planned in response to the March 22, 2018, flood, will change from water to joint.

5. Wholesale capital fund (2009 WSA, Section 6.08 E and Attachment M-3)

Under the 2009 WSA, funds for capital projects are appropriated and placed into the wholesale capital fund upon appropriation. The balance of the fund is reviewed at 5-year intervals beginning in fiscal year 2014-15, and any excess balance (unexpended, unencumbered amount in excess of 10 percent of appropriation) is transferred to the balancing account.

In implementing the reconciliation of the wholesale capital fund, SFPUC discovered that the reconciliation timing did not conform to the SFPUC's budget requirements, appropriation process and project spending needs. For instance, if funding is appropriated for a project in year four of the 5-year review period, it may result in return of funds after only one year even though the project may take several years to complete.

This amendment provides for an annual reconciliation of costs to ensure that SFPUC has the necessary resources for capital improvements, without holding an excessive amount of wholesale customer funds.

6. WSIP completion date (2009 WSA Section 3.09)

The WSA contained an outdated WSIP completion date. This amendment updates the WSIP completion date to December 30, 2021, as adopted by the SFPUC's Commission in March 2018.

7. Regional groundwater storage and recovery project (RGSRP) (2009 agreement, Section 3.17)

This amendment updates the RGSRP contract provisions to better reflect how the RGSRP will be operated and to outline the cost-allocation responsibilities shared by the RGWRP's partner agencies.

In addition to the substantive amendments set forth above, the amended and restated WSA (Attachment C) includes a number of non-substantive updates and "cleanup" revisions, as set out below:

1. Updated Attachment A, reflecting new and revised definitions.
2. Updated Attachment C, reflecting recent individual supply guarantee transfers.
3. Updated Attachment K, reflecting the updated wholesale customers' share of net book value of existing assets and share of revenue-funded capital expenditures.
4. New section 3.18, reflecting the Hetch Hetchy amendment approved in 2013.
5. Revised section 8.04, reflecting the authority previously delegated by the wholesale customers to BAWSCA in 2014 to initiate, defend, and settle arbitration for matters subject to arbitration under the WSA.
6. Updates reflecting Cal Water's acquisition of Skyline County Water District.
7. Updates to the addresses for both BAWSCA and SFPUC.

Impact on City Resources

Approval of the amended and restated water supply agreement has no direct impact on City resources. Costs related to water supply are part of the revenue requirement for the water enterprise fund and are generally recovered from retail water rates set by the City Council. There will be no impact to the general fund.

Environmental Review

Before approval of the WSIP, San Francisco prepared a program environmental impact report (PEIR) for the WSIP in compliance with the California Environmental Quality Act (CEQA) and the San Francisco Planning Commission certified the WSIP Final PEIR in Planning Commission Motion No. 17734. The City reviewed the final PEIR and CEQA findings and adopted them to the extent the findings were relevant to its decision to approve the WSA.

At this time, the City need not take any further action to comply with the requirements of CEQA as the amendments are not a "project" for the purposes of the CEQA. The amendments at issue involve an administrative activity that does not result in a direct change to the environment (see 14 CCR Section 15378(b)(5)), and would not result in a direct or reasonably foreseeable indirect physical change in the environment (see 14 CCR Section 15060(c)(2)).

Public Notice

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

Attachments

- A. Resolution No. 6484 approving amended and restated water supply agreement
- B. Seven amendments to the water supply agreement – [Hyperlink: menlopark.org/DocumentCenter/View/20591/Att-B---Seven-2018-WSA-Amendments](http://menlopark.org/DocumentCenter/View/20591/Att-B---Seven-2018-WSA-Amendments)
- C. Amended and restated WSA (redlined against the 2009 water supply agreement) – [Hyperlink: menlopark.org/DocumentCenter/View/20592/Att-C---2018-Redlined-Amended-and-Restated-WSA-with-Att-A-and-C](http://menlopark.org/DocumentCenter/View/20592/Att-C---2018-Redlined-Amended-and-Restated-WSA-with-Att-A-and-C)

Report prepared by:

Pam Lowe, Senior Civil Engineer

Report reviewed by:

Chris Lamm, Assistant Public Works Director

RESOLUTION NO. 6484**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK APPROVING AMENDMENTS TO THE WATER SUPPLY AGREEMENT BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO AND WHOLESALE CUSTOMERS IN ALAMEDA COUNTY, SAN MATEO COUNTY, AND SANTA CLARA COUNTY**

WHEREAS, water supply agencies in Alameda, San Mateo and Santa Clara Counties have purchased water from the City and County of San Francisco (San Francisco) for many years; and

WHEREAS, the San Francisco Public Utilities Commission (SFPUC or Commission) water enterprise operates the regional water system, which delivers water to communities in Alameda, San Mateo and Santa Clara Counties, as well as to customers within San Francisco (collectively, "the Parties"); and

WHEREAS, the Parties entered into the "settlement agreement and master water Sales contract between the City and County of San Francisco and certain suburban purchasers in San Mateo County, Santa Clara County and Alameda County" in 1984; and

WHEREAS, in April 2003, water supply agencies in Alameda, San Mateo and Santa Clara Counties established the Bay Area Water Supply and Conservation Agency (BAWSCA), as authorized by water code section 81300 *et seq.*; and

WHEREAS, upon expiration of the 1984 "settlement agreement and master water sales contract," the parties entered into the "water supply agreement between San Francisco and wholesale customers in Alameda County, San Mateo County, and Santa Clara County" ("water supply agreement") on July 1, 2009, authorized by SFPUC Resolution No. 09-0069; and

WHEREAS, on August 28, 2018, this City Council, by Resolution No. 6456, delegated authority to BAWSCA to act as its authorized representative in discussions and negotiations with San Francisco to amend the water supply agreement; and

WHEREAS, each of the other 25 entities which are members of BAWSCA similarly delegated negotiating authority to BAWSCA; and

WHEREAS, BAWSCA has submitted periodic reports to the City on progress during the negotiations and has provided detailed briefings on all significant elements of the amendments; and

WHEREAS, the parties now desire to adopt an amended and restated water supply agreement in order to:

- (1) require the SFPUC to adhere to a formal program to engage with BAWSCA on its 10-year capital improvement program development;
- (2) adjust the provisions of the water shortage allocation plan regarding the initial allocation of water during shortages between San Francisco Retail and Wholesale water customers;
- (3) extend the December 31, 2018 deadline for the SFPUC to complete a water supply planning process and decide whether or not to (a) grant permanent customer status to the cities of San Jose and Santa Clara, dedicating a permanent share of the SFPUC

water supply to these two wholesale customers, who currently have temporary, interruptible status, and (b) increase the 184 million gallons per day (mgd) supply assurance created as a permanent dedication of water supply in the 1984 "settlement agreement and master water sales contract" and carried forward into the 2009 water supply agreement (collectively "the 2018 decisions");

- (4) change the classification of certain Hetch Hetchy water and power capital projects, adjusting the amount of capital funding to be provided towards these projects by the parties and the SFPUC Power Enterprise through the term (June 30, 2034) of the water supply agreement;
- (5) modify provisions related to the SFPUC's administration of the wholesale capital fund to more closely align with the historic rate of capital project spending by the SFPUC and prevent volatility in the annual determination of the wholesale revenue requirement;
- (6) extend the estimated timing of the completion of the WSIP to reflect the currently adopted program completion date;
- (7) clarify the cost allocation and water accounting provisions used for the regional water system's groundwater storage and recovery project; and

WHEREAS, in addition to the substantive modifications set forth above, the amended and restated water supply agreement also includes a number of non-substantive updates and revisions to incorporate previously approved modifications, such as the first amendment to the Water Supply Agreement, adopted in 2013 as new Section 3.18, prohibiting San Francisco from draining Hetch Hetchy reservoir or decommissioning O'Shaughnessy Dam without securing Wholesale Customer approval in the form of an amendment; and

WHEREAS, in 2008, through SFPUC Resolution No. 08-0200, San Francisco approved the water system improvement program (WSIP) to upgrade San Francisco's regional and local water system and achieve level of service goals and objectives, which include meeting average annual water demand of 265 mgd through 2018; reevaluation of forecasted 2030 regional water system demand projections and water supply options by 2018, and SFPUC decision in 2018 regarding regional water system deliveries after 2018; and meeting dry year delivery needs while limiting rationing to a maximum of twenty percent system wide during droughts; and

WHEREAS, prior to approval of the WSIP, San Francisco prepared a program environmental impact report (PEIR) for the WSIP in compliance with the California Environmental Quality Act (CEQA) and the San Francisco Planning Commission certified the WSIP Final PEIR in Planning Commission Motion No. 17734; and

WHEREAS, the wholesale customers reviewed the Final PEIR and CEQA findings and, in conjunction with approval of the water supply agreement in 2009, the wholesale customers also adopted CEQA findings that were relevant to each wholesale customer's decision to approve the WSA; and

WHEREAS, the amendments considered now are not a "project" for the purposes of CEQA as they involve an administrative activity that does not result in a direct change to the environment (see 14 CCR Section 15378(b)(5)), and would not result in a direct or reasonably foreseeable indirect physical change in the environment (see 14 CCR Section 15060(c)(2)); and

WHEREAS, the parties recognize that, both before and after the most recent statewide drought, after meeting drought-related conservation mandates, several BAWSCA member agencies were unable to meet their respective minimum purchase requirements described in Article 3.07

of the water supply agreement, which requires payment for water below the required minimum purchase level even if such water is not delivered and used; and

WHEREAS, BAWSCA and San Francisco have identified intra system water transfers in general as one potential solution to long-term water reliability needs among the wholesale customers, and Section 3.04 of the water supply agreement provides a simplified process for permanent individual supply guarantee (ISG) transfers among certain wholesale customers; and

WHEREAS, several of the wholesale customers with minimum purchase requirements might be interested in transferring water within their respective ISGs, if doing so would also reduce their minimum purchase requirements and corresponding financial impact of paying for water that is not used; and

WHEREAS, the parties to the water supply agreement have a collective interest in working to promptly identify a resolution to this as part of a future contract amendment; and

WHEREAS, BAWSCA and San Francisco will begin discussions to address this issue commencing in January 2019; and

WHEREAS, San Francisco's currently adopted WSIP program completion date is December 30, 2021; and

WHEREAS, one of the remaining final projects in the WSIP, the Alameda Creek recapture project, is the subject of a revised environmental impact report that has not yet been published for public review and comment; and

WHEREAS, on April 3, 2018, the wholesale customers provided formal comment to the SFPUC, as part of its action to adopt the most recent WSIP completion date, that the proposed WSIP completion date and accompanying construction schedule extension date for the Alameda Creek recapture project to December 30, 2021, may not be sufficient to accommodate any project modifications that might be necessary as a result of the ongoing revised environmental analysis, increasing uncertainty associated with the adequacy of the Project schedule as proposed by the SFPUC; and

WHEREAS, the SFPUC has indicated that its Hetch Hetchy local simulation model (HHLMS) hydrologic modeling identifies the supply yield anticipated by the Alameda Creek recapture project as critical to achieving and maintaining drought year reliability and achieving the WSIP water supply level of service goal; and

WHEREAS, the wholesale customers acknowledge that the Alameda Creek recapture project cannot proceed to construction until environmental review under CEQA is successfully completed, and the past practice of BAWSCA has been to support extensions of individual WSIP project schedules and overall WSIP scheduled completion, including past extensions for the Alameda Creek recapture project, if supported by technical and other analysis as necessary to successfully complete the project and achieve project objectives; and

WHEREAS, BAWSCA intends to act in a manner that represents the best interests of all of its member agencies' water supply while avoiding any harm alleged by any one member agency's water supply as a result of any future action by SFPUC; and

WHEREAS, the Wholesale Regional Water System Security and Reliability Act (AB 1823, water code section 73500 *et seq.*) continues the legislature's oversight of SFPUC's implementation of the regional projects included in WSIP through January 1, 2022; and

WHEREAS, BAWSCA intends to ask the Legislature again to extend its oversight of the WSIP program in anticipation of the SFPUC's need to extend the WSIP completion date to accommodate individual project schedules with reasonable delays, such as the Alameda Creek recapture project; and

WHEREAS, an amended and restated water supply agreement, in the form negotiated by BAWSCA, was presented to and approved by the Commission on December 11, 2018.

NOW, THEREFORE, BE IT RESOLVED that the City of Menlo Park, acting by and through its City Council, finds as follows:

1. The City Council approves the modifications included in the attached amended and restated "water supply agreement between the City and County of San Francisco wholesale customers in Alameda County, San Mateo County, and Santa Clara County" dated November 2018 (amended and restated water supply agreement).
2. The City Manager is authorized and directed to sign the Amended and restated water supply agreement, in the form previously approved by the San Francisco Public Utilities Commission and attached hereto.

I, Judi A. Herren, City Clerk of the City of Menlo Park, do hereby certify that the above and foregoing City Council resolution was duly and regularly passed and adopted at a meeting by said City Council on this twelfth day of February, 2019 by the following vote:

AYES:

NOES:

ABSENT:

ATTEST:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this twelfth day of February, 2019.

Judi A. Herren, City Clerk

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STAFF REPORT

City Council
Meeting Date: 2/12/2019
Staff Report Number: 19-022-CC

Consent Calendar: **Authorize the City Manager to amend an agreement with W-Trans for the transportation master plan and transportation impact fee program and appropriate \$120,000 from the undesignated fund balance of the general fund**

Recommendation

Staff recommends that the City Council authorize the City Manager to amend an agreement with W-Trans for the transportation master plan and transportation impact fee program and appropriate \$120,000 from the undesignated fund balance of the general fund.

Policy Issues

The development of a transportation master plan (TMP) is included as one of the top six priority projects in the City Council's adopted 2018 work plan and is also one of the highest priority implementation programs in the 2016 general plan circulation element.

Background

The TMP and transportation impact fee (TIF) program is the highest priority program following the adoption of the ConnectMenlo general plan land use and circulation elements in November 2016. On January 15, 2019, staff provided an informational update to City Council (Attachment A) on the status of the TMP with a plan to return to City Council with a recommended scope of work, budget and schedule to address the comments received from the Transportation Master Plan Oversight and Outreach Committee (Committee.)

Analysis

Staff has been working with the W-Trans consultant team to prepare an amendment to the scope of work to address the Committee's requests and concerns. The requested tasks and appropriation would include the following:

- Separating the TIF Program update from the TMP approval process and beginning the update earlier including preparing cost estimates for the proposed improvements
- Regrouping and reorganizing the list of projects before prioritization
- One additional Committee meeting with additional outreach activities for the community
- Additional analyses to respond to questions on traffic flow, vehicle miles traveled (VMT) projections and net new trip generation from future development

In addition, staff plans to work with a subcommittee of the Complete Streets Commission to receive additional feedback on the regrouping and reorganization of the list of projects. More details regarding the scope of services amendment request are included in (Attachment B.)

Next steps and schedule

Staff met with the Committee’s newly appointed City Councilmembers (Mueller and Nash) January 29, 2019 to brief the new members on the Committee’s progress and most recent requests. As a result of that briefing, the City Councilmembers requested that staff return to the City Council in March for direction on the TMP project prioritization process and related policy considerations. With City Council direction, the Committee could then complete its work at a meeting scheduled in April 2019.

As part of the public outreach on the TMP, staff anticipates conducting an online survey and community open house following the Committee’s April meeting, preferably in May 2019. It is critical to meet this May 2019 community meeting milestone to provide the community a chance to weigh in on projects under consideration in the TMP before summer, when it is more challenging to schedule community meetings.

Below is a revised project schedule:

Table 1: Revised project schedule	
Task	Schedule
City Council review and approval of revised scope of work	February 12, 2019
City Council review of prioritization process	March 2019
Committee meeting #8 review of project groupings and prioritization process	April 2019
Community workshop and online open house	May 2019
City Council study session of draft TIF program update	Summer 2019
City Council adoption of TIF program update	Fall 2019
Committee meeting #9 and Complete Streets Commission review of draft TMP	Fall 2019
City Council review and adoption of TMP	End of 2019

Impact on City Resources

The original scope of work for the TMP and TIF update was approved in May 2017 with a budget of \$400,000. City Council approved a contract amendment of \$241,000 in May 2018 of which \$70,000 is a contingency to be used for additional analysis on Bayfront, community engagement and a potential second in-person community meeting. Staff is requesting an appropriation of \$120,000 from the undesignated fund balance of the general fund to complete this project, including the additional tasks mentioned above, bringing the total project budget to \$761,000.

Environmental Review

The City Council’s authorization to amend the agreement for the TMP and TIF program is not a project under the California Environmental Quality Act Guidelines. Future project actions will comply with environmental review requirements under the California Environmental Quality Act.

Public Notice

Public notification was achieved by posting the agenda, with the agenda items being listed, at least 72

hours prior to the meeting.

Attachments

- A. January 15, 2019 informational update staff report
- B. W-Trans transportation master plan scope of work amendment

Report prepared by:
Kristiann Choy, Senior Transportation Engineer

Report reviewed by:
Nicole H. Nagaya, Assistant Public Works Director



STAFF REPORT

City Council

Meeting Date: 1/15/2019
Staff Report Number: 19-007-CC

Informational Item: Update on the Transportation Master Plan status

Recommendation

This is an informational item and does not require City Council action.

Policy Issues

The development of a Transportation Master Plan is included as one of the top six priority projects in the City Council's adopted 2018 work plan and is also one of the highest priority implementation programs in the 2016 general plan circulation element.

Background

The Transportation Master Plan (TMP) and Transportation Impact Fee (TIF) Program is the highest priority program following the adoption of the ConnectMenlo general plan land use and circulation elements in November 2016. The Circulation Element was last updated in 1994, although several modal- or area-specific plans (e.g., Comprehensive Bicycle Development Plan; Sidewalk Master Plan; El Camino Real/Downtown Specific Plan) have been created since then. The circulation element has seven goals and 86 policies and programs that establish the framework for the City's priorities related to multimodal transportation. The TMP will build from the policy context of the circulation element to identify infrastructure projects and strategic programs, then prioritize them for implementation. The TIF Program will assess the responsibility of new development to help fund the infrastructure projects identified in TMP, and allow the City to update the fee program, which was last updated in 2009.

TMP initiation and current status

The TMP process kicked off in June 2017 and started with outreach events during the summer and fall of 2017 to collect community feedback on transportation issues within the City. City Council also appointed the 11-member Oversight and Outreach Committee (Committee) in August 2017 to:

- Provide advisory input and recommendations to the consultant and staff regarding the outreach process and draft Master Plan materials and submittals
- Guide and keep the project process on track to meet the key milestones
- Reach out to community members to share content and encourage participation at community engagement activities such as workshops/meetings and other planning activities

The original scope of work anticipated four Committee meetings, but as the project progressed, the Committee requested additional meetings to allow more time to review the draft strategies and recommendations.

May 22, 2018, the City Council authorized a scope amendment and appropriation request to add four additional Committee meetings, two Complete Street Commission meetings, and one community meeting

as contingency.

Staff conducted the four additional Committee meetings May 30, August 30, September 5 and September 25, 2018, and the two Complete Streets Commission meetings May 9 and September 12, 2018.

Staff and the consultant team released the draft strategies and recommendations working paper August 23, 2018. This working paper included 173 draft recommendations, which were reviewed by the Committee over their three meetings in August and September focusing on three geographical areas of the City (north, central and south.) The Committee conducted deliberate and extensive discussions providing feedback and suggestions on additional recommendations and expressed a desire to have one additional meeting to review responses to their feedback before the next round of community engagement which was held December 6, 2018 to review the updated recommendations (Attachment A) before conducting the next round of community engagement.

On December 18, 2018, the City Council appointed two new City Councilmembers, Ray Mueller and Betsy Nash, to be representatives on the Committee.

Analysis

At their December 6, 2018 meeting, staff had planned to present the updated recommendations and the prioritization process to the Committee that would move forward to the next round of community engagement. However, the Committee conducted a lengthy discussion on the presentation of the recommendations and how they would be better understood and easier to prioritize if they were grouped by corridor and mode type. The Committee also expressed the desire to not delay the TIF update and recommended conducting a parallel process that would allow the TIF to get started while the Committee and community are providing their feedback on the recommendations and prioritization. The Committee also requested additional meetings to allow for more time to review the grouping of projects and prioritization process. The Committee also heard from a number of residents during the meeting opposing one of the proposed projects #48, a reversible bus lane on Willow Road between Middlefield Road and Durham Street, which in their opinion would drastically change the Willow Road character. The Committee voted to eliminate this project from the list of recommendations and directed staff to not include this project with the projects recommended to move forward to the next round of community engagement. The Committee also requested that staff address Committee member Barnes' request for additional traffic data regarding traffic flows and origin/destination information. Staff is currently working to compile the available City data and to determine what other resources are required to address the data request.

Staff has confirmed that the TIF update could be completed without the TMP being finalized. The consultant team can use the current draft list of recommendations to include in the TIF update since the inclusion of a project in the TIF does not mean the project must be completed. If during the TMP approval process, the list of projects change significantly, the TIF can be updated at a later date although under a separate scope and budget.

Staff is currently working with the consultant team on developing a scope of work amendment and revised schedule to address the Committee's concerns. Staff has determined that at least one additional Committee meeting will be needed, and the project schedule will be adjusted to move the TIF update earlier in the process so that the TIF will be completed before TMP is finalized. As a result, the community workshop that was tentatively planned for winter 2019 will be moved to late spring 2019. Staff plans to return to City Council at a future meeting with a recommended contract amendment, budget appropriations request and updated schedule.

Major project milestone progress and deliverables will be posted on the city project website (Attachment B.)

Public Notice

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

Attachments

- A. Hyperlink: menlopark.org/DocumentCenter/View/19083/SR-D2---OOC-Feedback-on-Updated-MP-recommendations
- B. Hyperlink: City project website – menlopark.org/tmp

Report prepared by:
Kristiann Choy, Senior Transportation Engineer

Report reviewed by:
Justin Murphy, Public Works Director

TASK	Total Dollars	W-Trans					Dyett & Bhatia				EnviroIssues				Alta		Total Hours	Expenses Misc	
		M. Spencer PM	Senior Eng	Eng Assoc	Tech/ Admin	W-Trans Subtotal	K. Pan Associate	Planner 1	Graphics	D&B Subtotal	K DeLeuw PM	Associate I	Associate III	EI Subtotal	J Knowles PM	Alta Subtotal			
		\$245	\$130	\$120	\$100		\$160	\$125	\$90		\$158	\$102	\$143		\$190				
Task 5	Task 5 - Initial Strategies and Recommendations																		
\$31,600.00	5.01 Provide Additional Data	\$16,580	4	32	32	\$8,980			\$0				\$0	40	\$7,600	108			
	5.02 Create Project Groups	\$3,760	8	8		\$3,000			\$0				\$0	4	\$760	20			
	5.03 Revise Project Tables, Sketches, and Supporting Materials	\$11,260	4	32	32	\$8,980			\$0				\$0	12	\$2,280	80			
Task 6	Task 6 - Public Engagement 2 - Options, Strategies & Recommendations																		
\$39,778.00	6.0 Outreach Strategy and Reporting	\$24,670	4	8	8	\$2,980	10	10	\$2,850	32	37	70	\$18,840		\$0	179			
	6.3 Supplemental Outreach Activities and Materials	\$15,108	4	4		\$1,500	24	24	\$9,540	18	12		\$4,068		\$0	116			
Task 9	Task 9 - Meetings and Project Administration																		
\$45,992.00	9.1 Meetings (1 additional OOC Meeting)	\$7,118	6	6	6	\$3,170	6		\$960	6		0	\$948	6	\$1,140	38	\$900		
	9.2 Project Team Meetings and Administration	\$38,874	70	32	16	\$24,130	28	8	\$6,020	28			\$4,424	20	\$3,800	217	\$500		
COLUMN TOTAL ---->			100.0	122.0	94.0	11.0	\$52,740	68.0	42.0	36.0	\$19,370	84.0	49.0	70.0	\$28,280	82.0	\$15,580	758.0	\$1,400
DOLLAR AMOUNT ---->			\$24,500	\$15,860	\$11,280	\$1,100	\$0	\$10,880	\$5,250	\$3,240	\$0	\$13,272	\$4,998	\$10,010	\$0	\$15,580	\$0	\$0	\$1,400
			TOTAL AMOUNT																
			\$117,370																

W-Trans	\$52,740	44.9%
Dyett & Bhatia	\$19,370	16.5%
EnviroIssues	\$28,280	24.1%
Alta	\$15,580	13.3%
Expenses (All)	\$1,400	1.2%
Total	\$117,370	100.0%



TASK 5: Initial Strategies and Recommendations

Additional Work – Contract Amendment #2

To respond to requests from OOC members, additional recommendations and strategies materials will be prepared, including:

1. To answer specific requests raised by the OOC, using readily available data
 - i. *What are the net new traffic trips attributable to the new projects, and new plan areas in the City?*

The trip generation potential of the proposed and planned projects in the City of Menlo Park was determined during the ConnectMenlo environmental review process. This data can be collected and presented; however, it is not currently available in a format that translates directly to public presentation. The distributed trip generation data is available publicly in the Draft EIR Appendix as turning movement counts at study intersections for the Future and Future plus Project scenarios. From these scenarios, the project generated trips at the study intersections can be determined and presented. In addition to using the publicly available data in the Draft EIR, the project team could extract the trip generation information by transportation analysis zone (TAZ) from the travel demand model output from the ConnectMenlo process. W-Trans would coordinate with ConnectMenlo project team or City staff to obtain the necessary output tables.
 - ii. *What is the associated vehicle miles traveled (VMT) of the trips, or changes in VMT associated with TMP projects?*

The ConnectMenlo Draft EIR includes the VMT associated with the trip generation of the proposed and planned projects at the citywide level, reported as VMT per Capita. The ConnectMenlo travel demand model output has the potential to provide more granularity compared to the publicly available citywide data. The model output could include VMT estimates by TAZ and could show areas of low and high VMT per capita. No new additional travel demand modeling efforts would be undertaken in order to develop and present the VMT associated with the trip generation potential.
 - iii. *What are the total traffic counts on those routes?*

Updated average daily traffic counts could be collected on major corridors and presented on the flow map.
2. Creation of project groups per the needs assessment and identified project strategies and organization. City staff will take the lead on this task, and provide direction to the consultant team.
3. Revisions to project tables, sketches, and other supporting materials. We will re-visit the prioritization and scoring after the strategies and project groupings have been agreed upon.

TASK 6: Public Engagement (2)– Options, Strategies and Recommendations

6.0 Outreach Strategy and Reporting

Additional work – Contract Amendment #2

EnviroIssues and Dyett & Bhatia will work together to develop an outreach strategy that aligns with the technical team’s schedule moving forward. The outreach strategy will serve as a road map for outreach for the remainder of the project and allow the team to clarify the purpose and desired outcomes of outreach activities. Strategy development will include: preparing the draft, coordinating review with the project team and OOC, finalizing, and updating the strategy occasionally to reflect new information and/or outreach results.

EnviroIssues will prepare summaries of outreach activities and themes of community input provided through community outreach and OOC meetings. During the first outreach phase in 2017, the team received 60 pages of public comments from open-ended survey responses – this was beyond what was anticipated, and the consultant team was not scoped to summarize the responses. Summarizing them now will help the team and the OOC further understand the themes of public input and how the input is informing the TMP recommendations. This includes up to two summaries of comment analyses, including the input provided during outreach covered under Task 3, that each categorize and provide a comprehensive overview of input provided throughout each outreach phase.

Deliverables:

- i. Outreach strategy (1, plus up to 2 updates)
- ii. Outreach reports, including comment analysis and community input themes (up to 2)

6.1 Online Survey/Open House #2

Work remaining under existing contract:

EnviroIssues will set up a second online survey/open house, similar to that developed in Task 3, to solicit feedback from the public on various options and strategies. The online tool will be set up prior to the in-person open house and will utilize content developed by W-Trans and D&B. Results from the online engagement will be summarized in a short report.

Per Contract Amendment No 1, Task 6.1 also includes:

- **Site design:** This remains the same between the current contract and this contract amendment as W-Trans and EnviroIssues do not anticipate changes to the design or how the site is structured. We will gain the same efficiencies to site design that were originally anticipated between OOH #1 and OOH #2. (OOH is Online Open House)
- **Content:** EnviroIssues’ assumption in the original scope/budget was that they would be loading content developed by others on the team for both OOHs. Since, for OOH #1 (under Task 3), EnviroIssues ended up spending significant time reworking the content and simplifying it for the public audience. EnviroIssues anticipates a similar level of additional effort will be required for OOH #2.
- **Survey:** EnviroIssues originally assumed the survey for OOH #2 would be very simple, essentially a handful of questions on one page of the OOH. Based on conversations about how the draft TMP will be organized and the desired feedback from OOH #2, this task will be more robust and could require multiple surveys on different types of recommendations or geographic areas of the city. Additional effort is assumed to develop the survey and build it within Survey Gizmo.

-
- **Summary:** An expanded summary will accompany the expanded survey. The current contract included a summary that was essentially an export of data from Survey Gizmo. However, similar to the summary that EnviroIssues provided for OOH #1, they expect additional organization, formatting and high-level analysis will now be required. (EnviroIssues did not increase the budget for the full comment analysis under this task, but that can be provided as an optional task.)

EnviroIssues will set up a second online survey and open house, similar to that developed in Task 3, to solicit feedback from the public on various options and strategies. The online tool and survey will be set up and launched prior to the in-person open house. Additional work by EnviroIssues will include:

- Prepare an outline and concept for review and approval in advance of fully developing the content.
- Develop the content based on technical information provided by W-Trans, and previously-prepared public materials as relevant.
- Provide limited graphic design support for new or updated graphics as needed.
- Summarize the results from the online engagement in a short report.

The deliverables for this task will now be more complex/robust, including the addition of the actual content.

Assumptions

- The format will be consistent with online tool prepared under Task 3, with new content for up to 5 pages.
- The comment report will provide site analytics and exported survey responses. The report will not include an analysis and summary of open-ended responses.

Per Contract Amendment No 1 (contingency), Task 6.1 also includes:

Changes to second online open house:

The second online open house will include an interactive mapping tool through Social Pinpoint. EnviroIssues was scoped through Contract Amendment 1 for basic mapping integration using Social Pinpoint. However, thoroughly implementing the tool will require a higher effort than anticipated in Contract Amendment 1. EnviroIssues activities will include: coordinating with the team on data formats and files, organizing the data to ensure seamless integration, integrating multiple data sets into the map, stylizing of the map and data, and embedding the mapping tool into the online open house site. EnviroIssues will export the data from the online open house and Social Pinpoint tool and use those to inform a comprehensive outreach phase 2 summary (scoped under Task 6.0).

6.2 Community Open House

Work remaining under existing contract:

Preliminary strategies and recommendations will be shared with the community at an open house. Following a short presentation, participants will be invited to visit various “stations” that present different concepts or topics, designed to share ideas and solicit feedback. Input gathered at the open house will inform the refinement of the strategies and recommendations to be included in the Draft TMP.

Deliverables:

- i. Meeting materials and notes
- ii. Online Survey and Results Memo
- iii. Community Open House Education and Outreach Materials

Services (*per Contract Amendment No 1*) include Dyett & Bhatia developing materials for the open house, including outreach materials, boards, and handouts, based on content provided by W- Trans. Dyett & Bhatia will also provide staff to assist in facilitating the open house.

Alta will support W-Trans and City of Menlo Park staff by attending one (1) community open house. Alta will also

support these meetings with standalone collateral for Active Transportation elements of the TMP.

EnviroIssues will support one (1) Community Open House. Tasks include:

- Preparing meeting plan to identify materials, staffing, equipment needs, logistics tasks, agenda and format.
- Traveling to, setting up, facilitating and cleaning up open house.
- Reviewing materials and presentation for clarify to public audience.

Per Contract Amendment No 1 (contingency), Task 6.2 also includes:

Second Community Open House:

W-Trans and team members can prepare and lead a second community open house if requested.

6.3 Supplemental outreach activities and materials

Additional work – Contract Amendment #2

Dyett & Bhatia and EnviroIssues will collaborate to plan and implement up to three (3) additional supplemental outreach activities to supplement the community open house (Task 6.2, work remaining under existing contract), to help reach community members who are not already participating in the TMP process. This could include pop-up meetings, briefings to neighborhood groups or residents, or other activities we identify in our strategy. These activities will be further developed through the outreach strategy under Task 6.0. Dyett & Bhatia will prepare materials for the outreach activities, which may include updates to the FAQ, neighborhood-specific fact sheets, presentations, displays, or graphics.

TASK 7: Transportation Master Plan

Work remaining under existing contract:

The W-Trans Team will prepare an Administrative Draft Menlo Park Transportation Master Plan that incorporates each element noted above. The Administrative Draft Transportation Master Plan will be provided to City staff electronically for review and comment. Upon receipt of comments, a Draft TMP will be prepared for review by the Complete Streets Commission and the City Council. A Final Menlo Park TMP will be prepared incorporating comments by decision making bodies.

Working with W-Trans, D&B will design the TMP to be engaging, user-friendly, and accessible, emphasizing maps, graphics and other images. The document will be prepared following the basic graphic style established in Task 3. We will create a layout template and sample pages to review with staff, which will then be revised based on comments before the final document layout is prepared.

The TMP will include the vision, goals, performance metrics, and analysis of each mode in separate chapters, implementation plan, and financing strategy.

Deliverables:

- i. One (1) Administrative Draft TMP (electronic)
- ii. One (1) Draft TMP (electronic)
- iii. One (1) Final Transportation Plan (5 hard copies & all electronic files)

TASK 8: Transportation Impact Fee (TIF) Update

Work remaining under existing contract:

The Menlo Park Transportation Impact Fee will be updated upon completion and adoption of the TMP, including recommended projects and fee estimates.

8.1 Research Transportation Impact Fee Programs

W-Trans will research “alternative” TIF programs that go beyond LOS. VMT or trip based programs and make a recommendation to City staff regarding the appropriate approach for Menlo Park. We will submit a research memo for discussion.

Note – the following subtasks 8.2-8.4 are based on a “traditional” TIF and a vehicle trips analysis. If an alternative approach is used to prepare the TIF, then these tasks and associated fee estimate will be modified at that time.

8.2 Trip Generation and Improvement Measures

The number of daily, a.m. and p.m. peak hour trips to be generated under cumulative conditions will be taken from the ConnectMenlo documentation. The data will be summarized, along with a description of the intersections, roadways or other facilities impacted, and their recommended improvement measures from the TMP.

8.3 Cost Estimation

Planning level cost estimates will be developed for each improvement measure. If a measure was previously identified in the TIF or Downtown Plan Supplemental TIF, and not yet built or funded but still included in the TMP, then we will update the information as accordingly. We will confirm with City staff that no outside funding is anticipated for any of these projects, such as developer fees, grants or Caltrans-funded projects. If there is other funding for any project, we will deduct the amount as needed from the cost estimate. The cost estimates will include unit costs for specific elements, but will not include detailed design or CAD drawings of the improvements. All estimates and assumptions will be documented.

8.4 Impact Fee Structure

An impact fee structure based on daily and/or peak hour trips will be developed that would provide a fee per trip. The fee will be based on the total cost estimate of all improvements, and not a subset of the total amount, with a goal of collecting adequate monies to fund all of the mitigation measures.

8.5 TIF Reports (Draft, Final)

A Draft Transportation Impact Fee Report will be prepared that details all of the data utilized, assumptions applied, procedures followed, results and recommendations, with appropriate tables and appendices. This report will provide the City with the information needed to establish the basis of the fee as well as the fee itself. One Draft TIF Report is assumed.

Comments on the Draft TIF Report will be addressed and a Final TIF Report will be prepared. One Final Report is assumed.

Deliverables:

- i. One (1) Research Memo of alternative approaches to TIF programs
- ii. One (1) Draft TIF (electronic)
- iii. One (1) Final TIF (electronic)

TASK 9: Meetings and Project Administration

Work remaining under existing contract:

- Two (2) City Council Meetings

Work remaining under existing contract (per Contract Amendment No 1):

W-Trans will lead, support, and prepare materials for the following additional meeting:

- (One (1) Complete Streets Commission meeting (to present the TIF)

Alta will support W-Trans and City of Menlo Park staff by attending one (1) Community Workshop. Alta will also support these meetings with standalone collateral for Active Transportation elements of the TMP.

- OOC Mtg No. 8 (April 2019) – Present Projects Groups and Recommended Scoring and Prioritization of Projects

At this meeting we will present SocialPinpoint mapping of project groups, present the outreach tool, and identify gaps in projects groups. The goal of this meeting is to confirm the TMP projects and groupings so that they are ready for public input, and to present the recommended scoring and prioritization of projects.

Additional Work – Contract Amendment #2:

9.1 One (1) Additional OOC Meeting

The project team will attend one additional (1) OOC meeting.

- OOC Mtg No. 9 (July 2019) – Review of Draft TMP.

At this meeting we will present the Draft TMP. The goal of this meeting is to solicit input on the Draft TMP report.

9.2 Project Team Meetings and Project Administration

This task includes meetings with City staff to prepare for OOC, public and other meetings.

Additional budget has been requested to attend additional in-person project team meetings, as budget resources allow, to strategize on project and/or outreach activities, to prepare for OOC meetings, as well as overall project administration.

The estimated number of additional hours is provided on the budget summary.



STAFF REPORT

City Council

Meeting Date: 2/12/2019
Staff Report Number: 19-014-CC

Consent Calendar: Adopt Resolution No. 6479 rescinding City Council Procedure No. CC-92-004 and adopting City Council Procedure No. CC-19-001 establishing award authority and bid requirements

Recommendation

Staff recommends that the City Council adopt Resolution No. 6479 rescinding City Council Procedure No. CC-92-004 and adopting City Council Procedure No. CC-19-001 establishing award authority and bid requirements which: a) fully incorporates action taken by the City Council in Resolution Nos. 5831, 5832, and 962; b) amends the City Manager's contract signature authority level to be consistent with neighboring cities; and c) incorporates recommendations made by the City's independent auditors and the San Mateo County Civil grand jury.

Policy Issues

Policies adopted by the City Council must be amended or replaced by further action by the City Council. Adoption of Resolution No. 6479 fully incorporates changes previously made by the City Council to an adopted Procedure and additionally makes a one-time adjustment to the City Manager's purchasing authority limit to align it more closely with that of neighboring cities.

Background

The Menlo Park Municipal Code establishes the City's purchasing system and provides that the City Council shall approve policies and procedures necessary to implement such system, including dollar limits associated with the purchase of goods, supplies and services, professional agreements and public works projects. The current City Council Procedure, No. CC-92-004, was approved via Resolution No. 4354 March 17, 1992. Resolution Nos. 5831 and 5832 made by the City Council October 8, 2008, respectively enacted procedures in accordance with Public Contract Code Section 22034 and increased the City Manager's purchasing authority and provided for annual inflation adjustments. However, Procedure No. CC-92-004 was not fully amended to incorporate these changes. In addition, subsequent to the most recent Resolution, the City's independent auditor recommended that the City review its purchasing procedure; the San Mateo County Civil grand jury recommended utilizing "piggyback" agreements which would allow the City to take advantage of favorable pricing and terms agreed upon by other public agencies without conducting a redundant bidding process; and staff determined through a survey of neighboring cities that the current authority level for the City Manager is below the median in the area.

