



## REGULAR MEETING AGENDA AMENDED

**Date:** 7/16/2019  
**Time:** 7:00 p.m.  
**City Council Chambers**  
**701 Laurel St., Menlo Park, CA 94025**

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.

### 7:00 p.m. Regular Meeting

#### A. Call To Order

#### B. Roll Call

#### C. Pledge of Allegiance

#### D. Presentations and Proclamations

D1. Park and Recreation month

#### E. 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.

#### F. Commission Report

F1. Consider applicants and make appointment to fill one vacancy on the Finance and Audit Committee ([Staff Report #19-157-CC](#))

#### G. Consent Calendar

G1. Accept the City Council meeting minutes for June 4, and June 11, 2019 ([Attachment](#))

G2. Authorize the city manager to enter into a master professional agreement with R3 Consulting Group, Inc. to implement zero waste programs and policies for a five year period up to \$100,000 per year ([Staff Report #19-149-CC](#))

G3. Adopt Resolution No. 6513 accepting the green stormwater infrastructure plan for stormwater discharge in accordance with the municipal regional stormwater permit ([Staff Report #19-143-CC](#))

G4. Accept and appropriate the California State Library grant in the amount of \$95,000 and authorize the city manager to execute all necessary agreements to conduct an after-school homework support center pilot program ([Staff Report #19-140-CC](#))

G5. Item moved to regular business

G6. Adopt Resolution No. 6510 approving the City of Menlo Park to become an additional member of the California Community Housing Agency ([Staff Report #19-137-CC](#))

## H. Public Hearing

H1. Consider the Planning Commission's recommendation to approve architectural control, use permit, heritage tree removal permit, major subdivision, and below market rate housing agreement for a six unit condominium conversion, the addition of two new condominium units and associated site improvements at 975 Florence Lane ([Staff Report #19-144-CC](#))

## I. Regular Business

I1. Authorize the city manager to amend a contract with ICF Jones & Stokes, Inc. to prepare an environmental impact report for the proposed Willow Village master plan project at 1350-1390 Willow Road, 925-1098 Hamilton Avenue and 1005-1275 Hamilton Court for the amount of \$992,460 and future augmentations as may be necessary to complete the environmental review for the proposed project ([Staff Report #19-145-CC](#))

I2. Review the Heritage Tree Task Force recommendations and direct staff to prepare necessary amendments to the heritage tree ordinance ([Staff Report #19-148-CC](#))

I3. Authorize staff to develop amendments to the 2019 California Building Standards Code to require new buildings be electrically heated and require solar production on new nonresidential buildings, and apply for a \$10,000 reach code grant ([Staff Report #19-146-CC](#))

I4. Approve the terms of a successor agreement between the City of Menlo Park and the Menlo Park Police Sergeants Association; and amend the citywide salary schedule effective July 21, 2019 ([Staff Report #19-151-CC](#))

I5. Item moved to July 15, 2019.

I6. Approve the public engagement plan for the Belle Haven Branch Library conceptual design process ([Staff Report #19-141-CC](#))

## J. Informational Items

J1. City Council agenda topics: August to October 2019 ([Staff Report #19-127-CC](#))

## K. City Manager's Report

## L. City 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 Council 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. For appeal hearings, appellant and applicant shall each have 10 minutes for presentations.

If you challenge any of the items listed on this agenda in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City of Menlo Park at, or prior to, the public hearing.

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.

Agendas are posted in accordance with Government Code Section 54954.2(a) or Section 54956. Members of the public can view electronic agendas and staff reports by accessing the City website at [menlopark.org/agenda](http://menlopark.org/agenda) and can receive email notification of agenda and staff report postings by subscribing to the "Notify Me" service at [menlopark.org/notifyme](http://menlopark.org/notifyme). Agendas and staff reports may also be obtained by contacting City Clerk at 650-330-6620. (Posted: 07/11/2019)



## STAFF REPORT

**City Council**  
**Meeting Date:** 7/16/2019  
**Staff Report Number:** 19-157-CC

**Commission Reports**      **Consider applicants and make appointment to fill one vacancy on the Finance and Audit Committee**

### Recommendation

Staff recommends making the appointment to the Finance and Audit Committee.

### Policy Issues

City Council Policy CC-01-004 establishes the policies, procedures, roles and responsibilities for the City's appointed commissions and committees, including the manner in which commissioners are selected.

### Background

The Finance and Audit Committee has a current vacancy resulting from the recent expansion of the Committee from five to seven members. The recruitment process involved advertisements and announcements per City Council policy.

Following City Council's appointment, the City Clerk's Office provides onboarding and orientation for the new commission/committee members. This includes the oath of office, commissioner handbook, introduction of commission/committee liaison staff, Form 700 Statement of Economic Interests filing (if applicable) and Brown Act training.

The City Clerk's Office regularly reviews all agendas and minutes, tracks attendance and serves as the principal staff liaison contact for all commissions/committees.

### Analysis

Pursuant to City Council Policy CC-01-0004, commission members must be residents of the City of Menlo Park and serve for designated terms for filling a vacancy. Residency for all applicants has been verified by the City Clerk's office. In addition, the City Council's policy states that the selection/appointment process shall be conducted before the public at a regularly scheduled meeting of the City Council. Nominations will be made and a vote will be called for each nomination. Applicants receiving the highest number of affirmative votes from a majority of the City Councilmembers present shall be appointed.

The City received the following applicants, listed in alphabetical order by last name, for the one vacancy with a term expiring April 30, 2021:

- Shaun Maguire
- Stuart Soffer

Note, all applications will be provided to the City Council under separate cover and are also available for public viewing at the City Clerk's office during regular business hours or by request.

#### Recommended voting process

The City Clerk will call for City Council nominations on applicants for the Finance and Audit Committee one at a time. Similar to a traditional election process, each City Councilmember has as many votes as seats are available on the subject commission/committee and may only vote once for an applicant. If, after all City Councilmembers cast their vote, no candidate receives a majority of the votes cast, the applicants with fewer than two votes will be removed from consideration. The City Council will then hold runoff votes until a single applicant receives a majority of votes cast.

#### **Impact on City Resources**

Staff support for commissions and funds for recruitment advertising are provided in the annual budget.

#### **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. Applications

Report prepared by:

Neetu Salwan, Deputy City Clerk

Reviewed by:

Clay J. Curtin, Assistant to the City Manager



**SPECIAL AND REGULAR MEETING MINUTES – DRAFT**

**Date:** 6/4/2019  
**Time:** 5:00 p.m.  
**City Council Chambers**  
**701 Laurel St., Menlo Park, CA 94025**

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

**A. Call to Order**

Mayor Mueller called the meeting to order at 5:02 p.m.

**B. Roll Call**

**Present:** Carlton, Combs, Nash, Taylor, Mueller  
**Absent:** None  
**Staff:** City Manager Starla Jerome-Robinson, Assistant City Manager Nick Pegueros, City Attorney Bill McClure, Administrative Services Director Lenka Diaz, Human Resources Manager Theresa DellaSanta

CL1. Closed session conference with labor negotiators pursuant to Government Code 54957.6 regarding Menlo Park Police Sergeants Association (PSA)

**5:30 p.m. Presentations and Proclamations**

**A. Call to Order**

Mayor Mueller called the meeting to order at 5:37 p.m.

**B. Roll Call**

**Present:** Carlton, Combs, Nash, Taylor, Mueller  
**Absent:** None  
**Staff:** 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.

**Report from Closed Session**

None.

## **D. Presentations and Proclamations**

- D1. Certificates of recognition: Menlo Park students who competed in the Bay Area regional spelling bee

Mayor Mueller congratulated the students and read the certificates. Fourth grade winner Riaan Shetty, fifth grade winner Paige McGaraghan, and eighth grade winner Quinn Follemer accepted the certificates (Attachment).

- D2. Mayors of Menlo Park photo display ceremony

Mayor Mueller introduced the former mayor's. Former mayor's Robert Stephens (1978), Gerry Andeen (1982), Jack Morris (1985 and 1992), Ted Sorensen (on behalf) (1987 and 1991), Robert McNamara (1994), Raymond "Dee" Tolles (on behalf) (1995), Stephen Schmidt (1997 and 2002), Charles Kinney (1998), Nicholas Jellins (2001, 2003, and 2006), Mickie Winkler (2005), Kelly Fergusson (2007), Heyward Robinson (2009), Rich Cline (2010, 2011, and 2016), Kirsten Keith (2012 and 2017), and Peter Ohtaki (2013 and 2018) spoke and displayed their photos.

## **E. Public Comment**

- Bo Crane, Historical Association Secretary, invited the City Council to "An Old-Time Ice Cream Social" event on June 23.
- Pamela Jones spoke on the 2018 California Environmental Act update and commented the ConnectMenlo environmental review be concurrent with those updates.
- Bill Baron spoke about concerns of the unenforced speed limits on Willow Road.
- Sandra Baron spoke about concerns of the unenforced speed limits on Willow Road.

## **F. Consent Calendar**

Mayor Mueller continued item F1.

City Councilmember Nash pulled items F7. and F8.

- F1. Accept the City Council meeting minutes for May 13, 14, and 21, 2019 (Attachment)

Item continued.

- F2. Waive the competitive bidding process; and authorize the city manager to enter into an agreement with Cal-West lighting and signal maintenance for traffic signal and street light maintenance services up to annual budgeted amount (Staff Report #19-116-CC)

- F3. Award a construction contract to O'Grady Paving Inc., for the 2019 street resurfacing project and authorize the city manager to enter into an agreement with the county of San Mateo and appropriate additional funds to the project budget (Staff Report #19-114-CC)

- Steven Schmidbauer spoke in opposition of the removal of parking.
- Pastor Arturo Arias spoke in opposition of the removal of parking on O'Brien Drive.

City Councilmember Nash requested that future requests for proposals include and alternative bids for quiet asphalt. The City Council discussed the method of streets chosen for re-pavement and details on the parking removal. There was confirmation given that this item only references the street

repaving project and not parking removal.

F4. Receive and file an update on the development of the City’s green stormwater infrastructure plan (Staff Report #19-115-CC)

F5. Receive and file an update on the Middle Avenue pedestrian and bicycle rail crossing project (Staff Report #19-117-CC)

City Councilmember Carlton commented that Safe Routes to Schools does not go through El Camino Real.

F6. Authorize the city manager to enter into master professional agreements with Kutzman and Associates, Shums Coda Associates, West Coast Consulting, 4LEAF, Inc., Municipal Plan Check Services, Carlson Management Inc., HortScience | Barlett Consulting and John J. Heneghan consulting geotechnical and civil engineer (Staff Report #19-112-CC)

F7. Authorize the city manager to amend an existing agreement with Baker & Taylor for the purchasing and processing of library materials in an amount not to exceed \$250,000, authorize the option to renew the contract annually for three years, and amend the fiscal year 2018-19 library donations fund budget (Staff Report #19-113-CC)

The City Council directed staff to return this agreement to them after one year for review.

**ACTION:** Motion and second (Carlton/Nash) to authorize the city manager to amend an existing agreement with Baker & Taylor for the purchasing and processing of library materials in an amount not to exceed \$250,000, authorize the option to renew the contract annually for three years, and amend the fiscal year 2018-19 library donations fund budget and return to the City Council in one year, passed unanimously.

F8. Authorize the city manager to renew the joint-use library initiative memorandum of understanding with Ravenswood City School District for the Belle Haven branch library facility and operations (Staff Report #19-111-CC)

The City Council directed staff to return this agreement to them after one year for review.