Analysis

Attachment A represents a single procedure which incorporates the Menlo Park Municipal Code requirements, City Council Procedure No. CC-92-004: “award authority for purchases and professional service,” amendments made through Resolution Nos. 5831 and 5832, a one-time adjustment to the City Manager’s signature authority limit (CMSAL) to align it more closely with neighboring cities at the present time while maintaining an annual inflationary adjustment thereafter, and recommendations made by the City’s independent auditors and by the San Mateo County Civil grand jury. Each of these elements is described in greater detail below.

Original procedure

Adopted by Resolution No. 4354 March 17, 1992, the City Council Procedure No. CC-92-004 establishes limits on award authority for purchases and ensures adequate internal controls and helps to avoid conflicts of interest in procurement. This procedure meets the requirement set forth in the Menlo Park Municipal Code Chapter 2.42. However, this policy did not address public projects, did not adjust award limits for purchasing power decreases as a result of inflation and did not authorize electronic signatures which has become commonplace.

Amendments made by resolution

Alternative purchasing procedures were an elective option for municipalities under the Uniform Public Construction Cost Accounting Act (UPCCAA) enacted in 1983 and adopted by the City of Menlo Park by Resolution No. 5831 October 21, 2008. This allowed the City to use informal bidding procedures up to a limit set by the California Uniform Construction Cost Accounting Commission every five years. In addition, the City Council adopted Resolution No. 5832 which adjusted the CMSAL to \$50,000 and included a provision to adjust it as prices changed due to inflation. These changes were not contradictory to City Council Procedure CC-92-004 but were not incorporated into a new procedure at the time of adoption.

One-time CMSAL adjustment

Staff surveyed neighboring cities to determine the level of their respective City Managers’ purchasing authority, tort claims and contract approval. At the time, the median was determined to be \$75,000, which is higher than the \$69,596 authority in calendar year 2019. A one-time adjustment of \$5,404 would bring the CMSAL into alignment with the median and continue to allow for future adjustments based on inflationary costs. In addition, the changes recommended in Attachment A would amend the adjustment date to the beginning of the City’s fiscal year, July 1, rather than the calendar year, starting with fiscal year 2020-21.

Electronic signature authority

Under Government Code 16.5, cities are authorized to use and accept digital signatures provided the city comply with policies established by the Secretary of State. Previously the Secretary of State had only authorized use of limited e-signature vendors making this procedure cumbersome. Recently the Secretary of State has authorized additional vendors and staff believes it would be beneficial to begin piloting some e-signature programs. The updated procedure authorizes the City Manager to do this.

External recommendations

The City’s independent auditor, as part of their review of the City’s financial transactions for the fiscal year

ended June 30, 2016, recommended that the City review and enforce its purchasing policy and procedures for approval, processing, and recording of expenditures and related liabilities. Replacing Procedure No. CC-92-004 with an updated procedure helps to meet this recommendation by serving as a single source of reference.

In 2018, the San Mateo County Civil grand jury recommended the use of “piggyback” agreements to achieve economies of scale and reduce costs associated with soliciting bids. Procedure No. CC-92-004 and the subsequent resolutions are silent on the use of agreements made by other entities and introducing potential uncertainty as a result. Attachment A contains an explicit definition and scope for piggyback agreements and meets the Civil grand jury’s recommendation of increasing usage by removing uncertainty as to their applicability.

Collectively, the recommended changes in Attachment A primarily represent updates to procedure in order to incorporate previous changes and the incorporation of minor modernization changes.

Impact on City Resources

There is no impact to City resources as a result of this action. Adjusting purchasing authority limits has no effect on budgetary appropriations.

Environmental Review

This action is not a project within the meaning of the California Environmental Quality Act (CEQA) Guidelines §§ 15378 and 15061(b)(3) as it will not result in any direct or indirect physical change in the environment.

Public Notice

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

Attachments

- A. City Council procedure award of purchases tort claims and contract authority
- B. 2018-20 award authorization
- C. Resolution No. 6479

Report prepared by:

Dan Jacobson, Finance and Budget Manager

Report reviewed by:

Lenka Diaz, Administrative Services Director

Nick Pegueros, Assistant City Manager

CITY COUNCIL POLICY
AWARD AUTHORITY AND BID REQUIREMENTS

Policy Procedure No. CC-19-001

Adopted ~~XXX~~ February 12, 2019

Resolution No. ~~XXX~~6479



Purpose

To ensure adequate internal controls, avoid conflicts of interests, and achieve maximum efficiency in the administration of City resources, this policy establishes the award authority and bid requirements for the procurement of goods, general services, professional services, and public projects, and the settlement of claims as set forth in the Menlo Park Municipal Code (MPMC) Chapter 2.42. This policy replaces City Council Policy Procedure # CC-92-004: "Award Authority for Purchases and Professional Service" and establishes the City's Manager's authority to issue administrative policies necessary to implement this policy.

Definitions

Approval Authority. The Approval Authority is the entity who has authority to approve and sign agreements and settlements on behalf of the City. The Approval Authority is determined by type and amount of the transaction as established below in this policy.

City Manager's Signature Authority Limit (CMSAL). This is the maximum authorization for City Manager approval of purchases, tort claims, and contracts. CMSAL shall be adjusted every July 1st based on the year-over-year change in the Engineering News Record's Construction Cost Index as measured in the month of January. All adjustments are rounded to the nearest increment of \$1,000. The base year CMSAL is set at \$75,000 effective on the adoption date.

Change Order/Contract Amendment. A change in the scope of work, amount of compensation, time of completion or other provision of an approved contract or agreement.

Claims Settlement. Monetary settlement of a claim against the City or City employee seeking money or damages under the Government Claims Act.

Cooperative Purchasing Agreements ("Piggyback Agreements"). A form of intergovernmental cooperative purchasing in which an entity will be extended the same pricing and terms of a contract entered by another entity commonly referred to as "piggyback" provisions. Generally, the originating entity will competitively award a contract that will include language allowing for other entities to utilize the contract, which may be to their advantage in terms of pricing, thereby gaining economies of scale that they would otherwise not receive if they competed on their own. Piggyback Agreements apply only to Goods, General Services, and Professional Services.

Force Account. Force account is the budget designation used for work performed on public projects using internal resources, including but not limited to labor, equipment, materials, supplies, and subcontracts of the City.

Formal Bid. All purchases greater than the stated limits shall be based on competitive sealed written bids. Notices inviting bids no fewer than 14 days prior to the date set for receiving bids. As practicable, bids shall be solicited from a minimum of three bidders. The notices inviting bids shall generally describe the goods and/or services to be purchased or acquired or the public project to be constructed, identify the place where the bid proposal form, specifications and other contract documents may be obtained, and specify the date, time and place when and where bids will be opened. All bids shall be sealed and submitted at the place and at or before the date and time specified in the notice inviting bids. Bids received after the specified date and time shall not be accepted and shall be returned to the bidder unopened unless the opening is necessary for identification purposes. Bids timely received shall be opened in public, at the date, time and place specified in the notice inviting bids, and the aggregate bid of each bidder shall be announced. This guidance supplements Menlo Park Municipal Code Section 2.42.090.

General Service. General services provide for work, labor or services not requiring specialized experience, knowledge or training with or without the furnishing of goods, materials, supplies or equipment, including maintenance of public buildings, streets, parks and playgrounds and other public improvements; repair, modification and maintenance of equipment or other goods; licensing, installation and maintenance of or relating to information technology property, goods and services, including, without limitation, computer hardware and software, and including the provision of data

AWARD AUTHORITY AND BID REQUIREMENTS

City Council ~~Policy Procedure~~ No. CC-19-~~XXX~~92-004

Adopted ~~XXX~~ February 12, 2019

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storage services, unless the information technology services that would require specialized certification, expertise, knowledge, or training are needed and provided; janitorial services, uniform cleaning, tree trimming, street sweeping, and landscape maintenance; leasing or licensing of goods and other personal property for use by the city; and general class instruction, including recreation class instruction services.

Goods. Goods include supplies, materials, or equipment including office supplies, janitorial supplies, furnishings, equipment, machinery, tools, vehicles, computer hardware and software, and other personal property, materials or goods. Goods may be purchased using a blanket purchase order, where a specified quantity of units to be purchased is not established at the time the purchase order or contract is executed. A blanket purchase order or contract must establish a maximum dollar amount of expenditure for the contract and set forth pricing terms for the items to be purchased. Goods purchases may include labor incidental to the purchase of goods, including any set-up, installation, and testing services.

Informal Bid. Informal bids, proposals, or quotations may be solicited by any reasonable means including mail, telephone, electronic mail, or posting to the City's website. Quotations shall be solicited from a minimum of three bidders or proposers; if quotations from three bidders or proposers cannot be obtained by the exercise of due diligence, quotations may be solicited from less than three bidders or proposers, as practicable. All informal bids must be submitted in writing by the bidder. Informal bidding for Public Projects shall comply with Menlo Park Municipal Code Section 2.42.170. This guidance supplements Menlo Park Municipal Code Section 2.42.080.

Negotiated Contract. A contract awarded without bidding for the purchase of Goods, General Services, or Professional Services whose total does not exceed the delegated award authority limit. Negotiated contracts shall comply with Menlo Park Municipal Code Section 2.42.060.

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Professional Services. Professional services include services which involve the exercise of professional discretion and independent judgment based on specialized certification, knowledge, expertise or training. These services may include those provided by accountants, actuaries, auditors, appraisers, architects, attorneys, engineers, financial advisors, information technology experts, instructors, and environmental and land use planners.

Public Projects. A public project includes a contract paid for in whole or in part out of public funds for the construction, alteration, improvement, reconstruction or demolition of any public building, facility, street, sidewalk, utility, park or open space improvement, or other public improvement. A Public Project does not include "Maintenance Work". For more information on public projects see Menlo Park Municipal Code Section 2.42.020.

Purchase Order. A purchase order is authorization for the procurement of goods, general services, professional services, and public projects. Purchase order thresholds are established by administrative policy for all purchases under the CMSAL. All purchases exceeding the CMSAL require a purchase order once approved by the City Council.

Uniform Public Construction Cost Accounting Act (UPCCAA). Award of contracts for public projects shall be in accordance with the Uniform Public Construction Cost Accounting Act, State of California Public Contract Code Sections 22000 et seq., or any successor provision thereto.

Award Authority and Bid Requirements

Approval Authority and Limits. The following table establishes thresholds for approval authority and bid requirements. The approving authority as outlined in this policy is responsible for ensuring compliance with the City's Purchasing System as established by Chapter 2.42 of the Menlo Park Municipal Code and any applicable City Council or Administrative policy.

Approval of Change Orders and Contract Amendments. The City Manager may approve change orders and contract amendments that do not affect the compensation and only make minor adjustments to the scope of work or term. The City Manager has authority to approve change orders/contract amendments up to ten percent of the original contract amount approved by the City Council. Upon special circumstances, the City Council may delegate additional change order/contract amendment authority to the City Manager.

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City Manager Authorization. The City Manager is authorized to establish administrative policies and procedures to ensure the efficient operation of the City's Purchasing System.

AWARD AUTHORITY AND BID REQUIREMENTS

City Council ~~Policy Procedure~~ No. CC-19-~~XXX~~92-004
 Adopted ~~XXX~~February 12, 2019

Delegation of CMSAL. The City Manager may delegate up to fifty percent of the CMSAL for Goods, General Services, and Professional Services and one hundred percent for Public Projects [and Public Projects Change Orders](#).

Digital Signature Policy. The City Manager shall have authority to adopt electronic signature policies that authorize the use and acceptance of digital signatures as defined in Government Code 16.5

Duration of Agreements. For the procurement of Goods, General Services, and Professional Services, the City Manager may execute a multi-year agreement not to exceed three fiscal years and three times the CMSAL in force upon execution.

Piggyback Agreements. The City Manager may also waive bidding requirements if the City is eligible to exercise a "piggyback agreement" for Goods, General Services, and Professional Services.

Category	Amount	Approving Authority	Requirement
Goods, General Services, and Professional Services	<u>Up to 50% of CMSAL</u>	City Manager	<u>Negotiated contract or informal bid</u>
	CMSAL		Informal bid
	CMSAL to UPCCAA informal bid limit	City Council	Informal bid
	Greater than UPCCAA informal bid limit		Formal bid
Public Projects	UPCCAA force account limit to CMSAL	City Manager	Informal bid/force account
	CMSAL to UPCCAA informal bid limit	City Council	Informal bid
	Greater than UPCCAA informal bid limit		Formal bid
Claims Settlement	Less than the CMSAL	City Manager	N/A
	Greater than the CMSAL	City Council	

AWARD AUTHORITY AND BID REQUIREMENTS

City Council ~~Policy Procedure~~ No. CC-19-~~XXX~~92-004

Adopted ~~XXX~~February 12, 2019

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CMSAL – City Manager’s Signature Authority Limit
UPCCAA – Uniform Public Construction Cost Accounting Act

Applicable Resolutions

Resolution	Date	Notes
No. 4354	March 17, 1992	Established Policy Procedure # CC-92-004
No. 5832	October 21, 2008	Amended CC-92-004 to add contract approval; established annual inflation adjustments to CM’s authority
No. 19-XXX 6479	XXX February 12, 2019	Replaced policy Procedure # CC-92-004 with # CC-19-001

Policy Maintenance

As part of their annual review of policies establishing internal controls, the Administrative Services Department shall prepare a memo every July informing the organization of the City Manager’s Signature Authority Limit (CMSAL) and applicable limits in the Uniform Public Construction Cost Accounting Act (UPCCAA).

DRAFT

2018-20 AWARD AUTHORITY AND BID REQUIREMENTS

City Council Policy No. CC-92-004

Adopted February 12, 2019

Resolution No. 6479



Purpose			
Pursuant to City Council adopted policy CC-92-004, this memo establishes the award authority and bid requirements for the 2018-19 and 2019-20 fiscal years.			
2018-19 Award Authority and Bid Requirements			
Category	Amount	Approving authority	Bid requirement
Goods, general services, and professional services	Less than \$37,500	City Manager Designee	Written quotations
	\$37,500 to \$75,000/year (up to 3 years)	City Manager	Informal bid
	\$75,001 to \$200,000	City Council	Informal bid
	Greater than \$200,000		Formal bid
Public projects	Less than \$60,000	City Manager Designee	Informal bid/force account
	\$60,001 to \$75,000	City Manager	
	\$75,001 to \$200,000	City Council	Informal bid
	Greater than \$200,000		Formal bid
Claims settlement	Up to \$75,000	City Manager	N/A
	\$75,001 or greater	City Council	

RESOLUTION NO. 6479**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK
RESCINDING CITY COUNCIL PROCEDURE NO. CC-92-004 AND
ADOPTING CITY COUNCIL PROCEDURE NO. CC-19-002
ESTABLISHING AWARD AUTHORITY AND BID REQUIREMENTS**

WHEREAS, Chapter 2.42 of the Menlo Park Municipal Code establishes the City's Purchasing System and Section 2.42.30 provides that the City Council shall approve policies and procedures necessary to implement a purchasing system including dollar limits associated with the purchase of goods, supplies and services, professional services agreements, and Public Projects; and

WHEREAS, the City Council adopted Resolution No. 5831 on October 21, 2008, to elect the option of alternative procedures for bidding and contracting to achieve greater efficiency in the management of public project purchases as allowed under the State of California uniform public construction cost accounting act of 1983 and set forth in Public Contract Code commencing with Section 22000; and

WHEREAS, the City Council further adopted Resolution No. 5832 on October 21, 2008, increasing the City Manager's purchasing authorization, tort claims and contract approval level from \$25,000 to \$50,000 and provided for annual inflation adjustments; and

WHEREAS, the City Manager's authority for purchases, tort claim and contract approval, as adjusted for inflation prescribed by Resolution No. 5832, is \$69,596 for calendar year 2019; and

WHEREAS, a survey of City Manager award authority in neighboring cities was conducted in March 2017 and found that the median award authority limit was \$75,000 and staff has recommended an increase to the City Manager's award authority from \$69,596 to \$75,000 effective January 30, 2019 with annual inflation adjustments beginning July 1, 2020 and every subsequent July 1; and

WHEREAS, the current documented City Council procedure governing award authority for purchases and professional services, CC-92-004 approved on March 17, 1992, has not been fully amended to reflect action taken by the City Council on October 8, 2008 provided for in Resolution Nos. 5831 and 5832; and

WHEREAS, the 2017-18 San Mateo County Civil Grand Jury recommended in its report titled "Cooperative Purchasing – A Roadmap to More Effective City Procurement" that the City utilize cooperative purchasing or "piggyback" agreements; and

WHEREAS, the City's independent auditor, as part of their review of the City's financial transactions for the fiscal year ended June 30, 2016, recommended that the City review and enforce its purchasing policy and procedures for approval, processing, and recording of expenditures and related liabilities; and

WHEREAS, staff has presented a new procedure to replace City Council Procedure No. CC-92-004, that fully incorporates past City Council action, provides required definitions to efficiently enforce the policy, and allows for adjustments resulting from action taken by the State Controller regarding bid requirements for public projects and inflation adjustments to the City Manager's award authority.

NOW, THEREFORE BE IT RESOLVED, that the City of Menlo Park, acting by and through its City Council, having considered and been fully advised in the matter and good cause appearing therefore do hereby rescind City Council Procedure No. CC-92-004 and adopt updated City Council Procedure No. CC-19-001, attached hereto as Exhibit A.

I, Judi A. Herren, City Clerk of Menlo Park, do hereby certify that the above and foregoing City Council resolution was duly and regularly passed and adopted at a meeting by said City Council on the twelfth day of February, 2019, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this twelfth day of February, 2019.

Judi A. Herren, City Clerk



STAFF REPORT

City Council
Meeting Date: 2/12/2019
Staff Report Number: 19-020-CC

Consent Calendar: **Authorize the City Manager to execute an agreement with LSA Associates to prepare an environmental impact report for a proposed project at 111 Independence Drive in the amount of \$164,810 plus change orders not exceed to the City Manager's award authority**

Recommendation

Staff recommends that City Council authorize the City Manager to execute an agreement with LSA Associates (LSA) in the amount of \$164,810 plus required change orders not to exceed the City Manager's award authority as may be necessary to complete the environmental review for the project located at 111 Independence Drive, based on the proposed scope and budget included as Attachment A.

Policy Issues

City Council Resolution Nos. 5831, 5832, and 962, authorize the City Manager to execute agreements necessary to conduct City business up to a stated award authority level which adjusts annually based on changes in the construction cost index. The current award authority is \$69,596. While the project applicant is responsible for the full cost of preparing any required environmental impact reports for a submitted project, and therefore no taxpayer funds are being used for said purpose, the City Council retains discretion for all agreements exceeding the award authority delegated to City Manager.

Background

On March 23, 2018, Sateez Kadivar (project applicant) submitted an application for a study session to review a new approximately 94-unit, 87,500-square-foot residential building located in the R-MU-B (residential missed use, bonus) zoning district. On June 18, 2018, the Planning Commission conducted a study session for feedback on the initial proposal. The Planning Commission provided generally positive feedback with some comments on the parking ratio, building height, below market rate (BMR) units, and open space design.

Site location

The project site has a net area of 0.943 acres (41,088 square feet) that currently contains an existing single-story office building. The project site is located north of US 101 and to the east of Marsh Road near the U.S. highway 101 and Marsh Road interchange. The project site is located where Independence Drive curves from an east to west direction to a north to south direction, and the project site is bounded by Independence Drive to the south and west. The parcels to the north and east of the site are also located in the R-MU-B zoning district and currently are occupied by light manufacturing uses. Across Independence Drive, to the south of the site, is the Menlo Gateway Independence Site, containing an office building, hotel and parking structure. The Menlo Gateway site is zoned M-3(X) (commercial business park.) A location map is included

as Attachment B.

Project overview

The applicant is proposing to construct a new approximately 94 dwelling unit, eight-story residential building with associated parking and amenities for the tenants. The proposed building would be designed with a curved frontage to respond to the curve in Independence Drive. For the first three levels a curved element would run parallel to the Independence Drive curve and then a five story tower element that would be inverted, curving opposite of the lower levels. The main entrance would be located on the curved Independence Drive frontage and would be connected to the street by an entry plaza. The first three levels would incorporate the above grade parking garage. At the third level, the step back of the tower element would allow for private and common open spaces to be located on the top of the podium level for the tenants. Select plan sheets from the project plans are included in Attachment C.

In December 2016, the City Council adopted the ConnectMenlo general plan and zoning ordinance update (ConnectMenlo), which rezoned the project site from M-2 (general industrial) to R-MU-B. The proposed project has been submitted for review under the new R-MU-B zoning and would require a use permit and architectural control review. Staff is in the process of evaluating the proposed project for consistency with ConnectMenlo and the updated zoning ordinance.

Analysis

The proposed project at 111 Independence Drive will ultimately require the Planning Commission to consider the merits of the proposed project, including the request for bonus level development and the associated community amenities provided through the proposed project. Staff will be reviewing the proposed project and will identify policy issues for the Planning Commission to consider as part of its review of the requested land use entitlements for the project. The proposed project is not anticipated to require any additional action by the City Council following approval of the environmental impact report (EIR) contract. The Planning Commission would take the final action on the project, including the EIR, unless appealed to the City Council. Authorizing the City Manager to enter into a contract with LSA would allow the City to conduct the environmental review which is necessary for the overall entitlement review of the project proposal and does not imply an endorsement of the project. The policy implications of the project proposal are considered on a case-by-case basis, and will be informed by additional analysis as the project review proceeds.

As part of the environmental review process, the potential impacts of the proposed project will be evaluated for consistency with the program level EIR for ConnectMenlo through an initial study. The initial study will determine areas where the proposed project is consistent with analysis in the ConnectMenlo EIR and those topic areas would not be analyzed in detail in the EIR accordingly. Further, the scope for the project EIR has been structured so the EIR would comply with the settlement agreement between the City of Menlo Park and the City of East Palo Alto regarding the EIR for ConnectMenlo. Therefore, the proposed environmental analysis will, at a minimum, include a project level transportation impact analysis and a housing needs assessment, as outlined in the settlement agreement.

In addition to complying with the settlement agreement, the project level transportation impact analysis will report the vehicle miles traveled (VMT) associated with the project for consistency with Senate Bill 743. While not required to be implemented until January 1, 2020, the project analysis will include the VMT information for reference. The transportation analysis will also use the data in the City's Circulation System Assessment (CSA) for the project. The City's transportation division anticipates updating its transportation impact analysis (TIA) Guidelines to include VMT and updates to the CSA in 2019 after completion of the transportation master plan.

Following authorization of the contract for LSA to conduct the environmental review, LSA will prepare an initial study for the project. The initial study will be used to inform the notice of preparation (NOP), which will identify the topic areas to be studied in the project level EIR. As part of the initial stages of the environmental and entitlement analysis, City staff will determine what, if any, additional technical analyses could be required for the proposed project and set up contracts with qualified consultants or augment the contract with LSA accordingly. Staff is recommending that the City Council provide the City Manager the authority to approve future contract augmentations, if needed. Budget amendments would only be approved if authorized by the Project Sponsor and the City.

Impact on City Resources

The applicant is required to pay all planning, building and public works permit fees, based on the City's master fee schedule, to fully cover the cost of staff time spent on the review of the project. The applicant is also required to bear the cost of the associated environmental review and any additional analysis. For the environmental review and fiscal analysis, the applicant deposits money with the City and the City pays the consultants.

Environmental Review

An initial study and EIR will be prepared for the proposed project. The EIR will utilize the program level EIR prepared for the ConnectMenlo general plan and zoning ordinance update and focus the project level EIR on specific topics accordingly.

Public Notice

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

Attachments

- A. EIR scope and budget proposal from LSA associates
- B. Location map
- C. Project plans (select sheets)

Report prepared by:
Kaitie Meador, Senior Planner

Report reviewed by:
Deanna Chow, Assistant Community Development Director



January 30, 2019

Kyle T. Perata, Acting Principal Planner
City of Menlo Park
701 Laurel Street
Menlo Park, CA 94025

Subject: REVISED Proposal to Prepare the Environmental Review Documentation for the 111 Independence Drive Project

Dear Mr. Perata:

LSA Associates, Inc. (LSA) is pleased to submit this proposal for the preparation of the environmental review documentation for the proposed 111 Independence Drive Project (project), pursuant to the California Environmental Quality Act (CEQA). Per discussions with you and based on further consideration and review of the project materials, we believe that preparation of an Initial Study and Focused Environmental Impact Report (EIR) will be the appropriate level of CEQA review for the project. The following proposed work program reflects this level of effort. This proposal replaces and supersedes the scope of work, budget, and schedule submitted to you on January 7, 2019.

Preparation of the environmental review documentation will be staffed by **Theresa Wallace, AICP**, who will serve as **Principal in Charge and Project Manager** and **Matthew Wiswell, Planner** who will serve as **Assistant Project Manager** and prepare the non-technical inputs and analysis and provide planning and project management assistance as necessary. LSA technical specialists will include **Amy Fischer, Principal**, and **Cara Carlucci, Planner**, who will prepare the air quality, greenhouse gas emissions, and noise analyses. Resumes for LSA staff are included as an attachment to this proposal, as well as a summary of LSA's recent project experience and qualifications to complete this assignment. LSA will be joined by **Kittelson & Associates, Inc.** who will prepare a Transportation Impact Analysis and **Keyser Marston Associates (KMA)** who will prepare a Housing Needs Assessment.

A. PROJECT UNDERSTANDING

Our understanding of the project is based on review of the June 18, 2018 Staff Report to the Planning Commission regarding the proposed project. The proposed project would include development of an approximately 87,499 square foot, eight-story multi-family apartment building with 94 dwelling units and associated improvements at 111 Independence Drive in the City of Menlo Park. The approximately 0.945 acre project site is located north of US 101 and east of Marsh Road near the US 101 and Marsh Road interchange. The site is currently developed with a 15,000 square-foot single-story office building, which would be demolished as part of the proposed project. The site is primarily developed with the existing building and surface pavements, with landscaped areas along the site perimeter fronting Independence Drive. The site is located within the City's Residential Mixed Use-Bonus (R-MU-B) zoning district.

The proposed project includes a request for an increase in height, density, and floor area ratio under the bonus level development allowance in exchange for community amenities. The proposed project would require a Use Permit for bonus-level development and potential modifications to certain design standards, architectural review, and a below-market rate housing agreement to provide on-site below market rate units in accordance with the City's Below Market Rate Ordinance. Additional actions and entitlements may also be required.

B. WORK PROGRAM APPROACH

The approach to environmental review of the 111 Independence Drive project includes the preparation of an Initial Study as a preliminary environmental document, which will contain an evaluation and discussion of environmental topics to be excluded from full analysis in the Focused EIR. The analysis in the Initial Study and Focused EIR is anticipated to be streamlined and would tier off of the program-level EIR prepared for the City's General Plan (referred to as ConnectMenlo).

The Initial Study will fully document the finding that topics not addressed in detail in the EIR would not be associated with significant environmental impacts. Standard conditions of approval may be recommended in the Initial Study to support the conclusions that the topics evaluated in the Initial Study would not result in adverse environmental effects, as necessary. The Initial Study will be circulated for public comment along with the Notice of Preparation indicating that a Focused EIR will be prepared.

Based on LSA's review of the ConnectMenlo EIR and the proposed project materials, it anticipated that potential impacts associated with aesthetics; agriculture and forestry resources; biological resources; cultural resources; geology and soils; hazards and hazardous materials; hydrology and water quality; land use and planning; mineral resources; parks and recreation; public services; tribal cultural resources; and utilities and service systems would be less than significant or could be addressed with standard conditions of approval or mitigation measures.

LSA believes that a Focused EIR addressing the topics of population and housing; transportation and circulation; air quality, greenhouse gas emissions; and noise would likely prove necessary to fulfill the requirements of CEQA and to satisfy the terms of the City's Settlement Agreement with the City of East Palo Alto. The analysis will be supported by the Transportation Impact Study and Housing Needs Assessment prepared by Kittelson and Associates, Inc. and KMA, respectively. LSA will also utilize, to the maximum extent possible, information from the ConnectMenlo Draft EIR for both the Initial Study and Focused EIR.

C. SCOPE OF WORK

LSA will undertake the following tasks, as identified in Table 1, Work Program Outline, and described in greater detail below, for preparation of the EIR and Initial Study for the proposed project.

TASK A. PROJECT INITIATION

Project initiation will consist of several tasks, including attendance at a project start-up meeting, a site visit/field surveys, and data gathering and review. The project description for the EIR, which will also be used for the Notice of Preparation (NOP) and Initial Study will be prepared as part of project initiation subtasks.

1. Start-Up Meeting/Site Visit

LSA will attend a start-up meeting with City staff and the project sponsor team (if appropriate). At this meeting, the project team will discuss elements of the proposed project, the status of the development application, and various data needs.

LSA will also visit the project site to familiarize ourselves with existing conditions and site features. Photographs of the site and adjacent land uses will be obtained during the site visit.

2. Data Gathering and Evaluation

Existing data and analyses applicable to the project site and vicinity will be collected and evaluated. These include the General Plan and its Draft EIR, other background documents obtained from the City and/or the project sponsor, and applicable Menlo Park planning, policy, and environmental documents.

3. Notice of Preparation/Scoping Session

LSA will prepare a Notice of Preparation (NOP) in accordance with the requirements of CEQA. The NOP will include a project description, location map, conceptual project site plan, and a detailed description of the expected environmental topics to be covered in the Initial Study and EIR. LSA will be responsible for distributing the NOP to the State Clearinghouse. In addition, LSA will work with the City to circulate the NOP to the appropriate local, regional, State, and federal agencies, as well as additional distribution and posting consistent with City practices. Following the 30-day comment period, LSA will review all comments, distribute comments to members of the LSA team as

Table 1: Work Program Outline

TASK A. PROJECT INITIATION
1. Start-Up Meeting/Site Visit
2. Data Gathering and Review
3. Notice of Preparation/Scoping Session
4. Project Description
5. Work Program Refinement
TASK B. INITIAL STUDY
1. Administrative Draft Initial Study
2. Screencheck Draft Initial Study
3. Public Review Draft Initial Study
TASK C. ENVIRONMENTAL IMPACT REPORT
1. Setting and Impacts
a. Population and Housing
b. Transportation and Circulation
c. Air Quality
d. Greenhouse Gas Emissions
e. Noise
2. Alternatives Analysis
3. Other CEQA Considerations
4. Administrative Draft EIR
5. Screencheck Draft EIR
6. Public Review Draft EIR
TASK D. RESPONSE TO COMMENTS DOCUMENT
1. Administrative Draft RTC Document
2. Screencheck Draft RTC Document
3. Final RTC Document
4. Mitigation Monitoring and Reporting Program
5. Administrative Record
TASK E. PUBLIC HEARINGS AND MEETINGS
TASK F. PROJECT MANAGEMENT

necessary, and recommend any needed changes to the proposed work program (see Task A.5, below).

Theresa Wallace and Matthew Wiswell will also be available to facilitate the public scoping session during the 30-day NOP comment period. As part of this public meeting, it is assumed that LSA will make a short presentation that outlines the project's environmental review requirements and process.

Following the scoping session, LSA will prepare a written summary of environmental issues raised at the session and submit it to City staff for review and comment. The NOP, along with the written comment letters received on the NOP, will be included as an Appendix of the Draft EIR.

4. Project Description

Based on the submitted site plans, technical studies completed for the proposed project, and consultation with City staff and the project team, LSA will draft a project description that includes all elements necessary to comply with CEQA, including, but not limited to, the purpose, phasing, and physical elements of the project, including building use, square footage and height. The project description will include maps showing the existing buildings adjacent to the site, and the location and boundaries of the proposed project, as well as a written description of the existing uses so that the changes between existing and proposed uses can be identified. In addition, the project description will include a discussion of the background, objectives of the project, and construction phasing plan. The project description will describe the overall approval process for the project and identify all discretionary and anticipated subsequent approvals. All relevant agencies and reviewing bodies will also be identified.

Crafting an appropriately detailed and illustrated project description is often the single most time-consuming (as well as important) element of a CEQA review document. LSA will work closely with the City to ensure that the project description provides a level of detail appropriate for CEQA analysis. A draft project description will be submitted to the City and project sponsor for review and comment before the LSA team begins conducting any impact analyses.

5. Work Program Refinement

It may be necessary to refine the work program in accordance with information compiled in the above subtasks. Upon receipt and review of all of the comments on the NOP and taking into consideration comments heard at the scoping session, LSA will work with City staff to refine the scope of work and budget, if necessary, to address any environmental issues that are not yet adequately addressed in this work program.

TASK B. INITIAL STUDY

An Initial Study will be prepared in accordance with CEQA and City guidelines; LSA will utilize the Environmental Checklist Form (Appendix G of the CEQA Guidelines) to focus-out environmental topics that do not warrant detailed analysis in the EIR. The Initial Study would include a brief project description documenting existing conditions, project impacts for the checklist topics, applicable City Conditions of Approval, and resulting level of significance for each of the checklist topics.

Based on LSA's review of the ConnectMenlo Draft EIR and preliminary review of the proposed project and existing site conditions, LSA believes that the following environmental issue topics will require detailed review in the EIR: population and housing; transportation and circulation; air quality, greenhouse gas emissions; and noise. These topics will therefore only be briefly addressed in the Initial Study. If the analysis in the Initial Study finds that the project would result in significant impacts to other aspects of the physical environment, these topics will also be incorporated into the EIR by way of Task A.5 (Work Program Refinement). The work program for the Initial Study is outlined below.

1. Administrative Draft Initial Study

LSA will prepare an Administrative Draft Initial Study with the following components, including figures to illustrate the project location and features:

- Project Description
- CEQA Appendix G Environmental Checklist Form
- Mandatory Findings of Significance
- Contacts and Bibliography

An electronic copy of the Administrative Draft Initial Study will be submitted to the City for review and comment. If desired by the City, LSA will schedule a conference call to discuss with the City the comments on the Administrative Draft.

The following topics are expected to be focused-out of the EIR and will be fully addressed in the Administrative Draft Initial Study.

a. Aesthetics. The proposed project would result in the demolition of a single-story office building and construction of a new eight-story apartment building in a generally light industrial and commercial area of the City. The aesthetics section will describe existing visual conditions in and around the project site as well as views to and from the surrounding area. Impacts of the proposed project on scenic vistas, scenic resources, and visual character will be described. This section will focus in particular on the project's height, massing, and orientation, as well as its relationship to surrounding uses and character.

b. Agriculture and Forestry Resources. It is not expected that the proposed project would have any effect on agricultural or forestry resources, as these resources are not present on or adjacent to the project site. LSA will provide brief responses to the checklist questions for this topic.

c. Biological Resources. The project site is located in a developed area within the City of Menlo Park. Vegetation on or in the immediate vicinity of the project site is limited to ornamental landscaping. LSA will provide brief responses to the checklist questions for this topic and will identify standard mitigation measures to address potential impacts related to nesting birds, if necessary.

d. Cultural Resources. The existing single-story office building on the site was constructed in approximately 1972 and is less than 50 years of age. The building does not appear to represent a distinctive association with important events or architectural trends. This scope is based on the

assumption that the building would be demolished and would not warrant additional study because its age, appearance, form, and construction history do not reasonably have the potential to qualify as a historical resource under CEQA. LSA will utilize information provided by City staff, including reference to any applicable historical resource surveys, and the ConnectMenlo EIR to confirm this assumption.

LSA will provide brief responses to the checklist questions related to impacts on historical resources, archaeological resources, paleontological resources (fossils), and human remains. Standard conditions of approval or mitigation measures that address accidental discovery of previously unidentified resources will be recommended, as necessary.

e. Geology and Soils. This section will summarize the site's potential for geologic impacts using the information available in the soils report, a geotechnical report and/or Phase I Environmental Site Assessment (ESA) if they are available from the sponsor team, the ConnectMenlo EIR, and available information. This section will include a discussion of potential seismic impacts including fault rupture, seismic shaking, ground failure, and landslides; the maximum expected earthquake on nearby active faults that would likely cause very strong seismic groundshaking at the project site; potential geotechnical impacts including unstable soils; and potential impacts associated with slope instability. Mitigation for potential seismic and soils impacts could include compliance with standard geotechnical design measures and preparation of a design-level site-specific geotechnical report.

f. Hazards and Hazardous Materials. LSA will summarize the available information on hazards and hazardous materials from the Phase I ESA, if available, and will address checklist questions related to hazardous materials and other hazards that could result from implementation of the proposed project. LSA will describe known and potentially hazardous materials issues in the project area and immediate vicinity based on information collected from available reports. Other tasks will include a description of any potential project-related interference with emergency response or emergency evacuation plans and a description of local fire hazards.

g. Hydrology and Water Quality. Development of the proposed project would alter existing drainage conditions on the project site including through the change in the amount and location of pervious and impervious surfaces. LSA will qualitatively evaluate potential impacts to hydrology and water quality and will respond to checklist questions related to water quality, groundwater resources, groundwater recharge, flooding, and erosion. The analysis will be based on stormwater drainage plans provided by the project sponsor, stormwater requirements C.3 data forms (if available), ConnectMenlo EIR information, and discussions with City staff. If required, mitigation measures will be identified.

h. Land Use and Planning. The proposed project would redevelop the site from an office to residential use. LSA will evaluate the project's compatibility with surrounding land uses and discuss the project's consistency with applicable land use policies and regulations included in the City's General Plan and Zoning Ordinance that could lead to significant physical impacts. An evaluation of the requested discretionary approvals will also be included in this section.

i. Mineral Resources. It is anticipated that the project will have no effect on mineral resources. LSA will provide brief responses to the checklist questions for this topic.

j. Public Services. Development of the proposed project could create increased demand for public services including fire service, police service, schools, libraries, and recreation. LSA will determine if the proposed project would result in increased demand for public services to the extent that it could result in new facilities, the construction of which could cause significant environmental impacts.

k. Recreation. The increase in population on the site could result in an incremental increase in the demand for park and recreational services. LSA will identify existing park and recreational facilities within the vicinity and discuss any physical impacts to these facilities that could result. This section will also include a discussion of the open space and recreational facilities to be provided on site in compliance with City requirements.

l. Tribal Cultural Resources. LSA will respond to the checklist questions regarding tribal cultural resources. In addition, it is assumed that consultation with recognized California Native American Tribes will occur during the NOP scoping process and LSA will work with the City to identify potentially interested tribes that may be traditionally and culturally affiliated with the geographic area of the proposed project. Should the City require more formal consultation assistance pursuant to Assembly Bill 52, LSA can assist with this task as necessary and may request a portion of the contingency amount to complete this task.

m. Utilities and Service Systems. LSA will evaluate the proposed project's effects on utility and service systems that could result from implementation of the proposed project. LSA will describe the existing utility systems serving the project area and work with City staff to determine if the proposed project would require an expansion of existing infrastructure or facilities. This analysis will include relevant information from the ConnectMenlo Draft EIR, as appropriate.

2. Screencheck Draft Initial Study

LSA will amend the Administrative Draft Initial Study based on a single set of consolidated non-contradictory comments provided to LSA by City staff. At this time, based on the preliminary analysis included in the Administrative Draft Initial Study, LSA and City staff will confirm the topics to be focused out of the EIR analysis and determine if any changes to the proposed work program are warranted.

A digital version of the Screencheck Draft Initial Study will be provided to the City to verify that all requested changes have been made and all appendix materials, references, and final graphics are acceptable. We have allotted time for responding to changes; however, if this task exceeds the cost allotted in the budget due to changes in project description or requests for additional analysis that are not necessary to prepare a legally-adequate document, a budget adjustment may be required.

3. Public Review Draft Initial Study

Final changes to the Screencheck Draft Initial Study will be made based on minor comments from the City. The Initial Study would be circulated with the NOP (refer to Task A.3).

TASK C. ENVIRONMENTAL IMPACT REPORT

Based on LSA's review of the ConnectMenlo Draft EIR and preliminary review of the proposed project and existing site conditions, LSA believes that the following environmental issue topics will require detailed review in the EIR: population and housing; transportation and circulation; air quality; greenhouse gas emissions, and noise. The work program for the EIR is outlined below.

1. Setting and Impacts

The setting and impacts documentation for each of the issue areas described below will be incorporated into the EIR. This analysis will clearly describe the affected environment and the environmental consequences of implementation of the proposed project. The agreed upon significance thresholds will be clearly stated within each section and will be used to determine impacts. Where relevant, impacts will be separately identified by their occurrence during either the construction or operations periods. Feasible mitigation measures (as well as the residual impacts or effects of each measure) will be identified. Cumulative impacts will also be addressed.

a. Population and Housing. The proposed project would result in the development of residential uses on an infill site within the City, which was evaluated in the ConnectMenlo Draft EIR. The existing demographics of the project area and its vicinity will be identified and described based on the most current data available, including the General Plan, Census data, and the Association of Bay Area Governments (ABAG) Play Bay Area. KMA will prepare a Housing Needs Assessment, which will form the basis of the analysis in this section of the EIR. KMA's scope of work for the Housing Needs Assessment is included as an attachment to this proposal. LSA will assess the population, employment and housing impacts that would be created by the proposed project relative to the City's General Plan, ABAG population and employment data and the Housing Needs Assessment. All potential impacts will be evaluated in relation to existing city-wide population, employment and housing figures.

b. Transportation and Circulation. Kittelson & Associates will evaluate potential impacts related to transportation and circulation and incorporate the analysis into the EIR section. Kittelson's full scope of work for preparation of the traffic impact analysis is included as an attachment to this proposal. LSA will review and incorporate all submittals from Kittelson into the Draft EIR prior to submittal to the City.

c. Air Quality. Development activity associated with implementation of the proposed project could increase pollutant concentrations in Menlo Park through increased vehicle trips and construction. This increase could contribute to existing air pollution in the San Francisco Bay Area Air Basin and has the potential to exceed regional air emission thresholds established by the Bay Area Air Quality Management District (BAAQMD). Construction activities associated with project development, including building demolition, grading, and ground disturbance, could increase concentrations of particulate matter and could expose sensitive receptors to toxic air contaminants. The project is also located near high volume roadways including SR-84, US 101, and Marsh Road which could expose future residents of the site to toxic air contaminants.

LSA will conduct an air quality analysis for the Focused EIR consistent with the BAAQMD CEQA Guidelines in compliance with the ConnectMenlo EIR's Mitigation Measures AQ-3a and AQ-3b. The

air quality analysis for the project will include the following components: (1) assessment of baseline air quality in the area based on data from the BAAQMD and California Air Resources Board (CARB); (2) quantitative assessment of project construction and operational impacts using the California Emissions Estimator Model (CalEEMod) (where possible, construction details, such as duration of construction period and equipment used, should be provided to LSA - otherwise default model assumptions will be utilized); (3) quantitative assessment of project construction and operational health risk impacts. Based on the project's location and proximity to US 101, Marsh Road, and SR-84, and consistent with the requirements of Mitigation Measure AQ-3B, a health risk assessment (HRA) would be required to determine the potential health risk to future residents of the project site. The construction HRA will focus on off-site sensitive receptors. LSA will prepare a project-specific HRA using the air dispersion model AERMOD. The Air Quality chapter of the Focused EIR will describe the incremental cancer risk, PM_{2.5} concentrations, and the non-cancer hazard index levels associated exhaust emissions from the adjacent roadways. The HRA will be prepared in accordance with the policies and procedures of the State Office of Health Hazard Assessment (OEHHA) and the BAAQMD. The analysis will include the recommended breathing rate, age sensitivity factors, and body weight appropriate for children ages 0 to 16 years. Calculations and cancer risk contours will be provided in the appendix of the EIR; (4) assessment of odor impacts; and, (5) recommendation of mitigation measures consistent with the BAAQMD guidelines, if necessary, including measures that would be capable of reducing any potential cancer and non-cancer risks to an acceptable level.

d. Greenhouse Gas Emissions. LSA will evaluate the project's impacts on global climate change in the Focused EIR, consistent with the requirements of the BAAQMD. LSA will provide a quantitative assessment of greenhouse gas emissions associated with all relevant sources related to the project for which project data are available, including construction activities using emissions model CalEEMod. LSA will also provide a qualitative assessment of the project's consistency with relevant plans and regulations, including the City of Menlo Park's Climate Action Plan.

e. Noise. The proposed project would generate new vehicle trips in the project vicinity which could lead to an unacceptable increase in noise levels. The project also is located near US 101 which could expose future residents of the site to unacceptable noise levels. LSA will prepare a noise analysis for the proposed project as part of the Focused EIR. The noise analysis will include the following components: 1) a description of the regulatory framework for noise based on City of Menlo Park General Plan standards and the Municipal Code noise ordinance; 2) quantitative description of existing noise conditions in and around the project site based on one long-term and up to four short-term noise measurements; 3) quantitative assessment of noise impacts on sensitive receptors related to project construction and operation; 4) noise compatibility assessment based on the location of project in relation to roadway noise and other noise sources based on the noise monitoring results; 5) evaluate potential vibration impacts related to project construction and operation; and if required, 6) preparation of mitigation measures consistent with best practices LSA will determine if upgraded window and wall assemblies are necessary to meet interior noise standards.

2. Other CEQA Considerations

LSA will prepare the appropriate conclusions to fulfill CEQA requirements by providing an assessment of several mandatory impact categories, including:

- Growth inducement;
- Significant effects that cannot be avoided if the proposed project is implemented;
- Significant irreversible environmental changes if the proposed project is implemented; and
- Effects found not to be significant.

The Effects Found Not to be Significant discussion will summarize the findings of the Initial Study.

3. Alternatives

The LSA team will identify and evaluate up to three alternatives to the proposed project, one of which will be the CEQA-required No Project alternative. The two other alternatives will be developed in consultation with the City. The development and selection of alternatives will be informed by the input received in response to the NOP, as well as any significant impacts of the project that are identified in the Draft EIR.

According to the CEQA Guidelines, alternatives may be evaluated in less detail than the project; therefore, the alternatives analysis in the EIR will generally be undertaken at a qualitative level. Alternatives can be a key issue of community concern. Therefore, the discussion will be of sufficient detail to evaluate the benefits and drawbacks of each alternative, and to provide some qualitative conclusions regarding the alternatives. Based on this analysis, the Environmentally Superior Alternative will be identified (as required by CEQA).

4. Administrative Draft EIR

The information developed above will be organized into an Administrative Draft EIR. The EIR will include the following components: Title/Cover Page; Table of Contents; Introduction; Executive Summary; Project Description; Setting, Impacts, and Mitigation Measures; Other CEQA Considerations; Alternatives to the Proposed Project; List of Report Preparers; List of Persons and Organizations Contacted; Bibliography; and Technical Appendices (as needed).

Up to three (3) paper copies of the Administrative Draft EIR (with appendices) and one (1) CD in Microsoft Word and PDF format will be submitted to City staff for distribution, review, and comment. LSA will discuss comments on the Administrative Draft EIR with the City over the phone or in person.

5. Screencheck Draft EIR

LSA will amend the Administrative Draft EIR based on a single set of consolidated non-contradictory comments provided by the City. We have allotted time for responding to changes; however, if this task exceeds the cost allotted in the budget due to changes in project description or requests for additional analysis that are not necessary to prepare a legally-adequate document, a budget adjustment may be required.

Up to three (3) paper copies of the Screencheck Draft EIR will be provided for review by City staff to verify that all requested changes have been made. LSA will also provide the City with three (3)

compare versions of the Screencheck Draft. This version will show text changes made to the Administrative Draft EIR in underline and strikeout for the City to more easily confirm that all comments and edits are fully incorporated into the Screencheck Draft.

6. Public Review Draft EIR

LSA will make any minor necessary revisions to the Screencheck Draft EIR and prepare the public review Draft EIR. Up to 15 paper copies, including all appendices and 10 CD copies of the document in PDF format will be prepared. LSA will prepare a Notice of Completion, in accordance with the CEQA Guidelines, and coordinate with the City to distribute the Draft EIR pursuant to CEQA and City review procedures. LSA will be responsible for distributing the NOC to the State Clearinghouse including fifteen (15) paper copies of the Summary Chapter.

TASK D. RESPONSE TO COMMENTS DOCUMENT AND FINAL EIR

After the 45-day public review period, and prior to hearings for certification of the EIR, LSA will prepare a Response to Comments (RTC) Document. The Draft EIR and the RTC Document together constitute the Final EIR. As part of this task, LSA will also prepare a Mitigation Monitoring and Reporting Program (MMRP) and the Administrative Record for the EIR.

1. Administrative Draft RTC Document

The LSA team will formulate responses to comments received on the Draft EIR, including written comments received from the public and agencies, and prepare an Administrative Draft RTC Document. Included in this document will be: 1) a list of persons, organizations, and public agencies commenting on the Draft EIR; 2) copies of all written comments, and the responses to these comments; 3) written comments and any verbal comments received at a public hearing and responses to these comments; and 4) any necessary revisions to the Draft EIR. The budget estimate in Table 3 shows the level of professional effort assumed for this task. Should an unexpectedly large volume of comments be submitted (e.g., an organized letter-writing campaign by anti-development advocates or a substantial package of comments by a law firm representing union interests), an adjustment in the budget to cover work beyond the assumed level would be needed.

Up to three (3) paper copies of the Administrative Draft RTC Document and one (1) CD in Microsoft Word and PDF format will be submitted to City staff for distribution, review and comment. LSA will discuss comments on the Administrative Draft RTC Document with the City over the phone or in person.

2. Screencheck Draft RTC Document

Working from a single set of consolidated and non-contradictory comments, LSA will amend the Administrative Draft RTC Document and prepare a Screencheck version. Up to three (3) clean paper copies and three (3) compare versions of the Screencheck version of the RTC Document will be provided to verify that all changes have been made. The compare version will show text changes made to the Administrative Draft RTC Document in underline and strikeout for the City to more easily confirm that all comments and edits are fully incorporated into the Screencheck Draft.

3. Final RTC Document

Upon successful completion and approval of the Screencheck Draft RTC Document, LSA will provide up to 15 paper copies of the RTC Document for public distribution and submittal to the City. LSA will provide a draft Notice of Determination (NOD) for the City to file with the County Clerk upon certification of the EIR.

4. Mitigation Monitoring and Reporting Program

LSA will prepare a Mitigation Monitoring and Reporting Program (MMRP) for the project and will identify responsibility for implementing and monitoring each mitigation measure, along with monitoring triggers and reporting frequency, subject to approval by City staff. LSA will also work closely with City staff to ensure the program is prepared in a format that will be easy for staff to implement and be tailored to the City's procedures.

5. Administrative Record

LSA will compile the Administrative Record related to preparation of the CEQA documents and provide the appropriate documentation to the City as part of the Final EIR. This task will include compilation of the Administrative Record in a binder format, organized by subject. Electronic files of the documentation will also be provided on a CD.

TASK D. PUBLIC HEARINGS AND MEETINGS

LSA's Principal in Charge and Project Manager (Theresa Wallace) will be available to attend working sessions with Planning staff to gather information, review progress, arrive at a reasonable range of alternatives, review preliminary findings, discuss staff comments, and offer input into discussions on the proposed project. The proposed cost estimate includes attendance by both Theresa and Matthew at the project start-up meeting and the EIR scoping session, as detailed above. In addition, we have budgeted (under this task) for attendance at up to four meetings and/or public hearings with City staff and/or the project team. Attendance at additional meetings or hearings would be billed on a time and materials basis.

TASK E. PROJECT MANAGEMENT

Theresa will undertake a variety of general project management tasks throughout the EIR preparation period. Theresa will provide input on the scope, budget, contract negotiations and management, and scheduling of the project, and will be responsible for the overall quality of all work undertaken. She will be available for consultation on CEQA procedural matters as well as application of the CEQA Guidelines to this project.

With assistance from Matthew, Theresa will also coordinate the day-to-day activities associated with the project, including regular client contact, oversight of subconsultants and team members, schedule coordination, and development of products. She will also provide direction to all team members that will ensure an internally-consistent, coherent document. Theresa will review all subconsultant submittals and in-house prepared text, tables, and graphics before these materials are presented to the City as administrative review documents.

D. SCHEDULE

The proposed preliminary schedule for this scope of work is shown in Table 2. The schedule assumes a start date of February 11, 2019 but could be adjusted if an earlier start date is anticipated. The Administrative Draft EIR will be submitted to the City within 2 weeks of completion of the transportation impact analysis inputs by Kittelson & Associates and regional housing needs assessment prepared by KMA.

Table 2: Proposed Preliminary Schedule

Milestone	Responsible Party	Duration	Dates
Authorization to Proceed	City	--	Feb 11, 2019
Draft Project Description and Initiation Tasks	LSA	2 weeks	Feb 25, 2019
Review Project Description/Provide Requested Info Needs	City/Applicant	1 week	Mar 4, 2019
Prepare Administrative Draft Initial Study	LSA	6 weeks	Mar 25, 2019
Review Administrative Draft Initial Study	City	2 weeks	Apr 8, 2019
Prepare Screencheck Draft Initial Study/ Draft NOP	LSA	1 week	Apr 15, 2019
Review Screencheck Draft Initial Study/Draft NOP	City	1 week	Apr 22, 2019
Prepare and Publish Notice of Preparation/Initial Study	City/LSA	1 week	Apr 29, 2019
<i>NOP Scoping Meeting</i>	<i>City/LSA</i>	--	<i>TBD</i>
Close of Notice of Preparation Comment Period	--	30 days	May 28, 2019
Prepare Admin Draft Transportation Analysis EIR Inputs	K&A	12 weeks	May 6, 2019
Prepare Administrative Draft EIR	LSA	2 weeks	May 20, 2019
Review Administrative Draft EIR	City	2 weeks	Jun 3, 2019
Prepare Screencheck Draft EIR	LSA	2 weeks	Jun 17, 2019
Review Screencheck Draft EIR	City	2 weeks	Jul 1, 2019
Prepare and Publish Draft EIR and Initial Study	LSA	1 week	Jul 8, 2019
<i>DEIR Public Comment Meeting</i>	<i>City</i>	--	<i>TBD</i>
Close of Public Review Period	--	45 days	Aug 21, 2019
Prepare Administrative RTC Document	LSA	2 weeks	Sep 4, 2019
Review Administrative RTC Document	City	2 weeks	Sep 18, 2019
Prepare Screencheck RTC Document and MMRP	LSA	1 week	Sep 25, 2019
Review Screencheck RTC Document and MMRP	City	2 weeks	Oct 9, 2019
Prepare and Reproduce Final RTC Document and MMRP	LSA	1 week	Oct 16, 2019
<i>Final EIR Certification Hearing</i>	<i>City/LSA</i>	<i>>10 days</i>	<i>TBD</i>

E. BUDGET

For completion of the scope of work set forth in this proposal and accomplished according to the preliminary proposed schedule, LSA proposes a total budget of \$156,962. We have included a 5 percent contingency amount of \$7,848, which would not be used without written authorization from the City. With the contingency amount, the total budget would be \$164,810. A detailed breakdown of the budget is included in Table 3.

As is always the case with LSA, we welcome the opportunity to work with you to revise the scope, schedule and/or budget to better meet your needs. We appreciate the opportunity to submit this proposal, and look forward to continuing to work with the City. If you have any questions regarding this proposal, please contact Theresa Wallace at (510) 236-6810 or contact us by email at theresa.wallace@lsa.net.

Sincerely,

LSA ASSOCIATES, INC.

A handwritten signature in black ink that reads "Theresa Wallace". The signature is written in a cursive, flowing style.

Theresa Wallace, AICP
Principal

- Attachment 1: Kittelson & Associates, Inc. Scope of Work
- Attachment 2: Keyser Marston Associates Scope of Work
- Attachment 3: LSA Staff Resumes and Qualifications

Table 3: Cost Estimate for the Proposed 111 Independence Drive Project

LABOR COSTS								
	LSA Associates, Inc.							LSA Total
	Principal-in-Charge/Project Manager (Wallace)	Planner/Project Manager (Wiswell)	Principal, AQ/GHG/Noise (Fischer)	Air Quality Specialist (Staff)	Air Quality/Noise Planner (Carlucci)	Document Management (Staff)	Graphics and Production (Staff)	
Hourly Rate:	\$190	\$105	\$210	\$125	\$105	\$115	\$120	
Task A. Project Initiation								
(1) Start-Up Meeting/Site Visit	4	4						\$1,180
(2) Data Gathering and Review		4						\$420
(3) Notice of Preparation/Scoping Session	4	8					1	\$1,720
(4) Project Description	4	12				2	4	\$2,730
(5) Work Program Refinement	2	1						\$485
Subtotal for Task A	14	29	0	0	0	2	5	\$6,535
Task B. Initial Study								
(1) Administrative Draft Initial Study	12	4				6	4	\$3,870
(a) Aesthetics		4						\$420
(b) Agricultural and Forestry Resources		1						\$105
(c) Biological Resources		1						\$105
(d) Cultural Resources		2						\$210
(e) Geology and Soils		4						\$420
(f) Hazards and Hazardous Materials		4						\$420
(g) Hydrology and Water Quality		4						\$420
(h) Land Use and Planning		4						\$420
(i) Mineral Resources		1						\$105
(j) Public Services		2						\$210
(k) Recreation		2						\$210
(l) Tribal Cultural Resources		2						\$210
(m) Utilities and Service Systems		4						\$420
(n) Mandatory Findings		1						\$105
(2) Screencheck Draft Initial Study	4	6				2	2	\$1,860
(3) Public Review Draft Initial Study	2	4				2	2	\$1,270
Subtotal for Task B	18	50	0	0	0	10	8	\$10,780
Task C. Environmental Impact Report								
(1) Setting and Impacts	1	2				1		\$515
(a) Population and Housing	4	14				2		\$2,460
(b) Transportation and Circulation	6	8				6	2	\$2,910
(c) Air Quality	2		10	20	30	2		\$8,360
(d) Greenhouse Gas Emissions	2		4		24	2		\$3,970
(e) Noise	2	8	6		36	2	1	\$6,610
(2) Alternatives Analysis	4	8	4			1		\$2,555
(3) Other CEQA Considerations		4						\$420
(4) Administrative Draft EIR	12	4				4	4	\$3,640
(5) Screencheck Draft EIR	8	8	4	2	4	4	2	\$4,570
(6) Public Review Draft EIR	4	6	2	1	1	4	8	\$3,460
Subtotal for Task C	45	62	30	23	95	28	17	\$39,470
Task D. Response to Comments Document								
(1) Administrative Draft RTC Document	8	12	2			4	4	\$4,140
(2) Screencheck Draft RTC Document	4	6	1			2	2	\$2,070
(3) Final RTC Document	2	4				2	4	\$1,510
(4) Mitigation Monitoring and Reporting Program	1	1				2		\$525
(5) Administrative Record		2					1	\$330
Subtotal for Task D	15	25	3	0	0	10	11	\$8,575
Task E. Public Hearings and Meetings								
Subtotal for Task E	16	12	0	0	0	0	0	\$4,300
Task F. Project Management								
Subtotal for Task F	12	8	0	0	0	0	0	\$3,120
TOTAL LABOR	120	186	33	23	95	50	41	\$72,780
DIRECT COSTS								
(1) Travel, Deliveries, Communication, Equipment								\$720
(2) Printing and Graphic Reproduction								\$850
(3) Kittelson & Associates, Inc. - Traffic Impact Study								\$62,112
(4) Keyser Marston Associates - Housing Needs Assessment								\$20,500
TOTAL DIRECT COSTS								\$84,182
TOTAL LSA TEAM BUDGET								
TOTAL LSA TEAM BUDGET (WITHOUT CONTINGENCY)								\$156,962
CONTINGENCY FUNDS								
CONTINGENCY AT 5 PERCENT								\$7,848
TOTAL LSA TEAM BUDGET WITH CONTINGENCY								
TOTAL LSA TEAM BUDGET (WITH CONTINGENCY)								\$164,810

ATTACHMENT 1

**Kittelson & Associates, Inc.
Scope of Work**

January 4, 2019

Project #: 23543

Kyle Perata
Principal Planner
701 Laurent St – City Hall 1st Floor
Menlo Park, CA 94025
(650) 330-6721

**RE: Menlo Park 111 Independence Drive Multifamily Development - Transportation Impact Analysis
Scope in Support of CEQA Requirement**

Attached is our proposed scope of work to prepare a transportation impact analysis (TIA) section for the 111 Independence Drive Multifamily Apartment Development EIR in the City of Menlo Park. This analysis will focus on the project description and site plan recently submitted to the City. The TIA will serve as the transportation section of the environmental document for this project to satisfy the California Environmental Quality Act (CEQA) requirement. We understand the EIR can be a focused EIR that can tier off the Connect Menlo Program Level EIR. This scope was developed based on our discussions with City staff, a review of the staff report from June 2018, our understanding of the preliminary proposed development plan, our familiarity with the City, and our current work on nearby the Commonwealth EIR. We are happy to discuss it with you and the City and fine-tune it based on your comments.

We estimate the cost of our work effort to be approximately \$62,112. We propose to conduct the work on a time-and-materials basis at our standard billing rates. This proposal (scope of work, budget, and timeline) is effective for sixty days.

I will serve as the Project Manager and Mike Aronson will serve as the Project Principal providing senior review and quality assurance. Any questions of a technical or contractual nature can be directed to Damian Stefanakis.

Please review this proposal at your earliest convenience. Thank you for the opportunity to propose on this project. If you have any questions please call us at 510-433-8088.

Sincerely,
KITTELSON & ASSOCIATES, INC.



Damian Stefanakis
Project Manager

Mike Aronson, P.E.
Principal Engineer

PART A - SCOPE OF WORK

The applicant has recently submitted a project to Menlo Park for the development an eight-story multifamily apartment building of up to 108 units located at 111 Independence Drive. Figure 1 below provides a location map of the project site. Figure 2 shows the site plan, dated June 18, 2018, is shown below. Kittelson and Associates, Inc. (KAI) recognizes this may not be current so will check with the City prior to commencing with the work.

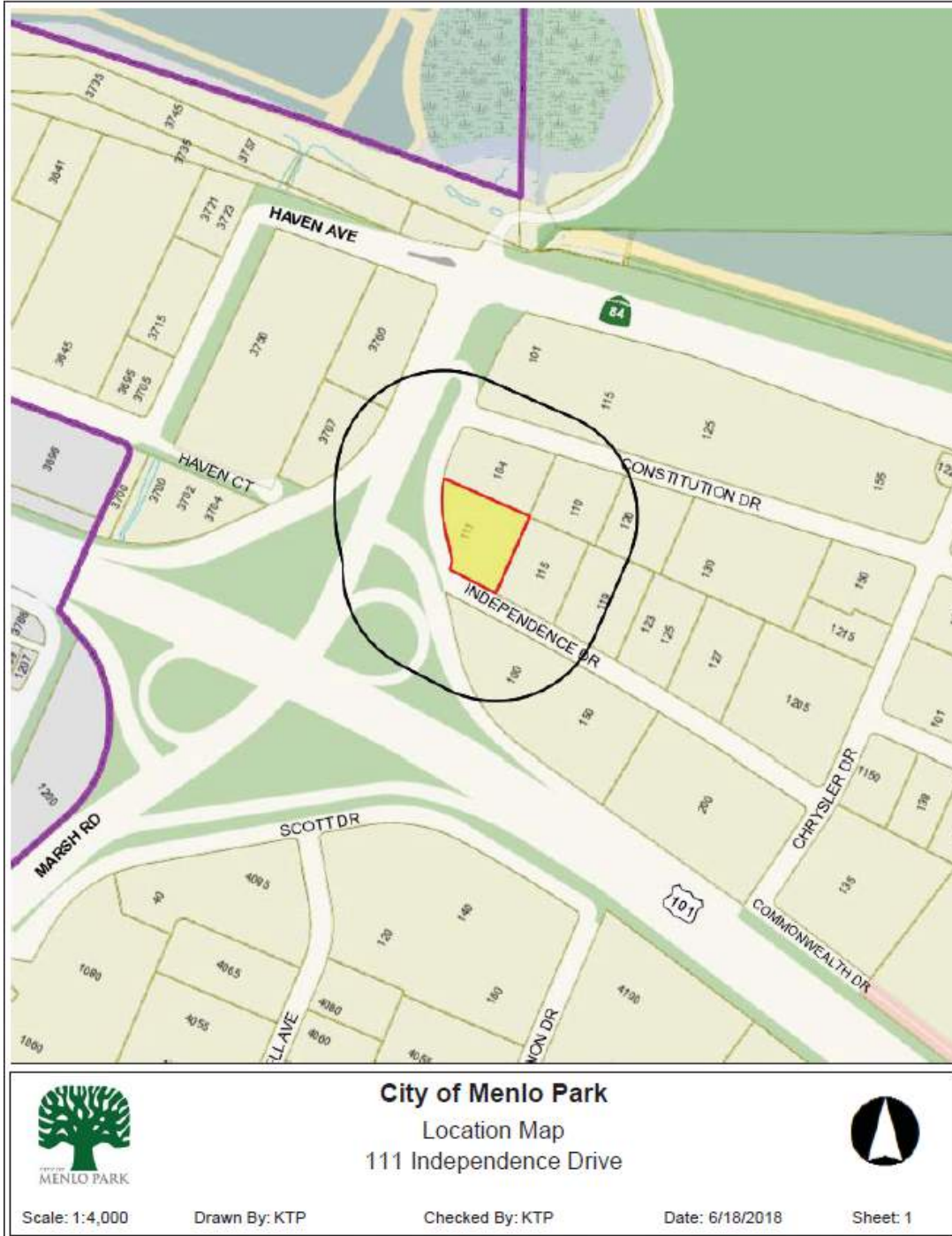
To proceed with this application, the City requires a focused EIR to assess and document the potential environmental impacts of the proposed project.

In addition to the No Project, there will be one Project Alternative analyzed at a qualitative level:

- Reduced Project Alternative 1 – TBD

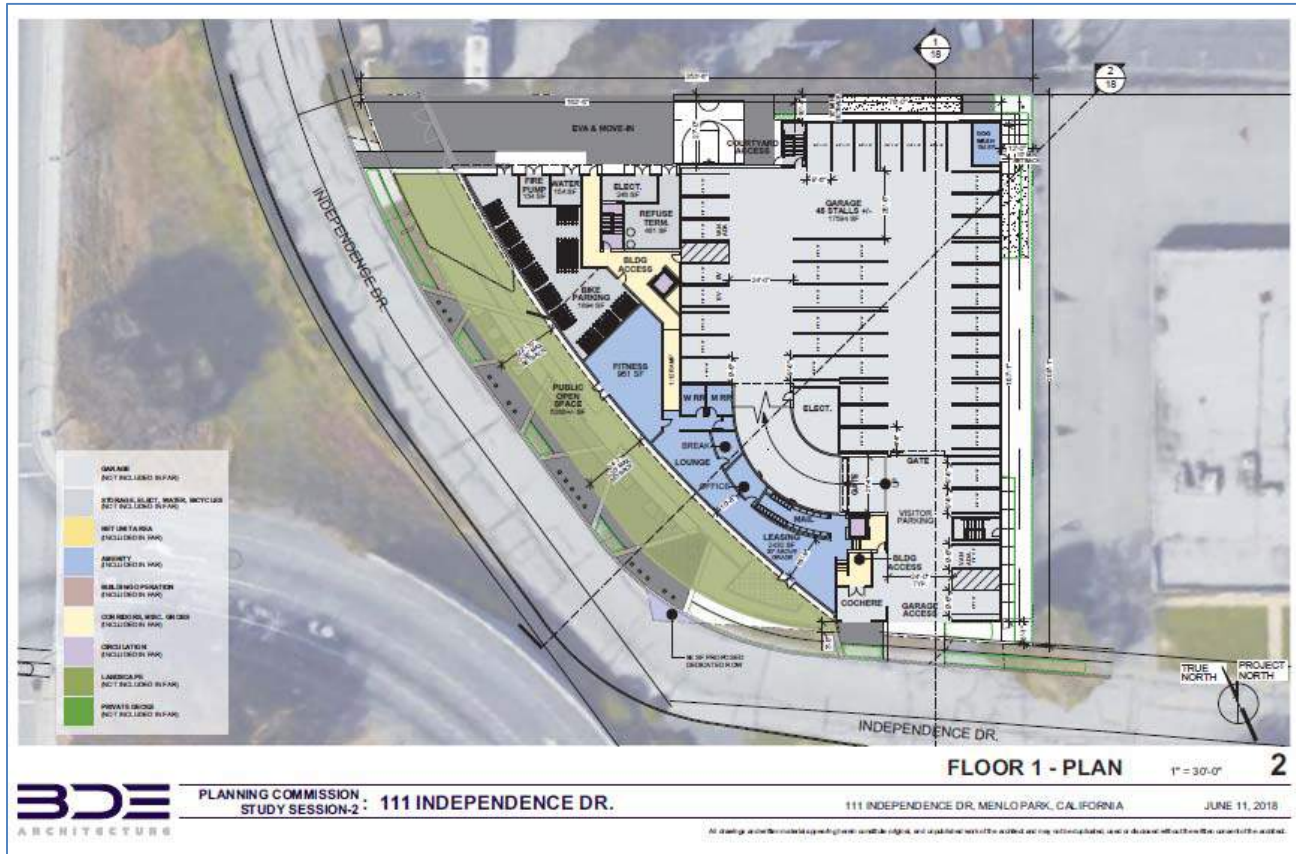
The following presents Kittelson & Associates, Inc.'s (KAI) understanding of the Project, and proposed scope of work for assisting in the completion of the Transportation Section that will meet the needs and requirements of the City of Menlo Park, Caltrans, as well as City/County Association of Governments of San Mateo County (C/CAG).

Figure 1: 111 Independence Drive Location Map



Source: BDE Architecture – Location of 111 Independence Drive, 6/18/2018

Figure 2: Current Site Plan



Source: BDE Architecture – 111 Independence Drive, 6/18/2018

TASK 1: PROJECT INITIATION AND SCOPING

KAI will work closely with the City and the CEQA consultant to coordinate and to include all the required analyses in this study. This task includes initial discussions and refinements to the scope and study locations and ongoing project management for the duration of the study.

TASK 2: PROJECT DESCRIPTION

This section will include a brief description of the existing use on the Project site, the current land use, and a summary of the proposed Project and one Project Alternative. A graphic representation of the Project area and the planned location for the Project will be provided.

Data to be obtained from the City:

- Project description and Project Alternative descriptions
- Most recent Project site plan
- Additional information relevant to the Project

- Recent 2019 traffic counts (from City)
- Travel demand model from the General Plan (received already)
- Recent General Plan for Connect-Menlo
- Most recent Menlo Park Traffic Analysis Guidelines (2004 Circulation System Assessment –CSA) or more recent update to the 2004 CSA
- VISTRO model containing the study intersections and the existing AM and PM signal timings for the signalized study intersections (received already)
- Figures showing the existing bicycle facilities in the study area, preferably in GIS format
- Figures showing the existing pedestrian facilities in the study area, preferably in GIS format
- A list projects (under construction, approved but not yet constructed, proposed) to be included in the Near Term and Cumulative scenarios. The information provided by the City should include trip generation, trip distribution and trip assignment information for these approved projects.
- A list of roadway system improvements associated with the developments to be included in each of the Near Term and Cumulative scenarios.
- The City’s parking requirement for the various land use types

Note: Much of this data has been collected or requested for the Commonwealth project.

TASK 3: DATA COLLECTION

Intersections

It is our understanding that the City will be conducting their bi-annual counts in the spring of 2019. These will be provided to KAI in Excel format. KAI would use the new counts if they are available in time for this project. KAI proposes to analyze the following 15 intersections. (note: these have been paired down in coordination with City staff). All locations are similar to the nearby Commonwealth Project, but this study will utilize more recent counts (so this will require review and input of the new counts):

1. Marsh Road and Bayfront Expressway (State)
2. Marsh Road and US-101 NB Off-Ramp (State)
3. Marsh Road and US-101 SB Off-Ramp (State)
4. Marsh Road and Scott Drive (Menlo Park)
5. Marsh Road and Bay Road (Menlo Park)
6. Marsh Road and Middlefield Road (Atherton)
7. Marsh Road and Florence Street-Bohannon Drive (Menlo Park)
8. Chrysler Drive and Bayfront Expressway (State)
9. Chrysler Drive and Constitution Drive (Menlo Park)
10. Chrysler Drive and Jefferson Drive (Menlo Park)
11. Chrysler Drive and Independence Drive (Menlo Park)
12. Chilco Street and Bayfront Expressway (State)

13. Chilco Street and Constitution Drive (Menlo Park)
14. Willow Road and Bayfront Expressway (State)
15. University and Bayfront Expressway (State)

Given there is an existing use on the site, KAI would contact the City to determine if that use is still active, and conduct driveway counts at the site in order to provide a credit for existing trip generation. If it is not active, then there will be no credit for the existing use.

KAI will contact Caltrans to obtain the most current traffic counts on the US 101 freeway mainline and ramps. The PeMS database will also be consulted for recent volume information.

TASK 4: EXISTING CONDITIONS

KAI will document the existing traffic, transit, bicycle, and pedestrian components of the transportation system within the study area.

Field Reconnaissance

KAI staff will conduct a field visit during the AM and PM peak periods on a typical weekday (Tuesday, Wednesday or Thursday) in the immediate study area to observe:

- Traffic patterns and circulation in the site vicinity
- Study intersection lane geometrics
- Traffic control
- Pedestrian circulation and facilities/amenities
- Bicycle circulation and facilities/amenities
- Proximity of public transit service
- Sight distance issues at study intersections
- Potential access issues

Roadway, Transit, Bicycle, Pedestrian

KAI will describe the existing roadway network, transit services, bicycle facilities and pedestrian facilities in the study area. KAI will also prepare the following figures:

- Map of all study intersections illustrating existing counts, existing lane configurations and signal control;
- Map of transit services within the study area;
- Map of bicycle facilities in the study area; and
- Map of pedestrian facilities in the study area.

Intersections

KAI will determine and report the existing intersection level-of-service (LOS) conditions for the 15 study intersections during the weekday AM and PM peak hours.

Study intersections will be analyzed using the VISTRO software package and the *2010 Highway Capacity Manual* (HCM 2010) Operations Methodology. City has already provided the most updated Existing Year VISTRO model file as developed for the recent General Plan that includes the existing AM and PM signal timing information for all signalized study intersections. KAI would add the additional intersections outside of the City (if they are not already included).

The existing traffic volumes for all study intersections will be illustrated in a figure. The resultant LOS will be summarized in a table format, and to the extent relevant, they will be compared against the Existing LOS as reported in the General Plan. For unsignalized intersections, the LOS will be reported for the worst approach movement. Signal warrant analysis will be performed for any unsignalized study intersections.

Routes of Regional Significance – CMP Segments

Since it is expected that the proposed project will not generate more than 100 PM peak hour trips, then it will not be subject to review by the San Mateo County Congestion Management Program (CMP) and its requirements.

TASK 5: DEVELOPMENT OF NEAR-TERM CONDITIONS

The Near Term or Background (Existing plus Approved) Conditions will include traffic projections of all the approved but not yet constructed developments in the study area. Near Term Conditions will also include selected roadway system improvements associated with the approved developments. The Project site is assumed to remain as current conditions under the Near Term Conditions.

According to City staff, the City VISTRO model does not include individual projects representing the near-term condition, therefore KAI will need to update the City VISTRO model with a list of relevant near-term projects to be obtained from Menlo Park, Redwood City and East Palo Alto (and Atherton). Note: City staff are currently updating the approved near-term project list for the Commonwealth project. This study will use the same information.

Traffic projections for US 101 will be developed by adding traffic from the approved but not yet constructed developments to the existing traffic counts.

Intersections

KAI will determine the intersection LOS analysis for the 15 study intersections during weekday AM and PM peak hours for the Near-Term Conditions using the same methodology as presented under the Existing Conditions. KAI will perform signal warrant analysis for any unsignalized study intersections.

TASK 6: DEVELOPMENT OF CUMULATIVE NO PROJECT CONDITIONS

The Cumulative No Project Conditions will be represented by Year 2040 conditions which include traffic projections from approved and probable future development projects in the study area. The Cumulative No Project Conditions will also include roadway system improvements as identified in the Menlo Park General Plan. The Project site is assumed to remain as current conditions under the Cumulative No Project Conditions. This scope assumes that the majority of information on cumulative development is already included in the VISTRO model to be provided by the City.

Traffic projections for US 101 through San Mateo and Menlo Park will be developed from freeway forecasts using the Citywide General Plan version of the C/CAG-VTA County Travel Model, which covers both San Mateo and Santa Clara Counties and is maintained by Santa Clara Valley Transportation Authority (VTA) staff.

For this scope, it is assumed that the City VISTRO model does NOT include a list of relevant trip generation for all Cumulative projects to be included in the analysis. Therefore, KAI will review the City's travel demand model to determine what growth factor should be applied for any regional background growth.

It is assumed the future year (2040) model already includes land uses in Menlo Park from the proposed buildout conditions of the Menlo Park General Plan Update.

Intersections

KAI will determine the intersection LOS analysis for the 31 study intersections during weekday AM and PM peak hours for the Cumulative No Project Conditions using the same methodology as presented under the Existing Conditions. KAI will perform signal warrant analysis for any unsignalized study intersections.

TASK 7: TRIP GENERATION

KAI will follow similar procedures used the ConnectMenlo and other recent nearby EIRs, including the *Commonwealth Corporate Center EIR*, from February 2014. These will be updated per the latest Institute of Transportation Engineers (ITE) Trip Generation Manual 10.