**ACTION:** Motion and second (Nash/Taylor) to authorize the city manager to renew the joint-use library initiative memorandum of understanding with Ravenswood City School District for the Belle Haven branch library facility and operations and return to the City Council in one year, passed unanimously.

**ACTION:** Motion and second (Combs/Nash) to approve the consent calendar excluding items F1., F7., and F8., passed unanimously.

City Council took a break at 6:57 p.m.

City Council reconvened at 7:13 p.m.

## G. Public Hearing

G1. Public Hearing on proposed fiscal year 2019–20 budget and capital improvement plan

(Staff Report #19-118-CC)

Administrative Services Director Lenka Diaz, Finance and Budget Manager Dan Jacobson, and Management Analyst II Brandon Cortez made the presentation.

- Mickie Winkler spoke in favor of hiring an auditor to review the entire budget and proposed a moratorium on new staff acquisitions.

The City Council discussed surplus, general fund and contingency funds. They received clarification that excess education revenue augmentation fund (ERAF) is held by the state and distributed to the school districts directly. City Council discussed the details of proposed new full time equivalent positions and their impacts to city services. Staff explained the difference between owning and sharing a mobile command center. There was also discussion on the amount of funds reinvested into each of the districts.

City Council took a break at 8:36 p.m.

City Council reconvened at 8:50 p.m.

## H. Regular Business

- H1. Approve the prioritization strategy for projects identified as part of the transportation master plan (Staff Report #19-085-CC)

Senior Transportation Engineer Kristiann Choy made the presentation.

- Omar Revveltas commented that “congestion management” is a vague phrase and none of the projects addresses the problem.
- Bill Baron with donated time from Steve Follmer suggested the City monitor the speed of cars on Willow Road between Middlefield Road and Gilbert Avenue. Baron commented there are low cost traffic calming measures that can be put in place immediately.
- Sandra Baron spoke about concerns of the safety on Willow Road.
- Ron Snow spoke in support of the transportation master plan (tmp) process and the public forum opportunities, but stated traffic calming measures are absent from the plan.
- Amy Robe with donated time from Sheryl Bims spoke on concerns about the changes to the City and the Belle Haven neighborhood.
- Adina Levin spoke in support of the transportation master plan and suggested some refinements to the plan.

The City Council directed staff to place speed feedback signs on Willow Road and O’Brien Drive. City Council received clarification on the tiers and timing for projects to be completed.

**ACTION:** Motion and second (Mueller/Combs) to approve the prioritization strategy for projects identified as part of the transportation master plan, passed 4-1 (Nash dissenting).

- H2. Adopt pilot program to implement the Institute for Local Government’s public engagement framework (Staff Report #19-098-CC)



Mayor Mueller continued this item.

- H3. Direction to update City Council procedure CC-19-004 “Commissions/Committees Policies and Procedures” for the Finance and Audit Committee and appoint to new members (Staff Report #19-120-CC)

Assistant City Manager Nick Pegueros made the presentation.

Mayor Mueller announced that Peter Ohtaki removed himself as an applicant for the Finance and Audit Committee (FAC).

- Ron Shepherd with donated time from Pamela Jones spoke in support of increasing membership of the FAC, not appointing Brian Westcott and Peter Ohtaki but opening the application process. Shepherd also spoke in support of the FAC and City Council working to build a new FAC charter.
- Soody Tronson spoke in support of increased membership on the FAC and opening the recruitment up to the public.
- Lynne Bramlett was opposed to the staff report and staff presentation. Bramlett spoke in support of the FAC’s ability to make recommendations.

The City Council and two FAC members, Ron Shepherd and Soody Tronson, discussed the roles and responsibilities of the FAC, how to deliver and receive information to and from City Council, and the importance of a work plan. City Council directed staff to restart the FAC generated report to City Council, increase the membership to seven, open recruitment for the one FAC vacancy, and to prioritize the work plan.

**ACTION:** Motion and second (Combs/Carlton) to increase the Finance and Audit Committee membership to seven and appoint Brian Westcott with a term expiration of April 30, 2021, passed unanimously.

## **I. Informational Items**

- I1. City Council agenda topics: June to August 2019 (Staff Report #19-119-CC)

## **J. City Manager's Report**

City Manager Jerome-Robinson announced the June 11 special City Council meeting.

## **K. City Councilmember Reports**

None.

## **L. Adjournment**

Mayor Mueller adjourned the meeting at 12:06 a.m.

Judi A. Herren, City Clerk



**SPECIAL MEETING MINUTES – DRAFT**

**Date:** 6/11/2019  
**Time:** 6:00 p.m.  
**City Council Chambers**  
**701 Laurel St., Menlo Park, CA 94025**

City Councilmember Catherine Carlton participated by phone from:  
1222 Langley Circle  
Naperville, IL 60563

**Closed Session (City Hall - “Downtown” Conference Room, 1st Floor)**

**A. Call to Order**

Mayor Mueller called the meeting to order at 6:00 p.m.

**B. Roll Call**

**Present:** Carlton, Combs, Nash, Taylor, Mueller  
**Absent:** None  
**Staff:** City Manager Starla Jerome-Robinson, Assistant City Manager Nick Pegueros, City Attorney Bill McClure, Administrative Services Director Lenka Diaz, Human Resources Manager Theresa DellaSanta, City Clerk Judi A. Herren (excused at 6:02 p.m.)

CL1. Closed session conference with labor negotiators pursuant to Government Code 54957.6 regarding Menlo Park Police Sergeants Association (PSA) and American Federation of State, County and Municipal Employees (AFSCME)

**7:00 p.m. Special Meeting (City Council Chambers)**

**A. Call To Order**

Mayor Mueller called the meeting to order at 5:37 p.m.

**B. Roll Call**

**Present:** Carlton, Combs, Nash, Taylor, Mueller  
**Absent:** None  
**Staff:** City Manager Starla Jerome-Robinson, City Attorney Bill McClure, City Clerk Judi A. Herren, Deputy City Clerk Neetu Salwan (excused at 9 p.m.)



### C. Pledge of Allegiance

Mayor Mueller led the Pledge of Allegiance.

### Report from Closed Session

None.

### D. Consent Calendar

Mayor Muller continued item D3.

- D1. Update the City's public engagement plan and dedicate a vacant full-time equivalent personnel to manage a pilot program to application of the Institute for Local Government's public engagement framework on new City projects (Staff Report #19-123-CC)
- D2. Award contracts totaling \$511,857 to Towne Ford Sales and Priority 1 Safety for hybrid vehicles and outfitting (Staff Report #19-121-CC)
- D3. Approve updated direction on preparation of the city manager's proposed fiscal year 2019-20 budget (Staff Report #19-124-CC)

**ACTION:** Motion and second (Nash/ Combs) to approve the consent calendar excluding item D3., passed unanimously.

### E. Regular Business

- E1. Direction to city attorney on whether to draft an interim ordinance imposing temporary moratorium on development and direction regarding scope of potential temporary moratorium (Staff Report #19-122-CC)

Assistant City Attorney Cara Silver made the presentation.

The City Council received confirmation that the options include one, two or both moratoriums.

- Clem Molony spoke in support of increasing housing availability in Menlo Park.
- Brad Ramezane spoke in support of a moratorium with increased teacher housing.
- Angie Evans spoke in support of affordable housing and offered ideas on how to incentivize it in the downtown area.
- Gail Wilkerson spoke in support of a moratorium.
- Barrie Hathaway spoke in opposition of a moratorium that pauses job growth and increases housing growth.
- Phil Guiterez spoke in support of a moratorium.
- Nancy Edelson spoke in support of a moratorium.
- David Ernhart spoke support of the two moratoriums.
- Leonard Basoco spoke in opposition of the moratorium.
- Dennis Martin spoke in opposition of the moratorium.
- Nathan Ho spoke in opposition of the moratorium.
- Matt Henry spoke in support of the moratorium.

- Brielle Johnck spoke in support of the moratorium.
- Steve Schmidt spoke in support of a moratorium
- Nina Work spoke in support of the moratorium.
- Rose Bickerstaff spoke in support of the moratorium.
- Sagar Patel spoke in opposition of the moratorium.
- Sheryl Bims spoke in support of the moratorium.
- Julie Shanson spoke in support of the moratorium.
- Pamela Jones spoke in support of the moratorium.
- Vicky Robledo spoke in support of the moratorium.
- Ross Levy requested some housing projects not be included in a moratorium.

City Council took a break at 8:27 p.m.

City Council reconvened at 8:42 p.m.

- Richard Truemptler spoke in opposition of the moratorium.
- Larry Dahl spoke in support of the moratorium in District 1.
- Olatunde Sobomehin spoke in support of the moratorium.
- Karen Grove spoke in opposition of moratorium that limited housing development.
- Patti Fry spoke in support of the moratorium.
- Elias Blawie spoke in support of the moratorium.
- Aaron Barron spoke in support of the moratorium.
- Daniel Ramos spoke in support of the moratorium.
- Vasile Oros spoke in opposition of the moratorium.
- Fran Dehn spoke in opposition of the citywide moratorium.
- Akala Francis spoke in support of the moratorium.
- Diane Bailey spoke in support of the discussion of a moratorium.
- Lynne Bramlett spoke in support of the moratorium in District 1.
- Tiffany Finley-Souza spoke in support of the moratorium that included Palo Alto and East Palo Alto.
- Jacqui Cebrian spoke in support of the moratorium with the exception of the library project.
- Xiomara Cisneros spoke in support of the moratorium.
- Perla Ni spoke in support of the moratorium.
- Skip Hilton spoke in opposition of the moratorium.
- Rachel Host spoke in support of housing and in opposition of a moratorium.
- Ron Kriemeyer spoke in opposition of the moratorium.
- Adina Levin spoke in opposition of the moratorium.
- Amy Robe spoke in support of the moratorium.
- Jen Wolosin spoke in support of drafting a moratorium ordinance.
- Nevada Merriman spoke in opposition of a housing moratorium.
- Juan Barbora spoke in opposition of the moratorium.
- Ian Streets spoke in opposition of the moratorium.

City Council took a break at 9:47 p.m.

City Council reconvened at 10:04 p.m.

The City Council discussed what the expected results of a moratorium would be and the different mechanisms that could assist in seeing those goals realized. The city attorney explained that modifications made to the general plan, specific plan, and zoning ordinance could be other tools. There was clarification provided to the City Council that during a moratorium the City is obligated to accept and process applications. The City Council discussed what alternatives could be utilized through the use of a development agreement and also received confirmation that the proposed Willow Village project requires a development agreement. Discussions on how to address the issue of the job/housing imbalance pursued.

The City Council directed staff to amend the zoning code so major project approvals are brought before the City Council; create a subcommittee (Mueller and Nash) to examine additional housing opportunities citywide (excluding District 1), particularly near transit and essential services, and to determine whether the existing development caps in all areas of the City (other than District 1) should be adjusted; and create a subcommittee (Mueller and Taylor) to examine the need for decreasing both nonresidential and residential density in District 1 and to address allocating for District 1's use of revenues generated by district development. Both subcommittees to report back to the City Council with a work plan to address the issues for review and approval by the City Council.

**F. City Manager's Report**

None.

**G. City Councilmember Reports**

None.

**H. Adjournment**

Mayor Mueller adjourned the meeting at 11:30 p.m.

Judi A. Herren, City Clerk

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**STAFF REPORT**

**City Council**  
**Meeting Date:** 7/16/2019  
**Staff Report Number:** 19-149-CC

**Consent Calendar:** **Authorize the city manager to enter into a master professional agreement with R3 Consulting Group, Inc. to implement zero waste programs and policies for a five year period up to \$100,000 per year**

**Recommendation**

Staff recommends that the City Council authorize the city manager to enter into a master professional agreement with R3 Consulting Group for a five year period (up to \$100,000 per year) to implement zero waste programs and policies.

**Policy Issues**

This action is consistent with past practices in which master professional agreements have been established to streamline the request for proposal and purchase requisition process on a per project basis. The City Council has included zero waste implementation in their annual work plan for 2017, 2018 and 2019. When solid waste rates were adopted in 2017, the City Council appropriated \$100,000 annually from the solid waste rates to implement the Community Zero Waste Plan. This action is consistent with the appropriation and the City Council Work Plan.

**Background**

The City has utilized contract services through the master professional agreement process to augment City staff on an as-needed basis over the past two decades. The use of master professional agreements establishes continuity with contract personnel that are familiar with the regulations and policies of the City of Menlo Park and helps to streamline work. City Council authorization is required for the City Manager to execute master professional agreements in excess of her financial authority.

The most recent master professional agreements was for building contract services authorized by the City Council on June 4. The City subsequently entered into master professional agreements for a period of five years.

The Community Zero Waste Plan (Zero Waste Plan) and its implementation has been and continues to remain on the annual City Council work plan. The Zero Waste Plan establishes a goal of achieving zero waste in the community by 2035 (Attachment A.) This means that 90 percent of waste generated in the community needs to be reduced and/or diverted from the landfill. Currently, the community's diversion rate is around 60 percent. The Zero Waste Plan identifies strategies that Menlo Park can take to begin reaching this goal.

Menlo Park is one of the few smaller cities in the Bay Area to have a Zero Waste Plan. Typically, larger cities such as San Jose, Oakland and San Francisco undertake this complex and challenging effort. Sunnyvale and Menlo Park are the only other cities in the Bay Area with a Zero Waste Plan and goal.



Achieving the City's Zero Waste goal requires additional resources and progressive policies and programs.

Menlo Park is already taking action. For example, this year all of the city's water fountains will be converted to hydration stations to set a community expectation that there are water bottle refilling stations to promote reusable containers. The General Plan also includes a provision for new development in the Bayfront neighborhood to achieve zero waste post occupancy by 2035. This requires a new program to assist property occupants in reaching this goal through periodic waste assessments that provide on-site help in reducing and diverting waste.

The City's operations are also an important factor for demonstrating that zero waste is achievable to the community. Recent actions include revising the janitorial service agreement to increase recycling and composting efforts, and developing an environmental purchasing policy that addresses how purchases can minimize waste or ensure that products or service providers are using products that are easily recyclable or compostable in its end life.

Attachment B provides a summary of the short-term activities to keep the City on track in meeting or exceeding its zero waste goal.

R3 Consulting Group, Inc. was hired by the City in 2016 to develop the Zero Waste Plan, and has substantial knowledge about city operations and the community as a result. They are also industry experts in solid waste management. The proposed agreement with R3 would supplement staff capacity needed to support new zero waste programs and policies in the next five years. This would allow staff to continue to work on other priorities, such as the Climate Action Plan, while achieving the City's Zero Waste goal.

## **Analysis**

The Sustainability Division is budgeted for one full-time sustainability manager and one full-time sustainability specialist. The scope and administration of the Sustainability Division has increased over the last decade. Historically, the main focus of the Sustainability Division has been in solid waste management and water conservation. However, the community of Menlo Park has a strong desire to address other environmental issues at a local level, such as climate change. This involves multiple areas such as energy, transportation and nontraditional approaches to solid waste management to reduce greenhouse gas emissions contributing to climate change.

The climate action plan involves many strategies. In fact, adopting a community zero waste plan was one of them. Each strategy involves intensive staff resources as they typically involve introducing new requirements, changing community behavior, and/or increasing education. As each strategy is implemented, it can involve entirely new programs or operations. These changes take time to effectively implement and require resources.

Both the climate action plan and the zero waste plan have 15 to 20 year implementation timeframes. With current staff capacity, it will be difficult for the City to achieve its zero waste goal by 2035 without additional resources. There is no dedicated staff position for zero waste. Only one to two projects or programs can realistically be evaluated per year for zero waste, and those projects take an additional one to two years to implement, delaying working on new zero waste initiatives. Other cities with a zero waste plan tend to dedicate positions to implement zero waste initiatives.

Establishing a professional master agreement with R3 Consulting Group, Inc. (R3) is an alternative to help supplement staff resources in the short term, and would maintain consistency needed for the next five years of implementation work. R3 has the industry and local knowledge through previous work with the City to

quickly and efficiently carry out work tasks. Some specific deliverables that R3 will be working on this year are:

- Implementing the zero waste requirements in the bayfront area, including providing review and tracking of zero waste plans submitted by permit applicants and building occupants
- Updating the solid waste ordinance to address universal recycling and organics collection services, special events requirements and enforcement provisions
- Evaluating the construction and demolition ordinance to determine if there are any opportunities to reduce waste, increase recycling or reuse construction materials.
- Provide support for amendments to the franchise agreement with Recology to include zero waste provisions

### **Impact on City Resources**

Consultant support for zero waste implementation is included and available in the adopted fiscal year 2019-20 budget in the amount of \$100,000. The revenues to support this consultant service are fully covered by solid waste rates approved by the City Council in 2017. Expenditures to support this consultant service will be proposed in future fiscal year budgets based on the level of zero waste tasks/activities in each of those years.

### **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. Community Zero Waste Plan – Hyperlink:  
<https://menlopark.org/DocumentCenter/View/17480/Community-Zero-Waste-Plan>
- B. Zero Waste Implementation – Project on a Page

Report prepared by:  
Rebecca L. Lucky, Sustainability Manager

# Zero Waste Implementation

City Manager's Office – Sustainability  
 701 Laurel St., Menlo Park, CA 94025  
 Rebecca Lucky, Sustainability Manager  
 tel 650-330-6768 | email rlucky@menlopark.org



## Project Summary

The City Council adopted a Zero Waste Plan in 2017, which includes an ambitious goal to achieve zero waste by 2035. Implementation involves addressing two areas of waste management: (1) reducing waste that is generated in the community and (2) reducing waste that is sent to the landfill through increased recycling and composting. Waste is already a complex and challenging issue to manage from the generation to final disposal. It involves infrastructure, multiple stakeholders to process/dispose of waste, community values, and behavioral compliance. While it is one of the most difficult environmental areas to regulate, it is one area where local government has the most leverage for improving environmental sustainability. *The desired outcome of this project is to deliver various programs and policies that will achieve the zero waste goal set by City Council by 2035.*

It will take 16 years and likely much longer for the City to achieve this goal with current staff capacity. There is no dedicated staff position for zero waste. Only one to two projects or programs can realistically be evaluated per year, and those projects take an additional one to two years to implement, delaying working on new zero waste initiatives.

## Key Project Activities and Timeline

Given that this is a project over 16 years, requiring resources to not only develop policy but to administer policy and programs afterwards, the following benchmarks need to be achieved:

- 70% diversion from landfill AND 5.0 pounds of waste generated per person/employee per day (PPD) by 2023.
- 75% diversion AND 4.0 PPD by 2026.
- 80% diversion AND 3.5 PPD by 2029.
- 85% diversion AND 2.0 PPD by 2032.
- 90% diversion AND 0.5 PPD by 2035.

### 2019-2021 Plan Activities

- Establishing zero waste rules and enforcement for new development in the Bayfront Neighborhood
- Installation and conversion of drinking fountains to hydration stations throughout the city to reduce single use beverage containers by promoting reusable bottles.
- City Environmental Purchasing Policy
- Achieving Zero Waste at City Hall

### 2021-2023 Planned Activities

- Achieving zero waste at all city facilities through (Environmental Purchasing Policy, providing infrastructure, changing building occupant, users, and janitorial behavioural practices)
- Extending the zero waste rules and compliance in the Bayfront Neighborhood to existing and new development citywide through updates to the Solid Waste Ordinance and Construction and Demolition Ordinance

### 2023-2025 Planned Activities

- Requiring all events in the city to be Zero Waste
- New policy and program for take-out food ware to reduce or increase preferable recycling materials

## Related Existing Policies, Programs, Future Projects

Climate Action Plan, Zero Waste Plan, Solid Waste Ordinance, Construction and Demolition Ordinance, California Building Codes, Franchise Agreement with Recology

## Project Summary

Interdepartmental and community engagement throughout this process is vital to the meaningful and successful execution of this project. An initial assessment of the project has identified the following key people:

Project Team	Internal Stakeholders	Community Engagement
Led by the Sustainability Office, but implemented by multiple departments and divisions	Community Development Community Services Public Works Police Human Resources	Community (businesses and residents) South Bayside Waste Management Authority (SBWMA/Rethink Waste) Recology Chamber of Commerce



## STAFF REPORT

**City Council**  
**Meeting Date:** 7/16/2019  
**Staff Report Number:** 19-143-CC

**Consent Calendar:** **Adopt Resolution No. 6513 accepting the green stormwater infrastructure plan for stormwater discharge in accordance with the municipal regional stormwater permit**

### Recommendation

Staff recommends the City Council adopt Resolution No. 6513 accepting the green stormwater infrastructure plan to the municipal regional stormwater permit. The preparation of a green stormwater infrastructure plan is mandated by the State and promotes clean stormwater discharge to the bay while addressing elements of Menlo Park's transportation and environmental initiatives.

### Policy Issues

Development of the green stormwater infrastructure (GI) plan is consistent with the following general plan goals and programs:

#### Land Use Element Goal LU-7 and Program LU-7.I

- Goal LU-7: Promote the implementation and maintenance of sustainable development, facilities, and services to meet the needs of Menlo Park's residents, businesses, workers and visitors
- Program LU-7.I: Develop a green stormwater infrastructure plan that focuses on implementing citywide projects that mitigate flooding and improve stormwater quality

#### Circulation Element Goal CIRC-2 and Policy CIRC-2.10

- Goal CIRC-2: Increase accessibility for the use of streets by pedestrians, bicyclists and transit riders
- Policy CIRC-2.10: Maximize the potential to implement green stormwater infrastructure by:
  - Reducing or removing administrative, physical and funding barriers
  - Setting implementation priorities based on stormwater management needs, as well as the effectiveness of improvements and the ability to identify funding
  - Taking advantage of opportunities such as grant funding, routine repaving or similar maintenance projects, funding associated with priority development areas, public private partnerships and other funding opportunities

### Background

On January 1, 2016, the Regional Water Quality Control Board adopted a new municipal regional stormwater permit (MRP) obligating cities to develop a plan. Traditional stormwater management sent untreated water into the storm drain system (i.e., gray infrastructure in the form of concrete), which was directly discharged to local water bodies, like the San Francisco Bay. The use of GI advances a shift to more resilient public storm drain infrastructure by prioritizing treatment facilities that store and treat runoff

through more natural means of vegetation and soils (i.e., green stormwater infrastructure). Consequently, these features promote erosion control and cleaner discharge to localized waterbodies while mitigating flooding issues in public right of way.

The GI Plan considers related transportation and environmental initiatives when identifying green stormwater infrastructure opportunities. For example, GI facilities integrate well with green street concepts to enhance pedestrian safety and traffic calming. Additionally, GI supplements existing landscaped areas to promote a host of benefits including improved air quality and stormwater treatment. These features are referenced in related forthcoming City proposals such as the updated climate action plan, parks and recreational facilities master plan and transportation master plan.