KAI will use published trip generation rates in the Institute of Transportation Engineers (ITE) Trip Generation Manual 10th Edition to determine the total trip generation for the Project. This will be determined for the weekday Daily, AM, and PM peak hours. KAI will provide a recommended trip generation, including any TDM or pass by reductions for review by the City. Since the project does not include multiple uses or retail uses, it will therefore have little reduction associated with mixed-use, pass-by trips and transit trips.

TASK 8: TRIP DISTRIBUTION, AND ASSIGNMENT

If the Menlo Park CSA Guidelines have not been updated yet, then the trip distribution percentages will be obtained from the City's model. The Project trips will then be distributed and assigned through the study intersections based on the approved trip distribution percentages provided in the VISTRO model.

TASK 9: IMPACT ANALYSIS

Impact findings will follow City of Menlo Park General Plan and traffic impact guidelines. Currently the guidelines are level of service-based as the City has not adopted impact thresholds for VMT. However, the traffic analysis will report project VMT for informational purposes.

Intersections

KAI will document the significance criteria representing a project impact for intersection operations. KAI will then identify the transportation impacts associated with the Project. This assessment will document the proposed changes and potential impacts to intersection LOS for the 15 study intersections. The LOS will be calculated and presented for the following scenarios:

- Existing
- Near Term
- Near Term plus Project Conditions
- Cumulative
- Cumulative plus Project Conditions

Impacts will only be identified for the plus project conditions. KAI will also prepare a signal warrant analysis for unsignalized study intersections.

All study intersections will be evaluated during the AM and PM peak hours using VISTRO software and the 2010 Highway Capacity Manual methodology. This traffic analysis will include estimates of average vehicle delays on all approaches. For any impact found to be significant, KAI will determine the traffic contribution from the proposed project. Any suggested mitigation measures previously identified in prior studies like the Downtown Specific Plan, El Camino Real Corridor Study, Commonwealth Phase 1

and 2, and other approved development projects in Menlo Park as detailed in the documents or EIRs prepared for those projects, will also be considered if they are within the jurisdiction of Menlo Park.

Impacts will be assessed according to the City of Menlo Park's most recent guidelines and significance criteria. For any study intersections or roadway segments not in Menlo Park, KAI will apply the local agency's adopted analysis methods and significance criteria.

Air/Noise/GHG data

KAI will extract relevant traffic data for input into specialty studies to be conducted by the CEQA firm, including air, noise, GHG, and VMT results for SB 743 compliance.

TASK 10: OTHER TOPICS

Congestion Management Program

Not required for this study.

Pedestrian and Bicycle Facilities

KAI will qualitatively discuss the Project's impacts to the pedestrian and bicycle network for the Existing plus Project, Near Term plus Project Conditions, and 2040 Cumulative plus Project Conditions. A figure illustrating any proposed improvements to the pedestrian and bicycle facilities will be prepared.

Transit Facilities

KAI will qualitatively discuss the Project's impacts to the transit network for the Existing plus Project, Near Term plus Project Conditions, and 2040 Cumulative plus Project Conditions. A figure illustrating any proposed improvements to the transit facilities will be prepared.

Parking Assessment

KAI will identify the City's parking requirement for the Project based on its land use type. KAI will also estimate the parking demand based on the Parking Generation (4th edition) reference published by the Institute of Transportation Engineers (ITE). A parking analysis will be performed by assessing the proposed number of parking spaces and comparing it to the City's parking requirement and the parking demand calculated using the ITE Parking Generation rates.

Site Circulation

KAI will review the site circulation and identify any potential issues within the site, assuming the Project Sponsor would provide the site plan.

Emergency Access

KAI will review the site plan and the roadways surrounding the Project site to identify any potential issues for emergency vehicle access.

Air Traffic

If necessary, KAI will assess the potential project impact to air traffic due to the increased number of trips generation by the Project. In addition, KAI will review site plans to determine if the height of any proposed building will interfere with flight operations at local airports.

Construction

KAI will qualitatively discuss how the Project's Construction might impact off-site circulation due to increased truck traffic to and from the Project site. In addition, KAI will also qualitatively discuss the impact on transit, pedestrian and bicycle facilities during Construction.

C/CAG Transportation Demand Management Requirement

As part of the land use element of the CMP, all projects that generate 100 or more new trips during the AM or PM peak hour are required to implement TDM programs that have the capacity to reduce the demand for new peak-hour trips. (This may not be required for this study).

The City has a requirement that the proposed development implement a TDM plan that reduces peak hour trips by 20%. KAI will peer review this proposed TDM plan and determine if it adequately meets the 20% goal.

KAI will also make recommendations of how the City could monitor the effectiveness of TDM measures.

TASK 11: DEVELOP MITIGATION MEASURES

KAI will identify Project generated impacts to the transportation network under the Existing plus Project Conditions, Near Term plus Project Conditions, and 2040 Cumulative plus Project Conditions. KAI, in consultation with the City, will determine if significant Project-generated impacts could be mitigated using measures approved in the ConnectMenlo General Plan EIR, or if they would require

additional mitigation, or if they could not be mitigated and would thus be considered significant and unavoidable.

TASK 12: PROJECT ALTERNATIVES

KAI will use the trip generation as defined in Task 7 to determine the trip generation for one additional Project Alternative. KAI will then perform a qualitative analysis for a reduced development Project Alternative to identify if it would add or reduce any project identified impacts.

TASK 13: TRAFFIC SECTION

KAI will document all work assumptions, analysis procedures, findings, graphics, impacts and recommendations in an Administrative Draft EIR Chapter for review and comments by City staff and the environmental consultant. The Chapter will also include:

- Description of new or planned changes to the street system serving the site, including changes in driveway location and traffic control, if any
- Future Project Condition Volumes (ADTs, a.m. peak hour, p.m. peak hour)
- Project trip generation rates
- Project trip distribution
- Discussion of impact of project trips on study intersections
- Levels of service discussion and table for each study scenario
- Comparison table of Project Condition and Existing LOS along with average delay and percent increases at intersections
- Impacts of additional traffic volumes on city streets
- Intersection level of service calculation sheets (electronic format)

We have assumed preparation of one Administrative Draft and one screencheck draft of the EIR Transportation Chapter (two total submittals).

KAI will respond to one set of unified consolidated non-contradictory comments on each Administrative Draft Report. The text, graphics and analysis will be modified as needed. KAI will coordinate with the environmental consultant and provide both pdf and WORD versions of the EIR Transportation Chapter to the environmental consultant, as well as intersection and roadway segment traffic data for use in air and noise analysis.

In addition, KAI will provide the EIR consultant with all traffic related data for noise, air quality and GHG analysis.

The environmental consultant will provide KAI with an outline template of the format to be used for the EIR Transportation Chapter. To support the EIR Transportation Chapter, KAI will provide a technical

appendix. The appendix may include more detailed transportation analysis such as level of service calculations, technical memoranda that were developed as part of this proposal, and other supporting materials. To expedite the review process, and if requested, KAI will provide a separate copy of the EIR Transportation Chapter with its appendix to City staff for their review.

KAI staff will respond to one set of comments on the FEIR. Should the comments require additional analysis or effort not anticipated, KAI may request a budget amendment.

Deliverable: Electronic Copy of Administrative Draft EIR Transportation Chapters (pdf, WORD)

Deliverable: Electronic Copy of One Draft EIR Transportation Chapter (pdf, WORD)

TASK 14: MEETINGS

KAI will attend up to two meetings. These meetings can be project meetings to discuss the project, review interim products, and address any issues that may arise or public hearings. KAI has scoped for attendance at one Planning Commission and one City Council meeting. Additional meetings will be considered out-of-scope work and will be accommodated on a time-and-materials basis.

Exclusions:

- All study scenarios will be evaluated based on existing intersection geometrics. Should significant impacts be determined with the proposed project development, mitigation measures which may include changes to the intersection geometrics will be recommended;
- Any material modifications to the site plan, driveway locations or project description once KAI has begun the traffic analysis may constitute a change in work scope and/or budget;
- Should analysis of additional phases, scenarios, intersections, or roadway segments be requested, or more than one Administrative Draft report, or additional meetings, then a modification to this scope and budget will be requested.
- Should additional time be necessary to prepare the Final EIR beyond the budgeted hours (as it is unknown how many comments or the level of effort that will be required to respond to Draft EIR comments) we will request additional budget at that time, and proceed only after receiving written authorization for additional services;
- Any services not explicitly identified above are excluded.

PART B – PROPOSED BUDGET & SCHEDULE

Budget

We propose to conduct the work on a time-and-materials basis at our standard billing rates. The cost to complete the scope of work described in Part A will be \$62,112. Direct costs are estimated at \$237 for travel and other reimbursables. Table 1 presents the detailed estimated labor hours and cost by task. Our standard billing rate schedule is attached.

Schedule

The schedule for delivery of Admin Draft traffic section is 10 weeks from when KAI receives the following:

- Written Authorization to Proceed
- Project land uses
- Project Description (including site plan, land use type, size, trip generation information)
- Project Site Plan
- Project Alternatives Description (including land use type, size, trip generation information)
- Most recent 2019 traffic counts
- List of Approved Projects to be included under the Near-Term Conditions (may already be updated in VISTRO)
- Figures showing the existing and planned bicycle facilities in the study area, preferably in GIS format
- Figures showing the existing and planned pedestrian facilities in the study area, preferably in GIS format
- City's Parking Requirements

KAI will then provide a Draft traffic section within two weeks of receiving comments from the Prime and City.

This schedule shall be equitably adjusted as the work progresses, allowing for changes in scope, character or size of the Project requested by you, or for delays or other causes beyond our reasonable control.

Table 1: Estimated Labor Hours and Budget by Task

Task	Notes	Staff	Stefanakis,	Sahiri,	Ahmed,	Amarillas,	Sommerville,	SUBTASK/ TASK HOURS	SUBTASK/ TASK COST
			Damian DXS	Michael MZS	Hassan HXA	Joel JGA	Jon JKS		
001 Project Initiation and Scoping									
	Project Initiation/Scoping		4	2				6	\$1,230
	Project Management		4	4				8	\$1,520
	Reimbursable Expense								\$0
	Task #001 - Subtotal		8	6	0	0	0	14	\$2,750
002 Project Description									
	Project Description		1	2		4		7	\$1,105
	Reimbursable Expense								\$0
	Task #002 - Subtotal		1	2	0	4	0	7	\$1,105
003 Data Collection									
	Compile Existing Intersection Counts			1		2		3	\$435
	Existing CMP and Freeway/On-Ramp/Off-ramp Counts			1		2		3	\$435
	Reimbursable Expense								\$0
	Task #003 - Subtotal		0	2	0	4	0	6	\$870
004 Existing Conditions									
	Roadway, Transit, Bicycle, Pedestrian			2		4		6	\$870
	Fieldwork			6				6	\$870
	Intersection LOS			3	2	6		11	\$1,595
	CMP Routes Analyses			2		4		6	\$870
	Reimbursable Expense								\$63
	Task #004 - Subtotal		0	13	2	14	0	29	\$4,268
005 Near Term (Existing Plus Approved) Conditions									
	Roadway, Transit, Bicycle, Pedestrian					4		4	\$580
	Intersection LOS			6	2	12		20	\$2,900
	CMP Routes Analyses			4		8		12	\$1,740
	Reimbursable Expense								\$0
	Task #005 - Subtotal		0	10	2	24	0	36	\$5,220
006 Cumulative No Project Conditions									
	Roadway, Transit, Bicycle, Pedestrian					4	4	8	\$1,140
	Intersection LOS			6	2	12		20	\$2,900
	CMP Routes Analyses			4		4		8	\$1,160
	Reimbursable Expense								\$0
	Task #006 - Subtotal		0	10	2	20	4	36	\$5,200
007 Trip Generation									
	ITE Trip Generation			2		4		6	\$870
	Trip Generation Memo		2	2		4		8	\$1,340
	Reimbursable Expense							0	\$0
	Task #007 - Subtotal		2	4	0	8	0	14	\$2,210
008 Trip Distribution and Assignment									
	Trip Distribution		2	2		2	2	8	\$1,330
	Trip Assignment			2		2	2	6	\$860
	Reimbursable Expense								\$0
	Task #008 - Subtotal		2	4	0	4	4	14	\$2,190
009 Impact Analysis									
	Background plus Project Intersection/Freeway LOS			8		14		22	\$3,190
	Cumulative plus Project Intersection/Freeway LOS		1	8		14		23	\$3,425
	Provide VMT and other data for Air/Noise/GHG		1	4		8		13	\$1,975
	Reimbursable Expense								\$0
	Task #009 - Subtotal		2	20	0	36	0	58	\$8,590
010 Other Topics									
	Pedestrian and Bicycle Facilities			4		2		6	\$870
	Transit Facilities			1		2		3	\$435
	Parking Assessment			2		4		6	\$870
	Site Circulation			1		2		3	\$435
	Emergency Access			1		2		3	\$435
	Air Traffic			1		2		3	\$435
	Construction			1		4		5	\$725
	Reimbursable Expense								\$0
	Task #010 - Subtotal		0	11	0	18	0	29	\$4,205
011 Develop Mitigation Measures									
	Near Term plus Project		1	4		8		13	\$1,975
	Cumulative plus Project		1	4		8		13	\$1,975
	Reimbursable Expense								\$0
	Task #011 - Subtotal		2	8	0	16	0	26	\$3,950
012 Project Alternatives									
	Alternative 1 -			1		4		5	\$725
	Reimbursable Expense								\$0
	Task #012 - Subtotal		0	1	0	4	0	5	\$725
013 Prepare Traffic Impact Analysis Report									
	Admin Draft		4	32	1	12	20	69	\$10,265
	Draft		4	8	1	12	4	29	\$4,545
	Final DEIR		4	4	1	4	4	17	\$2,805
	Reimbursable Expense								\$0
	Task #013 - Subtotal		12	44	3	28	28	115	\$17,615
014 Meeting									
	Attend Meetings		8	8				16	\$3,040
	Reimbursable Expense								\$174
	Task #014 - Subtotal		8	8	0	0	0	16	\$3,214
TOTAL HOURS			37	143	9	180	36		
LABOR RATE			\$235.00	\$145.00	\$145.00	\$145.00	\$140.00	TOTAL HOURS	TOTAL LABOR
LABOR COST			\$8,695	\$20,735	\$1,305	\$26,100	\$5,040	405	\$61,875
									TOTAL REIMBURSABLES
									\$237
									TOTAL K&I FEES
									\$62,112

ATTACHMENT 2

**Keyser Marston Associates
Scope of Work**



KEYSER MARSTON ASSOCIATES™
ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

November 16, 2018

ADVISORS IN:
REAL ESTATE
AFFORDABLE HOUSING
ECONOMIC DEVELOPMENT

Theresa Wallace, Principal
LSA Associates
157 Park Place
Point Richmond, CA 94801

BERKELEY

A. JERRY KEYSER
TIMOTHY C. KELLY
DEBBIE M. KERN
DAVID DOEZEMA
KEVIN FEENEY

Re: Proposed Scope of Services to Prepare a Housing Needs Assessment for the 111 Independence Drive Project

LOS ANGELES

KATHLEEN H. HEAD
JAMES A. RABE
GREGORY D. SOO-HOO
KEVIN E. ENGSTROM
JULIE L. ROMNEY
TIM BRETZ

Dear Ms. Wallace:

Keyser Marston Associates, Inc. ("KMA") is pleased to present the enclosed proposed scope of services to prepare a Housing Needs Assessment ("HNA") for the City of Menlo Park addressing the proposed 111 Independence Drive Project. The Project consists of a new 94-unit multifamily residential building that replaces an existing 15,000 square foot office building.

SAN DIEGO

PAUL C. MARRA

KMA is exceptionally well qualified to prepare the HNA for the Project based on our broad expertise preparing housing impact studies and project-specific housing needs analyses. Our HNA experience for the City of Menlo Park includes the:

- Menlo Gateway Project;
- Facebook Campus;
- Facebook Campus Expansion Project; and
- 1350 Adams Court Project (in progress).

In addition, KMA has been contracted to prepare a fifth HNA for an office project. This prior work provides a foundation for the analysis of 111 Independence Drive which can be leveraged to complete the work more efficiently.

The enclosed HNA scope of services includes preparation of an HNA addressing, to the extent possible, the following housing-related impacts of the proposed Project:

- Net effect on housing supply and housing need by affordability level from construction of new housing units and removal of the existing office use;

- Estimated geographic distribution of housing supply / demand effects by jurisdiction; and
- Qualitative evaluation of the relationship of the Project to the regional housing market and conditions that contribute to displacement of existing residents of lower income communities in the local area. This would include a discussion of the potential for the added housing units to counteract, to some degree, conditions contributing to displacement.

We understand that the HNA must be prepared consistent with the terms of the recent settlement agreement between the City of East Palo Alto and Menlo Park. The enclosed scope of service is designed to provide the analyses contemplated by the settlement agreement. However, we would be happy to discuss potential refinements to the scope of services and budget to ensure the HNA addresses the City's needs and satisfies the intent of the agreement with East Palo Alto.

The scope of services for the HNA is enclosed as Attachment A. Please let me know if you have any questions or comments regarding this proposed scope of services.

Sincerely,

KEYSER MARSTON ASSOCIATES, INC.



David Doezema

Attachment A: Scope of Services
Attachment B: KMA Rate Schedule

Attachment A
Scope of Services to Prepare a Housing Needs Assessment (HNA)
111 Independence Drive Project

The following scope of services is for preparation of a Housing Needs Assessment (HNA) addressing the 111 Independence Drive Project (“Project”). The HNA will address the following major housing-related topics:

- 1) Net impact on housing supply and housing need by income level considering:
 - a. Housing supply added by the Project;
 - b. Reduction in worker housing need from removal of the existing office building; and
 - c. Added worker housing need associated with the residential units, based on applying the findings of the City’s existing residential nexus analysis.
- 2) Geographic distribution by jurisdiction of net housing impacts; and
- 3) Qualitative evaluation of potential influence on the regional housing market, including possible moderating effects on housing prices and rents from the addition of new housing that potentially could counteract, to some degree, conditions contributing to displacement of existing residents of lower income communities in the local area.

These housing-related impacts are not required to be analyzed under CEQA but may be of interest to decision-makers and/or the public in evaluating the merits of the Project. These analyses are being provided consistent with the terms of a 2017 settlement agreement with the City of East Palo Alto. The pertinent paragraph from the 2017 settlement agreement states the following:

When the preparation of an EIR is required pursuant to this Agreement, concurrent with the preparation of the EIR, Menlo Park or East Palo Alto, whichever is the lead agency for the Development Project, will conduct a Housing Needs Assessment (“HNA”). The scope of the HNA will, to the extent possible, include an analysis of the multiplier effect for indirect and induced employment by that Development Project and its relationship to the regional housing market and displacement. Nothing in this section indicates an agreement that such an analysis is required by CEQA.

The analysis approach reflected in this scope of services is generally consistent with other HNAs previously prepared for the City by KMA.

Task 1 – Project Initiation and Data Collection

The purpose of this task is to identify the availability of data necessary to complete the HNA, identify key analysis inputs and assumptions, and refine the approach to the assignment. As part of this task, KMA will:

- (1) Provide a list of data needs to complete the HNA and work with LSA Associates and the City's project team to gather the necessary data.
- (2) Meet with City staff, its consultants, and the Project sponsor team to: (a) discuss data and analysis alternatives (b) review technical methodology and approach (c) discuss and agree on schedule.

Task 2 – Net impact on housing supply and housing need by income category

KMA will quantify, by affordability level, the net impact on housing supply and housing demand associated with the Project. The analysis will address the following:

- a. *Housing Supply Addition by Income Level* – The 94 units to be added to the housing supply by the Project will be summarized based on the proposed income level applicable to the below market rate affordable units and the estimated income level applicable to market rate units. The income level for market rate units will utilize rent estimates provided by the applicant or will be estimated by KMA based on an analysis of rental market data for comparable projects.
- b. *Reduction in Worker Housing Demand* - The reduction in worker housing demand associated with removal of existing office space will be based on the estimated number of employees in the existing building and household size ratios developed from Census data. The reduction in demand by income level will be estimated using a methodology consistent with other recent HNAs prepared for the City. The analyses utilize a combination of Bureau of Labor Statistics, Census, and California Employment Development Department data to estimate the household incomes of workers.
- c. *Housing Demand for Off-site Jobs Supported by Residential* –Development of new residential units adds to the demand for services such as retail, restaurants, healthcare and education. The City has an existing residential nexus study that addresses housing impacts of new residential development. KMA will apply findings of the existing residential nexus study to the Project to estimate housing demand by income level. The residential nexus study includes consideration of multiplier effects; therefore, multiplier effects will be considered in the analysis by virtue of applying the nexus study findings.
- d. *Net Housing Demand / Supply Effect* – The net housing supply / demand effects will be computed by combining the findings of the above analyses.

Task 3 – Commuting and Geographic Distribution of Housing Supply / Demand Effects

The prior task determines the total housing supply and demand effects irrespective of geography. In this task, the geographic distribution is estimated. The new housing units will be located in Menlo Park. Removal of the office building will have the effect of reducing housing demand in the locations where existing workers live. Estimates of geographic distribution of housing demand effects will be based upon data on commute patterns available through a special tabulation of the U.S. Census, or will use project-specific data if available.

Task 4 – Relationship to Regional Housing Market and Displacement

Lower income communities in the Bay Area have become increasingly vulnerable to displacement of existing residents. Employment growth, constrained housing production, and rising income inequality are among the factors that have contributed to increased displacement pressures, especially within lower income communities in locations accessible to employment centers where many households are housing-cost burdened.

The Project would add to the housing supply. To the extent there is an influence on the regional housing market, it is anticipated to be a minor moderating influence on prices and rents that may offset, to a limited degree, displacement pressures in lower income communities in the local area. In task 4, KMA will draw on the findings of the prior tasks and context materials assembled for prior HNAs prepared for other projects to provide a qualitative evaluation of the potential housing market effects.

The proposed qualitative discussion of housing market effects and displacement is more limited in scope than has been provided for past HNAs addressing non-residential projects. The proposed approach reflects the nature of the Project, which adds housing, and therefore potentially somewhat alleviates rather than contributes to displacement.

Task 5 – Report Preparation

The methodology, data sources, results and implications of the HNA will be documented in a written report. This scope assumes one draft version of the report for review and one final report.

Task 6 – Responses to DEIR Comments

KMA anticipates assisting the City and LSA Associates in preparing responses to comments on the Draft EIR. KMA's focus will be on comments that are directly related to the HNA. We have included a time and materials budget allowance for KMA to assist with preparation of responses to comments.

Budget

KMA proposes to complete this scope of services for the 111 Independence Project on a time and materials basis for an amount not to exceed \$20,500 per the estimate below. The proposed budget assumes cost efficiencies from adapting materials from prior HNAs prepared by KMA for the City of Menlo Park. A copy of our current rate schedule is attached.

Task	Budget Estimate
Task 1 - Project Initiation and Data Collection	\$2,000
Task 2 – Net Housing Supply / Demand Effect by Income	\$7,000
Task 3 – Geographic Distribution of Housing Needs	\$2,000
Task 4 – Relationship to Regional Housing Market and Displacement	\$3,500
Task 5 – Report (Draft and Final)	\$4,000
Task 6 – T&M Allowance for DEIR responses to comments	\$2,000
Total for 111 Independence Project	\$20,500

**KEYSER MARSTON ASSOCIATES, INC.
PUBLIC SECTOR HOURLY RATES**

	<u>2018/2019</u>
CHAIRMAN, PRESIDENT, MANAGING PRINCIPALS*	\$280.00
SENIOR PRINCIPALS*	\$270.00
PRINCIPALS*	\$250.00
MANAGERS*	\$225.00
SENIOR ASSOCIATES	\$187.50
ASSOCIATES	\$167.50
SENIOR ANALYSTS	\$150.00
ANALYSTS	\$130.00
TECHNICAL STAFF	\$95.00
ADMINISTRATIVE STAFF	\$80.00

Directly related job expenses not included in the above rates are: auto mileage, parking, air fares, hotels and motels, meals, car rentals, taxis, telephone calls, delivery, electronic data processing, graphics and printing. Directly related job expenses will be billed at 110% of cost.

Monthly billings for staff time and expenses incurred during the period will be payable within thirty (30) days of invoice date.

** Rates for individuals in these categories will be increased by 50% for time spent in court testimony.*

ATTACHMENT 3

LSA Staff Resumes and Qualifications



EXPERTISE

CEQA/NEPA Project Management

Environmental Planning and Impact Analysis

Land Use Planning

EDUCATION

B.A., Environmental Studies
University of California
Santa Cruz, 2002

PROFESSIONAL AFFILIATIONS

American Institute of Certified Planners (AICP)

American Planning Association (APA)

Association of Environmental Professionals (AEP)

San Francisco Planning and Urban Research Association (SPUR)

PROFESSIONAL RESPONSIBILITIES

Theresa Wallace has 15 years of experience in managing and preparing a variety of environmental documents including CEQA initial studies/mitigated negative declarations and environmental impact reports and NEPA technical studies, environmental assessments, and environmental impact statements.

Ms. Wallace serves as both Principal in Charge and Project Manager for the environmental documentation of a diversity of public and private development and redevelopment projects, on both urban infill and greenfield sites. Current and recent projects include: a number of residential, commercial, office, institutional, and mixed-use projects as well as public park master plans and facilities; roadway expansions and bridge construction; and bicycle and pedestrian paths and trails.

As Principal in Charge, Ms. Wallace oversees on-call environmental services contracts involving multiple assignments, as well as individual CEQA contracts. She establishes working relationships with local agency representatives; interfaces with clients and project teams; makes presentations at community meetings and public hearings; directs marketing efforts in the areas of environment and land use; and supervises junior staff. She is ultimately responsible for ensuring that LSA’s products are completed to the highest quality standard and meet the requirements of the client. Her direction to environmental team members aims to ensure an internally-consistent, coherent document that fulfills all CEQA requirements.

PROJECT EXPERIENCE

At present, Ms. Wallace is serving as Principal in Charge of on-call environmental services contracts with the cities of Berkeley, El Cerrito, and Hayward. The CEQA projects she is overseeing for these jurisdictions involve mixed-use, residential, and industrial uses.

Ms. Wallace is the Principal/Project Manager for the *1900 Fourth Street Project EIR* for the City of Berkeley and the *500 Turk Initial Study and Focused EIR* and *598 Brannan Street Initial Study and Focused EIR* for the City and County of San Francisco, all of which include the redevelopment of underutilized blocks of industrial and commercial sites with a mix of residential, office, research and development and/or commercial uses.

Ms. Wallace also served as the Principal/Project Manager for the *1548 Maple Street Project EIR* for the City of Redwood City, which includes analysis of a proposed townhome community on the City’s waterfront. She also managed the *California State University Maritime Academy Physical Master Plan EIR* in Vallejo, which includes analysis of both project and program-level development expected to occur on the campus over the next 5 to 20 years. The EIR was certified in July 2018.

PROFESSIONAL EXPERIENCE

Principal
LSA
Point Richmond, CA
June 2005–Present

Environmental Planner
Nichols-Berman
Benicia, CA
January 2005 – June 2005

Environmental Analyst
Russell Associates
Palo Alto, CA
October 2003 – May 2005

PROJECT EXPERIENCE (CONTINUED)

The following is a selected list of her recently-managed projects:

- *Children’s Hospital and Research Center Oakland EIR* for the City of Oakland
- *Iron Horse Trail Overcrossings Project CEQA Documentation* for the City of San Ramon
- *Stanford Avenue Staging Area Expansion Project EIR* for the East Bay Regional Park District
- *1601 Mariposa Street Mixed Use Project EIR* for Related California/City and County of San Francisco
- *Fifth and Mission (5M) Project EIR* for Forest City/City and County of San Francisco
- *Rocketship Redwood City Charter School IS/MND* for the City of Redwood City
- *Industrial Area General Plan Text and Zoning Code Amendments and 372-374 Turquoise Street Project IS/MND* for the City of Milpitas
- *2201 Dwight Way Project EIR* for the City of Berkeley
- *College Park High School Athletic Facilities Improvements Project IS/MND* for the Mount Diablo Unified School District
- *676 El Camino Real Surface Parking Lot IS/MND* for the City of San Carlos
- *Lakehouse Commons CEQA* for UrbanCore-Integral LLC
- *Cabello Subdivision IS/MND* for the City of Union City
- *Mindego Gateway IS/MND* for the Midpeninsula Open Space District
- *California Maritime Academy Police Building IS/MND* for the California State University
- *California Maritime Academy Physical Education and Pool Facility IS/MND* for the California State University
- *California Maritime Academy Master Plan EIR Addendum* for the Dining Center Replacement Project for the California State University
- *Downtown Family Development Project CEQA/NEPA Documentation* for the City of Mountain View
- *Buchanan Street Bicycle/Pedestrian Plan CEQA/NEPA Documentation* for the City of Albany
- *680 Trail IS/MND* for the County of Marin
- *Green Valley Plaza Project Focused EIR and Initial Study* for the City of Fairfield
- *Downtown Specific Plan EIR* for the City of Oakley
- *Napa County Health and Human Services Agency Campus Focused EIR and Initial Study* for the County of Napa



EXPERTISE

Environmental Planning and Impact Analysis

Land Use Planning and Development

EDUCATION

B.S. City & Regional Planning
Minor in Real Property Development
California Polytechnic State University, San Luis Obispo, 2016

PROFESSIONAL AFFILIATIONS

Association of Environmental Professionals (AEP)

American Planning Association (APA)

PROFESSIONAL RESPONSIBILITIES

Matthew Wiswell is a CEQA specialist with a solid understanding of principles of planning that he applies to environmental analysis. At LSA, Mr. Wiswell manages the preparation of CEQA and NEPA documents and provides planning and technical assistance to project managers on a variety of complex planning and environmental documents for development and infrastructure projects, school facility improvements, and City-sponsored plans and programs.

PROJECT EXPERIENCE

California Maritime Academy Master Plan EIR Vallejo, CA

Mr. Wiswell drafted the non-technical sections for the Master Plan EIR, certified in 2018. Last updated in 2001, the Maritime Academy embarked on a new Master Plan to serve the institution through 2032. Mr. Wiswell prepared sections related to aesthetics and visual resources, land use; population, housing, and employment; public services; and utilities.

Walnut Creek North Downtown Specific Plan EIR Walnut Creek, CA

Mr. Wiswell is assisting in the preparation of the EIR for the Walnut Creek North Downtown Specific Plan. The North Downtown Specific Plan presents a vision for Walnut Creek in the vicinity of the Ygnacio Valley Road corridor that consolidates land uses and expands opportunities for alternative transportation. Mr. Wiswell contributed on sections related to land use; aesthetics; population, housing, and employment; public services; and utilities.

Burlingame Community Center IS/MND Burlingame, CA

The City of Burlingame is preparing to construct a new community center to serve existing and projected demand for City-sponsored programming and services. Mr. Wiswell is managing the CEQA process, which includes incorporating a transportation impact analysis and robust noise analysis.

Novato Boulevard Improvements Project EIR Novato, CA

The City of Novato is proposing to make improvements along Novato Boulevard between Diablo Avenue and Grant Avenue, the last, and most challenging, portion of Novato Boulevard to be improved. Mr. Wiswell is assisting in the management of the CEQA process, and is contributing to the Initial Study and EIR chapters related to land use and population and housing.

1548 Maple Street Project EIR Redwood City, CA

Certified in 2017, Mr. Wiswell assisted with the preparation of the EIR for the 1548 Maple Street Project in Redwood City. The proposed project included 131 townhomes and an extension of the San Francisco Bay trail on approximately 8 acres along Redwood Creek. Mr. Wiswell assisted with the Initial Study, and contributed to EIR chapters concerning land use and planning and utilities.

**PROFESSIONAL
EXPERIENCE**

LSA

Point Richmond, CA
2016–Present

Environmental Intern
County of San Luis Obispo
Planning & Building Department
December 2015 – June 2016

PROJECT EXPERIENCE (CONTINUED)

**Pittsburg Making Waves Charter School Project EIR
Pittsburg, CA**

The Making Waves Foundation proposes a school campus and sports complex on two parcels in the City of Pittsburg. LSA is preparing the CEQA documentation under contract to the City of Pittsburg. Mr. Wiswell prepared a scope of work for a Focused EIR process and is drafting the Initial Study and all non-technical sections of the EIR.

**Livermore Active Transportation Plan IS/MND
Livermore, CA**

Mr. Wiswell served as project planner and prepared the non-technical sections of the IS/MND for the proposed Livermore Bicycle, Pedestrian, and Trails Active Transportation Plan (ATP) is a program/policy-level document that includes a set of goals, policies, and implementation programs for improving Livermore’s bicycle and pedestrian network, and related capital projects to help accomplish the proposed Plan’s objectives.

**Burton and Highlands Parks EIR
San Carlos, CA**

Mr. Wiswell assisted in the preparation of the CEQA documentation for this park project in San Carlos. The proposed project involves the installation of new field lighting on currently unlit fields at both parks, and to upgrade the existing lighting at the parks with LED lights. Mr. Wiswell compiled the administrative record and drafted the Response to Comments.

**Fremont Unified School District Environmental Services
Fremont, CA**

LSA has been providing environmental services to the Fremont Unified School District since mid-2013. The Fremont Unified School District comprises 42 schools and educates 32,000 K-12 students. New facilities and renovations to older campuses are needed to accommodate a growing population. Mr. Wiswell drafted responses to the CEQA checklist for the Walters Junior High School Improvements Project, and assisted in preparation of the EIR.

Since joining LSA, Mr. Wiswell has also contributed to:

- 1717 University Avenue Project IS/MND for the City of Berkeley
- 600 Addison Street Project IS and EIR for the City of Berkeley
- 1900 Fourth Street Project for the City of Berkeley
- Eastwood Regional Recycled Water Pump Station Project IS/MND for the Irvine Ranch Water District
- GE Demolition - International Boulevard Draft EIR for the City of Oakland as a subconsultant to Geosyntec
- Half Moon Bay High School Track and Field Improvements Project EIR for Cabrillo Unified School District



EXPERTISE

CEQA/NEPA

Air Quality Analysis

Greenhouse Gas Emissions
Analysis

Climate Change Analysis

Noise Analysis

Transportation Planning

Health Risk Assessment

EDUCATION

B.S., Environmental
Policy Analysis,
minor in Geography
University of Nevada,
Reno 1998

CERTIFICATIONS

San Joaquin Valley Air Pollution
Control District Regulation VIII –
Certified Dust Control Plan
Preparer, May 19, 2015

PROFESSIONAL RESPONSIBILITIES

With over 19 years of experience in environmental studies, Amy Fischer has performed principal-level review or conducted over more than 200 CEQA/NEPA related and/or stand-alone air quality and greenhouse gas impact studies for community plans, development projects, and infrastructure improvements. She is experienced with the models and methods used to assess both air and greenhouse gas impacts. As the Director of LSA’s Air Quality Services, she monitors State and federal standards, case law, and scientific research to make sure that LSA’s analyses reflect the rapid changes in this evolving field. In keeping with LSA’s commitment to senior level management, as the Principal-in-Charge, Ms. Fischer maintains substantive involvement with projects as a means of assuring high quality products and balanced professional consultation. She works closely with Project Managers and clients, and provides input on and monitors the scope, budget, and scheduling of specific projects. Ms. Fischer is ultimately responsible for the quality of all project work, and reviews all in-house prepared text, tables, and graphics before these materials are presented to the client.

Ms. Fischer serves as principal air quality, climate change and noise analyst for CEQA/NEPA and planning documents. She has a comprehensive knowledge of the CEQA requirements for air districts throughout California. Her experience is in assessing plan- and project level air impacts ranging from criteria pollutant analysis to dispersion modeling and health risk assessments using the latest air quality modeling tools. She is skilled in air quality assessment models including: The California Emissions Estimator Model (CalEEMod), Emission Factor models (EMFAC/OFFROAD), Road Construction Estimator Model (RoadMod) and Line Dispersion Models (CALINE). She designs emission reduction strategies to reduce project specific air impacts.

Ms. Fischer recently provided principal-level review for the topical CEQA analyses for the following projects:

- *Air Quality Impact Analysis Land Use and Urban Design Elements* for the City of Long Beach
- *Kaiser Permanente Baldwin Park Medical Center Parking Structure Expansion and Medical Office Building MND* for Kaiser Permanente
- *Air Quality and Greenhouse Gas Analysis for the Operations Center and Site Consolidation Project* for the Moulton Niguel Water District
- *West Alton Parcel Development DEIR Air Quality and Greenhouse Emissions Technical Appendices Peer Review*

Ms. Fischer also contributed to the *Greenhouse Gas Emissions Reduction Strategy* for the City of Hope Campus Plan. Ms. Fischer was also the primary author of the Air Quality, Greenhouse Gas, and Noise sections of the *San Francisco General Hospital Rebuild Project EIR* as well as the *Children’s Hospital and Research Center Oakland Campus Master Plan EIR*.

PROFESSIONAL EXPERIENCE

Principal
LSA Associates, Inc.
July 2005-present

Transportation Planner
VRPA Technologies
2002-2005

Planning Coordinator
Council of Fresno County Governments
2000-2002

Air Quality Planner
San Joaquin Valley Air Pollution Control District
1999-2000

PRESENTATIONS

GIS Day 2001, Fresno State University, *GIS in Traffic Forecast Modeling*
Fresno, California

Association of Environmental Professionals, 2012, *Health Risk Assessments in CEQA*
Fresno, California

PROFESSIONAL AFFILIATIONS

Association of Environmental Professionals (AEP) – Director, Central Valley Chapter, 2016 - present

AEP - VP of Programs, Central Valley Chapter, 2011-2015

American Planning Association (APA)

PROJECT EXPERIENCE (GHG)

Ms. Fischer also prepares quantitative analyses of greenhouse gases (GHG) that evaluate the impacts of project-related GHG emissions and project impacts to global climate change. The reports describe the existing setting and regulatory context, quantify impacts, and recommend mitigation measures, as appropriate.

Using the CalEEMod) (or other local model, Ms. Fischer performs a quantitative assessment of GHG emissions associated with all relevant sources related to the project, including construction activities, new vehicle trips, electricity consumption, water usage, and solid waste generation and disposal. Ms. Fischer recently conducted the GHG analysis for the *4660 Sierra College Boulevard Commercial Project, Rocklin*; the *Thompson and Dakota Residential Project, Clovis*; and the *Balfour Road Shoulder Widening Project, Contra Costa County*. Most recently she provided air quality and greenhouse gas analysis for a general plan amendment, rezoning, and annexation project for the City of Fresno.