Staff has also been promoting GI on upcoming projects in the City’s capital improvement and land development programs. Therefore, select frontage, sidewalk and street retrofits are being analyzed for opportunities to install stormwater treatment facilities where constraints such as space and funding (e.g., CIP budget, private development partnerships, etc.) allow. In addition to the stormwater and safety benefits these devices provide, they can also enhance aesthetics of the street by adding landscaping and vegetation.

Staff provided informational presentations to the Complete Streets Commission and Environmental Quality Commission on March 13 and April 17 respectively. Both Commissions received the GI Plan positively, expressed support of its goals, and encouraged incorporation of GI practices on related projects. The presentation to the Complete Streets Commission was subsequently transmitted as a consent item for the City Council’s review June 4, and included here as Attachment B. The City Council received the presentation with no additional questions during this meeting. On June 28, staff uploaded the final GI Plan to the City website for advanced viewing before the City Council’s anticipated adoption on July 16.

**Analysis**

The City awarded a consultant (EOA, Inc.) to develop the GI Plan in August 2018 (Attachment C.) The consultant has completed the following tasks:

Table 1: Tasks	
Task	Scope of work
A	Prioritize and map of GI potential and planned projects
B	Generate process for tracking and mapping completed projects
C	Implement overall GI guidelines, standard specifications and design details
D	Develop requirements for design of projects to meet sizing requirements
E	Provide a summary of updates to related Planning documents and a work plan for future plans
F	Develop workplan for completion of prioritized projects
G	Evaluate funding options for GI projects
H	Conduct outreach and education with public, staff and elected officials
I	Finalize the GI plan, inclusive of tasks A through H above



The final GI Plan has been published on the city website and provided as Attachment D. The City Council's adoption of the GI Plan is a prerequisite for the State's September 30 submittal deadline.

Since many of the design details in the GI Plan would be applicable to future capital projects, these guidelines serve as a reference document for the City Council on related projects and initiatives going forward.

### **Impact on City Resources**

City Council approved total \$300,000 for the GI Plan as part of the adopted budgets for fiscal years 2016-17, 2017-18 and 2018-19. No additional funding is requested as part of this action.

### **Environmental Review**

The City Council's adoption of the GI Plan is categorically exempt from the California Environmental Quality Act under Guidelines §15307 (Actions by Regulatory Agencies for Protection of Natural Resources). Environmental review of individual projects will be conducted as the GI Plan is implemented

### **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. 6513
- B. June 4, 2019 staff report – Hyperlink: <https://menlopark.org/DocumentCenter/View/21718/F4-20190604-GI-Plan-CC>
- C. August 6, 2018 staff report – Hyperlink: <https://menlopark.org/DocumentCenter/View/18261/G8--Green-Infra-Plan-Award>
- D. Green infrastructure plan – Hyperlink: <https://menlopark.org/DocumentCenter/View/22043/Green-Infrastructure-Plan>

Report prepared by:  
Michael Fu, Senior Civil Engineer

Report reviewed by:  
Nicole H. Nagaya, Assistant Public Works Director  
Christopher T. Lamm, Assistant Public Works Director

**RESOLUTION NO. 6513**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK ADOPTING THE GREEN INFRASTRUCTURE PLAN FOR STORMWATER IN ACCORDANCE WITH THE MUNICIPAL REGIONAL STORMWATER PERMIT**

WHEREAS, the San Francisco Bay Regional Water Quality Control Board's Municipal Regional Stormwater Permit (MRP) regulates stormwater discharges from municipal storm drain systems throughout San Mateo County, including the City of Menlo Park; and

WHEREAS, Provision C.3.j of the MRP requires each permittee to develop a Green Infrastructure Plan for stormwater that demonstrates how permittees will gradually shift from traditional "gray" storm drain infrastructure – which channels polluted runoff directly into receiving waters without treatment – to a more resilient and sustainable storm drain system comprised of "green" infrastructure, which captures, stores and treats stormwater; and

WHEREAS, the MRP also requires that Green Infrastructure Plans be collectively designed to achieve certain reductions in stormwater pollutants, by specific time horizons, through assessing development proposals and policies for inclusion of green infrastructure facilities; and

WHEREAS, Staff issued updates for the City's Green Infrastructure Plan to the Complete Streets Commission, Environmental Quality Commission, and City Council May 13, April 17, and June 4, respectively, before its completion; and

WHEREAS, the City Council's adoption of the Green Infrastructure Plan is a pre-requisite for its September 30 submittal to the State.

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 accept the adoption of the Green Infrastructure Plan.

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 sixteenth day of July, 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 sixteenth day of July, 2019.

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Judi A. Herren  
City Clerk



**STAFF REPORT**



**City Council**  
**Meeting Date:** 07/16/2019  
**Staff Report Number:** 19-140-CC

**Consent Calendar:** **Accept and appropriate the California State Library grant in the amount of \$95,000 and authorize the city manager to execute all necessary agreements to conduct an after-school homework support center pilot program**

**Recommendation**

Staff recommends that City Council accept and appropriate the California State Library grant in the amount of \$95,000 and authorize the city manager to execute all necessary agreements to conduct an after-school homework support center pilot program at the Belle Haven Branch Library during the 2019-20 school year.

**Policy Issues**

The City Council has identified the Belle Haven Branch Library improvement project among its top five priorities for 2019.

**Background**

On June 26, the Library received approval for a \$95,000 grant from the California State Library to initiate and operate an after-school homework support center at the Belle Haven Branch Library during the 2019-20 school year.

**Analysis**

On April 16, the City Council accepted the Belle Haven Library Space Needs Study (Study). The Study showed strong community interest in providing after-school homework support services to students at the Belle Haven Branch Library. For this reason, the Library submitted a successful competitive grant application to the California State Library for \$95,000 to fund an after-school homework support center pilot program for the upcoming the 2019-20 school year.

Multiple studies have shown that children’s academic performance measurably improves when they receive individualized homework assistance from a skilled tutor. The homework center pilot program will provide students of all ages, but primarily second through fifth-graders, on-site individualized homework help with trained volunteer tutors after school. The program plans to serve up to 100 students per day, four days per week, in 20-30 minute sessions over a two and half-hour period each day.

The program’s primary goals are to help increase the number of Menlo Park students who meet or exceed state testing standards for their grade level and to help increase the number and intensity of students’ expressed satisfaction with their school experience.

Grant funds will be used to hire a coordinator to handle day-to-day operations in the homework center and recruit, train and supervise tutors. Tutors will be skilled community volunteers and/or qualified high school and college students who in some cases may earn community service credits or stipends provided by their academic institutions. Tutors will work one-on-one or in small groups as needed to help students acquire and improve language arts, math, social studies and science skills, complete projects and effectively utilize print and electronic learning resources. All tutors will be required to complete fingerprinting and background

checks.

The coordinator will work closely with Library staff to compile data and grant reports, organize and evaluate tutoring activities, regulate student behavior and generally ensure the smooth functioning of the program. The coordinator will perform job duties at the librarian level (temporary employee status), and will participate as a key part of a library staff team that will collaborate with local schools, including Belle Haven School, to ensure coordination of services and educational outcomes. Grant funds will be used to assign a library assistant to perform clerical and logistical support tasks for the program.

Grant funds will be used to purchase a one-year subscription to online tutoring service Tutor.com, which provides live, interactive, high-quality tutoring on demand from 1–10 p.m., seven days per week, year-round. Every Menlo Park Library cardholder of all ages will have access to the Tutor.com service, which includes adult school and college-level tutoring as well as primary and secondary school levels. The Tutor.com interactive study and tutoring platform is accessible via desktop, phone and/or tablet formats.

The homework center's users will primarily be elementary school children from Belle Haven School; however students from other schools will be welcome. Providing Tutor.com will expand access to middle- and high-school students who might be less likely to come to an elementary school site but more likely to be familiar with and use digital interactive study tools. Students will take an abbreviated version of the California Smarter Balanced standardized test when they begin working with a tutor, and again after 10 sessions with their tutor, to provide a snapshot measurement of their academic improvement. Based on the experience of similar programs, it is anticipated that individual student test scores will improve and students will report feeling more satisfied with and more successful in school.

### **Impact on City Resources**

There is no new impact to the City's general fund operating budget associated with this grant. The \$95,000 grant funds will support all of the homework center's day-to-day activities for the duration of the pilot year. Grant administration and support functions will be coordinated by existing professional library staff. The program budget is provided in Attachment A.

### **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. Grant award notification letter and budget
- B. Belle Haven Branch Library space needs study, April 16, 2019 – Hyperlink:  
<https://menlopark.org/DocumentCenter/View/21258/H2-20190409-BH-library-space-needs-CC>

Prepared by:  
Sean Reinhart, Library Services Director



June 26, 2019

Sean Reinhart, Library Services Director  
Menlo Park Public Library  
800 Alma Street  
Menlo Park, CA 94025-3445

Dear Mr. Reinhart:

*Sean*

We are pleased to approve the grant application for the Belle Haven Afterschool Homework Help Center project for a total of \$95,000 in federal Library Services and Technology Act (LSTA) funds.

Note that availability of grant funds is subject to enactment of the State of California's budget for the 2019-2020 fiscal year.

Processing of grant payments may take from six to eight weeks before delivery. If you still haven't received payment after eight weeks, please contact your grant monitor.

Best wishes for a successful project. Your grant monitor is available to assist you throughout the year.

Respectfully yours,

Greg Lucas  
California State Librarian

*Grant project.*

Enclosures

cc: Colette Moody  
Colleen Foster  
Lucinda Abbott







## STAFF REPORT

### City Council

**Meeting Date:** 7/16/2019  
**Staff Report Number:** 19-141-CC

**Consent Calendar:** Approve the public engagement plan for the Belle Haven Branch Library conceptual design process

### Recommendation

Staff recommends that City Council approve the public engagement plan for the Belle Haven Branch Library conceptual design process.

### Policy Issues

City Council identified the Belle Haven Branch Library project among its top five priorities for 2019.

### Background

- City Council accepted the Belle Haven Branch Library space needs study and authorized the initiation of a conceptual design, site analysis and cost estimation process April 16<sup>1</sup>.
- City Council approved the use of the Institute for Local Government (ILG) Think, Initiate, Engage, Review, Shift (TIERS) public engagement framework for the Belle Haven Branch Library project June 11<sup>2</sup>.
- City Council accepted the proposal and summary outreach timeline submitted by Noll & Tam Architects and authorized the architectural contract award June 18<sup>3</sup>.

### Analysis

The public engagement plan was prepared using elements from the ILG TIERS public engagement framework. ILG is the nonprofit 501(c)(3) research and education affiliate of the League of California Cities, the California State Association of counties and the California Special Districts Association. The TIERS public engagement framework was approved by City Council for application to the Belle Haven Branch Library project June 11.

The public engagement plan can be viewed as the City's initial commitment to the public engagement in the development of a policy, project or program. Using the TIERS model, key elements to consider at the outset a new initiative include setting clear expectations about the scope of the engagement efforts and establishing the public participation goal for the process. Another key element of a successful public engagement plan is to employ a wide variety of engagement techniques to ensure that the process is as inclusive as possible and extends across the broadest range of stakeholder voices and perspectives possible.

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<sup>1</sup> City Council, April 16, 2019. "Review and approval of the Belle Haven branch library space needs study report and authorization to issue a request for proposals for architectural conceptual design services." [menlopark.org/DocumentCenter/View/21258/H2-20190409-BH-library-space-needs-CC](http://menlopark.org/DocumentCenter/View/21258/H2-20190409-BH-library-space-needs-CC)

<sup>2</sup> City Council, June 11, 2019. "Update the City's public engagement plan and dedicate a vacant full-time equivalent personnel to manage a pilot program to application of the Institute for Local Government's public engagement framework on new City projects." [menlopark.org/DocumentCenter/View/21809/D1-20190611-Public-engagement-CC](http://menlopark.org/DocumentCenter/View/21809/D1-20190611-Public-engagement-CC)

<sup>3</sup> City Council, June 18, 2019. "Authorize the city manager to execute an agreement with Noll & Tam Architects for Belle Haven branch library conceptual design options, site analyses and preliminary cost estimates." [menlopark.org/DocumentCenter/View/21934/I1-20190618-Branch-library-conceptual-design-CC](http://menlopark.org/DocumentCenter/View/21934/I1-20190618-Branch-library-conceptual-design-CC)

### Public participation goal

A key step in the TIERS public engagement framework is establishing the public participation goal, e.g., how participation will influence the decision making process. To help clarify the various options, TIERS references the International Association for Public Participation's (IAP2) public participation spectrum (Attachment A).

The City Council has indicated a desire for the Belle Haven Branch Library process to be as open and collaborative with the community as possible and gathering as much community input as possible while retaining City Council's final decision-making authority over a major public facility project. For these reasons, the recommended participation goal is "collaborate." The "collaborate" participation goal entails very robust and thorough engagement that seeks to partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution. Throughout the public engagement process, it will be made clear that the City is looking to participants for advice and innovation in formulating solutions and will incorporate participants' advice and recommendations into the decisions to the maximum extent possible, with the understanding that the final decisions will ultimately be made by the City Council.

### Scope of public engagement

The intended range of the recommended public engagement plan is to collaborate with a broad range of community stakeholders and residents in the Belle Haven and Bayfront neighborhoods and greater Menlo Park. Public engagement will include dozens of individual stakeholder interviews, stakeholder focus group meetings, community workshops and open houses, advisory commission and committee discussions, citywide surveys, community data analysis, "pop-up" outreach in neighborhood gathering places and at community events, direct mail information distribution, a project webpage for updates and frequently asked questions and progress reports and presentations to City Council, among other activities (Attachment B).

The City Council has expressed a desire for the public engagement to be as inclusive as possible and to extend across the broadest possible range of community stakeholders. To this end, the public participation will involve substantive outreach to a wide and diverse array of individual and group stakeholders for their direct input, as well as to every Menlo Park resident through citywide outreach efforts. All of the stakeholders previously engaged in the Belle Haven Library Space Needs Study will be integrally involved in this public engagement process and the reach will be broadened to include additional stakeholders through focus groups, community meetings, "pop-up" outreach, surveys and other outreach efforts. The goal is for every household and stakeholder in Belle Haven, Bayfront and greater Menlo Park to have multiple opportunities to engage with the process in a meaningful and collaborative way. Building a new public library is a major transformative endeavor that ultimately will impact every member of the community in some way because a library is a public resource to be shared by all and thus it is appropriate for it to be developed with as much community engagement in the process as possible.

The City Council's approval of the public engagement plan is critical to a successful process. If the City Council desires a higher level of public participation or more extensive outreach than outlined herein, then that direction will be most valuable and appreciated at the outset of the process. Additional workshops or outreach are possible, but may have an impact on the project cost and/or staff's ability to complete the process within the established project timeline.

### **Impact on City Resources**

There are no new impacts to the City general fund associated with this action. City Council previously appropriated funding in the library system improvements project capital fund to support the Belle Haven branch Library conceptual design process, including the public engagement elements.

## 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. IAP2 level of public participation diagram
- B. Public engagement plan
- C. April 16 staff report – Hyperlink:  
<https://menlopark.org/DocumentCenter/View/21258/H2-20190409-BH-library-space-needs-CC>
- D. June 11 staff report – Hyperlink:  
<https://menlopark.org/DocumentCenter/View/21809/D1-20190611-Public-engagement-CC>
- E. June 18 staff report – Hyperlink:  
<https://menlopark.org/DocumentCenter/View/21934/I1-20190618-Branch-library-conceptual-design-CC>


Report prepared by:

Sean Reinhart, Library Services Director



# IAP2 SPECTRUM, OF PUBLIC PARTICIPATION

International Association for Public Participation: [www.iap2.org](http://www.iap2.org)

	Increasing Level of Public Impact on the Decision 				
	<b>Inform</b>	<b>Consult</b>	<b>Involve</b>	<b>Collaborate</b>	<b>Empower</b>
<b>Public participation goal</b>	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision-making in the hands of the public.
<b>Promise to the public</b>	We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will look to you for advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide
<b>Example techniques</b>	<ul style="list-style-type: none"> <li>▪ Fact sheets</li> <li>▪ Web sites</li> <li>▪ Open houses</li> </ul>	<ul style="list-style-type: none"> <li>▪ Public comment</li> <li>▪ Focus groups</li> <li>▪ Surveys</li> <li>▪ Public meetings</li> </ul>	<ul style="list-style-type: none"> <li>▪ Workshops</li> <li>▪ Deliberative polling</li> </ul>	<ul style="list-style-type: none"> <li>▪ Citizen advisory committees</li> <li>▪ Consensus-building</li> <li>▪ Participatory decision-making</li> </ul>	<ul style="list-style-type: none"> <li>▪ Citizen juries</li> <li>▪ Ballots</li> <li>▪ Delegated decision</li> </ul>

## Notes

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Item	Activity*	Approx. timeframe*
City Council consent item	To review and approve public engagement plan.	7/16/2019
Direct mail information distribution.	Conduct a citywide direct mail and email campaign to distribute information about the public engagement process and how community members can learn more and get involved.	8/1/2019 - 8/31/2019
Stakeholder focus group meetings	Facilitate multiple stakeholder focus group meetings to collaboratively identify criteria for evaluating possible sites. Hear initial feedback, concerns, recommendations. Collaboratively evaluate possible sites based on criteria.	8/15/2019 - 9/30/2019
Community workshops and open houses	Facilitate multiple community workshops and open houses to collaboratively identify criteria for evaluating possible sites. Hear initial feedback, concerns, recommendations. Collaboratively evaluate possible sites based on criteria.	8/15/2019 - 9/30/2019
Individual stakeholder interviews	Conduct interviews with individual stakeholders to collaboratively identify criteria for evaluating possible sites. Hear initial feedback, concerns, recommendations. Collaboratively evaluate possible sites based on criteria.	8/15/2019 - 9/30/2019
Advisory commission and committee discussions	Engage discussions with advisory commissions and committees to collaboratively identify criteria for evaluating possible sites. Hear initial feedback, concerns, recommendations. Collaboratively evaluate possible sites based on criteria.	8/15/2019 - 9/30/2019
Community data analysis	Perform community data analysis of library service area including population and demographic trends, library use statistics and projections, transit and traffic patterns, bike/ped and vehicle counts, development and housing data, consumer habits and preferences, educational trends and other applicable data points.	8/15/2019 - 9/30/2019
"Pop-up" outreach in neighborhood gathering places and at community events	Conduct multiple "pop-up" outreach activities to collect spontaneous community feedback, concerns, recommendations for possible sites based on collaboratively established criteria.	9/7/2019 - 9/30/2019
Citywide survey	Conduct a citywide survey to collect feedback, concerns, recommendations for possible sites based on criteria.	9/7/2019 - 9/30/2019
City Council study session	To review site analysis results, approve 2-3 recommended sites for further conceptual design development and cost estimation.	10/1/2019 - 10/31/2019
Stakeholder focus group meetings	Facilitate multiple stakeholder focus group meetings to collaboratively develop conceptual designs for each of the 2-3 recommended sites. Hear initial feedback, concerns, recommendations, and integrate into designs to the greatest feasible extent.	10/31/2019 - 11/15/2019
Community workshops and open houses	Facilitate multiple community workshops and open houses to collaboratively develop conceptual designs for each of the 2-3 recommended sites. Hear initial feedback, concerns, recommendations, and integrate into designs to the greatest feasible extent.	10/31/2019 - 11/15/2019
Individual stakeholder interviews	Conduct interviews with individual stakeholders to collaboratively develop conceptual designs for each of the 2-3 recommended sites. Hear initial feedback, concerns, recommendations, and integrate into designs to the greatest feasible extent.	10/31/2019 - 11/15/2019
Advisory commission and committee discussions	Engage discussions with advisory commissions and committees to collaboratively develop conceptual designs for each of the 2-3 recommended sites. Hear initial feedback, concerns, recommendations and integrate into designs to the greatest feasible extent.	10/31/2019 - 11/15/2019
"Pop-up" outreach in neighborhood gathering places and at community events	Conduct multiple "pop-up" outreach activities to collect spontaneous community feedback, concerns, insights, preferences about conceptual design alternatives.	10/15/2019 - 11/7/2019
Citywide survey	Conduct a citywide survey to collect community feedback, concerns, insights, preferences for conceptual design alternatives.	10/15/2019 - 11/7/2019
City Council study session	Review conceptual design alternatives and preliminary cost estimates, hear public testimony, provide feedback and direction to project team.	11/7/2019 - 12/15/2019
City Council public hearing	To select a final site and conceptual design alternative for advancement to the full design phase, review preliminary cost estimates, hear public testimony, authorize project to proceed to design development, direct staff to analyze potential financing mechanisms for City Council review.	12/15/2019 - 1/31/2020

\*Specific activities and timelines are subject to change

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**STAFF REPORT**

**City Council Meeting Date:** 7/16/2019  
**Staff Report Number:** 19-137-CC

**Consent Calendar:** **Adopt Resolution No. 6510 approving the City of Menlo Park to become an additional member of the California Community Housing Agency**

**Recommendation**

Staff recommends the City Council:

1. Adopt Resolution No. 6510 approving the City to become an additional member of the California Community Housing Agency to support its issuance of tax-exempt bonds for the production, preservation and protection of essential middle-income rental housing
2. Authorize the city manager to execute purchase option agreements with the California Community Housing Agency for essential middle-income rental housing created within incorporated City limits

**Policy Issues**

The City of Menlo Park supports a full range of housing options affordable to different income levels, as identified in the City's 2015-2023 Housing Element.

**Background**

One of the primary goals of the City of Menlo Park is to meet the housing needs of its residents by actively supporting the production, preservation and protection of market-rate and affordable rental housing. There is currently limited Federal, State or local subsidies or programs to produce or preserve the growing shortfall of below market rate rental housing for moderate and middle-income households. Most existing public subsidies and programs are designed to support very low and low-income households earning between 60 percent and 80 percent of the area median income (AMI).

A new, unique bond-financing program was recently created, designed to support the production and preservation of rental housing affordable for middle and moderate-income households, earning between 81–120 percent of the AMI. This program aims to target a significant segment of the workforce housing population that includes professions such as teachers, computer technicians, dental hygienists, social workers and safety personnel.

The California Community Housing Agency (CalCHA) was formed pursuant to a joint exercise of powers agreement (the Agreement) between two original members, Kings County and the Housing Authority of Kings County. In accordance with the Agreement, additional cities, counties and other local government entities may, and have, joined CalCHA (additional members). CalCHA is a political subdivision of the State of California Joint Powers Act and is authorized to issue revenue bonds and to conduct a range of activities including acquisition, ownership, maintenance and operation of any property. CalCHA has

adopted a policy to not issue bonds for a project unless the governing body of an additional member in which the proposed project is located approves the issuance of the bonds.