PROJECT EXPERIENCE (HEALTH RISK ASSESSMENT)

The Air Toxics Hot Spots Information and Assessment Act of 1987 seeks to provide information to state and local agencies and to the general public on the extent of airborne emissions from stationary sources and the potential public health impacts of those emissions. Amy Fischer prepares Health Risk Assessments (HRA) using the Guidance Manual (February 2015) developed by the California Office of Environmental Health Hazard Assessment (OEHHA). She is trained in the use of the Hot Spots Analysis and Reporting Program (HARP) model, developed by ARB, as a tool to implement the risk assessments as outlined in the Guidance Manual. Ms. Fischer has prepared HRAs for the following projects:

- *211 Airport Boulevard/Pinefino Apartments Project Health Risk Assessment, South San Francisco, CA*, for Concord Design Group
- *Miramonte Sanitation Transfer Station Project Health Risk Assessment, Reedley, CA*, for Miramonte Sanitation
- *Redwood Hills Residential Project Health Risk Analysis, Oakland, CA*, for Affordable Housing Associates
- *Riviera Avenue Residential Project Health Risk Assessment, Walnut Creek, CA*, for Resources for Community Development
- *1601 Mariposa Mixed-Use Project Air Quality Criteria Pollutant Analysis, San Francisco, CA*, for Related California
- *Fremont Gateways Health Risk Assessment, Fremont, CA*, for Tim Lewis Communities



EXPERTISE

- CEQA Document Preparation
- Environmental Analysis
- Air Quality Analysis
- Greenhouse Gas Emission Analysis
- Noise Analysis
- Land Use Planning

EDUCATION

B.S., City & Regional Planning, minor in Real Property Development
California Polytechnic State University, San Luis Obispo, June 2015

PROFESSIONAL AFFILIATIONS

- Association of Environmental Professionals (AEP) – Secretary, Central Valley Chapter, 2016 – present
- AEP – Student Liaison, Central Valley Chapter, 2016 – present
- American Planning Association (APA)

PROFESSIONAL RESPONSIBILITIES

Cara Carlucci is a planner with a growing roster of experience. At LSA, she provides project management and technical assistance on a variety of planning and environmental documents including environmental assessments, initial studies, and environmental impact reports. At LSA, Ms. Carlucci has been involved in residential and commercial development projects, road improvement projects, and program-level plans. Ms. Carlucci has a strong foundation in land use planning and is well-versed in addressing impacts to air quality, greenhouse gas emissions, and noise.

Ms. Carlucci is proficient with the use of the FHWA Highway Traffic Noise Prediction Model (FHWA RD-77-108) and is proficient in air quality models including the California Emissions Estimator Model (CalEEMod) and the Roadway Emissions Estimator Model (RoadMod). Ms. Carlucci is also responsible for conducting field noise measurements with the Larson Davis SoundTrack LxT sound level meter in compliance with applicable standards.

PROJECT EXPERIENCE

At present, Ms. Carlucci is contributing to the following projects:

- *Merced Mall Expansion Project IS/MND* for the City of Merced. The proposed project would include the expansion and redevelopment of the Merced Mall by increasing leasable retail area and constructing a new movie theater. Ms. Carlucci is serving as the project planner and is preparing both technical and non-technical sections of the Initial Study/Mitigated Negative Declaration (IS/MND) for the proposed project.
- *California Maritime Academy Master Plan EIR* for California State University, California Maritime Academy. The Master Plan will cover all aspects of campus development over the next 15 years, including student enrollment growth, overall campus land use and design, building capacity and placement, circulation and infrastructure, and sustainability. Ms. Carlucci is assisting with the preparation of the Air Quality, Greenhouse Gas, and Noise sections of the EIR.
- *First Street Green Project Air Quality Impact Analysis and Noise Impact Analysis* for the City of Los Altos. LSA prepared technical studies to evaluate the proposed development that would include an office building and a public plaza in downtown Los Altos. Ms. Carlucci is assisting in the preparation of the air quality, greenhouse gas, and noise analyses.
- *Fairview Street Improvements Project* for the City of Santa Ana and Caltrans District 12. The City of Santa Ana, in cooperation with Caltrans District 12, is proposing to widen Fairview Street from 9th Street to 16th Street, including replacing the Fairview Street bridge crossing over the Santa Ana River in Santa Ana. Ms. Carlucci is serving as the project planner and is preparing both technical and non-technical sections of the Initial Study/Mitigated Negative Declaration (IS/MND) and Categorical Exclusion (CE) for the proposed project.

**PROFESSIONAL
EXPERIENCE**

Planner,
LSA Associates, Inc.
Fresno, CA
June 2014 – present

Assistant Planner,
San Luis Ranch,
Coastal Community Builders
Pismo Beach, CA
February 2015 – June 2015

Housing Intern,
County of San Luis Obispo
Spring 2014

Planning Intern,
City of Clovis
Summer 2013

**PROFESSIONAL
DEVELOPMENT**

CEQA Case Law Update, 2016

Advanced CEQA Workshop, 2016

NEPA Essentials Workshop, 2016

The Challenge of Greenhouse
Gas Reduction Planning by Local
Governments in California, 2016

Subdivision Map Act Seminar,
2016

Farmland Preservation
Workshop, 2016

AB 52 and the New Tribal Role in
CEQA, 2016

Section 404 Permitting Process
and Compensatory Mitigation
Program, 2016

CEQA Essentials Workshop, 2015

Blueprint for Health: Planning
Communities that Promote
Equity, 2015

AEP Eastern Slope Conference,
2015

PROJECT EXPERIENCE (CONTINUED)

Ms. Carlucci has contributed to a diverse group of projects since joining LSA:

- *Sir Francis Drake Boulevard Rehabilitation Project EIR* for the County of Marin
- *City of Clovis Landfill Left Turn Lane IS/MND* for the City of Clovis
- *Summit Estates Two Subdivision Project IS/MND* for the City of Porterville
- *1548 Maple EIR* for the City of Redwood City
- *Marin City Community Center IS/MND* for the City of Marin
- *500 Turk IS/MND* for the City and County of San Francisco
- *600 Addison IS/MND* for the City of Berkeley
- *Redlands General Plan EIR* for the City of Redlands
- *American Kings Solar Project Air Quality Impact Analysis, Noise and Vibration Assessment, and EIR* for Kings County
- *Veranda Shopping Center Project EIR* for the City of Concord
- *Iron Horse Trail IS/MND* for the City of San Ramon
- *Gibbons Avenue Widening Project MND* for the City of Porterville
- *150 Eureka Project IS/MND* for the City and County of San Francisco
- *1717 University Project IS/MND* for the City of Berkeley
- *Opus Office Center Project Addendum* for the City of Brisbane
- *Walters Junior High School Project IS/MND* for the Fremont Unified School District
- *Chase Drive Corridor Project Phase 1B Soil Born Farms* for the City of Rancho Cordova
- *City of Hope Air Quality and Greenhouse Gas Memorandum* for City of Hope
- *Lime Kiln Road Bridge IS/MND* for Tuolumne County
- *1900 Fourth Street Project EIR* for the City of Berkeley
- *California High-Speed Rail Project Fresno to Bakersfield Locally Generated Alternative Section Air Quality and Global Climate Change Technical Report and EIR/EIS* for the California High-Speed Rail Authority
- *California High-Speed Rail Project Bakersfield to Palmdale Section Air Quality and Global Climate Change Technical Report and EIR/EIS* for the California High-Speed Rail Authority
- *California High-Speed Rail Project Burbank to Los Angeles Section Air Quality and Global Climate Change Technical Report and EIR/EIS* for the California High-Speed Rail Authority



Firm Profile and Relevant Project Experience

Founded in 1976, LSA is a 100 percent employee-owned environmental consulting firm with offices throughout California. LSA offers technical expertise in the areas of environmental assessment, land use planning, transportation, air quality, climate change, noise, biology and permitting, and cultural resources. Our technical expertise is complemented by strong project management skills, dedication to quality, and exceptional responsiveness.

Throughout its 42-year history, environmental planning has been the cornerstone of LSA's professional practice. We are thoroughly knowledgeable about the processes, procedures and technical requirements of CEQA. LSA has also prepared numerous documents to satisfy the requirements of specific agencies such as the United States Army Corps of Engineers (Corps), the California Department of Transportation (Caltrans), the Federal Highway Administration (FHWA), the United States Fish and Wildlife Service (USFWS), the California Department of Fish and Wildlife (CDFW), and the Regional Water Quality Control Board (RWQCB). This expertise includes coordination with local, State, federal, and other governmental agencies preparing and processing environmental documents and technical studies, managing public participation programs, issuing necessary legal notices, and incorporating each document into the relevant planning process.

LSA has successfully completed numerous environmental review documents under contract to lead agencies for residential projects, infill projects, mixed use projects, transit-oriented development projects, and public works-related projects. We have prepared the following documents for the City of Menlo Park:

- 389 El Camino Real Project EIR
- Burgess Gymnasium and Gymnastics Center EIR
- 1300 El Camino Real Mixed Use Project EIR
- Derry Lane Mixed Use Development EIR

Other CEQA documents for mixed use, residential and infill projects for other jurisdictions are illustrated on the following pages.



The District at Milpitas

Milpitas Infill Development CEQA Services

LSA HAS SERVED as CEQA consultant to the City of Milpitas since 2013. Since 2013, the City has received an unprecedented number of applications for residential construction in the relatively underdeveloped southwest part of the City. In 2008, the City of Milpitas adopted the Milpitas Transit Area Specific Plan (TASP) as a guide for development and redevelopment of its light industrial corridor near the future Milpitas BART and current VTA station. The goals of the TASP are to create an attractive and livable neighborhood within walking distance of the future Milpitas BART and VTA light rail transit stations and to transform the older, light industrial area into a residential and commercial area that would meet demand for housing, offices, and shopping in the Bay Area. Milpitas designated the TASP to accommodate substantial growth, minimize impacts on local roadways, and reduce urban sprawl at the periphery of the region. LSA has prepared an Addendum to the TASP FEIR, or a checklist supporting a Categorical Exemption for the following projects within the TASP:

- 400/450 Montague Expressway (489 units)
- 1256 Piper Drive (308 units)
- The District at Milpitas (1,169 units)
- 720 Montague Expressway (216 units)
- 1500-1646 Centre Pointe Drive (694 units)
- 730-750 E. Capitol Avenue (582 units)
- 1980 Tarob Court (61 units)

The checklists describe and evaluate potential changes to environmental impacts from the proposed revised project as they relate to impacts identified in the TASP Final EIR. The focus of the analyses was on impacts specific to the proposed projects and those that differed from what was identified in the TASP Final EIR.

Client:
City of Milpitas

Location:
Milpitas, California



1548 Maple Street Project EIR

The project applicant proposes a townhome community on the waterfront that will create housing in an area rich in jobs but lacking in housing, and provide public recreation amenities via the Bay Trail which will connect the downtown to the waterfront. The proposed project is comprised of 131 three-story market-rate townhomes at a density of 17 units per acre, as well as associated open space, circulation and parking, infrastructure, and grading improvements. A variety of private and public open space opportunities would be included, along with 262 parking spaces. The project site is located within the Inner Harbor area of the City, which is an approximately 99-acre area primarily developed with light industrial, office, marina-oriented, and institutional uses. LSA prepared an Initial Study and EIR for the proposed project; issues examined in the EIR include land use and planning; biological resources; cultural resources; transportation and circulation; air quality; noise; hazards and hazardous materials; hydrology and water quality; utilities and service systems.

Client:
City of Redwood City

Location:
Redwood City, CA



914 West Grand Avenue Project CEQA Analysis

Rendering Courtesy: Lowney Architects

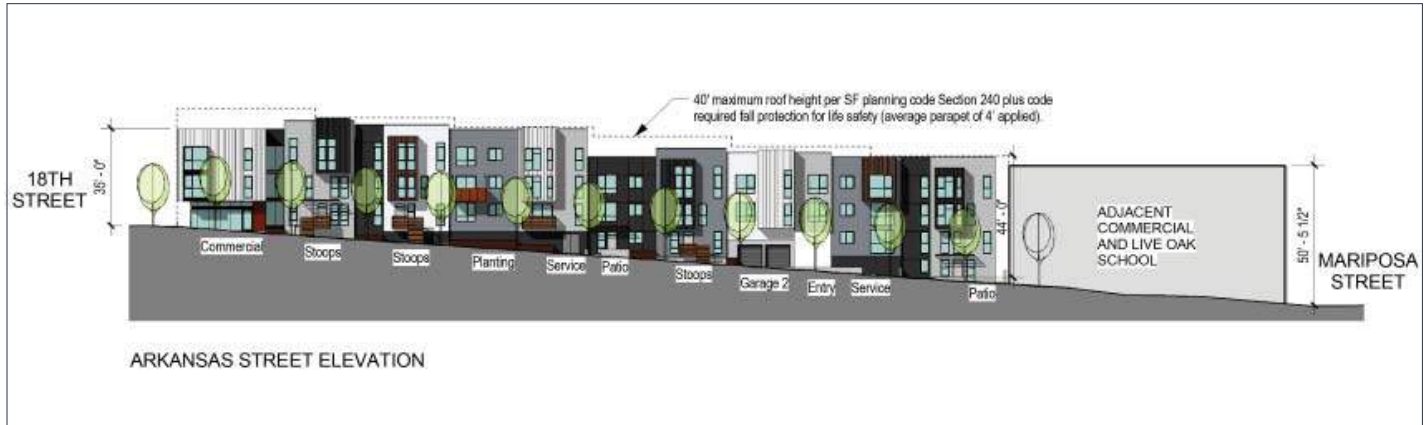
[914 West Grand Avenue](#) is located in the West Oakland Specific Plan (WOSP) area, envisioned as a major commercial corridor connecting West Oakland to Downtown and to Emeryville, Berkeley, and beyond, lined with ground-floor commercial uses and mixed-use residential development. The proposed project is designed to fulfill the need for housing, with 115 residential units atop commercial uses in a 6-story building. Using the WOSP EIR, LSA prepared the CEQA documentation for the proposed project. The CEQA checklist provided a summary of the potential environmental impacts that could result from the proposed project and summarized the impacts of the certified 2014 WOSP EIR. As a result of the analysis, the City concluded that the proposed project would not cause new significant impacts not previously identified in the 2014 WOSP EIR, and no supplemental environmental review was needed.

Client:

914 West Grand Avenue, LLC/
City of Oakland

Location:

Oakland, California



1601 Mariposa Mixed Use Project

LSA PREPARED a Community Plan Exemption Checklist and Focused EIR for the 1601 Mariposa Street Mixed Use Project in the Showplace Square/ Potrero Plan Area of San Francisco. The proposed project includes the demolition of existing commercial and warehouse buildings and construction of 320 residential units, 10,000 square feet of commercial space and associated parking and open space. The site is surrounded by residential, commercial, industrial, school and park uses.

The EIR focused on hazards and hazardous materials; shadow; and transportation and circulation, and also analyzed alternatives to the proposed project. Redevelopment of the project site was included in the Eastern Neighborhood Rezoning and Area Plans Final EIR. Environmental impacts that were addressed in the CPE Checklist are those that are consistent with, or less than those identified in the Eastern Neighborhoods Final EIR, including land use and land use planning; aesthetics; population and housing; cultural and paleontological resources; noise; air quality; greenhouse gas emissions; wind; recreation; utilities and service systems; public services; biological resources; geology and soils; hydrology and water quality; mineral and energy resources; and agricultural and forest resources.

Client:
Related California

Location:
San Francisco, California





5110 Telegraph Avenue Project CEQA Documentation

THE NAUTILUS GROUP proposes to construct a new mixed use building including 34,000 square feet of commercial space, 204 residential units, and 297 parking spaces. The project would also include over 400 bike parking spaces, in acknowledgement of the prevalence of that mode of transit. The roof of the building would be comprised of a privately-operated urban farm, with greenhouses and raised beds. The project site is surrounded by a variety of uses including residential, commercial, institutional, and park uses. The project site is also located within close proximity to the MacArthur BART Station. Because the project qualifies for a CEQA exemption as an Infill Development Project, LSA prepared a Categorical Exemption. As documented in the technical memorandum prepared by LSA, the specific aspects of the current project, under the topics of transportation, air, noise, and shadow, were evaluated and determined to not result in any significant effects.

Client:
Nautilus Group

Location:
Oakland, California



West Evelyn Avenue Elevation

Prometheus Redevelopment Project Initial Study/Mitigated Negative Declaration

LSA PREPARED the environmental documentation for development of an approximately 214 unit apartment complex to be constructed over a subsurface parking garage, along with associated recreational facilities, open space, landscaping, and a new public roadway, generally located at 455 West Evelyn Avenue. The project site was developed with a lumber yard and various commercial and office buildings. Issues of concern that were addressed in the environmental documentation include: visual impacts associated with development of a two-to four-story structure, impacts to adjacent historic structures, impacts to heritage trees, noise impacts associated with the adjacent train tracks, and transportation, circulation and parking impacts.

Client:
City of Mountain View

Location:
Mountain View, California



Elevation - West Julian Street
(Source: BDE Architects)

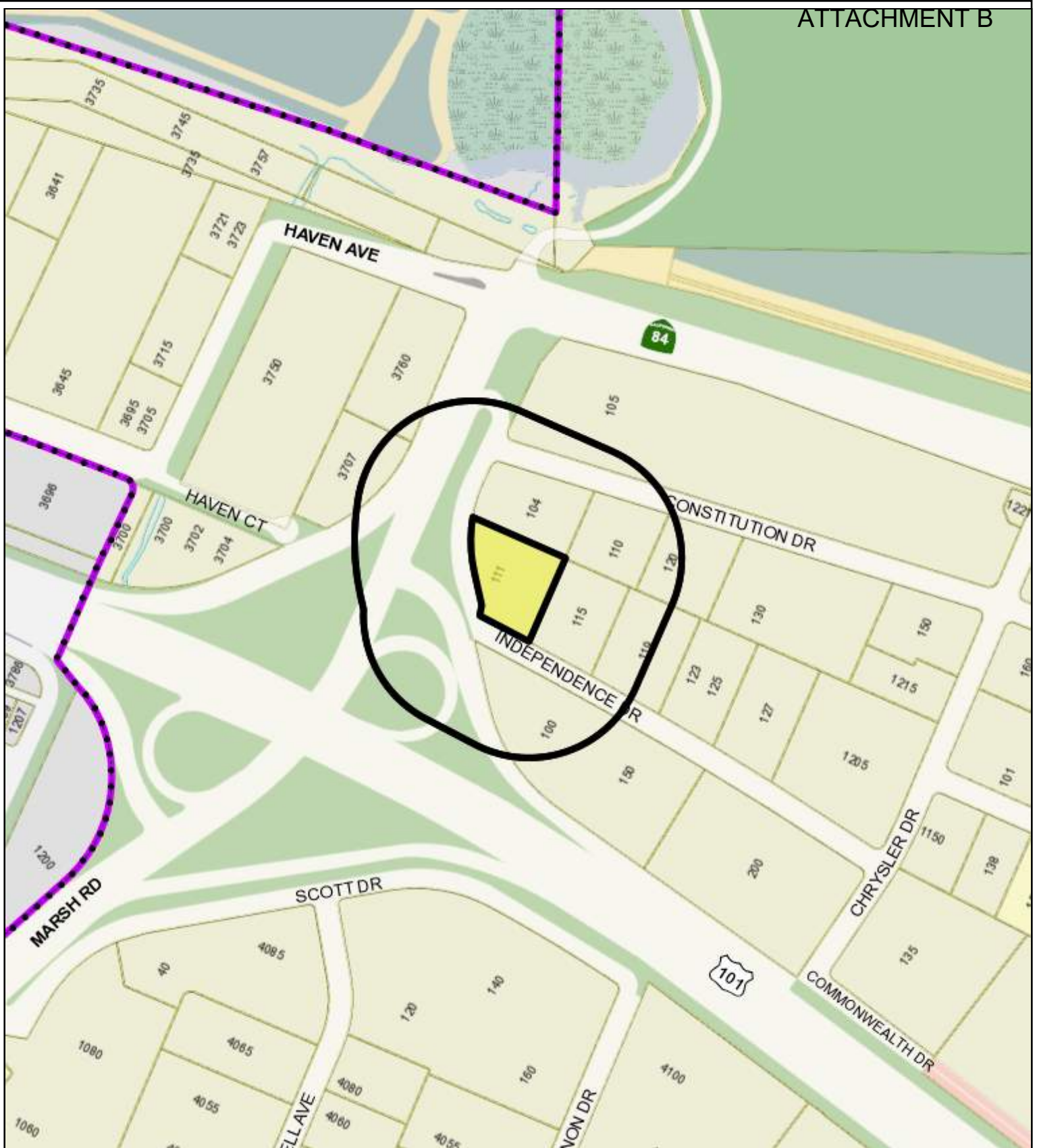
San Pedro Square Residences Project Initial Study/Addendum

LSA PREPARED a Project Initial Study and EIR Addendum for a 5 ½-story 408-unit multi-family residential building and 78 townhouses throughout a multi-block site. The environmental analysis relied in part on the previous Brandenburg Mixed Use Project/ North San Pedro Housing Sites EIR, prepared by LSA in 2004. The Brandenburg EIR provided a program level analysis of development within the Area encompassing the site; the IS and EIR Addendum provided a project level analysis for the Project.

LSA also prepared a Greenhouse Gas (GHG) Technical Report based on the BAAQMD Guidelines that were issued post-2004, and provided a technical analysis quantitatively evaluating the impacts of project-related GHG emissions and the project's impact to global climate change. Also new to the BAAQMD CEQA Air Quality Guidelines in 2010 was the requirement for a detailed health risk assessment associated with construction activities and exposure to emissions from high volume highways.

Client:
City of San José

Location:
San José, California



City of Menlo Park
 Location Map
 111 Independence Drive

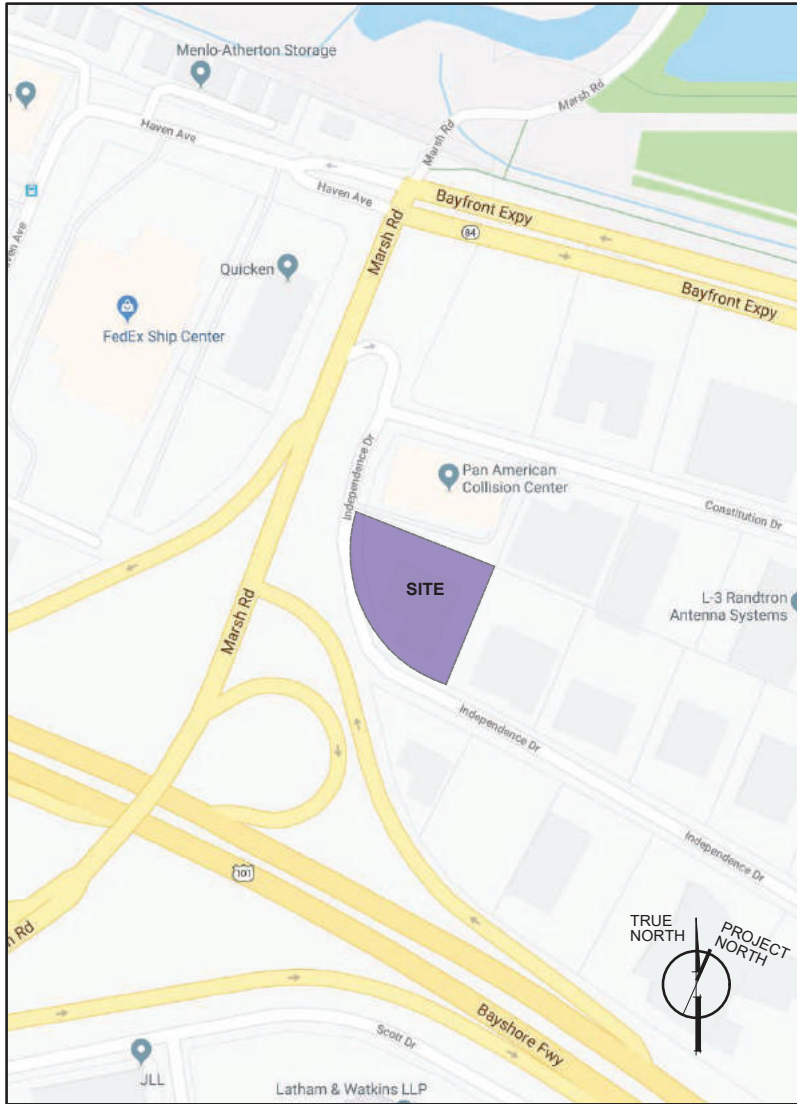




**PLANNING COMMISSION STUDY SESSION: SUBMITTAL 3
111 INDEPENDENCE**

**MULTI-FAMILY DEVELOPMENT
94 DWELLING UNIT**

JUNE 11, 2018



UNIT AND AREA SUMMARY															
Date 06/07/2018															
CONSTRUCTION TYPE: TYPE IIIA OVER TYPE IA															
FLOORS: 5 WOOD OVER 3 CONCRETE															
UNIT TYPE	NAME	DESCRIB	Unit Net Rentable	B1	1ST	2ND	3RD	4TH	5TH	6TH	7TH	8TH	Unit Total	Percent of Total Units	Rentable Area by Type
STUDIO	A1	STUDIO	512				0	3	3	3	3	3	15	16%	7,680
	A1.1	STUDIO	539				0	1	1	1	1	1	5	5%	2,695
	A1.2	STUDIO	577				0	1	1	1	1	1	5	5%	2,885
	A2	STUDIO	529				0	1	1	1	1	1	5	5%	2,645
	A3	STUDIO	449				1	0	0	0	0	0	1	1%	449
	A4	STUDIO	568				1	0	0	0	0	0	1	1%	568
STUDIO SUB-TOTAL				0	0	1017	3181	3181	3181	3181	3181	3181	32	34%	16,922
1 BEDROOM	B1	1 BDRM/ 1 BATH	629				0	2	2	2	2	2	10	11%	6,290
	B1.1	1 BDRM/ 1 BATH	647				0	1	1	1	1	1	5	5%	3,235
	B2	1 BDRM/ 1 BATH	790				0	1	1	1	1	1	5	5%	3,960
	B3	1 BDRM/ 1 BATH	713				0	1	0	0	0	0	1	1%	713
	B4	1 BDRM/ 1 BATH	1043				1	0	0	0	0	0	1	1%	1,043
	B5	1 BDRM/ 1 BATH	876				1	0	0	0	0	0	1	1%	876
	B6	1 BDRM/ 1 BATH	927				1	0	0	0	0	0	1	1%	927
	B7	1 BDRM/ 1 BATH	662				1	0	0	0	0	0	1	1%	662
	B8	1 BDRM/ 1 BATH	605				1	0	0	0	0	0	1	1%	605
	B9	1 BDRM/ 1 BATH	621				0	1	1	1	1	1	5	5%	3,109
	B10	1 BDRM/ 1 BATH	734				0	1	1	1	1	1	5	5%	3,670
1 BDRM SUB-TOTAL				0	0	4113	4763	4050	4050	4050	4050	4050	36	38%	25,078
2 BEDROOM	C1	2 BDRM/ 2 BATH	1019				0	1	1	1	1	1	4	4%	4,078
	C2	2 BDRM/ 2 BATH	1029				0	1	1	1	1	1	5	5%	5,145
	C3	2 BDRM/ 2 BATH	1024				0	1	1	1	1	1	5	5%	5,120
	C4	2 BDRM/ 2 BATH	844				0	1	1	1	1	1	5	5%	4,220
	C5	2 BDRM/ 2 BATH	1089				1	0	0	0	0	0	1	1%	1,089
	C6	2 BDRM/ 2 BATH	975				1	0	0	0	0	0	1	1%	975
	C7	2 BDRM/ 2 BATH	1156				1	0	0	0	0	0	1	1%	1,156
2 BDRM SUB-TOTAL				0	0	3220	2897	3916	3916	3916	3916	3916	22	23%	21,781
3 BEDROOM	D1	3 BDRM/ 2 BATH	1,174				0	0	0	1	1	0	2	2%	2,348
3 BDRM SUB-TOTAL				0	0	0	1174	1174	1174	1174	1174	0	4	4%	4,696
TOTAL UNITS			Avg SqFt	728	0	0	8350	12015	12321	12321	12321	11147	94	100%	68,478
Net rentable residential area is measured center of demising wall, ext face of stud of ext wall, ext face of stud of corridor wall, excl decks															
Net rentable Residential by floor (excl decks)															
				0	0	8,350	12,015	12,321	12,321	12,321	12,321	11,147			68,478
Gross (Including Corridors, Excluding Decks)															
				1,418	1,403	2,144	2,199	1,943	1,943	1,943	1,941			14,934	
Amenity (Including Leasing)															
				3,536										4,090	
Garage (Including Bikes, MEP, Trash Termination)															
				20,688	17,689	15,455								53,832	
Total Gross				0	25,642	19,082	25,949	14,214	14,284	14,284	14,284	13,842			141,331
SITE AREA				ALLOWED FAR (SF)				PROVIDED FAR (SF)				ALLOWED FAR BASED ON ORDINANCE 1026: R-MU ZONING DISTRICT ADDED TO TITLE 16 OF MUNICIPAL CODE (SECTION 16.45.050: DEVELOPMENT REGULATIONS)			
41,184 SF/0.945 ACRE (41,088SF POST ROW)				87,856				87,495							
OFF STREET PARKING - RESIDENTIAL															
REQUIRED MINIMUM RESIDENTIAL PARKING				RECOMMENDED RESIDENTIAL PARKING				RECOMMENDED RESIDENTIAL PARKING							
UNIT TYPE	PKG RATIO	#UNITS	PKG REQ'D	UNIT TYPE	PKG RATIO	#UNITS	PKG REQ'D	UNIT TYPE	PKG RATIO	#UNITS	PKG REQ'D				
STUDIO	1	32	32	STUDIO	1.5	32	48	STUDIO	1	32	32				
1 BDRM	1	36	36	1 BDRM	1.5	36	54	1 BDRM	1.5	36	54				
2 BDRM	1	22	22	2 BDRM	1.5	22	33	2 BDRM	1.5	22	33				
3 BDRM	1	4	4	3 BDRM	1.5	4	6	3 BDRM	1.5	4	6				
TOTAL		94	94	TOTAL		94	141	TOTAL		94	134				
TOTAL REQUIRED MINIMUM PARKING RATIO PROVIDED				TOTAL REQUIRED MAXIMUM PARKING RATIO PROVIDED				TOTAL RECOMMENDED PARKING RATIO PROVIDED							
94				141				134							
1.00				1.50				1.43							
PROVIDED RESIDENTIAL PARKING															
FLOOR	STANDARD	ACCESS	VAN ACCES	EV	STANDARD GUEST	VAN ACCESS GUEST	TOTAL								
1st	36	0	2	3	3	1	45								
2nd	43	1	0	2	0	0	46								
3rd	40	1	0	1	0	0	42								
TOTAL	119	2	2	6	3	1	133								
TOTAL PROVIDED PARKING RATIO PROVIDED															
133															
1.41															
BICYCLE PARKING															
REQUIRED LONG TERM: 1.5 STALLS/DU = 1.5 * 94DU =				141 STALLS				PROVIDED CLASS I: (12) BIKE STACKERS (12 BIKES EACH) = 144 STALLS							
REQUIRED SHORT TERM: 10% OF CLASS I = 141STALLS * 10% =				15 STALLS				PROVIDED CLASS II: 15 CLASS II STALLS							

STATISTICS & VICINITY MAP

1

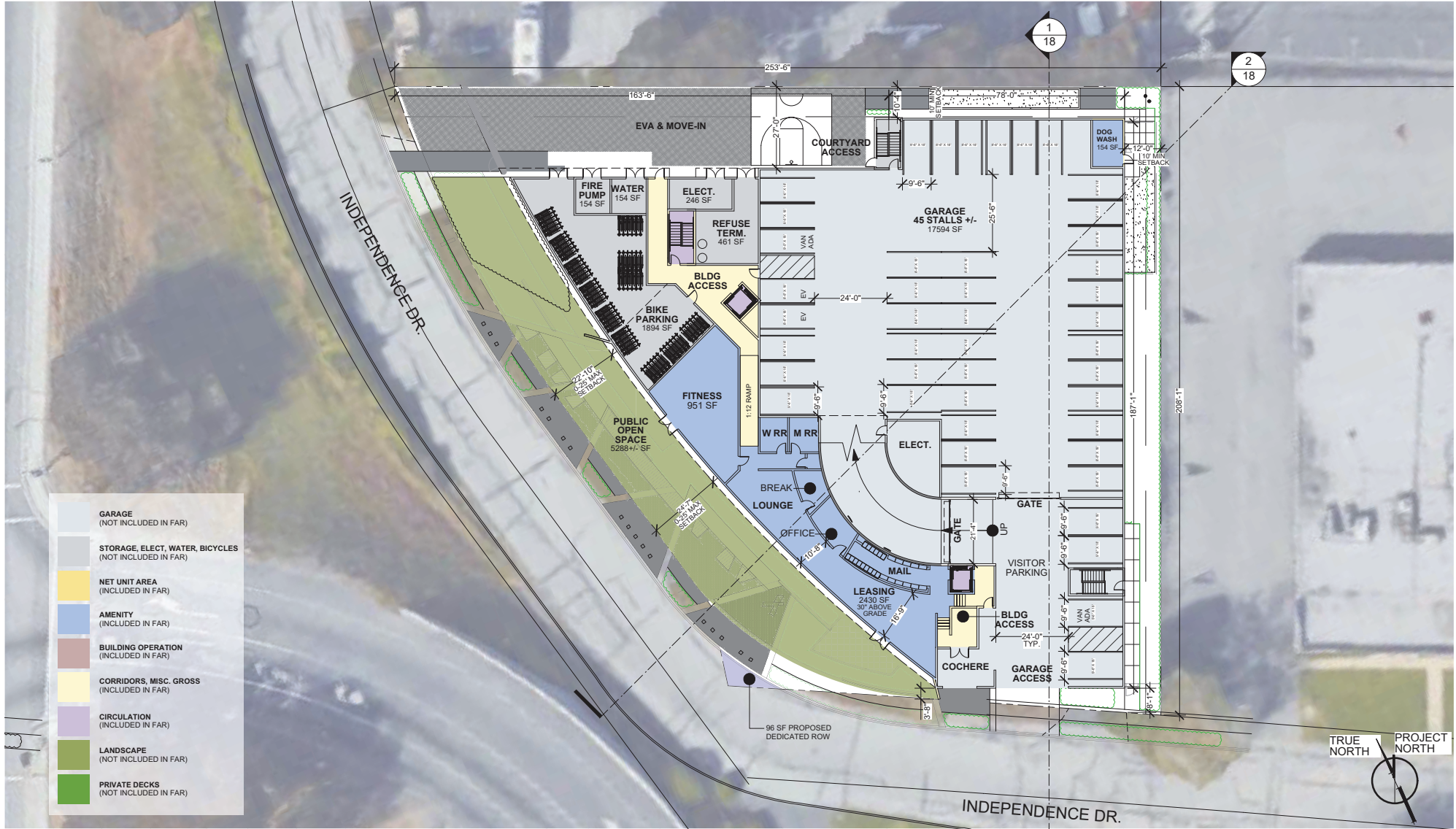


PLANNING COMMISSION
STUDY SESSION-2: 111 INDEPENDENCE DR.