Bonds are issued as limited obligations of CalCHA and not of the additional member, in this case the City, and are payable solely out of the revenues and receipts derived from the project being financed. The Agreement expressly provides that CalCHA is a public entity separate and apart from its members and the debts, liabilities and obligations of CalCHA do not constitute debts, liabilities or obligations of any members. Bonds issued for any particular project will be indebtedness solely of CalCHA.

## **Analysis**

To participate in this new program, the City would need to become a member of CalCHA and Menlo Park's membership would be limited solely for the financing or refinancing of specific projects but would not create any liability for the City.

CalCHA has proposed purchasing the 195-unit multifamily rental apartment building located at 777 Hamilton Ave., for conversion to below market rate rental housing. The purchase does not include any financial investment from the City and no existing tenants would be displaced. Existing tenants who qualify would be offered below market rents that would increase at no more than 4 percent per year. As vacancies occur, new tenants would need to income qualify for the below market rate program to be eligible to lease units.

It is possible that surplus cash may be generated by the property in the future. Should this occur, it is most likely it would be toward the end of the life of the bonds. To provide the City with public benefits, any annual surplus cash and/or on time sale proceeds generated by the property will be provided to the City.

It is recommended that the City also enter into a purchase option agreement that allows the City, at its sole discretion, to purchase or sell the property between year 15 and year 30 (the end of the life) of the bonds. The City may also assign this purchase option to another entity of its choosing. To maintain housing affordability past 30 years, the most likely outcome would be for the City to assign its purchase option to a nonprofit housing organization. CalCHA cannot sell or transfer the property during the initial 15 years and can only sell or transfer the property between years 15 and 30 with the City's approval. The property will be encumbered with a regulatory agreement that will be enforced by CalCHA. As a government owned asset, the property will not be subject to local rent controls or traditional below market rate ordinances. The asset manager, property management and CalCHA will ensure that the restrictive covenants are being maintained, which regulatory agreement compliance is a requirement of the bond financing. FPI Management, a professional property management company with experience managing market rate and below market rate properties, will manage the property.

CalCHA would be acquiring an existing market rate complex. While there is no guarantee CalCHA will be selected as the buyer, passing the resolution creates future opportunities for CalCHA to acquire similar properties to create and preserve affordability.

In evaluating the program, several considerations were weighed against the program benefits. One consideration is the overall program governance and management. As structured, the City of Menlo Park, as an additional member, would not have ownership or management rights, and therefore cannot mandate

change if desired in the future. The exception to this would be if the City exercised its purchase option and became the legal owner. The bond and other regulatory agreements over which CalCHA has authority will control all such considerations, and CalCHA is governed by a different elected body. Conversely, this is also a program benefit where the City is able to assist with the production of workforce housing without expending financial or staff resources for at least the next 15 years.

A second area of consideration could arise if there is a severe economic downturn. The regulatory agreements (including the bond documents) are structured to closely correspond with the anticipated rental revenues. There could be some risk of insufficient cash flow to cover expenses.

On July 10, Catalyst Housing Group, the asset management company for CalCHA, presented to the Housing Commission an overview of CalCHA, their program and the key terms included in this staff report. Catalyst Housing Group also informed the Housing Commission they intend to submit an offer to purchase 777 Hamilton, with CalCHA bond financing, if the City Council approves the resolution to become a member of CalCHA. The Housing Commission unanimously recommended that City Council approve the resolution to become a member of CalCHA and authorize the city manager to execute purchase option agreements.

The City of Santa Rosa and the City of Fairfield recently utilized this similar program. The City of Santa Rosa elected to adopt a resolution that restricts any proceeds to affordable housing purposes. The City Council could modify the attached resolution to include a similar provision to restrict all revenue generated from this program for the Below Market Rate Housing Fund or for other below market rate and affordable housing purposes.

### **Impact on City Resources**

No financial expenditures, liabilities or obligations would be created by joining CalCHA or executing the purchase option agreements. If the purchase option agreement is exercised between year 15 and year 30 (the end of the life of the bonds), a fiscal impact could result from the acquisition cost. Should the property generate surplus cash flow on a yearly basis or through onetime proceeds of a sale of the property, the City will receive all such cash.

### **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. Resolution No. 6510
- B. CalCHA joint exercise of powers agreement
- C. CalCHA additional member signature page

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- D. CalCHA purchase option agreement
- E. CalCHA no liability letter
- F. Catalyst Housing Group presentation

**Report prepared by:**

Rhonda Coffman, Deputy Community Development Director – Housing

**Reviewed by:**

Mark Muenzer, Community Development Director



**RESOLUTION NO.6510****RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK AUTHORIZING THE CITY TO BECOME AN ADDITIONAL MEMBER OF THE CALIFORNIA COMMUNITY HOUSING AGENCY (CALCHA); SUPPORTING CALCHA'S ISSUANCE OF TAX-EXEMPT BONDS FOR THE PRODUCTION, PRESERVATION AND PROTECTION OF ESSENTIAL MIDDLE-INCOME RENTAL HOUSING; AND AUTHORIZING [CITY STAFF] TO ENTER INTO PURCHASE OPTION AGREEMENTS WITH CALCHA FOR ESSENTIAL MIDDLE-INCOME RENTAL HOUSING CREATED WITHIN CITY LIMITS**

WHEREAS, one of the primary goals of the City of Menlo Park (the City) is to meet the growing housing needs of its residents by actively supporting the production, preservation and protection of market-rate and affordable rental housing for all; and

WHEREAS, no existing Federal, State or local subsidies, programs or motivations currently exist to meaningfully address the growing shortfall of protected middle-income rental housing; and

WHEREAS, CalCHA is a Joint Powers Authority created specifically to produce, preserve and protect quality affordable rental housing made available to California's essential middle-income workforce; and

WHEREAS, CalCHA intends to acquire existing rental properties within City limits and restrict future occupancy to middle-income households earning no more than 120 percent of area median income; and

WHEREAS, CalCHA will avoid the displacement of existing residents, implement regulatory agreements restricting the incomes and rents of future residents, and impose caps on the annual rent increases of qualified middle-income households; and

WHEREAS, CalCHA will finance its acquisitions through the issuance of tax-exempt bonds, and in order for CalCHA to issue tax-exempt bonds in Menlo Park, the City must be an Additional Member of CalCHA; and

WHEREAS, the City proposes to become an Additional Member of CalCHA pursuant to Section 12 of the Joint Exercise of Powers Agreement Relating to the California Community Housing Agency; and

WHEREAS, subsequent to becoming an Additional Member of CalCHA, any existing rental housing within City limits which CalCHA intends to acquire and finance with tax-exempt bonds must receive support and approval from the City; and

WHEREAS the City proposes to support and approve CalCHA's issuance of tax-exempt bonds for the acquisition of existing rental properties as a means toward the preservation and protection of essential middle-income rental housing within City limits; and

WHEREAS, CalCHA's issuance of tax-exempt bonds will provide public benefit through the production, preservation and protection of below-market-rate rental housing, as well as the granting of all surplus project revenues to the City; and

WHEREAS, pursuant to one or more purchase option agreements (the Purchase Option Agreements), between CalCHA and the City, CalCHA will grant the City the option, but never the

obligation, to purchase each essential middle-income rental housing property commencing on the date 15 years after CalCHA's acquisition of such property; and

WHEREAS, the Purchase Option Agreements will additionally provide the City with all surplus project revenues from each essential middle-income rental housing property; and

WHEREAS, the City will maintain the option to exercise such Purchase Option Agreements for a period of 14 years following the commencement dates of the Purchase Option Agreements for each essential middle-income rental housing property; and

WHEREAS, the City proposes to authorize its City Manager to enter into Purchase Option Agreements with CalCHA for all essential middle-income rental housing created within City limits.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Menlo Park hereby authorizes the City to become an Additional Member of CalCHA and authorizes its City Manager to execute the Joint Exercise of Powers Agreement Relating to the California Community Housing Agency, subject to approval as to form by the City Attorney.

BE IT FURTHER RESOLVED that the City Council of the City of Menlo Park hereby supports and approves CalCHA's issuance of tax-exempt bonds as a means toward the production, preservation and protection of essential middle-income rental housing within City limits.

BE IT FURTHER RESOLVED that the City Council of the City of Menlo Park hereby authorizes its City Manager to enter into Purchase Option Agreements with CalCHA for all essential middle-income rental housing created within City limits, subject to approval as to form by the City Attorney.

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 of said City Council on the sixteenth day of July, 2019, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS THEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this sixteenth day of July, 2019.

\_\_\_\_\_  
Judi A. Herren, City Clerk

Exhibit A – Joint Exercise of Powers Agreement Relating to the California Community Housing Agency

Exhibit B – Purchase Option Agreement

**JOINT EXERCISE OF POWERS AGREEMENT  
RELATING TO THE CALIFORNIA COMMUNITY HOUSING AGENCY**

THIS AGREEMENT, dated as of January 29, 2019, among the parties executing this Agreement (all such parties, except those which have withdrawn as provided herein, are referred to as the "Members" and those parties initially executing this Agreement are referred to as the "Charter Members"):

**WITNESSETH**

WHEREAS, pursuant to Title 1, Division 7, Chapter 5 of the California Government Code (in effect as of the date hereof and as the same may from time to time be amended or supplemented, the "Joint Exercise of Powers Act"), two or more public agencies may by agreement jointly exercise any power common to the contracting parties; and

WHEREAS, each of the Members is a "public agency" as that term is defined in Section 6500 of the Joint Exercise of Powers Act; and

WHEREAS, each of the Members is empowered by law to promote economic, cultural and community development, including, without limitation, the promotion of opportunities for the creation or retention of employment, the stimulation of economic activity, the increase of the tax base, and the promotion of opportunities for education, cultural improvement and public health, safety and general welfare; and

WHEREAS, each of the Members may accomplish the purposes and objectives described in the preceding preamble by various means; and

WHEREAS, each Member is also empowered by law to acquire, construct, improve, operate and dispose of real property for a public purpose; and

WHEREAS, the Joint Exercise of Powers Act authorizes the Members to create a joint exercise of powers entity with the authority to exercise any powers common to the Members, including but not limited to acquiring, constructing, improving, operating and disposing of real property for a public purpose, all as specified in this Agreement, and to exercise the additional powers granted to it in the Joint Exercise of Powers Act and any other applicable provisions of the laws of the State of California; and

WHEREAS, a public entity established pursuant to the Joint Exercise of Powers Act is empowered to issue or execute non-recourse debt, which may include bonds, notes, commercial paper or any other evidences of indebtedness, leases, installment sale or other financing agreements or certificates of participation therein (herein "Obligations"), and to otherwise undertake financing programs under the Joint Exercise of Powers Act or other applicable provisions of the laws of the State of California to accomplish its public purposes; and

WHEREAS, the Members have determined to specifically authorize a public entity authorized pursuant to the Joint Exercise of Powers Act to issue non-recourse Obligations pursuant to the Joint Exercise of Powers Act or other applicable provisions of the laws of the State of California; and

WHEREAS, it is the desire of the Members to use a public entity established pursuant to the Joint Exercise of Powers Act to undertake the financing and/or refinancing of projects that provide, preserve and support affordable local housing for low-income, moderate-income and middle-income families and individuals within the jurisdictions of the Members, including, but not limited to, capital or working capital projects, purchase or acquisition of property, receivables, commodities, bonds, other revenue streams or assets of any kind, liability or other insurance, or retirement programs, or facilitating Members use of existing or new financial instruments and mechanisms in the furtherance of this purpose; and

WHEREAS, by this Agreement, each Member desires to create and establish the "California Community Housing Agency" for the purposes set forth herein and to exercise the powers provided herein;

NOW, THEREFORE, the Members, for and in consideration of the mutual promises and agreements herein contained, do agree as follows:

**Section 1. Purpose.**

This Agreement is made pursuant to the provisions of the Joint Exercise of Powers Act. The purpose of this Agreement is to establish a public entity for the joint exercise of powers common to the Members and for the exercise of additional powers given to a joint powers entity under the Joint Powers Act or any other applicable law, including, but not limited to, the issuance of non-recourse Obligations for any purpose or activity permitted under the Joint Exercise of Powers Act or any other law; provided, however that such purpose shall be solely for the acquisition, construction, rehabilitation, ownership, operation, maintenance, administration and/or financing of multifamily housing for low-income, moderate-income and middle-income families and individuals (the "Purpose"). Such Purpose will be accomplished and said power exercised in the manner hereinafter set forth.

**Section 2. Term.**

This Agreement shall become effective in accordance with Section 17 as of the date hereof and shall continue in full force and effect until such time as it is terminated in writing by all the Members; provided, however, that this Agreement shall not terminate or be terminated until all Obligations issued or caused to be issued by the Agency (defined below) shall no longer be outstanding under the terms of the indenture, trust agreement, resolution or other instrument pursuant to which such Obligations are issued.

**Section 3. Agency.**

**A. CREATION AND POWERS OF AGENCY.**

Pursuant to the Joint Exercise of Powers Act, there is hereby created a public entity to be known as the "California Community Housing Agency" (the "Agency"), and said Agency shall be a public entity separate and apart from the Members. Its debts, liabilities and obligations do not constitute debts, liabilities or obligations of any Members, and the Obligations of the Agency shall only be non-recourse obligations.

**B. BOARD.**

The Agency shall be administered by the Board of Directors (the "Board," or the "Directors" and each a "Director") whose members shall be, at all times, members of the Board of Supervisors (the "Board of Supervisors") of Kings County, California, with each such Director serving in his or her individual capacity as Director of the Board. The term of office as a member of the Board shall terminate when such member shall cease to be a member of the Board of Supervisors and the successor to such member of the Board of Supervisors shall become a member of the Board.

Notwithstanding the preceding paragraph, the Board may by resolution or bylaws provide for changes in the qualifications, composition and number of Directors, the appointment of Directors, successors, their respective terms of office and any other provisions relating to the qualification and office of the Directors, including provision for alternative Directors (in which case all references in this Agreement to any Director shall be deemed to refer to and include the applicable alternate Director, if any, when so acting in place of a regularly appointed Director).

The Board shall be the administering agency of this Agreement and, as such, shall be vested with the powers set forth herein, and shall administer this Agreement in accordance with the purposes and functions provided herein.

Directors shall not receive any compensation for serving as such, but shall be entitled to reimbursement for any expenses actually incurred in connection with serving as a Director, if the Board shall determine that such expenses shall be reimbursed and there are unencumbered funds available for such purpose.

**C. OFFICERS; DUTIES; OFFICIAL BONDS.**

The officers of the Agency shall be the Chair, Vice-Chair, Secretary and Treasurer (defined below). The Board, in its capacity as administering agent of this Agreement, shall elect a Chair, a Vice-Chair, and a Secretary of the Agency from among Directors to serve until such officer is re-elected or a successor to such office is elected by the Board. The Board shall appoint one or more of its officers or employees to serve as treasurer, auditor, and controller of the Agency (the "Treasurer") pursuant to Section 6505.6 of the Joint Exercise of Powers Act to serve until such officer is re-elected or a successor to such office is elected by the Board.

Subject to the applicable provisions of any resolution, indenture, trust agreement or other instrument or proceeding authorizing or securing Obligations (each such resolution, indenture, trust agreement, instrument and proceeding being herein referred to as an "Indenture") providing for a trustee or other fiscal agent, and except as may otherwise be specified by resolution of the Board, the Treasurer is designated as the depository of the Agency to have custody of all money of the Agency, from whatever source derived and shall have the powers, duties and responsibilities specified in Sections 6505, 6505.5 and 6509.5 of the Joint Exercise of Powers Act.

The Treasurer of the Agency is designated as the public officer or person who has charge of, handles, or has access to any property of the Agency, and such officer shall file an official bond with the Secretary of the Agency in the amount specified by resolution of the Board but in no event less than \$1,000.

The Board shall have the power to appoint such other officers and employees as it may deem necessary and to retain independent counsel, consultants and accountants.

The Board shall have the power, by resolution, to the extent permitted by the Joint Exercise of Power Act or any other applicable law, to delegate any of its functions to one or more of the Directors or officers, employees or agents of the Agency and to cause any of said Directors, officers, employees or agents to take any actions and execute any documents or instruments for and in the name and on behalf of the Board or the Agency.

#### D. MEETINGS OF THE BOARD.

(1) Ralph M. Brown Act.

All meetings of the Board, including, without limitation, regular, adjourned regular, special, and adjourned special meetings shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with Section 54950 of the Government Code of the State of California), or any successor legislation hereinafter enacted (the "Brown Act").

(2) Regular Meetings.

The Board shall provide for its regular meetings; provided, however, it shall hold at least one regular meeting each year. The date, hour and place of the holding of the regular meetings shall be fixed by resolution of the Board. To the extent permitted by the Brown Act, such meetings may be held by telephone conference.

(3) Special Meetings.

Special meetings of the Board may be called in accordance with the provisions of Section 54956 of the Government Code of the State of

California. To the extent permitted by the Brown Act, such meetings may be held by telephone conference.

(4) Minutes.

The Secretary of the Agency shall cause to be kept minutes of the regular, adjourned regular, special, and adjourned special meetings of the Board and shall, as soon as possible after each meeting, cause a copy of the minutes to be forwarded to each Director.

(5) Quorum.

A majority of the Board shall constitute a quorum for the transaction of business. No action may be taken by the Board except upon the affirmative vote of a majority of the Directors present at the meeting, except that less than a quorum may adjourn a meeting to another time and place.

E. RULES AND REGULATIONS.

The Agency may adopt, from time to time, by resolution of the Board such bylaws, policies or rules and regulations for the conduct of its meetings and affairs as may be required.

**Section 4. Powers.**

The Agency shall have the power, in its own name, to exercise the common powers of the Members and to exercise all additional powers given to a joint powers entity under any of the laws of the State of California, including, but not limited to, the Joint Exercise of Powers Act, for the Purpose authorized under this Agreement. Such powers shall include the common powers specified in this Agreement and may be exercised in the manner and according to the method provided in this Agreement. The Agency is hereby authorized to do all acts necessary for the exercise of such power, including, but not limited to, any of all of the following: to make and enter into contracts; to employ agents and employees; to acquire, construct, improve, own, maintain and operate, or provide for maintenance and operation, and sell, lease, pledge, assign, mortgage or otherwise dispose, of any property, improvements, commodities, leases, contracts, receivables, bonds or other revenue streams or assets of any kind relating to the Purpose; to exercise the power of condemnation; to incur debts, liabilities or obligations; to receive gifts, contributions and donations of property, funds, services, and other forms of assistance from person, firms, corporations and any governmental entity; to sue and be sued in its own name; to establish and collect fees; to form public benefit nonprofit corporations or other affiliate entities to accomplish any of its Purposes; to make grants, loans or provide other financial assistance to governmental, nonprofit and for profit organizations to accomplish any of its Purposes; and generally to do any and all things necessary or convenient to accomplish its Purposes. The boundaries of the Agency shall encompass the boundaries of all the Members and the powers of the Agency may be exercised anywhere within those boundaries or to the extent permitted by the laws of the State of California, including, but not limited to the Joint Exercise of Powers Act,



outside of those boundaries, which may be outside of the State of California, provided that the power of condemnation may only be exercised within the jurisdictional boundaries of the Charter Members.

Without limiting the generality of the foregoing, the Agency may issue or cause to be issued Obligations, and pledge any property, contracts or revenues as security to the extent permitted under the Joint Exercise of Powers Act, or any other applicable provision of law.

The manner in which the Agency shall exercise its powers and perform its duties is and shall be subject to the restrictions upon the manner in which a California county could exercise such powers and perform such duties. The manner in which the Agency shall exercise its powers and perform its duties shall not be subject to any restrictions applicable to the manner in which any other public agency could exercise such powers or perform such duties, whether such agency is a party to this Agreement or not.

**Section 5. Fiscal Year.**

For the purposes of this Agreement, the term "Fiscal Year" shall mean the fiscal year as established from time to time by resolution of the Board, being, at the date of this Agreement, the period from July 1 to and including the following June 30, except for the first Fiscal Year which shall be the period from the date of this Agreement to June 30, 2019.

**Section 6. Disposition of Assets.**

At the end of the term hereof or upon the earlier termination of this Agreement as set forth in Section 2, after payment of all expenses and liabilities of the Agency, all property of the Agency both real and personal shall automatically vest in the Members in the manner and amount determined by the Board in its sole discretion and shall thereafter remain the sole property of the Members; provided, however, that any surplus money on hand shall be returned in proportion to the contributions made by the Members.

**Section 7. Obligations.**

From time to time the Agency shall issue Obligations, in one or more series, for the purpose of exercising its powers and raising the funds necessary to carry out its Purposes under this Agreement, including but not limited to acquiring, constructing, improving, operating and disposing of real property for a public purposes.

The services of bond counsel, financing consultants and other consultants and advisors working on the projects and/or their financing or refinancing or on post-issuance compliance or administration may be used by the Agency. The expenses of the Board shall be paid from the proceeds of the Obligations, payments made by Obligation obligors or other third parties, or any other unencumbered funds of the Agency available for such purpose.

**Section 8. Obligations Only Limited and Special Obligations of Agency.**

The Obligations, together with the interest and premium, if any, thereon, shall not be deemed to constitute a debt of any Member or pledge of the faith and credit of the Members or the Agency. The Obligations shall be only special non-recourse obligations of the Agency, and the Agency shall under no circumstances be obligated to pay the Obligations except from revenues and other funds pledged therefor. Neither the Members nor the Agency shall be obligated to pay the principal of, premium, if any, or interest on the Obligations, or other costs incidental thereto, except the Agency from the revenues and funds pledged and available therefor, and neither the faith and credit nor the taxing power of the Members nor the faith and credit of the Agency shall be pledged to the payment of the principal of, premium, if any, or interest on the Obligations nor shall the Members or the Agency in any manner be obligated to make any appropriation for such payment.

No covenant or agreement contained in any Obligation or related document shall be deemed to be a covenant or agreement of any Director, or any officer, employee or agent of the Agency in his or her individual capacity, and neither the Board of the Agency nor any Director or officer thereof executing the Obligations shall be liable personally on any Obligation or be subject to any personal liability or accountability by reason of the issuance of any Obligations.

**Section 9. Accounts and Reports.**

All funds of the Agency shall be strictly accounted for. The Agency shall establish and maintain such funds and accounts as may be required by good accounting practice and by any provision of any Indenture (to the extent such duties are not assigned to a trustee of Obligations). The books and records of the Agency shall be open to inspection at all reasonable times by each Member.