111 INDEPENDENCE DR, MENLO PARK, CALIFORNIA

JUNE 11, 2018

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FLOOR 1 - PLAN 1" = 30'-0" 2

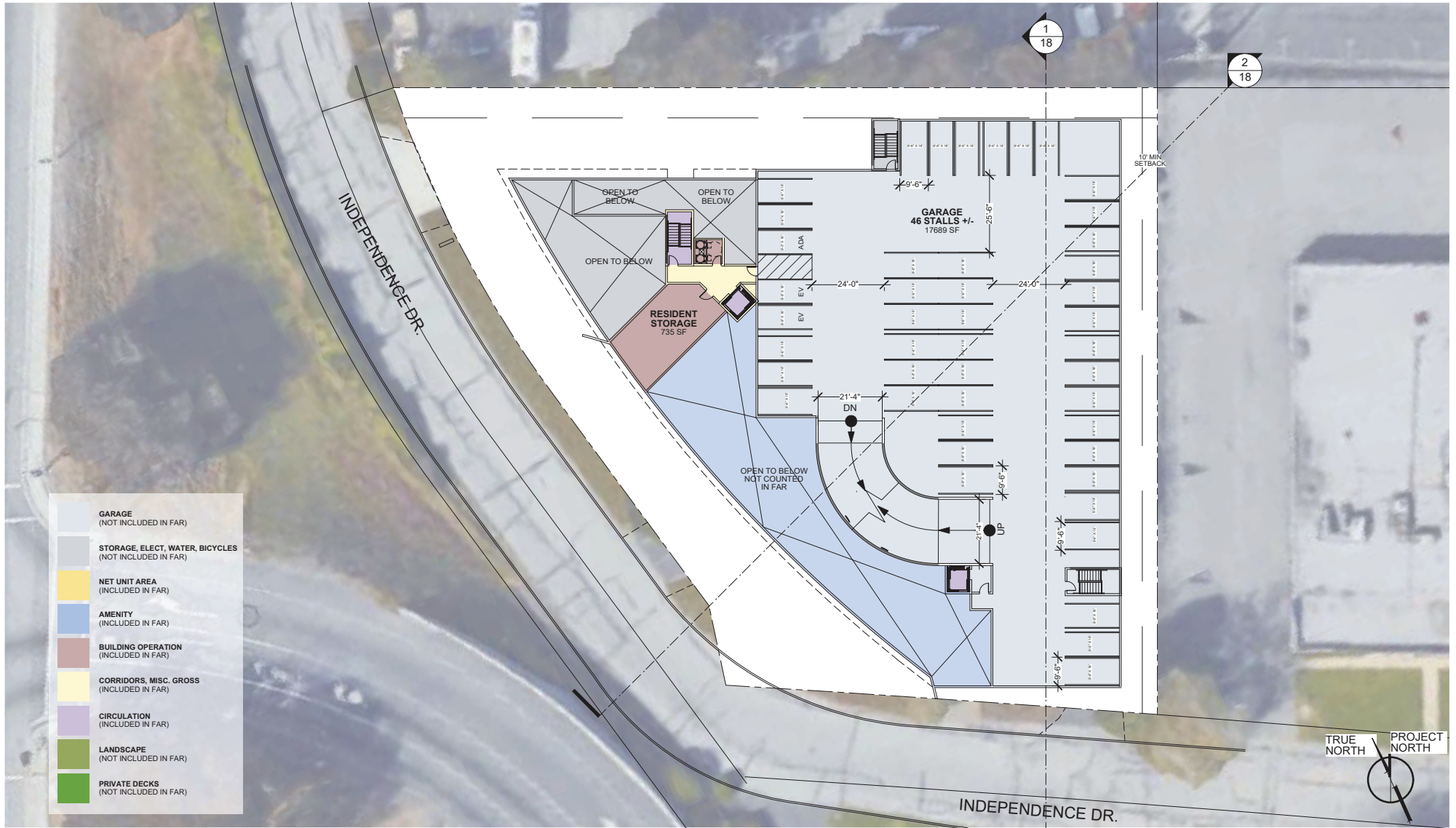


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FLOOR 2 - PLAN 1" = 30'-0" **3**



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FLOOR 3 - PLAN 1" = 30'-0" **4**



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- GARAGE
(NOT INCLUDED IN FAR)
- STORAGE, ELECT, WATER, BICYCLES
(NOT INCLUDED IN FAR)
- NET UNIT AREA
(INCLUDED IN FAR)
- AMENITY
(INCLUDED IN FAR)
- BUILDING OPERATION
(INCLUDED IN FAR)
- CORRIDORS, MISC. GROSS
(INCLUDED IN FAR)
- CIRCULATION
(INCLUDED IN FAR)
- LANDSCAPE
(NOT INCLUDED IN FAR)
- PRIVATE DECKS
(NOT INCLUDED IN FAR)

FLOOR 4 - PLAN 1" = 30'-0" **5**



**PLANNING COMMISSION
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FLOOR 5-7 - PLAN

1" = 30'-0"

6



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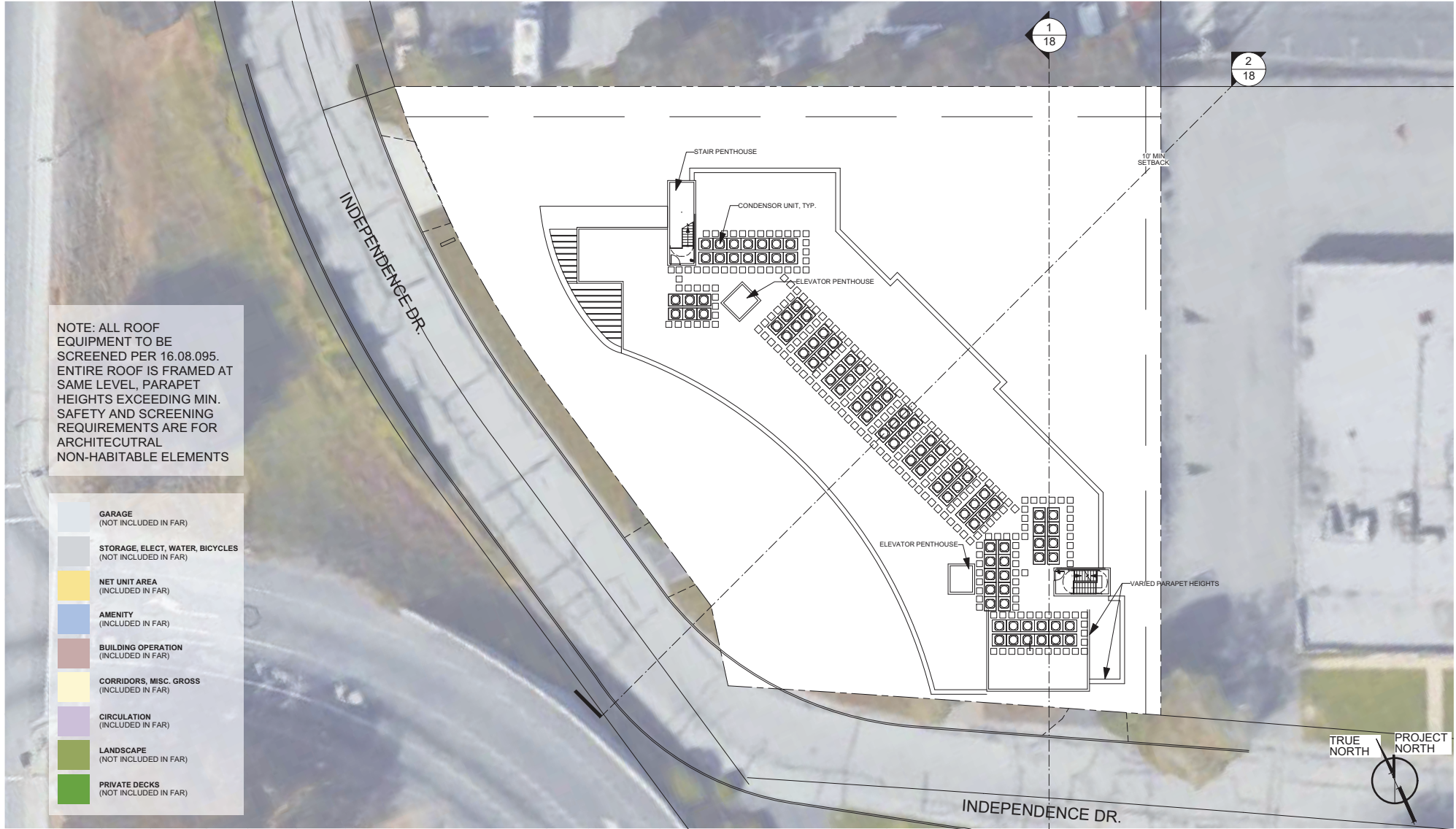
FLOOR 8 - PLAN 1" = 30'-0" **7**



PLANNING COMMISSION
STUDY SESSION-2: 111 INDEPENDENCE DR.

111 INDEPENDENCE DR, MENLO PARK, CALIFORNIA JUNE 11, 2018

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NOTE: ALL ROOF EQUIPMENT TO BE SCREENED PER 16.08.095. ENTIRE ROOF IS FRAMED AT SAME LEVEL, PARAPET HEIGHTS EXCEEDING MIN. SAFETY AND SCREENING REQUIREMENTS ARE FOR ARCHITECTURAL NON-HABITABLE ELEMENTS

- GARAGE (NOT INCLUDED IN FAR)
- STORAGE, ELECT, WATER, BICYCLES (NOT INCLUDED IN FAR)
- NET UNIT AREA (INCLUDED IN FAR)
- AMENITY (INCLUDED IN FAR)
- BUILDING OPERATION (INCLUDED IN FAR)
- CORRIDORS, MISC. GROSS (INCLUDED IN FAR)
- CIRCULATION (INCLUDED IN FAR)
- LANDSCAPE (NOT INCLUDED IN FAR)
- PRIVATE DECKS (NOT INCLUDED IN FAR)

ROOF PLAN 1" = 30'-0" **8**



- ①A BLUE OMBRE - PAINT ACCENT
SEE PAGE 12/ITEM 1 FOR
OMBRE ACCENT COLORS
- ②A PAINT- SNOW WHITE
- ②B PAINT- SHORELINE
- ②C PAINT - CAPE MAY COBBLESTONE
- ②D PAINT - BEAR CREEK
- ③ BOARD FORMED OR CIP
CONCRETE
- ④ GLASS RAIL
- ⑤ PLASTER
- ⑥ METAL RAIL - AMETCO "GROTTO"
METAL INFILL PANELS
- ⑦ PHENOLIC WOOD PANEL
- ⑧ METAL AWNING W/ PHENOLIC
WOOD
- ⑨ VPI VINYL WINDOWS -
'ARCHITECTURAL BRONZE'
- ⑩ PAINT TO MATCH VINYL WINDOW
- ⑪ STOREFRONT TO MATCH VINYL
- ⑫ PUBLIC ART: METAL AMERICAN
FLAG WALL ART
- ⑬ GARAGE OPENING W/ AMETCO
"GROTTO" METAL INFILL PANEL
- ⑭ AMETCO "GROTTO" METAL PANEL
- ⑮ BUILDING ADDRESS SIGNAGE:
36" TALL, 3" DEPTH, HELVETICA OR
SIM; CAST METAL
- ⑯ BUILDING SIGNAGE:
14" TALL, 2" DEPTH, HELVETICA OR
SIM; CAST METAL

ELEVATIONS 1" = 30'-0" **9**



- ①A BLUE OMBRE - PAINT ACCENT
SEE PAGE 12/ITEM 1 FOR
OMBRE ACCENT COLORS
- ②A PAINT- SNOW WHITE
- ②B PAINT- SHORELINE
- ②C PAINT - CAPE MAY COBBLESTONE
- ②D PAINT - BEAR CREEK
- ③ BOARD FORMED OR CIP
CONCRETE
- ④ GLASS RAIL
- ⑤ PLASTER
- ⑥ METAL RAIL - AMETCO "GROTTO"
METAL INFILL PANELS
- ⑦ PHENOLIC WOOD PANEL
- ⑧ METAL AWNING W/ PHENOLIC
WOOD
- ⑨ VPI VINYL WINDOWS -
'ARCHITECTURAL BRONZE'
- ⑩ PAINT TO MATCH VINYL WINDOW
- ⑪ STOREFRONT TO MATCH VINYL
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- ⑬ GARAGE OPENING W/ AMETCO
"GROTTO" METAL INFILL PANEL
- ⑭ AMETCO "GROTTO" METAL PANEL
- ⑮ BUILDING ADDRESS SIGNAGE:
36" TALL, 3" DEPTH, HELVETICA OR
SIM; CAST METAL
- ⑯ BUILDING SIGNAGE:
14" TALL, 2" DEPTH, HELVETICA OR
SIM; CAST METAL

ELEVATIONS 1" = 30'-0" **10**



OVERALL ELEVATION - INDEPENDENCE DRIVE

1" = 20'-0"

11



**PLANNING COMMISSION
STUDY SESSION-2 : 111 INDEPENDENCE DR.**

111 INDEPENDENCE DR, MENLO PARK, CALIFORNIA

JUNE 11, 2018

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PERSPECTIVE

17



For Detailed, Labeled Plans, see sheets L.2-L.4





LEGEND:

- 1 EVA DRIVEWAY: ACCENT VEHICULAR AND PEDESTRIAN PAVING, VEHICULAR AND PEDESTRIAN ACCENT GATES.
- 2 BASKETBALL HALF COURT.
- 3 BOCCE BALL COURT AND SITTING AREAS.
- 4 PERIMETER FENCE.
- 5 DOG RUN W/ DOG WASH STATION ACCESS.
- 6 STORMWATER TREATMENT.
- 7 5' WIDE CITY SIDEWALK.
- 8 5' WIDE CITY PLANTING STRIP WITH STREET TREES.
- 9 SLOPED ACCESS WALK TO FITNESS.
- 10 MAIN PLAZA: PEDESTRIAN PAVING WITH 2' WIDE BANDS, RAISED WOOD SEATING (2 LEVELS: 18" AND 36" HIGH), MOVEABLE WOOD SEATS (18" HIGH) W/ TRACKS, RAISED DECK/STAGE (18" HIGH) WITH SCULPTURE;
- 11 TERRACED PLANTING WITH ACCENT METAL WALLS (48" HIGH) AND PLAZA LIGHTING.
- 12 UPPER PLAZA: SEATING AREA WITH TABLES AND CHAIRS (RAISED AT 30").
- 13 ENTRANCE: ACCENT PEDESTRIAN PAVING, ACCENT METAL WALL WITH PROJECT SIGNAGE.

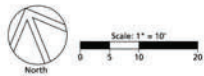






LEGEND:

- 1 MOVIE WALL.
- 2 WOOD DECK W/ TABLES AND CHAIRS AND STRING LIGHT CANOPY.
- 3 LOUNGE AREA W/ FIRE PIT, LOUNGE FURNITURE, GLASS ARCH. RAILING FOR OPEN VIEWS



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STAFF REPORT

City Council

Meeting Date: 2/11/2019
Staff Report Number: 19-019-CC

Public Hearing: Consider an appeal of the Planning Commission approval of a use permit and architectural control for a new single-story, 3,681 square-foot nonmedical office building at 40 Middlefield Road, and consider a parking reduction to provide a parking ratio of one space per 230 square feet of gross floor area

Recommendation

Staff recommends that the City Council make the necessary findings and take actions to deny the appeal and uphold the Planning Commission's use permit and architectural control approval to construct a new single-story, 3,681 square-foot nonmedical office building on a vacant parcel located at 40 Middlefield Road in the C-4 (general commercial) zoning district. In addition, the City Council should uphold the Planning Commission's approval of a parking reduction to provide 16 spaces, for a parking ratio of one space per 230 square feet of gross floor area (GFA), and the dedication of 1,667 square feet of right-of-way along Middlefield Road associated with a plan line. The recommended actions are included as Attachment A.

Policy Issues

Each use permit and architectural control request is considered individually. The City Council should consider whether the required use permit and architectural control findings can be made for the proposal.

Background

Project description

The applicants are proposing to construct a new one-story, 3,681 square-foot nonmedical office building with a mix of seven surface parking spaces and nine parking spaces located in a fully-enclosed automated mechanical parking system (referred to in this staff report as a "parking puzzler"), integrated into the rear of the office building. The current vacant parcel is 11,590 square feet, but would be reduced to 9,923 square feet with the dedication of 1,667 square feet to the public right-of-way where portions of Middlefield Road and a sidewalk already exist. The new front property line would be located just behind the back of the existing sidewalk.

All new construction of permitted uses within the C-4 zoning district requires use permit and architectural control approval. In the C-4 district, there are no requirements for minimum lot area, minimum lot dimensions, minimum required yards or maximum building coverage. The proposed building would be sited at the front lot line, but the location of the front wall would be nearly aligned with the front wall of the Willows Market and would respect the context of other commercial and office buildings on the street. Surface parking would be located along the left side of the building and at the rear of the building as

viewed from Middlefield Road. Parking on the side of the building would be within a recessed area that would help screen it from view along Middlefield Road.

The project would provide 12 percent of the site area as landscaping where the zoning district requires a minimum of 5 percent, the maximum height of the building would be 19 feet where a 30-foot maximum is allowed, and the proposed floor area ratio (FAR) of the building would be 37 percent where a 40 percent maximum is allowed. More details about the proposed project, including the plans, are included in the Attachment B.

Planning Commission review

On May 14, 2018, the Planning Commission reviewed an initial version of the proposal for the subject property. Twelve members of the public spoke at the meeting, all in opposition to the proposal. The Commission continued the use permit and architectural control application (on a 6-0-1 vote) with direction including the following points:

- Increase the amount of proposed parking on the site (12 spaces) to a ratio greater than 3.33 spaces per 1,000 square feet of GFA but less than 6 spaces per 1,000 square feet of GFA, and
- Address potential barriers at the Northwest corner of the site that may impede deliveries to the Willows Market loading dock, including the location of the proposed site wall, landscaping, curbs, and other potential impediments to truck deliveries.

On December 3, 2018, the Planning Commission reviewed a revised proposal that would increase the proposed parking on the site by four spaces (16 spaces total) for a ratio of 4.36 spaces per 1,000 square feet of GFA. In addition, the applicant reduced the length of a proposed site wall adjacent to the Willows Market parking lot, and reduced the size of a landscaped parking island in consultation with the Willows Market owner. After considering public comments and the proposal, the Planning Commission approved the project 4-1-1-1 (with Commissioner Strehl in opposition, Commissioner Combs recused and Commissioner Goodhue absent.) The staff report for the December 2018 meeting is included as Attachment B. The excerpt draft minutes are included as Attachment C.

Analysis

Appeal of the Planning Commission's action

On December 18, 2018, the City received an appeal of the Planning Commission's approval of the use permit and architectural control. The appeal was submitted by six residents of Menlo Park who live in the vicinity of the project site. The appellants were active participants during the earlier phases of project review, and offered verbal testimony that was considered by the Planning Commission. The concerns outlined in the document are similar to what was presented at the Planning Commission meeting and were considered by the Commission during their discussion and action on the item.

The appeal letter (Attachment D) outlines several points. These points are summarized below followed by staff's responses.

1. The puzzler parking system will have visual and noise impacts to the surrounding community.

The visual impact of the puzzler system was discussed by the Commissioners during the December 2018 meeting and determined to be acceptable as proposed. The sides of the puzzler would be clad with the same limestone veneer as the remainder of the building. A stained cedar wood band would be located across the top of the entrance to the puzzler, which would echo the cedar bands along the tops of the building segments along the Woodland Avenue (south) frontage of the building. The puzzler gates would

be made of woven metal mesh with a dark bronze finish. The Planning Commission added a condition of approval to allow the applicant flexibility in using the mesh gates as proposed or opting for solid gates to provide additional screening, subject to review and approval by City staff.

The sound impacts of the puzzler would not exceed the City's permitted noise limitations of 50 decibels (dBA) during nighttime hours and 60 dBA during daytime hours at the nearest residential property line. The loudest sound emitted by the puzzler would be 59 dBA (as measured 15 inches from the machine) when raising a vehicle. At a distance of 20 feet, which is the closest distance between the puzzler and an adjacent residential property, the sound levels would decline to approximately 35 dBA, which is comparable to the ambient sound in a quiet library. Furthermore, the puzzler would be for use by regular building employees only, typically during standard business hour when the City's higher 60 dBA noise limitation would be in effect.

As mentioned, the puzzler would only be for use by regular employees of the building who would be trained in the usage of the system and would have key fobs that would allow them to access to the system. Visitors to the building would be accommodated by the seven surface parking spaces on the site.

2. The logistics of project construction on the parcel were not considered.

Condition of approval 5.d.iii. requires the applicant to submit plans for construction-related parking management, construction staging, material storage and traffic control, which would be reviewed by the city's engineering, transportation, and planning divisions to ensure that adequate parking is secured for all construction trades and that construction phasing and anticipated traffic handling does not cause significant disruptions in the vicinity of the project. The plans would need to be approved prior to issuance of a building permit to begin construction activities on the site.

3. Overflow parking would spill into the Willows neighborhood.

Conditions of approval 5.a.i through 5.a.v require parking for all employees and visitors to be managed with the 16 parking spaces provided and no parking on adjacent parcels or in residential neighborhoods. The recommended conditions would further restrict the types of office uses on the site to exclude all medical, dental and healthcare-related offices from occupancy, as well as all computer or mobile device software and/or hardware development. These types of uses tend to have high patient volumes and turnover and a greater density of employees, respectively. The approved conditions would also narrow the types of permitted office uses on the site to professional offices with low customer/client volumes. The applicant would be required to record a deed restriction memorializing the conditions of approval to ensure that future owners and lessees are aware of the restrictions related to uses and parking on the site. These conditions, in combination with the transportation demand management (TDM) plan prepared by the applicant to reduce vehicular trips to the site, would help to limit parking demand for the project. In the event that overflow parking into the neighborhood was violating the conditions of approval, a code enforcement case could be opened to remediate any issues with overflow parking in the vicinity of the site. In an extreme case, the Planning Commission could amend the use permit with additional conditions, or revoke it entirely, to address any potential overflow parking issues.

4. There are issues with deliveries to the Willows Market and parking overflow from market customers.

The applicant collaborated with the owners of the Willows Market to reduce the length of a proposed wall between the edge of the market parking lot and the project site. The applicant also modified a landscape

planter at the rear of the site so trucks could more easily navigate the service road to access the market's delivery dock.

The existing width of the service road is constrained to approximately 20 feet, based on the location of a perimeter fence placed around the project site. The proposed project would be set back from the existing fence line and property line adjacent to the service road, creating an additional three to four feet of space along the rear of the site, which could be used by pedestrians or cyclists to access properties bordering either side of the service road.

The Willows Market has been in use as a grocery store for a number of decades and was developed prior to building permit records kept by the City. The existing market parking is considered nonconforming, but since there has not been a change of use or comprehensive redevelopment of the site under the C-4 zoning regulations that apply to the property, the owner has not been required to increase parking on the site. Given the existing constraints on market parking, the owner is aware that truck deliveries need to be managed in a way that does not require stopping or parking within City rights of way, including the service road and Middlefield Road. Customers may park within the broader neighborhood and walk to the market, but there are no conditions on the Willow Market property that would limit or discourage such activity. The conditions recommended to be placed on the subject project would help to limit further parking and circulation issues in the vicinity, but the applicant is not responsible to remediate existing parking limitations on a separate parcel owned by another individual.

5. The project will create traffic circulation impacts that should be addressed through pavement markings and the installation of a stoplight.

A transportation impact analysis (TIA) is not required for the development because commercial projects where the total new or added square footage is 10,000 square feet or less are considered exempt based on the City's guidelines. Using institute of transportation engineers (ITE) trip generation rate estimates for office uses, totaling six trips to and from the site are estimated during the peak AM hour and five trips are estimated during the peak p.m. hour. Because of the limited size of the building and the low volume of trips anticipated to and from the site, there is no nexus to require the project developer to fund transportation-related improvements in the vicinity of the site.

A "keep clear" zone on northbound Middlefield Road was discussed during the final Planning Commission public hearing for the project, but transportation division staff believe that "keep clear" pavement markings in the vicinity of the site could lead to reduced traffic safety on Middlefield Road. When vehicles heading southbound on Middlefield Road attempt to turn left into the Willows Market site or the project site, vehicles in the leftmost northbound lane are likely to stop first to provide a gap for those turning left, however, they also reduce visibility between the southbound left-turn drivers and the drivers in the rightmost northbound lane increasing the potential for a collision between those two vehicles. Because of these safety concerns, staff is not supportive of a "keep clear" zone on Middlefield Road. The City's transportation division is evaluating the potential for a stoplight at Woodland Avenue and Middlefield Road as part of the transportation master plan (TMP), which is currently in development.

Per Section 16.86.040 of the zoning ordinance, the City Council may affirm, revise, or modify the decision of the Planning Commission. To reverse or modify the Planning Commission's decision requires the affirmative vote of three-fifths of the City Council (or three City Councilmembers). If the City Council does not take any action on the appeal, the Planning Commission's action shall be deemed affirmed.

Impact on City Resources

The project sponsor is required to pay planning, building and public works permit fees, based on the city's master fee schedule, to fully cover the cost of staff time spent on the review of the project, for the period between the application submittal and the appeal of the Planning Commission action. The appellants paid a \$110 flat fee to file an appeal of the Planning Commission's decision. Staff time spent on the review of the appeal to the City Council is not otherwise recovered, per City Council policy.

Environmental Review

The project is categorically exempt under Class 3 (Section 15303, "New Construction or Conversion of Small Structures") of the current California Environmental Quality Act (CEQA) Guidelines.

Public Notice

Public notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting. Public notification also consisted of publishing a notice in the local newspaper and notification by mail of owners and occupants within a 300-foot radius of the subject property.

Attachments

- A. Recommended actions
- B. Planning Commission staff report – December 3, 2018: Hyperlink – <https://www.menlopark.org/DocumentCenter/View/19048/F3---40-Middlefield-Rd?bidId=>
- C. Planning Commission excerpt draft minutes – December 3, 2018
- D. Appeal letter – December 18, 2018

Disclaimer

Attached are reduced versions of maps and diagrams submitted by the applicants. The accuracy of the information in these drawings is the responsibility of the applicants, and verification of the accuracy by City Staff is not always possible. The original full-scale maps, drawings and exhibits are available for public viewing at the community development department.

Exhibits to Be Provided at Meeting

Color and materials board

Report prepared by:
Tom Smith, Senior Planner

Report reviewed by:
Deanna Chow, Assistant Community Development Director
Mark Muenzer, Community Development Director

LOCATION: 40 Middlefield Road	PROJECT NUMBER: PLN2017-00106	APPLICANT: NMSBPCSLDHB	OWNER: Pajis Station, LLC c/o Win Properties, Inc.
PROPOSAL: Request for a use permit and architectural control to construct a new single-story office building, approximately 3,700 square feet in size, on a vacant lot in the C-4 (general commercial) zoning district. In addition, a parking reduction request to provide 16 spaces where 22 spaces are required. The project includes a dedication of approximately 1,700 square feet of right-of-way along Middlefield Road associated with a plan line.			
DECISION ENTITY: City Council	DATE: February 12, 2019	ACTION: TBD	
VOTE: TBD (Carlton, Combs, Mueller, Nash, Taylor)			
ACTION:			
<ol style="list-style-type: none"> 1. Make a finding that the project is categorically exempt under Class 3 (Section 15303, "New Construction or Conversion of Small Structures") of the current California Environmental Quality Act (CEQA) Guidelines. 2. Make findings, as per Section 16.82.030 of the Zoning Ordinance pertaining to the granting of use permits, that the proposed use will not be detrimental to the health, safety, morals, comfort and general welfare of the persons residing or working in the neighborhood of such proposed use, and will not be detrimental to property and improvements in the neighborhood or the general welfare of the City. The requested parking ratio of 1 space per 230 square feet of gross floor area exceeds the recommended minimum parking ratio set by the City's parking reduction request policy for general office, approved by City Council in 2005, and the applicant has prepared a transportation demand management (TDM) plan to reduce trips to the site. The proposed office use should generate less traffic and parking demand than other uses allowed within the C-4 zoning district. Project-specific conditions would further limit the types of office uses permitted on the site to lower density and lower client/customer volume office uses. 3. Adopt the following findings, as per Section 16.68.020 of the Zoning Ordinance, pertaining to architectural control approval: <ol style="list-style-type: none"> a. The general appearance of the structure is in keeping with the character of the neighborhood. The building design would fit with the mix of office and commercial building styles in the vicinity along Middlefield Road and Willow Road. The size and height of the building, as well as its placement at the front of the lot, is respectful of nearby single-family residential development located across the service road. b. The development will not be detrimental to the harmonious and orderly growth of the City. The applicant has prepared a TDM plan to reduce trips to the site, and the 3,681-square foot size of the building is small enough that parking and trips to the site should be less than other potential uses in the C-4 zoning district, such as service stations and retail stores. c. The development will not impair the desirability of investment or occupation in the neighborhood. The project would replace a vacant gravel parcel surrounded by chain link fencing with a new office building, site improvements, and landscaping. d. The development provides adequate parking as required in all applicable City Ordinances and has made adequate provisions for access to such parking. The requested parking ratio of 1 space per 230 square feet of gross floor area, for a total of 16 parking spaces, is consistent with the City's parking reduction request policy for general office, approved by City Council in 2005. e. The property is not within any Specific Plan area, and as such no finding regarding consistency is required to be made. 4. Approve the architectural control and use permit subject to the following standard conditions: <ol style="list-style-type: none"> a. Development of the project shall be substantially in conformance with the plans prepared by Hayes Group Architects, C2G/Civil Consultants Group, Inc., and Van Dorn Abed Landscape Architects, Inc., consisting of 26 plan sheets, dated November 27, 2018, as well as the Project 			

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DECISION ENTITY: City Council	DATE: February 12, 2019	ACTION: TBD
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VOTE: TBD (Carlton, Combs, Mueller, Nash, Taylor)

ACTION:

Description Letter, dated November 26, 2018; the Parking Reduction Request Letter, dated November 26, 2018; and the transportation demand management (TDM) plan, dated April 30, 2018, and approved by the City Council on February 12, 2019, except as modified by the conditions contained herein, subject to review and approval of the City Council.

- b. Simultaneous with the submittal of a complete building permit application, the applicant shall submit a draft "Stormwater Treatment Measures Operations and Maintenance (O&M) Agreement" with the City subject to review and approval by the Engineering Division. With the executed agreement, the property owner is responsible for the operation and maintenance of stormwater treatment measures for the project. The agreement shall run with the land and the agreement shall be recorded with the San Mateo County Recorder's Office prior to building permit final inspection.
- c. Simultaneous with the submittal of a complete building permit application, the applicant shall submit a Grading and Drainage Plan for review and approval of the Engineering Division. The Grading and Drainage Plan shall be approved prior to issuance of a building permit.
- d. Simultaneous with the submittal of a complete building permit application, the Applicant shall comply with all requirements of the Building Division, Engineering Division, Transportation Division, and Utilities Division that are directly applicable to the project.
- e. Simultaneous with the submittal of a complete building permit application, applicant shall coordinate with Menlo Park Municipal Water (MPMW) to confirm the existing water mains and service laterals meet the domestic and fire flow requirements of the project. If the existing water main and service laterals are not sufficient as determined by MPMW, applicant may, as part of the project, be required to construct and install new water mains and service laterals sufficient to meet such requirements.
- f. Simultaneous with the submittal of a complete building permit application, applicant shall coordinate with West Bay Sanitary District to confirm the existing sanitary sewer mains and service laterals have sufficient capacity for the project. If the existing sanitary sewer mains and service laterals are not sufficient as determined by West Bay Sanitary District, applicant may, as part of the project, be required to construct and install new sanitary sewer mains and service laterals sufficient to meet such requirements.
- g. Simultaneous with the submittal of a complete building permit application, the Applicant shall comply with all Sanitary District, Menlo Park Fire Protection District, and utility companies' regulations that are directly applicable to the project.
- h. Simultaneous with the submittal of a complete building permit application, the Applicant shall submit plans for: 1) construction safety fences around the periphery of the construction area, 2) dust control, 3) air pollution control, 4) erosion and sedimentation control, and 5) construction vehicle parking. The plans shall be subject to review and approval by the Building, Engineering, and Planning Divisions. The fences and erosion and sedimentation control measures shall be installed according to the approved plan prior to commencing construction.
- i. Simultaneous with the submittal of a complete building permit application, the Applicant shall submit an Off-Site Improvements Plan for review and approval of the Engineering Division. The

LOCATION: 40 Middlefield Road	PROJECT NUMBER: PLN2017-00106	APPLICANT: NMSBPCSLDHB	OWNER: Pajis Station, LLC c/o Win Properties, Inc.
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VOTE: TBD (Carlton, Combs, Mueller, Nash, Taylor)

ACTION:

Off-Site Improvements Plan shall include all improvements within public right-of-way including but not limited to stormwater, concrete, asphalt, landscaping, striping, electrical, water and sanitary sewer.

- j. Simultaneous with the submittal of a complete building permit application, the Applicant shall submit a plan for any new utility installations or upgrades for review and approval of the Planning, Engineering and Building Divisions. All utility equipment that is installed outside of a building and that cannot be placed underground shall be properly screened by landscaping. The plan shall show exact locations of all meters, back flow prevention devices, transformers, junction boxes, relay boxes, and other equipment boxes.
- k. Prior to building permit issuance, the Applicant shall pay all Public Works fees. Refer to City of Menlo Park Master Fee Schedule.
- l. Stormwater Pollution Prevention Program Best Management Practices (BMPs) for construction shall be implemented to protect water quality, in accordance with the approved Stormwater Pollution Prevention Plan (SWPPP). BMP plan sheets are available electronically for inserting into Project plans.
- m. Prior to commencing any work within the right-of-way or public easements, the Applicant shall obtain an encroachment permit from the appropriate reviewing jurisdiction.

5. Approve the architectural control and use permit subject to the following **project-specific** conditions:

- a. Planning-specific conditions:
 - i. Parking for employees, clients/customers, and all other visitors to the building must be managed on-site with the 16 parking spaces provided. No off-site parking shall be permitted on adjacent parcels or within residential neighborhoods at any time. Parking for the nine spaces within the puzzler shall be reserved for building employees only.
 - ii. No medical, dental, physical therapy, psychiatry, psychology, counseling, or other healthcare-related office uses shall be permitted occupancy within the building.
 - iii. No computer or mobile device software and/or hardware development uses shall be permitted occupancy within the building.
 - iv. Permitted uses on this site shall be limited to professional office uses with low customer/client volumes, such as accounting, architecture, engineering, investment (including private equity, venture capital, and family asset management, but excluding banks and savings and loan associations), and legal offices.
 - v. Prior to building permit issuance, the Applicant shall record a deed restriction on the property memorializing conditions 5.a.i. – iv. of these use permit and architectural control actions. In the event that the property owner will not sign a deed restriction, the deed restriction shall be recorded against the leaseholder's interest and the building and improvements shall be demolished at the end of the lease term. The deed restriction shall be subject to review and approval by the Community Development Director and City Attorney.

LOCATION: 40 Middlefield Road	PROJECT NUMBER: PLN2017-00106	APPLICANT: NMSBPCSLDHB	OWNER: Pajis Station, LLC c/o Win Properties, Inc.
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DECISION ENTITY: City Council	DATE: February 12, 2019	ACTION: TBD
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VOTE: TBD (Carlton, Combs, Mueller, Nash, Taylor)

ACTION:

- vi. Simultaneous with the submittal of a complete building permit application for the initial tenant improvements, staff shall review the floor plan for consistency with the anticipated occupancy plan reviewed by the City Council on February 12, 2019 and provide a copy of the proposed office floor plan to the Planning Commission for review via email through the Planning Division’s Substantial Conformance Memo process. Should one or more Commissioners have questions or concerns about the proposed floor plan, the Commissioner(s) may request that the item be scheduled for a discussion at a future Planning Commission meeting.
- vii. Simultaneous with the submittal of a complete building permit application, the Applicant shall demonstrate that the required minimum width for an accessible sidewalk will be provided within the public rights of way on Middlefield Road and Woodland Avenue, subject to the review and approval of the Engineering Division.
- viii. Simultaneous with the submittal of a complete building permit application, the Applicant shall provide detailed information on the design and materials of the gates for the parking puzzler. The applicant may incorporate a woven mesh material, a solid material for the parking puzzler gates, or comparable materials, subject to review and approval by the Planning Division.

b. Building-specific conditions:

- i. Prior to building permit issuance, the Applicant shall submit a case closure letter from the County of San Mateo Health Department indicating that applicable corrective actions were taken to remediate potential threats to health and safety from underground storage tanks previously removed from the site. In the event that a case closure letter was not issued, the Applicant shall submit a Phase I Environmental Site Assessment (ESA) to the satisfaction of the Building Division.

c. Transportation-specific conditions:

- i. Prior to building permit issuance, the Applicant shall pay a Transportation Impact Fee (TIF) at an office rate of \$4.80 per square foot of gross floor area (GFA) for a total estimated TIF of \$17,668.80, subject to the Municipal Code Section 13.26. The fee rate is subject to change annually on July 1 and the final calculation will be based upon the rate at the time of fee payment. The TIF rate is adjusted each year based on the ENR Construction Cost Index percentage change for San Francisco.
- ii. Prior to building permit issuance, the Applicant shall coordinate with the Transportation Division to determine the final locations of the pedestrian ramp and street light pole that will be installed at the southeast corner of Middlefield Road and Woodland Avenue related to the installation of a future crosswalk on Woodland Avenue. The final locations shall be established to the satisfaction of the Transportation Division.

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DECISION ENTITY: City Council	DATE: February 12, 2019	ACTION: TBD	
VOTE: TBD (Carlton, Combs, Mueller, Nash, Taylor)			
<p>ACTION:</p> <ul style="list-style-type: none"> d. Engineering-specific conditions: <ul style="list-style-type: none"> i. Simultaneous with the submittal of a complete building permit application, the Applicant shall submit all applicable engineering plans for Engineering review and approval. The plans shall include, but are not limited to: <ol style="list-style-type: none"> 1. Existing Topography (NAVD 88') 2. Demolition Plan 3. Site Plan 4. Construction Parking Plan 5. Grading and Drainage Plan 6. Stormwater Control Plan 7. Utility Plan 8. Erosion Control Plan 9. Planting and Irrigation Plan 10. Off-site Improvement Plan 11. Construction Details 12. Joint Trench Plan ii. Simultaneous with the submittal of a complete building permit application, this project will be required to implement at least one of the Site Design Measures identified on the Stormwater Requirements Checklist since it is replacing more than 2,500 square feet of impervious area: http://www.menlopark.org/DocumentCenter/Home/View/1006 iii. Simultaneous with the submittal of a complete building permit application, the Applicant shall submit plans for construction related parking management, construction staging, material storage and Traffic Control Plan (TCP) to be reviewed and approved by the City. The applicant shall secure adequate parking for any and all construction trades. The plan shall include construction phasing and anticipated method of traffic handling for each phase. iv. Prior to building permit issuance, the proposed right-of-way dedication shall be accepted by the City Council or designee. The right-of-way dedication shall match the future plan line, and shall encompass all proposed frontage improvements. v. Prior to issuance of each building permit, the Applicant shall pay the applicable Building Construction Street Impact Fee in effect at the time of payment to the satisfaction of the Public Works Director. The current fee is calculated by multiplying the valuation of the construction by 0.0058. vi. Prior to building permit issuance, the Applicant shall coordinate with the West Bay Sanitary Sewer District (650-321-0384) to meet any applicable requirements for the project. vii. Prior to final occupancy of the building, all public improvements shall be designed and constructed to the satisfaction of the City Engineer. 			

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DECISION ENTITY: City Council	DATE: February 12, 2019	ACTION: TBD	
VOTE: TBD (Carlton, Combs, Mueller, Nash, Taylor)			
<p>ACTION:</p> <ul style="list-style-type: none"> viii. Prior to final occupancy of the building, frontage improvements are required on the site as follows, to the satisfaction of the City Engineer: <ul style="list-style-type: none"> 1. Remove and replace all curb, gutter and sidewalk along the entire project frontage on Middlefield Road and Woodland Avenue. 2. Street trees and electroliers will be required along Middlefield and Woodland. 3. Utility connections to the site may have to be upgraded due to the site intensification. Coordinate with utility companies. 4. The City will evaluate the condition of asphalt paving on Middlefield Road and Woodland Avenue, following construction and prior to final occupancy of buildings. If necessary, the City will require a grind and overlay of damaged pavement along the project frontage. All existing striping, markings, and legends shall be replaced in kind, or as approved by the City. ix. Prior to final occupancy of the building, any frontage improvements which are damaged as a result of construction will be required to be replaced. x. Prior to final occupancy of the building, the Applicant shall retain a civil engineer to prepare "as-built" or "record" drawings of public improvements, and the drawings shall be submitted in AutoCAD and Adobe PDF formats to the Engineering Division. e. Utilities-specific conditions: <ul style="list-style-type: none"> i. Simultaneous with the submittal of a complete building permit application, Applicant shall submit utility plans for the extension of the existing water distribution main from the intersection of Woodland Avenue at Service Road and along Woodland Avenue to the proposed fire hydrant on Middlefield Road, subject to the review and approval by the Engineering Division. ii. Prior to building permit issuance, Applicant shall confirm the location of the existing 8-inch AC water main along the Service Road. If the location of the water main is found to be within the limits of the property boundary, the City will require the applicant to submit utility plans for the relocation of the water main within the existing Service Road right-of-way, subject to review and approval by the Engineering Division. 			



REGULAR MEETING MINUTES - EXCERPTS

Date: 12/3/2018
Time: 7:00 p.m.
City Council Chambers
701 Laurel St., Menlo Park, CA 94025

A. Call To Order

Chair Susan Goodhue called the meeting to order at 7:01 p.m.

B. Roll Call

Present: Andrew Barnes (Vice Chair), Drew Combs, Susan Goodhue (Chair), John Onken, Henry Riggs, Katherine Strehl, and Camille Kennedy

Staff: Kaitie Meador, Senior Planner; Kyle Perata, Acting Principal Planner; Tom Smith, Senior Planner

F. Public Hearing

- F3. Use Permit & Architectural Control/NMSBPCSLDHB/40 Middlefield Road:
Request for a use permit and architectural control to construct a new single-story office building, 3,681 square feet in size, on a vacant lot in the C-4 (general commercial) zoning district. In addition, the applicant is requesting a parking reduction to provide 16 spaces where 22 spaces are required. The project was previously continued following a Planning Commission public hearing on May 14, 2018. Since then, the applicant has revised the project to increase parking on the site from 12 spaces to 16 spaces by locating a parking puzzler at the rear of the proposed building with access from the adjacent service road. The gross floor area of the proposed building has also increased by 97 square feet to better integrate the parking puzzler into the building. In addition, a parking landscape island at the rear of the site has been reduced in size to accommodate deliveries to the adjacent market. The project includes a dedication of approximately 1,700 square feet of right-of-way along Middlefield Road associated with a plan line. ([Staff Report #18-098-PC](#))

Staff Comment: Senior Planner Tom Smith said staff received three pieces of correspondence earlier today. He said one expressed concern about the project and gateway entrance to Menlo Park, the width of the service road, water drainage from the proposed project, construction impacts, heights and impacts to views from 111 Baywood. He said another one expressed concern with how family investment would be categorized as business use in the City. He said the last one was a request to place an easement at the rear of the property to insure access for delivery trucks to the Willows Market. He said copies were distributed to the Commission.

Questions of Staff: Commissioner Onken asked if the request for an easement was an actionable item for the Commission, noting typically easements were agreements between landowners. Senior Planner Smith said placing an access easement over the property would have to be agreed upon by both the property owners. He said he was unsure if the property owners had had a chance

to discuss that. He said if the Commission had concerns about the width of the access road that could be addressed through location of walls, planters, landscaping and things like that.

Applicant Presentation: Bryan Granum, Granum Partners, said immediately after the last time they were before the Planning Commission with their project that they met with Nick of the Willows Market. He said from May through August they worked with him to alleviate any of the concerns he had, which they did. He said they sent out emails and physical letters to the neighbors to make themselves available by email or phone. He said they held four different community meetings on Tuesdays and Thursdays at two different times to try to accommodate schedules.

Ken Hayes, Hayes Group Architects, said at the end of his presentation, he would introduce Elizabeth Hughes, President of TDM Specialists, an expert in sustainable transportation and parking reduction mitigation strategies. He said the project parcel was zoned C-4 and allowed for a variety of commercial uses, including retail, medical office, and professional office. He said their proposal was a professional office with low impact and might be called a family foundation, venture capital and private equity firm. He noted the Willows Market to the west was 22-feet in height in response to a comment received today about the height of their proposed 19-foot high building blocking views.

Mr. Hayes said when the project was reviewed by the Commission in May 2018 it received favorable comments for its architecture but concerned comments about the requested parking reductions and logistics for truck deliveries to the Willows Market. He said as mentioned they met with the operator of the Willows Market, did survey work with the 60-foot delivery trucks, and community outreach on four occasions to keep them informed on the project.

Mr. Hayes described the changes made since the Commission saw the project proposal last. He said previously they had 12 parking spaces all on grade. He said in the back and off the service road they created an area for a parking puzzler. He said they now had 16 parking spaces and were parked at 4.35 spaces per 1,000 square feet. He said in surveying the space needed for the delivery trucks to the Willows Market they realized they would need to redesign to keep the needed area clear. He said they had to shift the parking toward their building and reduce the parking island to create a wider area for the turn needed by the delivery trucks. He said this impacted their landscaping some, but they arrived at a reasonable plan configuration. He showed the interior of the building, which would have about 12 work spaces. He said on one side was amenity space with a kitchen, showers, bathrooms and utility rooms.

Mr. Hayes showed the changes made to the elevations. He said after receiving the comment today from the 111 Baywood property owner that they had changed their thinking about the gates for the parking puzzler. He said originally they planned to use a woven wire mesh. He said it seemed the neighbors might prefer it obscured. He said they thought they would use a solid panel so there was no view of the cars. He said they had not changed anything with the materials and how the building looked except that the parking puzzler would have a crepe myrtle in front of it to provide some screening. He said the neighbor at 111 Baywood had expressed concern today about the service road width. He said the service road was 18-feet wide property line to property line. He said their survey indicated no encroachment of the home at 111 Baywood with its corner on the property line but a corner of the garage to the left slightly encroached into the service road. He said the curb of their planting island reduced the width. He said the curb could be made flush so if a delivery truck or fire truck needed to that they could traverse without hitting a curb. He said today the fence

around the subject property limited the alley width to 16.7 feet from the building at 111 Baywood to the chain link fence. He said delivery trucks and fire trucks were able to traverse the service road at that point with no problem now and the project would give another four-foot 10-inches of width to the service road between 111 Baywood and the project parking puzzler building. He said the vehicles in the puzzler would have a minimum 23-foot backup space and in some cases a bit more. He said the alley was one-way headed toward Woodland Avenue. He said a question was raised about the impact the puzzler and landscaping might have on sight lines for vehicle drivers on the service road turning onto Woodland Avenue. He said the landscaping island was curb height at six-inches. He said coming around the corner the planters would rise to two-feet. He said there would be shrubs in the planters and those would be around two-feet in height. He said there was a crepe myrtle and a power pole. He provided a video of the parking puzzler in action and noted that the noise rating was lower than the decibel range of human conversation.

Elizabeth Hughes, TDM Specialists, said she did mitigation for parking, mitigation for traffic reduction, and commuter program management. She said they enhanced the TDM project plan after the May Commission meeting and then updated the plan after talking with the City/County Association of Governments (C/CAG) to make sure all of the peak trip hour elements they used as strategies to reduce trips would meet compliance. She said C/CAG provided them with a letter of compliance and approval on the TDM plan itself. She said they also looked at other commuter programs that were performing well. She gave staff some handouts for the Commission that were samples of how small offices not right on a Caltrain line could perform at 30 or more percent in ridership of alternative transportation. She said the project would provide transit subsidies for the site per the lease agreement. She said there would be twice the bicycle facilities for Class 1 parking added into the project and a free guaranteed ride home program. She said the core programs were basically still the same and they had enhanced some of the monitoring survey performance with an annual report to the City.

Vice Chair Barnes opened the public hearing.

Public Comment:

- Joe Zott, 111 Baywood, said the building was too big for the site. He said his home was built over 90 years ago and had an overhang of two-feet-plus encroaching into the service road. He said the gas connection for the home was located at the same location just at the edge of the building, theoretically sticking out into the public space, and had been there since the late 1920s. He said from the two-foot overhang and gas connection to the protected space of the project was a 16-foot width and that was not recommended for fire truck access. He said the Middlefield Road side of the project was not in a flood zone and the service road side was. He questioned where grade was being measured and said it seemed that it was measured from the Middlefield Road side. He questioned how tall the building would be in reality. He said he had taken photographs and marked 14-feet on a nearby utility pole for reference near the project site that indicated views would be blocked by the project. He said with the slope of the parcel that drainage was a concern. He said with the puzzler and parking spaces that visibility would be an issue.
- Jennifer Michel, Willow Road, said her son attended Applebee preschool. She said also she was a commercial property manager and she questioned the argument that a venture capital or professional office tenant was actually a low intensity use and would require fewer parking

stalls than a medical office or retail tenant. She questioned where service vehicles for HVAC preventative maintenance and exterior landscape maintenance would park. She asked where service providers for the tenants such as UPS or DoorDash would park. She said she worked with the firm TDM Specialists on a building in Palo Alto and they achieved 33% alternative transportation use but that was with heavy employer incentives for the onsite staff. She suggested lease language that would heavily encourage tenants to provide those alternative services to employees such as a GoPass for Caltrain. She said there would be onsite events and asked if they would require those attendees to use Lyft. She said the mechanical system of the puzzler seemed prone to mechanical failure and she did not see any contingencies for that. She said she had reached out to the developer about those issues, but they did not address her specific concerns. She suggested that the building should just be designed smaller and without any parking reduction needed. She requested that the Commission deny the project.

- Andrew Young, Willows resident, said the parking reduction variance was not supported by any Menlo Park resident. He said Commissioner Riggs had indicated at the May hearing that enforcement of TDM traffic counts and no parking outside the subject property lot would be required, but it was not clear how it would be enforced. He said staff recommended a requirement for the applicant to record a deed restriction memorializing the conditions of approval to insure future owners and lessees were aware of the restrictions related to use and parking on the site. He said Commissioner Combs had indicated in May that more parking would not solve the problems of the project and a speaker's honest question about whether Menlo Park needed more office. He said he supported property rights, but the application should build within regulations. He suggested that the City might look into how the citizens of Menlo Park might like to use the site and explore options.
- Melody Pagee said she had previously been a Menlo Park Planning Commissioner. She said the Willows Market was a neighborhood market accessed by people who live in the Willows and people driving down Middlefield Road on their way home. She said it was accessed through the sidewalk that crossed up Woodland Avenue and across Middlefield Road through the parking lot to the Market. She said in the new design the walk across Middlefield Road was decreasing from 10 feet to five feet, and per the plans there was a fire hydrant located in the sidewalk. She said there were people in the community who used electric wheelchairs to get to the Market. She said decreasing the sidewalk to five feet and putting a fire hydrant there decreased accessibility for those people and the many mothers or fathers pushing strollers to go to the Market. She said if the Commission was considering approving the project that they put a restriction on the landscaping in that location or the placement of the fire hydrant or stop sign to allow for the minimum three-foot for a wheelchair per ADA requirements. She said regarding compatibility with the surrounding neighborhood that while it was compared to an adjacent commercial building it had not been compared to the surrounding residential buildings. She said that should be looked at. She said they heard the noise rating on the puzzler but that was on its lift and questioned the noise of the metal doors. She said if the project was to be approved that the puzzler be relocated further up where there were other parking spaces rather than across the service road from the residence next door. She said she agreed with the previous comments from the other residents.
- Lauri Hart, 119 Middlefield, said the Menlo Park Fire Protection District (MPFPD) website said that the minimum width for emergency vehicles was 20 feet and as indicated by the developer that was not the case currently. She said the chain link fence on the subject property was

movable and had been moved a number of times during the time the property was vacant but that did not make the service road 20 feet wide. She said the service road should be 20 feet in width to comply. She said the developer had not reached out to them to clarify what their issues were and the communication between she and her husband with the developer had not been good. She said she was concerned about where the entrance to the puzzler was in relationship to her home's deck and garage.

Vice Chair Barnes closed the public hearing.

Commission Comment: Commissioner Strehl asked the applicant to indicate where the entry to the puzzler was. Mr. Hayes showed a slide of the puzzler location. He said there were five spaces to enter the puzzler from the service road. Commissioner Strehl confirmed with Mr. Hayes that people would drive down the subject property side and not through Willow Market to get to those spaces. Mr. Hayes said the entrance was a 15-foot wide driveway. He said that they thought employees would park in the puzzler and not guests. He said if for some reason the alley was blocked or if a car was coming in or out of the puzzler, they would need to queue in that area on the site. Commissioner Strehl said that they could not really see the puzzler from there. She confirmed there was enough turning radius to pull into the puzzler. She asked what could be done to prevent someone from coming off Woodland Avenue and turning left onto the alley to park in the puzzler. Mr. Hayes said internally it would have to be protocol as the service road was already marked as one-way.

Commissioner Onken said that ventilation requirements for garages might apply to the puzzler. He said if they did not use mesh doors that they might need to run a 24-hour ventilation system. Mr. Hayes said he was not sure they would have to do mechanical ventilation as the puzzler was not habitable. He said they would need to do vents in the side wall. Commissioner Onken said it would be the same vent to solid wall ratio as that for a garage. He said potentially having solid doors might cause a problem requiring the running of a fan and its associated noise generation. He asked about the emergency vehicle access review. Mr. Hayes said the MPFPD had signed off on the project. Commissioner Onken asked if they signed off understanding the width of the service road and the obstructions within it. Mr. Hayes said that was presumed. Commissioner Onken asked if the service road was a fire access road. Mr. Hayes said that it was not for their building as they had considerable frontage along Middlefield Road. Commissioner Onken noted that the service road might not even be a fire access road. Mr. Hayes said the home at 111 Baywood had frontage on Baywood and a single-family residence only required fire access frontage on one side.

Commissioner Strehl asked when the public notice for this item went out as the childcare service provider in the area was not one of the speakers this evening, although at the May meeting, they had spoken and had considerable vested interest in the project proposal. Senior Planner Smith said the notice went out the week before Thanksgiving. He said someone recently purchased the preschool property.

Commissioner Strehl asked the number of employees anticipated for this building. Mr. Hayes said he did an interior plan with six offices and four workstations. He said they could probably fit in two more work stations. He said that was 12 people. Commissioner Strehl said there were only 16 parking spaces and asked where service providers, deliverers and visitors to the building would park. Mr. Hayes said they could park in the four spaces at grade or in the long 100-foot driveway. He said UPS might pull up in front on Middlefield Road. He said maintenance for air conditioning

he thought would park onsite. He said the mechanical units were right above where the kitchen was and as far away as possible from the residential neighbors. He said they would have visitors, but they would also have a robust TDM plan. He said not everyone coming to this building would be driving a car.

Commissioner Strehl said someone driving south on Middlefield Road that wanted to turn left into the Market would be challenged as there was nothing to prevent people from blocking traffic trying to enter the site. She asked if they had talked to the City about signage to not block. Senior Planner Smith said Transportation Division staff indicated concern that with two lanes of traffic coming from Palo Alto on Middlefield Road that accidents would occur if a driver could not see whether cars in both travel lanes were stopped. Commissioner Strehl said that was unfortunate. She said cars traveling from Palo Alto up Middlefield Road to Willow Road went from one lane to two lanes. She said if there was a green light at Willow Road drivers tended to speed up. She said it was a hazard noting bicyclists and pedestrians there. She said the City had to address that situation outside of this project.

Commissioner Riggs noted that people turned left on Woodland Avenue and he thought the City should revisit a way to create an opening for that traffic. He asked regarding condition 5.d.viii that the applicant would provide trees and streetlights on Middlefield Road whether that was more than boilerplate as it was under project-specific conditions. Senior Planner Smith said he discussed that with Engineering Division staff. He said they indicated that would be dealt with at the building permit stage to determine if it was possible or not to have street trees. He said there was a landscape area about four feet in depth and potentially street trees could be planted there. He said they wanted to be able to work with the location of electroliers upon a closer study of the road.

Commissioner Riggs asked if there was an interest in planting a tree in the island. Mr. Hayes said they had trees there when the planter was larger in the May proposal. He said all of their utilities come there now. He said their landscape architect also found it was not viable and potentially in the way of truck deliveries. Commissioner Riggs said if there was not a utilities conflict and the island was five feet wide that he would encourage them to plant a tree.

Commissioner Riggs said he thought the mesh doors for the puzzler structure were more interesting looking than solid panels. He said if the puzzler was facing a residential entry that they might want to create something more door-looking. He said the solid panels shown tonight would look very blank. He suggested that if the project was approved this evening that they could provide some flexibility for the applicant to have something other than the blank panels. He said regarding the puzzler that a range of 50 to 60 DB was not quiet. He said however it would be operating during business hours and if someone came after hours that they would just use one of the at grade parking spaces onsite. He said Ms. Pagee brought up a good point about the fire hydrant in the sidewalk. He said as they wanted to encourage people to use that sidewalk that possibly the fire hydrant could be moved into the landscaping. Mr. Hayes said the landscaping would be in the public right of way as it was part of the land dedication associated with the project. Commissioner Riggs said it would work well to relocate that fire hydrant.

Commissioner Riggs said there had been much conversation about the proposed building that was burdened with being very visible to the community. He said that the proposed building design was one of the more compatible designs he could imagine for this location. He said it was under 4,000 square feet and a single-story. He moved to approve the request for the use permit and

architectural control with modification to allow some flexibility for something other than the blank panels for the five puzzler doors to be reviewed and approved through staff and subject to a request that the fire hydrant be located off the sidewalk. He asked if the applicant could plant a tree in the island without being a condition. Senior Planner Smith said if it was a condition it would be required. Commissioner Riggs said he would not make it a condition.

Commissioner Onken said he would like some things added to the motion if that was acceptable to the maker of the motion. He said the planning and the TDM were predicated on a less-intense office use. He said he would like to condition that the Commission have the opportunity to review any request for a tenant improvement permit (TI) for substantial conformance with what was being proposed for the interior now. He said he thought it acceptable that the Commission condition for an accessible route throughout the entirety of the sidewalk. He said regarding traffic and the left turn onto the site that it was very dangerous as noted by Commissioner Strehl. He said he thought a bulb out at the end of Willow Road could help keep vehicles coming off Woodland Avenue to properly turn into traffic.

Replying to Commissioner Onken, Acting Principal Planner Perata said an encroachment permit was required from the Engineering Division for the plan line dedication and the new frontage improvements for the sidewalk, landscaping and fire hydrant. Commissioner Onken said through that process it would be great to get something that mitigated the traffic challenges in that area. He said he did not know how they could condition that except to encourage through the motion.

Commissioner Onken said he appreciated the changes made to accommodate the delivery trucks for the Willows Market. He encouraged the establishment of an easement. He said he would like a condition that they could see any future tenant improvements permits and that when there was an encroachment permit done with engineering that an accessible lane was maintained across the entire sidewalk. He said with those he could second the motion to approve.

Commissioner Strehl asked why the Commission could not require the provision of an easement under the project-specific conditions. Mr. Hayes said his client supported the idea, but it was a land lease, so they would have to clear that with the owner of the land and that lease would need to co-terminate with the Market lease.

Commissioner Strehl said she had a problem with a tree being planted in the island. She said the turning radius for large delivery trucks at that location was pretty narrow and she thought a tree would get hit by the trucks. Commissioner Strehl asked about the wall and if it would impact delivery trucks. Mr. Hayes said it was 20 feet back and was completely out of the space needed for delivery truck clearance.

Commissioner Strehl said the proposal was a really nice building and done well. She said it was located within the context of the Willows Market, which had been there a long time, was under parked and very successful serving the community. She said she needed assurance that this project would not impact the Willows Market. She said she had been involved in TDM programs and transportation for a long time and she did not see how a firm this size or one of 20 people even could really have substantial trip reduction. She said she was concerned with overflow parking and the incompatibility of the mix of uses in the area, noting additionally the preschool. She said she would have trouble supporting the project.

Vice Chair Barnes asked what would prohibit them from moving the puzzler along the back wall closer to the trash enclosure. Mr. Hayes said that was where they had it when they first did the study. He said they needed to have an EV parking space and the requirement was the very first one had to be made available as a van unloading space, 17-feet wide with an accessible path from that space to the front door. He said the only way to get that EVC space in without losing more parking was to locate it where shown with the accessible path (ramp) going around the trash enclosure. He said the entire front of a puzzler had to be completely flat and level and the only real place for it to go was along the alley as their site sloped 20 inches from the center of the site to the service road.

Vice Chair Barnes said the circulation for this site was very problematic. He said it was one thing to avoid vehicles on the service road, but it was another thing to avoid bicycles on it as there was no safe access to get out of the neighborhood to the southeast corner of Willow and Middlefield Roads. He said he would like more signage about the potential of encountering bicyclists for vehicles pulling out of the service road and onto Woodland as it was a slight elevated grade and a blind curve.

Commissioner Riggs said the project-specific conditions under 5.a.ii through .iv specified what uses the building was limited to. He said the use permit also conditioned there was no parking in the neighborhood for this site and a use permit violation was a big deal. He asked if the plan dedication was for a right-turn lane from Middlefield Road onto Willow Road. Acting Principal Planner Perata said his understanding was most of the plan line area was already in the roadway or sidewalk used by the City for purposes of public access. He said when projects come in with a plan line, the City wanted to dedicate those to reserve the ability and in this case the roadway, which right now was within 40 Middlefield Road property and not within the City's control. He said he did not think the dedicated plan line had any improvement projects associated with it at this time.

Commissioner Riggs referred to Commissioner Onken's second and said he had no problem with relocating the fire hydrant to add and maintain ADA minimum width throughout the sidewalk. He said regarding the request for any TI permit to be reviewed by the Commission he was concerned once outlets were installed that the applicant could do any arrangement they wanted. Mr. Hayes said he was concerned about timing. Commissioner Riggs said it could be done as a conformance review and added it to the motion. Commissioner Onken seconded the motion.

Senior Planner Smith said regarding the request for an easement at the rear of the property that if that caused modifications to the wall or landscape island that would be considered a revision to the use permit and architectural control, which would require Planning Commission approval. He said the easement might not be needed to get the enforcement desired.

Commissioner Strehl confirmed with staff that Mr. Sharma's request for an easement for delivery truck access was not necessary as that access was provided with the conditions of approval associated with the use permit and architectural control request. She said she was concerned about construction staging and vehicles. She said someone suggested the vacant Sunset parcel might be used for that. Mr. Hayes said there was some staging area onsite. He said once they hired a contractor that they would have to do a staging plan in coordination with Public Works.

Senior Planner Smith said the motion and modifications were to approve the use permit and architectural control with modifications to relocate the fire hydrant and maintain ADA width for the sidewalk, submittal of the TI permit to the Commission through an email to confirm the layout, and

flexibility to allow the design team to resubmit garage doors through staff for its review and approval. .

ACTION: Motion and second (Riggs/Onken) to approve the item with the following modifications; passes 4-1-1-1 with Commissioner Strehl opposed, Commissioner Combs recused and Commissioner Goodhue absent.

1. Make a finding that the project is categorically exempt under Class 3 (Section 15303, “New Construction or Conversion of Small Structures”) of the current California Environmental Quality Act (CEQA) Guidelines.
2. Make findings, as per Section 16.82.030 of the Zoning Ordinance pertaining to the granting of use permits, that the proposed use will not be detrimental to the health, safety, morals, comfort and general welfare of the persons residing or working in the neighborhood of such proposed use, and will not be detrimental to property and improvements in the neighborhood or the general welfare of the City. The requested parking ratio of 1 space per 230 square feet of gross floor area exceeds the recommended minimum parking ratio set by the City’s parking reduction request policy for general office, approved by City Council in 2005, and the applicant has prepared a transportation demand management (TDM) plan to reduce trips to the site. The proposed office use should generate less traffic and parking demand than other uses allowed within the C-4 zoning district. Project-specific conditions would further limit the types of office uses permitted on the site to lower density and lower client/customer volume office uses.
3. Adopt the following findings, as per Section 16.68.020 of the Zoning Ordinance, pertaining to architectural control approval:
 - a. The general appearance of the structure is in keeping with the character of the neighborhood. The building design would fit with the mix of office and commercial building styles in the vicinity along Middlefield Road and Willow Road. The size and height of the building, as well as its placement at the front of the lot, is respectful of nearby single-family residential development located across the service road.
 - b. The development will not be detrimental to the harmonious and orderly growth of the City. The applicant has prepared a TDM plan to reduce trips to the site, and the 3,584-square foot size of the building is small enough that parking and trips to the site should be less than other potential uses in the C-4 zoning district, such as service stations and retail stores.
 - c. The development will not impair the desirability of investment or occupation in the neighborhood. The project would replace a vacant gravel parcel surrounded by chain link fencing with a new office building, site improvements, and landscaping.
 - d. The development provides adequate parking as required in all applicable City Ordinances and has made adequate provisions for access to such parking. The requested parking ratio of 1 space per 230 square feet of gross floor area, for a total of 16 parking spaces, is consistent with the City’s parking reduction request policy for general office, approved by City Council in 2005.

- e. The property is not within any Specific Plan area, and as such no finding regarding consistency is required to be made.
4. Approve the architectural control and use permit subject to the following **standard** conditions:
 - a. Development of the project shall be substantially in conformance with the plans prepared by Hayes Group Architects, C2G/Civil Consultants Group, Inc., and Van Dorn Abed Landscape Architects, Inc., consisting of 26 plan sheets, dated November 27, 2018, as well as the Project Description Letter, dated November 26, 2018; the Parking Reduction Request Letter, dated November 26, 2018; and the transportation demand management (TDM) plan, dated April 30, 2018, and approved by the Planning Commission on December 3, 2018, except as modified by the conditions contained herein, subject to review and approval of the Planning Division.
 - b. Simultaneous with the submittal of a complete building permit application, the applicant shall submit a draft “Stormwater Treatment Measures Operations and Maintenance (O&M) Agreement” with the City subject to review and approval by the Engineering Division. With the executed agreement, the property owner is responsible for the operation and maintenance of stormwater treatment measures for the project. The agreement shall run with the land and the agreement shall be recorded with the San Mateo County Recorder’s Office prior to building permit final inspection.
 - c. Simultaneous with the submittal of a complete building permit application, the applicant shall submit a Grading and Drainage Plan for review and approval of the Engineering Division. The Grading and Drainage Plan shall be approved prior to issuance of a building permit.
 - d. Simultaneous with the submittal of a complete building permit application, the Applicant shall comply with all requirements of the Building Division, Engineering Division, Transportation Division, and Utilities Division that are directly applicable to the project.
 - e. Simultaneous with the submittal of a complete building permit application, applicant shall coordinate with Menlo Park Municipal Water (MPMW) to confirm the existing water mains and service laterals meet the domestic and fire flow requirements of the project. If the existing water main and service laterals are not sufficient as determined by MPMW, applicant may, as part of the project, be required to construct and install new water mains and service laterals sufficient to meet such requirements.
 - f. Simultaneous with the submittal of a complete building permit application, applicant shall coordinate with West Bay Sanitary District to confirm the existing sanitary sewer mains and service laterals have sufficient capacity for the project. If the existing sanitary sewer mains and service laterals are not sufficient as determined by West Bay Sanitary District, applicant may, as part of the project, be required to construct and install new sanitary sewer mains and service laterals sufficient to meet such requirements.
 - g. Simultaneous with the submittal of a complete building permit application, the Applicant shall comply with all Sanitary District, Menlo Park Fire Protection District, and utility companies' regulations that are directly applicable to the project.

- h. Simultaneous with the submittal of a complete building permit application, the Applicant shall submit plans for: 1) construction safety fences around the periphery of the construction area, 2) dust control, 3) air pollution control, 4) erosion and sedimentation control, and 5) construction vehicle parking. The plans shall be subject to review and approval by the Building, Engineering, and Planning Divisions. The fences and erosion and sedimentation control measures shall be installed according to the approved plan prior to commencing construction.
 - i. Simultaneous with the submittal of a complete building permit application, the Applicant shall submit an Off-Site Improvements Plan for review and approval of the Engineering Division. The Off-Site Improvements Plan shall include all improvements within public right-of-way including but not limited to stormwater, concrete, asphalt, landscaping, striping, electrical, water and sanitary sewer.
 - j. Simultaneous with the submittal of a complete building permit application, the Applicant shall submit a plan for any new utility installations or upgrades for review and approval of the Planning, Engineering and Building Divisions. All utility equipment that is installed outside of a building and that cannot be placed underground shall be properly screened by landscaping. The plan shall show exact locations of all meters, back flow prevention devices, transformers, junction boxes, relay boxes, and other equipment boxes.
 - k. Prior to building permit issuance, the Applicant shall pay all Public Works fees. Refer to City of Menlo Park Master Fee Schedule.
 - l. Stormwater Pollution Prevention Program Best Management Practices (BMPs) for construction shall be implemented to protect water quality, in accordance with the approved Stormwater Pollution Prevention Plan (SWPPP). BMP plan sheets are available electronically for inserting into Project plans.
 - m. Prior to commencing any work within the right-of-way or public easements, the Applicant shall obtain an encroachment permit from the appropriate reviewing jurisdiction.
5. Approve the architectural control and use permit subject to the following **project-specific** conditions:
- a. Planning-specific conditions:
 - i. Parking for employees, clients/customers, and all other visitors to the building must be managed on-site with the 16 parking spaces provided. No off-site parking shall be permitted on adjacent parcels or within residential neighborhoods at any time. Parking for the nine spaces within the puzzler shall be reserved for building employees only.
 - ii. No medical, dental, physical therapy, psychiatry, psychology, counseling, or other healthcare-related office uses shall be permitted occupancy within the building.
 - iii. No computer or mobile device software and/or hardware development uses shall be permitted occupancy within the building.

- iv. Permitted uses on this site shall be limited to professional office uses with low customer/client volumes, such as accounting, architecture, engineering, investment (including private equity, venture capital, and family asset management, but excluding banks and savings and loan associations), and legal offices.
 - v. Prior to building permit issuance, the Applicant shall record a deed restriction on the property memorializing conditions 5.a.i. – iv. of these use permit and architectural control actions. In the event that the property owner will not sign a deed restriction, the deed restriction shall be recorded against the leaseholder's interest and the building and improvements shall be demolished at the end of the lease term. The deed restriction shall be subject to review and approval by the Community Development Director and City Attorney.
 - vi. *Simultaneous with the submittal of a complete building permit application for the initial tenant improvements, staff shall review the floor plan for consistency with the anticipated occupancy plan reviewed by the Planning Commission on December 3, 2018 and provide a copy of the proposed office floor plan to the Planning Commission for review via email through the Planning Division's Substantial Conformance Memo process. Should one or more Commissioners have questions or concerns about the proposed floor plan, the Commissioner(s) may request that the item be scheduled for a discussion at a future Planning Commission meeting.*
 - vii. *Simultaneous with the submittal of a complete building permit application, the Applicant shall demonstrate that the required minimum width for an accessible pathway will be provided within the public rights of way on Middlefield Road and Woodland Avenue.*
 - viii. *Simultaneous with the submittal of a complete building permit application, the Applicant shall provide detailed information on the design and materials of the gates for the parking puzzler. The applicant may incorporate a woven mesh material, a solid material for the parking puzzler gates, or comparable materials, subject to review and approval by the Planning Division.*
- b. Building-specific conditions:
- i. Prior to building permit issuance, the Applicant shall submit a case closure letter from the County of San Mateo Health Department indicating that applicable corrective actions were taken to remediate potential threats to health and safety from underground storage tanks previously removed from the site. In the event that a case closure letter was not issued, the Applicant shall submit a Phase I Environmental Site Assessment (ESA) to the satisfaction of the Building Division.
- c. Transportation-specific conditions:
- i. Prior to building permit issuance, the Applicant shall pay a Transportation Impact Fee (TIF) at an office rate of \$4.80 per square foot of gross floor area (GFA) for a total estimated TIF of \$17,668.80, subject to the Municipal Code Section 13.26. The fee rate is subject to change annually on July 1 and the final calculation will be based upon the

rate at the time of fee payment. The TIF rate is adjusted each year based on the ENR Construction Cost Index percentage change for San Francisco.

- ii. Prior to building permit issuance, the Applicant shall coordinate with the Transportation Division to determine the final locations of the pedestrian ramp and street light pole that will be installed at the southeast corner of Middlefield Road and Woodland Avenue related to the installation of a future crosswalk on Woodland Avenue. The final locations shall be established to the satisfaction of the Transportation Division.

d. Engineering-specific conditions:

- i. Simultaneous with the submittal of a complete building permit application, the Applicant shall submit all applicable engineering plans for Engineering review and approval. The plans shall include, but are not limited to:
 - 1. Existing Topography (NAVD 88')
 - 2. Demolition Plan
 - 3. Site Plan
 - 4. Construction Parking Plan
 - 5. Grading and Drainage Plan
 - 6. Stormwater Control Plan
 - 7. Utility Plan
 - 8. Erosion Control Plan
 - 9. Planting and Irrigation Plan
 - 10. Off-site Improvement Plan
 - 11. Construction Details
 - 12. Joint Trench Plan
- ii. Simultaneous with the submittal of a complete building permit application, this project will be required to implement at least one of the Site Design Measures identified on the Stormwater Requirements Checklist since it is replacing more than 2,500 square feet of impervious area: <http://www.menlopark.org/DocumentCenter/Home/View/1006>
- iii. Simultaneous with the submittal of a complete building permit application, the Applicant shall submit plans for construction related parking management, construction staging, material storage and Traffic Control Plan (TCP) to be reviewed and approved by the City. The applicant shall secure adequate parking for any and all construction trades. The plan shall include construction phasing and anticipated method of traffic handling for each phase.
- iv. Prior to building permit issuance, the proposed right-of-way dedication shall be accepted by the City Council or designee. The right-of-way dedication shall match the future plan line, and shall encompass all proposed frontage improvements.
- v. Prior to issuance of each building permit, the Applicant shall pay the applicable Building Construction Street Impact Fee in effect at the time of payment to the satisfaction of the Public Works Director. The current fee is calculated by multiplying the valuation of the construction by 0.0058.

- vi. Prior to building permit issuance, the Applicant shall coordinate with the West Bay Sanitary Sewer District (650-321-0384) to meet any applicable requirements for the project.
 - vii. Prior to final occupancy of the building, all public improvements shall be designed and constructed to the satisfaction of the City Engineer.
 - viii. Prior to final occupancy of the building, frontage improvements are required on the site as follows, to the satisfaction of the City Engineer:
 - 1. Remove and replace all curb, gutter and sidewalk along the entire project frontage on Middlefield Road and Woodland Avenue.
 - 2. Street trees and electroliers will be required along Middlefield and Woodland.
 - 3. Utility connections to the site may have to be upgraded due to the site intensification. Coordinate with utility companies.
 - 4. The City will evaluate the condition of asphalt paving on Middlefield Road and Woodland Avenue, following construction and prior to final occupancy of buildings. If necessary, the City will require a grind and overlay of damaged pavement along the project frontage. All existing striping, markings, and legends shall be replaced in kind, or as approved by the City.
 - ix. Prior to final occupancy of the building, any frontage improvements which are damaged as a result of construction will be required to be replaced.
 - x. Prior to final occupancy of the building, the Applicant shall retain a civil engineer to prepare "as-built" or "record" drawings of public improvements, and the drawings shall be submitted in AutoCAD and Adobe PDF formats to the Engineering Division.
- e. Utilities-specific conditions:
- i. Simultaneous with the submittal of a complete building permit application, Applicant shall submit utility plans for the extension of the existing water distribution main from the intersection of Woodland Avenue at Service Road and along Woodland Avenue to the proposed fire hydrant on Middlefield Road, subject to the review and approval by the Engineering Division.
 - ii. Prior to building permit issuance, Applicant shall confirm the location of the existing 8-inch AC water main along the Service Road. If the location of the water main is found to be within the limits of the property boundary, the City will require either of the following:
 - 1. Record a dedicated 10' water utility easement along the existing water main alignment within the property boundary, subject to review and approval by the City Attorney and Public Works Director.

2. Submit utility plans for the relocation of the water main within the existing Service Road right-of-way, subject to review and approval by the Engineering Division.

H. Adjournment

Vice Chair Barnes adjourned the meeting at 9:47 p.m.

Staff Liaison: Acting Principal Planner Perata

Recording Secretary: Brenda Bennett

Approved by the Planning Commission on January 14, 2019

RECEIVED

DEC 18 2018

City Clerk's Office
City of Menlo Park

15 December 2018

To the Menlo Park City Council

I am writing to appeal the Planning Commission decision made on December 1, 2018 approving the 40 Middlefield office project.

The basis of my challenge is that the following items did not receive adequate consideration in the decision:

1. The noise from and use of the planned Puzzler parking system
2. No consideration was made regarding the logistics of the project construction on this small parcel with limited street frontage
3. The project abuts a residential neighborhood who were essentially made responsible for reporting building employees parking and use violations
4. The project abuts a popular local market, The Willows Market. While accommodation was made for the market's dock access, no acknowledgement of the additional parking burden of the already overflowing market parking lot was addressed.
5. The project abuts a major city transportation route for both through traffic as well as the Willows primary ingress/egress.

Puzzler Parking System Issues

The visual and sound impact of the planned Puzzler parking system to the surrounding community was not fully considered. The two-vehicle level parking structure may allow visibility to the vehicles parked within from the adjacent residences. Additionally, the Puzzler parking system is loud in operation and the noise from it appears to be inconsistent for a location abutting a residential neighborhood. At a minimum, regular monitoring of the noise level of the Puzzler system should be required to assure adherence to the City's requirements.

Additionally, the use of the Puzzler parking system wasn't clearly defined leading to uncertainty regarding how deliveries to 40 Middlefield will be accommodated. If the tenants were required to make use of the Puzzler system first, then the few open-air parking spots could be made available for 40 Middlefield visitors and deliveries.

RECEIVED

Construction Staging Issues

40 Middlefield is bordered by Middlefield Road, Woodland Avenue, a service road, and The Willows Market. None of these locations appear suitable for construction parking. The small amount of apparent onsite construction parking space appears to be inadequate.

Additional construction impacts that were not considered include:

- Planned removal and replacement of service road paving
- Construction of the Puzzler parking system abutting the service road
- Impact on bicyclists and pedestrians traveling past the construction site along Woodland and Middlefield, in addition to the service road

Building Employees Parking in the Willows Neighborhood

Planning Commission did not address the penalties to the building's owner/occupants for parking overflow into the Willows Neighborhood and seemed to place the onus of reporting these issues to the police rather than periodic monitoring.

Willows Market Delivery & Parking Overflow Issues

During the Planning Commission Meetings and in community meetings many members of the community expressed the importance of ensuring that deliveries to The Willows Market would continue. To accommodate delivery access to The Willows Market loading dock, the 40 Middlefield project truncated a wall between the sites to provide adequate access for the semis that deliver to the market. The plans did not clearly define this as the defined unloading area for the market nor account for the importance to neighborhood residences who rely on the service road as their sole vehicle access to their properties. The plans also did not account for the current use of the service road by pedestrians and bicyclists accessing the market or the surrounding community.

The effect of 40 Middlefield on the delivery trucks did not account for each delivery driver making an individual parking delivery decision. Since the Willows Market does not have a designated delivery area, delivery trucks currently rely on the service road, store parking lot, the turn island in the middle of Middlefield and the curb area in front of 40 Middlefield for deliveries. The Market needs to better coordinate their deliveries to use specific delivery areas rather than the current random truck parking.

Additionally, Market customers have been parking along the service road and in front of the 40 Middlefield parcel when the Market parking lot fills up. This problem will be exacerbated when the project is completed. Customers will likely either park in front of the Puzzler garage or double park in front of the parking area for the residence at 111 Baywood. Any parking in along the service road narrows the road down to 10-11 feet at best and will restrict the ability of the employees to exit the Puzzler garage and restrict the residents of 111 Baywood's access to their parking area. "No Parking in service road" signs need to be planned for and specified to avoid this problem. It will, mean, that more customers from the Market will be parking in the Willows Neighborhood and likely walking down the service road to get to the market.

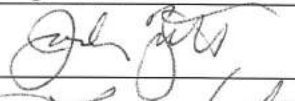
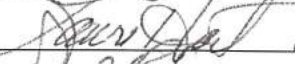


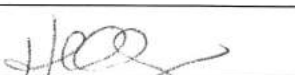
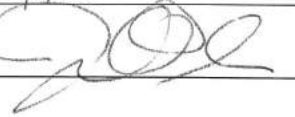
Traffic Circulation Impact

40 Middlefield's proximity and impact to Woodland Ave., a major access point to the Willows neighborhood, the Middlefield Road pedestrian crossing to downtown Palo Alto, and the Willow – Middlefield intersection was inadequately considered. While the Planning Commission Meeting did discuss the value of a marked "Keep Clear" area in Middlefield Road to permit improved access to the 40 Middlefield and The Willows Market driveways from both Middlefield directions no provision was made for this.

Additionally, the corner of Woodland Ave and Middlefield needs a stoplight for the safety of pedestrians and cars exiting the Willows off Woodland Ave and turning left on Middlefield. This is a blind intersection for cars turning left off Woodland onto Middlefield and very limited visibility for those turning right off Woodland onto Middlefield. If the office building fulfills its commitment for non-automobile commuting, their pedestrian and bicycle traffic will increase the already problematic crossing at this intersection.

We thank you for your consideration to these matters.

Signed,

Name	Address	Phone	Signature
Joseph Zott	111 Baywood	650-328-9868	
Lauri Hart	111 Baywood	650-328-9868	
ROBERT WILSON	118 Baywood	650-323-6531	
Teddy Wilson	118 Baywood	650-630-9069	
Deborah / Cindy	105 Clavier	650-368-0832	
Jessica Olson	126 Baywood	650-722-3544	

JAZ@
ZOTT.COM
LAHART
@ZOTT.COM

CITY OF MENLO PARK/FINANCE DEP
650-330-6704

133944

11:04 AM

12/18/18

EMP: MARTA

700

PLANNING FEES

1 @ 110.00 110.00

PD APPEAL 40 MIDDLEFIELD

PYMT BY: JOSEPH ZOTI

SUB-TOTAL : \$110.00

SALES TAX : .00

TOTAL > \$110.00

PAY TYPE : CHECK

1252

RECEIVED : 110.00

CHANGE : .00

701 LAUREL STREET

MENLO PARK, CA 94025

THANK YOU FOR YOUR BUSINESS

PAGE Page 332



STAFF REPORT

City Council Meeting Date: 2/12/2019
Staff Report Number: 19-023-CC

Regular Business: Discuss and provide direction on the City's travel policy and/or adopt Resolution No 6485 rescinding City Council Procedure No. CC-18-001 and adopting City Council Procedure No. CC-19-002 titled "City of Menlo Park Travel, Meal and Lodging Policy"

Recommendation

Staff recommends that the City Council discuss and provide direction on the City's travel policy and/or adopt a resolution rescinding City Council Procedure #CC-18-001 and adopting City Council Procedure #CC-19-002 titled "City of Menlo Park Travel, Meal and Lodging Policy" (Attachments A and B.)

Policy Issues

State law authorizes city councilmembers to be reimbursed for travel, meals, lodging, and other actual and necessary expenses. Such reimbursement must be made in accordance with a written policy adopted at a public meeting. The City's current travel policy was last updated September 11, 2018 and the City Council directed staff to come back with some additional modifications pertaining to City Council travel.

Background

Policies for reimbursement of travel related expenses vary from city to city. State law does prescribe some threshold standards, especially as it relates to reimbursement of city councilmember travel. Because of these special restrictions, this report focuses on city councilmember travel. The updated policy though more broadly applies to city councilmembers, city employees and other local officials (such as appointed Menlo Park commissioners, City Attorney and City Manager.)

City councilmembers may be reimbursed for actual and necessary expenses incurred in the performance of official duties.¹ If a city reimburses city councilmembers for such expenses, the city council must adopt at a public meeting a written policy governing payment.² In addition, if a city provides any type of compensation or payment of expenses to city councilmembers, then all of the city councilmembers are required to have at least two hours of ethics training every two years.³

State law also contains safeguards to ensure that public funds are used efficiently. City councilmembers must use government and group rates offered by a conference or a provider of transportation or lodging services for travel and lodging when available. All expenses that do not fall within the City's travel reimbursement policy or the Internal Revenue Service reimbursable rates must be approved by the City

¹ Government Code Section 36514.5.
² Government Code Section 53232.2(b).
³ Government Code Section 53235.

Council, in a public meeting before the expense is incurred. City Councilmembers must submit expense reports showing that expenses meet the existing policy together with receipts documenting each expense. City councilmembers must provide brief reports on meetings attended at the expense of the City at the next regular City Council meeting. Finally, all expense reports are public record.⁴

The Institute for Local Government has prepared a sample travel policy to assist local agencies (Attachment D.)

On September 11, 2018, the City Council updated its travel policy to align better with the ILG model policy. In addition the City Council requested staff to come back with an amended policy to address some additional City Council related travel policies related primarily to sister/friendship city and foreign travel. For reference, the September 11, 2018 staff report is included as Attachment C.

Analysis

On September 11, 2018, the City Council reviewed and approved the updated travel policy. In addition, it requested the City Attorney to come back with the following additional items for discussion and inclusion in the policy:

1. include a list of examples of typical reimbursable conferences and meetings as contained in old policy;
2. add explicit language that city councilmembers may not sign any official document on behalf of the City unless preapproved by City Council and that any foreign document submitted for signature must be translated into English;
3. travel paid by third parties requires a Fair Political Practices letter pre-authorizing travel where it is unclear whether an exception to the gift or income restrictions applies;
4. attach to the travel policy a template letter requesting third parties offering travel gifts to provide the schedule of public appearances, informing them that individual city councilmembers do not have authority to sign official City documents unless the full City Council pre-approves, requesting advance copies (and translations) of any documents city councilmember is requested to sign and other pertinent information;
5. for sister or friendship city travel, any city staff reimbursement requires pre-approval by City Council;
6. self-paid sister or friendship City Council travel does not require City Council approval, but City Council should be informed in advance of travel; and
7. City Councilmembers will comply with communications policy when traveling for City business

These items have been incorporated into the updated travel policy and discussed in more detail below.

Examples of reimbursable conferences/meetings (item 1)

A sample list of regularly attended conferences and meetings has been incorporated into the updated policy.

Signing documents on behalf of the city (item 2)

The updated travel policy clarifies that individual city councilmembers may not sign official city-related documents unless such documents have been pre-approved by the City Council. If the official documents are not written in English, they must be translated into English before the City Council approves signature.

Travel paid by third parties (items 3 and 4)

In some instances, travel costs paid for by third parties will be considered a gift and if valued at over \$470 is not permitted under State law. In other situations, such will not be considered a gift or income and is

⁴ Government Code Sections 53232.2 and 53232.3.

permitted (for instance travel paid for by a 501(c)(3) organization.) In situations when the city councilmember or City Attorney cannot readily determine how to classify the offer to pay for travel, the new policy now requires the city councilmember to request guidance from the Fair Political Practices Commission (FPPC.)

For greater transparency, the updated policy also requires the city councilmember to submit a template letter to any third party paying for travel outlining the City's travel policies and requesting advance information regarding public appearances and official documents requested to be signed.

Sister/Friendship city travel (items 5 and 6)

In the past the City has had an ad hoc policy approving sister/friendship city travel. Formerly city councilmembers paid for their own travel for this purpose. The new policy clarifies that if city councilmembers pay for their own travel, it does not require prior City Council approval, but the City Council must be informed in advance. The City Council, however, must pay for any travel paid for by the City.

Communications policy (item 7)

The updated policy clarifies that when traveling, the City Council should comply with the communications policy in the City Council procedures manual. This provision reads:

Speaking for the "City": Similar to written correspondence, when members are requested to speak to groups or are asked the City Council's position on an issue, the response should reflect the position of the City Council as a whole. Of course, a councilmember may clarify their vote on a matter by stating, for example, "While I voted against "X," the City Council voted in support of it." When representing the City at meetings or other venues, it is important that those in attendance gain an understanding of the City Council's position rather than that of an individual councilmember.

(See procedures manual, Menlo Park City Council, Chapter 4, pp. 21-22.)

In addition, under State law and the City's existing policy, after attending any meeting/conference for which a City official seeks City reimbursement, city councilmembers must report out at the next City Council meeting.

Next Steps

Staff has prepared a resolution in the event the City Council desires to adopt the policy included as Attachment A. The City Council can also give direction to staff to make modifications to the draft travel policy and bring it back to the City Council for approval.

Impact on City Resources

It is not anticipated that this updated policy will result in the expenditure of any additional funds.

Environmental Review

This action is not a project within the meaning of the California Environmental Quality Act (CEQA) Guidelines §§ 15378 and 15061(b)(3) as it is a minor change that will not result in any direct or indirect physical change in the environment.

Public Notice

Public notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours

prior to the meeting.

Attachments

- A. Draft updated travel policy
- B. Resolution No. 6458 adopting updated travel policy
- C. September 11, 2019 staff report on updates to travel policy : Hyperlink – <https://www.menlopark.org/DocumentCenter/View/18596/H4---Travel-policy-update>
- D. Institute for Local Government has prepared a sample travel policy: Hyperlink – http://www.ca-ilg.org/sites/main/files/file-attachments/sample_reimbursement_policy_1_06.pdf

Report prepared by:

Cara Silver, Assistant City Attorney

Nick Pegueros, Assistant City Manager

Approved by:

William L. McClure, City Attorney

Travel, Meal, and Lodging Policy

City Council Procedure #CC-18-001 #CC-19-002

Adopted September 11, 2018 Adopted February 12, 2019

Resolution No. 6460 XXXX



Findings

Whereas, the City of Menlo Park takes its stewardship over the use of its limited public resources seriously.

Whereas, public resources should only be used when there is a substantial benefit to the City.

Whereas, such benefits include:

- The opportunity to discuss the community's concerns with regional, state and federal officials;
- Participating in regional, state and national organizations whose activities affect the City;
- Attending educational seminars designed to improve an official or employee's skill and information levels; and
- Promoting public service and morale by recognizing such service.

Whereas,

- Legislative and other regional, state and federal agency business is frequently conducted over meals
- Sharing a meal with regional, state and federal officials is frequently the best opportunity for a more extensive, focused and uninterrupted communication about the City's policy concerns;
- Each meal expenditure must comply with the limits and reporting requirements of local, state and federal law.

Whereas, this policy provides guidance to City officials and employees on the use and expenditure of City resources, as well as the standards against which those expenditures will be measured.

Whereas, this policy satisfies the requirements of Government Code sections 53232.2 and 53233.3.

Whereas, this policy supplements the definition of actual and necessary expenses for purposes of state laws relating to permissible uses of public resources.

Whereas, this policy supplements the definition of necessary and reasonable expenses for purposes of federal and state income tax laws.

Whereas, this policy also applies to any charges made to a City credit card, cash advances or other line of credit.

Applicability and Definitions

This policy shall apply to all City officials and City employees.

City officials. City officials shall mean the City Council and officials appointed by the City Council including Board, Commission and Committee members, the City Attorney and the City Manager, and others the City Council designates to represent the City.

City employees. City employees shall mean all employees in the exempt, competitive, part-time and temporary services, including appointees of the City Manager and contractual employees. The City Manager is authorized to adopt additional rules and regulations to implement this policy for City employees.

Authorized expenses

City funds, equipment, titles, and staff time must only be used for authorized City business. Expenses incurred in connection with the following types of activities generally constitute authorized expenses, as long as the other requirements of this policy are met:

- Communicating with representatives of regional, state and federal government on City adopted policy positions;
- Attending educational seminars designed to improve an official or employee's skill and information levels;
- Participating in regional, state and national organizations whose activities affect the City's interests;
- Recognizing service to the City (for example, thanking a longtime employee with a celebration of nominal value and cost);
- Attending City events;
- Implementing a City Council approved strategy for attracting or retaining businesses to the City, which will typically involve at least one staff member.

All other expenditures require prior approval by the City Council for officials or City Manager for employees. The following expenses also require prior City Council or City Manager approval:

- International travel;
- Expenses exceeding \$2,000 per trip.

Examples of organizations that host seminars, conferences, and meetings applicable to City operations and eligible for reimbursement under this policy include, but are not limited to:

- [Association of Bay Area Governments \(ABAG\)](#)
- [California Debt and Investment Advisory Commission \(CDIAC\)](#)
- [California Public Employees' Retirement System \(CalPERS\)](#)
- [City/County Associations of Governments of San Mateo County \(C/CAG\)](#)
- [Joint Venture Silicon Valley](#)
- [League of California Cities](#)
- [Menlo Park Chamber of Commerce](#)
- [National League of Cities \(NLC\)](#)
- [San Mateo County Council of Cities](#)
- [San Mateo County Economic Development Association \(SaMCEDA\)](#)
- [San Mateo County/Redwood City Chamber of Commerce](#)
- [San Mateo County Transportation Authority \(SCMTA\)](#)
- [Santa Clara County Cities Association](#)
- [Silicon Valley Economic Development Alliance](#)
- [Sister Cities International](#)
- [Professional organizations e.g., American Planning Association, American Public Works Association, California Parks and Recreation Society, Government Finance Officers Association, etc.](#)

Examples of personal expenses that the City will not reimburse include, but are not limited to:

- The personal portion of any trip;
- Political or charitable contributions or events;
- Family or guest expenses, including partner's expenses when accompanying a City official or employee on agency-related business, as well as children- or pet-related expenses;
- Entertainment expenses, including theater, movies (either in-room or at the theater), sporting events (including gym, massage and/or golf related expenses), or other cultural events;

- Non-mileage personal automobile expenses, including repairs, traffic citations, insurance or gasoline; and
- Personal losses incurred while on City business.

Any questions regarding the propriety of a particular type of expense should be resolved by the approving authority before the expense is incurred.

Sister City and Foreign Travel

For sister or friendship city travel, any city official or staff reimbursement requires pre-approval of the City Council. If a council member is paying for their own sister or friendship city travel, City Council travel approval is not required, but the traveling council member should inform the City Council in advance of travel.

Individual council members shall not have authority to sign city-related official documents individually or on behalf of the City Council unless the document has been pre-approved by the City Council. Any foreign document submitted for signature must be translated into English.

Travel Paid for By Third Parties

City official travel paid by third parties requires a Fair Political Practices letter pre-authorizing travel where it is unclear whether an exception to the gift or income restrictions applies.

Third parties offering travel to City officials shall be requested to provide the schedule of public appearances and shall be informed that individual city officials or staff do not have the authority to sign official City documents unless the City Council pre-approves. A template letter is attached to this policy. [Note this letter will be prepared when staff finalizes the policy.]

Enforcement and cost control

All expenses are subject to audit and verification that they comply with this policy. *Note- Moved from another section.*

The Administrative Services Director is responsible for enforcing this policy. In the event the Administrative Services Director is uncertain as to whether a request complies with this policy, such individual must seek resolution from the requestor's approving authority. *Note- Moved from another section.*

To conserve City and keep expenses within community standards for public officials and employees, expenditures should adhere to the following guidelines. In the event that expenses are incurred which exceed these guidelines, the cost borne or reimbursed by the City will be limited to the costs that fall within the guidelines.

Transportation

The most economical mode and class of transportation reasonably consistent with scheduling needs and cargo space requirements must be used, using the most direct and time-efficient route. Government and group rates must be used when available.

Airfare. To identify the lowest airfare, City officials and employees should use an online travel search engine that compares flights across major airlines. Baggage handling fees for one checked bag shall be reimbursed.

Automobile. Mileage driving using an official or employee's personal vehicle to conduct City business shall be reimbursed at Internal Revenue Service (IRS) rates in effect on the date of travel for all miles driven in the conduct of official business in excess of the official or employee's regular commute. The IRS rates are designed to compensate the driver for gasoline, insurance, maintenance, and other expenses associated with operating the vehicle. This amount does not include bridge and road tolls, which are also reimbursable.

Car Rental. Charges for rental vehicles may be reimbursed under this provision if more than one City official or employee is attending an out of town conference, and it is determined that sharing a rental vehicle is more economical than other forms of transportation. In making such determination, the cost of the rental vehicle, parking and gasoline will be compared to the combined cost of such other forms of transportation.

Ride Share/Taxis/Shuttles. Ride share, taxis or shuttles fares may be reimbursed when the cost of such fares is equal or less than the cost of car rentals, gasoline and parking combined, or when such transportation is necessary for time efficiency.

Airport Parking. Long-term parking must be used for travel exceeding 24-hours.

Lodging

Lodging expenses will be reimbursed or paid for when travel on official City business reasonably requires an overnight stay. Government and group rates must be used when available.

Conferences/Meetings. If lodging is in connection with a conference, lodging expenses must not exceed the group rate published by the conference sponsor for the meeting in question if such rates are available at the time of booking. If group rates are not available at time of booking, the City official or employee shall secure the most economical lodging in close proximity of the conference/meeting venue.

Other Lodging. Lodging rates that are equal to or less than government rates or the IRS per diem rates for the applicable area are presumed to be reasonable and hence reimbursable for purposes of this policy. A City official or employee may stay with a friend or relative while attending an out-of-town meeting or conference; however, the City will not reimburse for any payment to the friend or relative for lodging, meals or transportation.

Meals

Meals while traveling overnight. City officials and employees will receive a daily per diem allowance to cover the cost of meals and incidentals in accordance with [federal government per diem tables](#) for the city/region of travel.

Business Meeting Meals. In the conduct of official city business, officials will be reimbursed actual meal and beverage expenses not to exceed the [federal government per diem for Menlo Park](#), before tax and gratuities. Tax and gratuities will also be reimbursed.

Other expenses

Internet. City officials or employees will be reimbursed for Internet access connection and/or usage fees away from home, not to exceed \$15.00 per day, if Internet access is necessary for official business.

Telecommunication expenses. City officials/employees will be reimbursed for actual telecommunication expenses incurred on City business. No reimbursement is made for use of personal cell phones.

Gratuities. Gratuities of up to fifteen (15) percent will be reimbursed for services customarily subject to gratuity.

Reimbursement from other entities. Expenses for which City officials/employees receive reimbursement from another agency are not reimbursable.

Cash advances **Policy**

From time to time, it may be necessary for a City official or employee to request a cash advance to cover anticipated expenses while traveling or doing business on the City's behalf. Such request for an advance should be submitted to the Administrative Services Director five business days prior to the need for the advance with the following information:

- The purpose of the expenditure(s);
- The benefits of such expenditure(s) to the residents of Menlo Park;
- The anticipated amount of the expenditure(s) (for example, hotel rates, meal costs, and transportation expenses); and
- The dates of the expenditure(s).

Any unused advance must be returned to the City treasury within two business days of the City official or employee's return, along with an expense report and receipts documenting how the advance was used in compliance with this expense policy.

~~In the event the Administrative Services Director is uncertain as to whether a request complies with this policy, such individual must seek resolution from the City Council.~~ *Note: This verbiage moved to "Enforcement and cost control"*

Credit card use

The City does not issue credit cards to individual office holders but does have an agency credit card for selected City expenses. City officials or employees may use the City's credit card for such purposes as airline tickets and hotel reservations by following the same procedures for cash advances. Receipts documenting expenses incurred on the City credit card and compliance with this policy must be submitted within five business days of use.

City credit cards may not be used for personal expenses, even if the City official or employee subsequently reimburses the City.

Expense report content and submission deadline

All cash advance expenditures, credit card expenses and expense reimbursement requests must be submitted on an expense report form provided by the City. All expenses reported on the form must comply with the City's policies relating to expenses and use of public resources. The information submitted on the form is a public record. Penalties for misusing public resources and violating the City's policies include loss of reimbursement privileges, restitution, civil and criminal penalties as well as additional income tax liability.

Expense reports must document that the expense in question met the requirements of this policy. For example, if the meeting is with a legislator, the City official should explain whose meals were purchased, what issues were discussed and how those relate to the City's adopted legislative positions and priorities.

City officials and employees must submit their expense reports within 30 days of an expense being incurred, accompanied by receipts documenting each expense. Detailed restaurant receipts for official business meetings, in addition to any credit card receipts, are also part of the necessary documentation. No documentation is required for daily per diem allowances.

Inability to provide such documentation in a timely fashion may result in the expense being borne by the City official or employee.

Audits of expense reports

~~All expenses are subject to verification that they comply with this policy.~~ *Note: This verbiage moved to "Enforcement and cost control"*

Authorization for travel and other related expenses

Attendance of City officials at conferences, seminars and meetings shall be subject to prior approval by the City Council. Approval by the City Council shall occur with the adoption of the annual budget. For out-of-state travel, the prior approval of a majority of the City Council obtained during a public meeting is required.

The City Manager or his/her designee shall authorize and approve travel and reimbursement expenses for City employees. Out-of-state travel must be approved by the City Manager. City employees may not authorize nor approve reimbursement for their own travel and business expenses. The City Manager may adopt additional procedures to implement this policy as it relates to City employees.

Reports to City Council Special rules for City Council members

City Council members will comply with the communications policy in Chapter 4 of the Procedures Manual when traveling for City business.

City council members may not sign any official document on behalf of the City unless pre-approved by City Council.

At the first City Council meeting following any meeting/conference for which a City official seeks City reimbursement, the official shall briefly report on the meeting/conference. No reimbursement shall be provided until the report is given to the City Council.

If multiple City officials attended, a joint report may be made. The report may be made orally or in writing.

Compliance with laws

City officials and City employees should keep in mind that some expenditures may be subject to reporting under the Political Reform Act and other laws. All agency expenditures are public records subject to disclosure under the Public Records Act.

Violation of this policy

Under state law, use of public resources or falsifying expense reports in violation of this policy may result in any or all of the following:

- Loss of reimbursement privileges,
- A demand for restitution to the City,
- The agency's reporting the expenses as income to the City official or City employee to state and federal tax authorities,
- Civil penalties of up to \$1,000 per day and three times the value of the resources used, and
- Prosecution for misuse of public resources.

Legislative history

Action	Date	Notes
Adoption by City Council motion	March 12, 1991	Established City Council Procedure #CC-91-002
Adoption of Resolution No. 6460	September 11, 2018	Replaced City Council Procedure #CC-91-002 with #CC-18-001
Adoption of Resolution No. XXX	February 12, 2019	Replaced City Council Procedure #CC-18-001 with #CC-19-002

RESOLUTION NO. 6485

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK
RESCINDING COUNCIL PROCEDURE NO. CC-18-001 AND ADOPTING
CITY COUNCIL PROCEDURE NO. CC-19-002 TITLED CITY OF MENLO
PARK TRAVEL, MEAL AND LODGING POLICY**

WHEREAS, this policy provides guidance to City officials and employees on the use and expenditure of City resources, as well as the standards against which those expenditures will be measured.

WHEREAS, this policy satisfies the requirements of Government Code sections 53232.2 and 53233.3.

WHEREAS, this policy supplements the definition of actual and necessary expenses for purposes of state laws relating to permissible uses of public resources.

NOW, THEREFORE, IT IS RESOLVED that the City Council of the City of Menlo Park hereby rescinds Procedure No. CC-18-001 adopted September 11, 2018 and in its place adopts the City Council Procedure No. CC-19-002 titled City of Menlo Park Travel, Meal and Lodging Policy recommended by staff and presented to the City Council on the twelfth day of February, 2019, incorporated herein as Exhibit A.

I, Judi A. Herren, City Clerk of the City of Menlo Park, do hereby certify that the above and foregoing City Council resolution was duly and regularly passed and adopted at a meeting by said City Council on the twelfth day of February, 2019, 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 twelfth day of February, 2019.

Judi A. Herren, City Clerk



STAFF REPORT

City Council
Meeting Date: 2/12/2019
Staff Report Number: 19-024-CC

Informational Item: **Update on the Santa Cruz and Middle Avenues resurfacing project funded through a One Bay Area Grant 2 program**

Recommendation

This is an informational item advising the City Council of planned work to advance a City Council approved capital improvement program project. No City Council action is required.

Policy Issues

The Santa Cruz Avenue and Middle Avenue resurfacing project was included in the City's 2017-18 capital improvement program. This project is eligible for regional transportation grant funding. In order to meet the grant delivery deadlines, staff will proceed with the anticipated project scope of work, schedule and proposed approach for implementation for both streets as outlined in this report. The City Council would ultimately have approval authority for the conceptual design proposals, any appropriations beyond the prior year project budget, and award of construction contracts, and staff would return to the City Council in the future for those actions as summarized further below.

Background

On January 24, 2017, City Council adopted Resolution No. 6366 authorizing the City to file an application to secure One Bay Area Grant (OBAG) program funds for the Santa Cruz and Middle Avenues resurfacing project. The OBAG program is a five year, \$800 million regional transportation funding program administered by the Metropolitan Transportation Commission (MTC). This program supports local street and road maintenance, streetscape enhancements, bicycle and pedestrian improvements, transportation planning and safe routes to school projects. Its focus is funding projects that improve access to and within priority development areas (PDAs), which are targeted growth areas within existing communities, typically with frequent transit service, near established job centers, shopping districts and other services. Within the City of Menlo Park, the City Council designated the El Camino Real/Downtown specific plan area as a PDA in 2013.

Santa Cruz and Middle Avenues were chosen due to their proximity and role in providing access to the City's PDA, the need for repaving, and their role in providing access to local schools, including students at Hillview Middle School and Oak Knoll Elementary School. In 2017, the MTC adopted Resolution 4202 that defines the regional funding commitment for this project and outlines availability of these funds in fiscal year 2019-20.

Analysis

The scope of the project area includes Santa Cruz Avenue between Olive Street and Avy Avenue/Orange

Avenue and Middle Avenue between Olive Street and San Mateo Drive, as shown on the map provided in (Attachment A) and described in more detail below.

Santa Cruz Avenue (Olive Street to Avy Avenue/Orange Avenue)

The section on Santa Cruz Avenue is directly adjacent to the area of work for the Santa Cruz Avenue sidewalks project, between University Drive and Olive Street, completed by the City in the summer of 2017. As part of this project, the street will be repaved, asphalt curbs and gutters will be replaced with concrete, sidewalks will be installed on both sides of the street, and modifications to existing striping will be incorporated to install bicycle lanes with painted buffers where feasible. This approach is generally consistent with the prior 2017 Santa Cruz Avenue sidewalks project; however, there are several distinct factors and new constraints due to the narrower roadway width between Olive Street and Avy Avenue/Orange Avenue that necessitate clarifying the general approach to this project, as described in the table below.

Table 1: Project approach		
Project element	Proposed Santa Cruz resurfacing project (Olive St. to Avy/Orange Ave.)	2017 Santa Cruz sidewalk project (University Dr to Olive St)
Sidewalk installation	Install sidewalks on both sides, four to 5 feet for tree preservation and installation of buffered bicycle lanes.	Wider street allowed for 6 feet wide sidewalks on both sides; width reduced to 5 feet for tree preservation and installation of buffered bicycle lanes if needed. Minimum, however, was 4 feet wide.
On-street parking	Prohibit all on-street parking to accommodate sidewalk installation, bicycle lanes, and preserve trees and landscaping. Minimal on-street parking currently exists: <ul style="list-style-type: none"> Some parking occurs on the south side of the street in wide bicycle lanes near Elder Avenue, Hidden Oaks Drive, and Lemon Street even though adequate widths for parking and bicycle lanes are not provided. On the north side of the street, roadway widths do not accommodate parking today, although parking restrictions are not present. 	Removed all on-street parking to accommodate sidewalk installation and preserve trees and landscaping.
Vehicle travel lanes	Preserve one lane each direction plus turn pockets at intersections. Narrower roadway width cannot accommodate center turn lane. Lane widths are expected to vary between 10-11', similar to existing conditions in this section.	Preserved one lane each direction (11' wide) plus center turn lane (10' wide).

Table 1: Project approach		
Project element	Proposed Santa Cruz resurfacing project (Olive St. to Avy/Orange Ave.)	2017 Santa Cruz sidewalk project (University Dr to Olive St)
Bicycle lanes	Preserve Class II (painted) bicycle lanes. Add green treatments at intersections. Add painted buffers where feasible, in order to preserve minimum sidewalk widths and heritage trees.	Preserved Class II (painted) bicycle lanes and added painted buffer and green treatments at intersections.
Tree preservation	All heritage trees are expected to be preserved; however, existing trees along 1095 Lemon Street and 1805-1811 Santa Cruz Avenue frontage may preclude sidewalk installation. Conceptual design phase ahead would evaluate the condition and life expectancy of the trees along these properties to assess deferred sidewalk installation versus tree removal as part of this project.	Preserved all heritage trees. No non-heritage trees existed in this area.
Privately installed landscaping/monuments in City right-of-way	Preserve significant landscaping (e.g., hedges) and monuments as feasible to install minimum sidewalk widths and buffered bicycle lanes.	Preserved significant landscaping (e.g., hedges) and monuments. Minor landscaping and ground cover removed.
Utility coordination	Coordinate with Cal Water to replace water main and services, if warranted. Coordinate with West Bay Sanitary District to provide residents opportunity to replace their deteriorated sanitary sewer lateral in advance of street work.	Coordinated with Cal Water to replace water main and services. Coordinated with West Bay Sanitary District to provide residents opportunity to replace their deteriorated sanitary sewer lateral in advance of street work. Explored undergrounding power lines with PG and E; did not align with project schedule.

Middle Avenue (Olive Street to San Mateo Drive)

The section of Middle Avenue between Olive Street and San Mateo Drive would be repaved and new striping installed as part of this project. The existing concrete vertical curb and gutter would remain as is. The current project budget and resource levels will not allow for construction of new sidewalks along Middle Avenue as part of this project, however accessible curb ramps where sidewalks exist and crossing improvements at intersections will be incorporated. In addition, striping modifications to include bicycle facilities are being considered which would require parking removal on at least one side of the street. This is currently identified in the draft transportation master plan project list as project No. 118.

There are a number of ongoing, complementary capital projects along Middle Avenue including work by the City and requirements of Stanford University’s Middle Plaza development project (500 El Camino Real.) To summarize these efforts and the coordination required between them, a map of Middle Avenue between Olive Street and El Camino Real is included in (Attachment B.) In addition, the Complete Streets

Commission presented a request for a new priority project to the City Council in December 2018 and February 2, 2019 as part of the City Council's consideration of the 2019 work plan. This proposal would install bicycle facilities and pedestrian improvements on Middle Avenue between El Camino Real and Olive Street and on Olive Street between Santa Cruz Avenue and Bay Laurel Drive to enhance safe access between the proposed Middle Avenue Pedestrian and Bicycle Rail Crossing at Caltrain and Hillview Middle School.

Next steps

Staff will initiate outreach to property owners on Santa Cruz Avenue in mid-February 2019. In addition, draft conceptual designs will be developed. Staff anticipates bringing the conceptual designs forward to the Complete Streets Commission for a recommendation to the City Council in spring 2019. Following the Complete Streets Commission's review, staff would bring forward the conceptual designs and preliminary cost estimates to the City Council for approval. Approval of the conceptual designs is needed for this project before moving into detailed design and construction to ensure the City can meet its grant funding requirements. Initiation of detailed design before summer 2019 is required to meet grant funding obligation deadlines and the repaving schedule in summer 2020 to minimize impacts to students bicycling and walking to and from the neighboring Hillview Middle School and Oak Knoll Elementary School. Without this conceptual approval by the City Council in spring 2019, the project delivery schedule and funding could be at risk for delay or reprogramming to another agency.

Impact on City Resources

There is no impact on City resources associated with this action

Environmental Review

This action is not a project within the meaning of the California Environmental Quality Act (CEQA) Guidelines §§ 15378 and 15061(b)(3) as it is a minor change that will not result in any direct or indirect physical change in the environment.

Public Notice

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

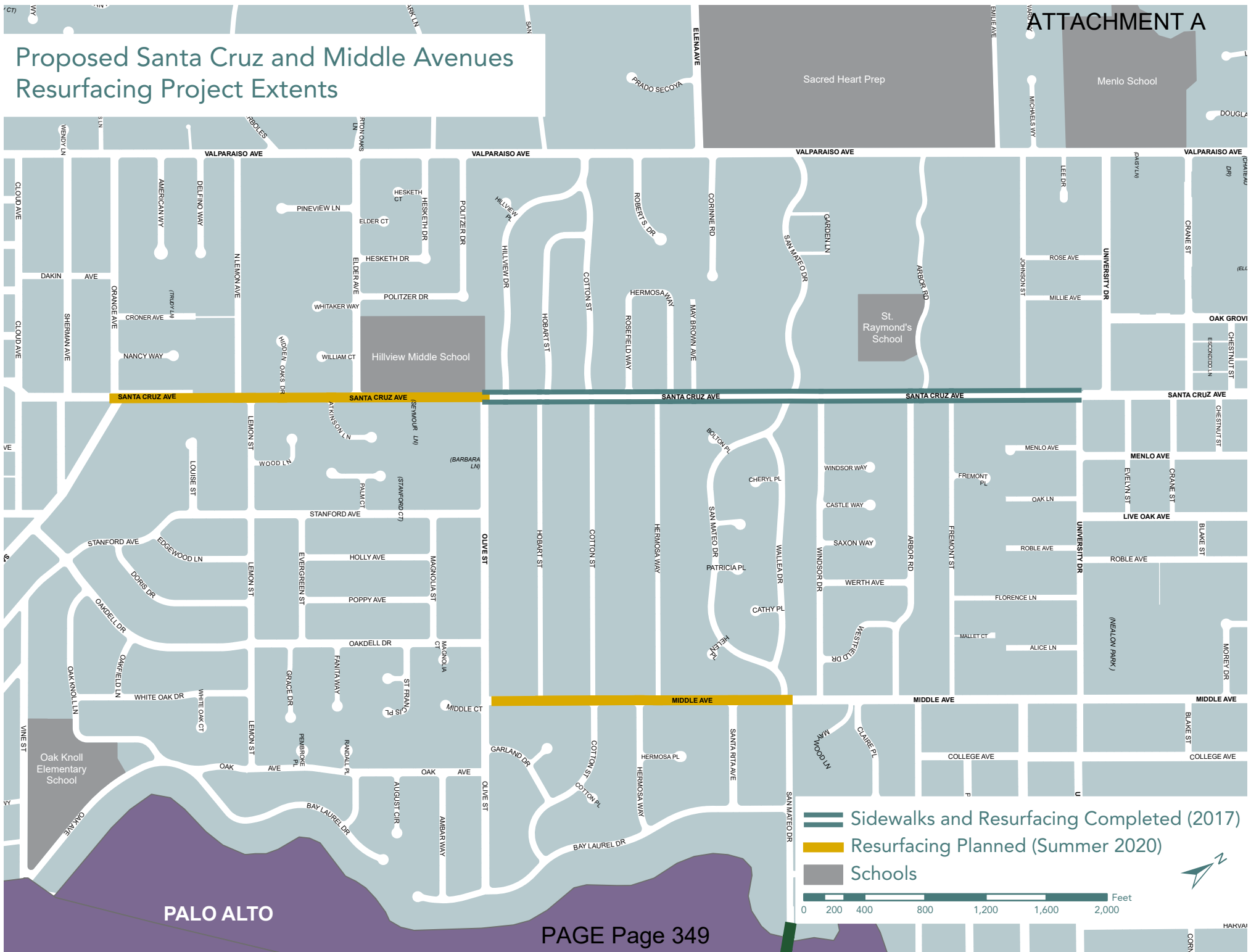
Attachments

- A. Map of project area – Santa Cruz Avenue and Middle Avenue resurfacing project
- B. Middle Avenue – ongoing project efforts as of February 2019

Report prepared by:

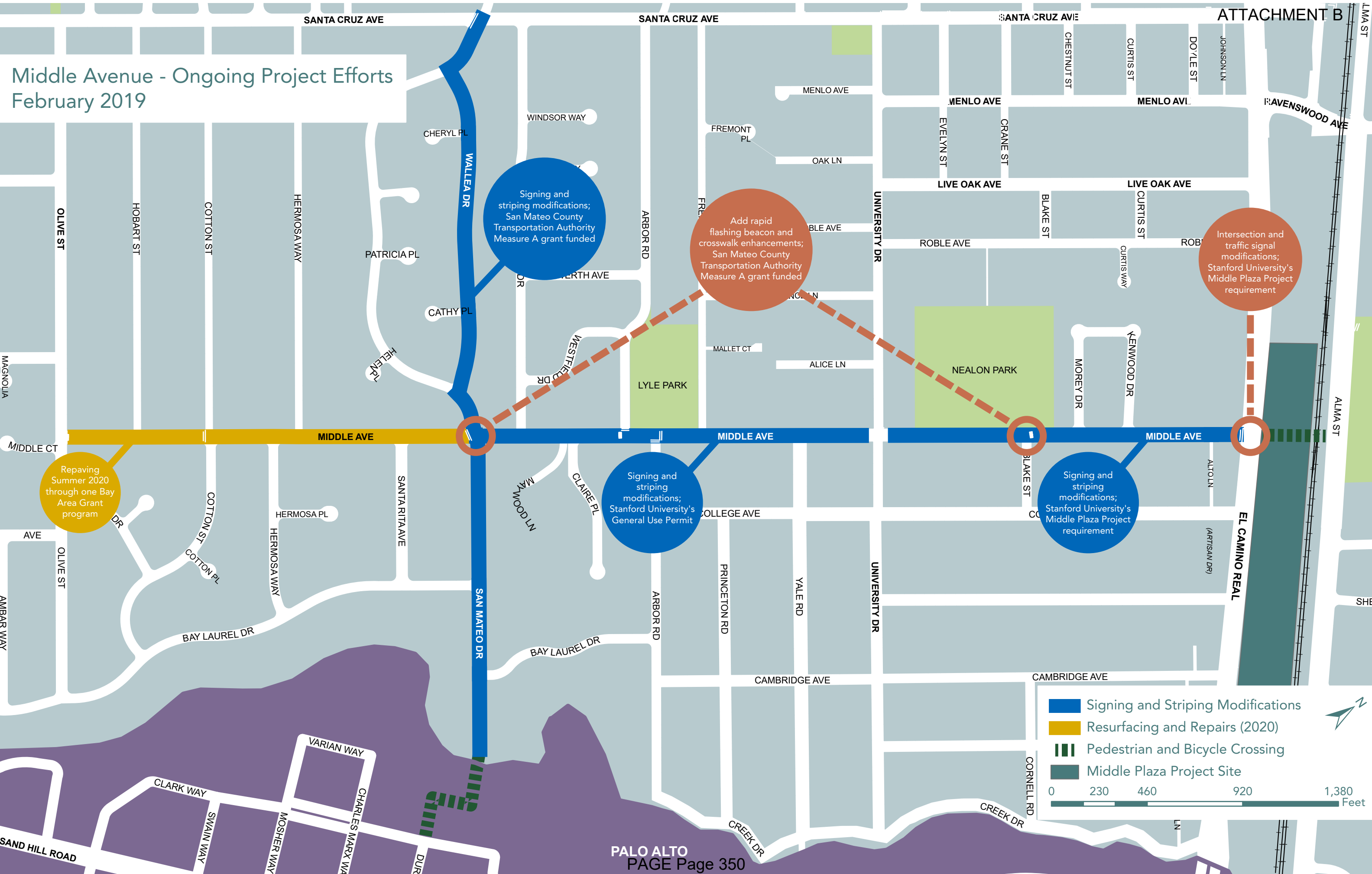
Nicole Nagaya, Assistant Public Works Director – Transportation

Proposed Santa Cruz and Middle Avenues Resurfacing Project Extents



Middle Avenue - Ongoing Project Efforts February 2019

ATTACHMENT B



Legend

- Signing and Striping Modifications
- Resurfacing and Repairs (2020)
- ▨ Pedestrian and Bicycle Crossing
- Middle Plaza Project Site

0 230 460 920 1,380 Feet