The Treasurer of the Agency shall cause an independent audit to be made of the books of accounts and financial records of the Agency by a certified public accountant or public accountant in compliance with the provisions of Section 6505 of the Joint Exercise of Powers Act. In each case the minimum requirements of the audit shall be those prescribed by the State Controller for special districts under Section 26909 of the Government Code of the State of California and shall conform to generally accepted auditing standards. When such an audit of accounts and records is made by a certified public accountant or public accountant, a report thereof shall be filed as a public record with each Member and also with the county auditor of each county in which a Member is located; provided, however, that to the extent permitted by law, the Agency may, instead of filing such report with each Member and such county auditor, elect to post such report as a public record electronically on a website designated by the Agency. Such report if made shall be filed within 12 months of the end of the Fiscal Year or Years under examination.

The Treasurer is hereby directed to report in writing on the first day of July, October, January, and April of each year to the Board and the Charter Members which report shall describe the amount of money held by the Treasurer for the Agency, the amount of receipts since the last such report, and the amount paid out since the last such report (which may exclude

amounts held by a trustee or other fiduciary in connection with any Obligations to the extent that such trustee or other fiduciary provided regular reports covering such amounts.)

Any costs of the audit, including contracts with, or employment of, certified public accountants or public accountants in making an audit pursuant to this Section, shall be borne by the Agency and shall be a charge against any unencumbered funds of the Agency available for that purpose.

In any Fiscal Year the Board may, by resolution adopted by unanimous vote, replace the annual special audit with an audit covering a two-year period.

**Section 10. Funds.**

Subject to the applicable provisions of any Indenture, which may provide for a trustee or other fiduciary to receive, have custody of and disburse Agency funds, the Treasurer of the Agency shall receive, have the custody of and disburse Agency funds pursuant to the accounting procedures developed under Sections 3.C and 9, and shall make the disbursements required by this Agreement or otherwise necessary to carry out any of the provisions of purposes of this Agreement.

**Section 11. Notices.**

Notices and other communications hereunder to the Members shall be sufficient if delivered to the clerk of the governing body of each Member; provided that, to the extent permitted by law, the Agency may provide notices and other communications and postings electronically (including, without limitation, through email or by posting to a website).

**Section 12. Additional Members/Withdrawal of Members.**

Qualifying public agencies may be added as parties to this Agreement and become Charter Members upon: (1) the filing by such public agency with the Agency of an executed counterpart of this Agreement, together with a copy of the resolution of the governing body of such public agency approving this Agreement and the execution and delivery hereof; and (2) adoption of a resolution of the Board approving the addition of such public agency as a Charter Member. Upon satisfaction of such conditions, the Board shall file such executed counterpart of this Agreement as an amendment hereto, effective upon such filing.

Qualifying public agencies may also be added as Non-Charter Members ("Additional Members") of the Agency upon: (1) the filing by such public agency with the Agency of a resolution of the governing body of such public agency requesting to be added as an Additional Member of the Agency, and (2) adoption of a resolution of the Board approving the addition of such public agency as an Additional Member. An Additional Member may limit in the aforementioned resolution the scope of its Additional Membership to what is necessary or appropriate to facilitate the financing or refinancing of one or more specified projects or programs.

A Member may withdraw from this Agreement upon written notice to the Board; provided, however, that at least one Member shall be a Charter Member and no such withdrawal shall result in the dissolution of the Agency so long as any Obligations remain outstanding. Any such withdrawal shall be effective only upon receipt of the notice of withdrawal by the Board, which shall acknowledge receipt of such notice of withdrawal in writing and shall file such notice as an amendment to this Agreement effective upon such filing.

**Section 13. Indemnification.**

To the full extent permitted by law, the Board may authorize indemnification by the Agency of any person who is or was a Director or an officer, employee or other agent of the Agency, and who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such person is or was such a Director or an officer, employee or other agent of the Agency, against expenses, including attorneys fees, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding, if such person acted in good faith in a manner such person reasonably believed to be in the best interests of the Agency and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of such person was unlawful and, in the case of an action by or in the right of the Agency, acted with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances. The Board may purchase a policy or policies of insurance in furtherance of any indemnification obligation created or otherwise in protection of Directors, officers, employees or other agents.

**Section 14. Contributions and Advances.**

Contributions or advances of public funds and of the use of personnel, equipment or property may be made to the Agency by the Members for any of the Purposes of this Agreement. Payment of public funds may be made to defray the cost of any such contribution or advance. Any such advance may be made subject to repayment, and in such case shall be repaid, in the manner agreed upon by the Agency and the Member making such advance at the time of such advance. It is mutually understood and agreed to that no Member has any obligation to make advances or contributions to the Agency to provide for the costs and expenses of administration of the Agency, even though any Member may do so. The Members understand and agree that a portion of the funds of the Agency that otherwise may be allocated or distributed to the Members may instead be used to make grants, loans or provide other financial assistance to governmental units and to nonprofit organizations to accomplish any of the governmental unit's or nonprofit organization's purposes.

**Section 15. Immunities.**

All of the privileges and immunities from liabilities, exemptions from laws, ordinances and rules, and other benefits which apply to the activity of officers, agents or employees of Members when performing their respective functions within the territorial limits of their respective public agencies, shall apply to the same degree and extent to the Directors, officers, employees, agents or other representatives of the Agency while engaged in the performance of any of their functions or duties under the provisions of this Agreement.

**Section 16. Amendments.**

Except as provided in Sections 3B and 12 above, or to cure any error, omission or ambiguity in this Agreement, this Agreement shall not be amended, modified, or altered except with (i) written consent of all holders of any outstanding bonds of the Agency, (ii) written consent of each of Charter Member, and (iii) negative consent of each Additional Member. To obtain the negative consent of each such Additional Member, the following negative consent procedure shall be followed: (a) the Agency shall provide each such Additional Member with a notice at least sixty (60) days prior to the date such proposed amendment is to become effective explaining the nature of such proposed amendment and this negative consent procedure; (b) the Agency shall provide each such Additional Member who did not respond a reminder notice with a notice at least thirty (30) days prior to the date such proposed amendment is to become effective; and (c) if no such Additional Member objects to the proposed amendment in writing within sixty (60) days after the initial notice, the proposed amendment shall become effective with respect to all Members.

**Section 17. Effectiveness.**

This Agreement shall become effective and be in full force and effect and a legal, valid and binding obligation of each of the Members on the date that the Board shall have received from two of the Charter Members an executed counterpart of this Agreement, together with a certified copy of a resolution of the governing body of each such Charter Member approving this Agreement and the execution and delivery hereof.

**Section 18. Partial Invalidity.**

If any one or more of the terms, provisions, promises, covenants or conditions of this Agreement shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants and conditions of this Agreement shall not be affected thereby, and shall be valid and enforceable to the fullest extent permitted by law.

**Section 19. Successors.**

This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties hereto. Except to the extent expressly provided herein, no Member may assign any right or obligation hereunder without the consent of the other Members.

**Section 20. Miscellaneous.**

This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The section headings herein are for convenience only and are not to be construed as modifying or governing the language in the section referred to.

Wherever in this Agreement any consent or approval is required, the same shall not be unreasonably withheld.

This Agreement shall be governed under the laws of the State of California.

This Agreement is the complete and exclusive statement of the agreement among the Members, which supercedes and merges all prior proposals, understandings, and other agreements, whether oral, written, or implied in conduct, between and among the Members relating to the subject matter of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their duly authorized representatives as of the day and year first above written.

Charter Member:

KINGS COUNTY

By Joe Neves  
Name: Joe Neves  
Title: Chairman JAN 29 2018

ATTEST:

By Melanie Curtis  
Name: Melanie Curtis  
Title: Deputy Clerk to the Board of Supervisors

Charter Member:

HOUSING AUTHORITY OF THE  
COUNTY OF KINGS

By Joe Neves  
Name: Joe Neves  
Title: Chairman

ATTEST:

By Jennifer Malin  
Name: Jennifer Malin  
Title: Deputy Clerk to the Board of Supervisors



IN WITNESS WHEREOF, the Additional Members hereto have caused this Agreement to be executed and attested by their proper officers thereunto duly authorized.

Dated: \_\_\_\_\_

Additional Member Name:

\_\_\_\_\_  
By:  
Its:

ATTEST:

\_\_\_\_\_  
By:  
Its:

[Signature Page to Joint Powers Agreement Relating to the California Community Housing Agency]

RECORDING REQUESTED BY  
California Community Housing Agency

WHEN RECORDED RETURN TO:  
Orrick, Herrington & Sutcliffe LLP  
405 Howard Street  
San Francisco, CA 94105  
Attention: Jesse Albani

---

**PURCHASE OPTION AGREEMENT**

By and Between

**CALIFORNIA COMMUNITY HOUSING AGENCY**

**and**

**CITY OF [CITY]**

\_\_\_\_\_  
Dated as of [DATE]

\_\_\_\_\_  
Relating to

**CALIFORNIA COMMUNITY HOUSING AGENCY  
ESSENTIAL HOUSING REVENUE BONDS, [SERIES]  
([PROPERTY NAME])**

**and**

**CALIFORNIA COMMUNITY HOUSING AGENCY  
SUBORDINATE ESSENTIAL HOUSING REVENUE BONDS, [SERIES]  
([PROPERTY NAME])**

---

## PURCHASE OPTION AGREEMENT

This PURCHASE OPTION AGREEMENT (“*Option Agreement*”) is made effective as of [DATE] (“*Effective Date*”) by and between the CALIFORNIA COMMUNITY HOUSING AGENCY a joint exercise of powers agency organized and existing under the laws of the state of California (including its successors and assigns, “*Owner*”) and City of [CITY] (“*Host*”).

### BACKGROUND

**WHEREAS**, the Owner proposes to issue Bonds (as hereinafter defined) to finance Owner’s acquisition of the certain multifamily rental housing project (the “*Project*”) located at [ADDRESS] in [CITY], California, located on the real property site described in Exhibit A hereto; and

**WHEREAS**, the Owner intends to offer the Project to the Host pursuant to this Option Agreement.

### AGREEMENT

In consideration of the mutual covenants herein contained, and such other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, Owner and Host mutually agree as follows:

**Section 1. Grant of Option.** Owner hereby grants to Host an option (“*Option*”) to purchase the Optioned Property (as herein defined) upon payment of the Option Price (as herein provided) within the Option Term (as herein defined) and in compliance with and observance of all of the terms and conditions of this Option Agreement.

**Section 2. Definitions.** Capitalized terms used in this Option Agreement shall have the meanings assigned to them in this Section 2; capitalized terms used in this Option Agreement and not defined in this Section 2 or elsewhere herein shall have the meanings assigned to them in the Indenture (herein defined).

(a) “*Authority Indemnified Parties*” – the Owner and each of its officers, governing members, directors, officials, employees, attorneys, agents and members.

(b) “*Bonds*” – collectively, (i) the California Community Housing Agency Essential Housing Revenue Bonds, [SERIES] ([PROPERTY NAME]) (the “*Series A Bonds*”), and (ii) the California Community Housing Agency Subordinate Essential Housing Revenue Bonds, [SERIES] ([PROPERTY NAME]) (the “*Series B Bonds*”), with such other series and sub-series designations as may be set forth in the Indenture, originally issued to finance Owner’s acquisition of the Project and related transaction costs.

(c) “*Bond Trustee*” – Wilmington Trust, National Association or any successor trustee under the Indenture.

(d) “*Closing*” – shall have the meaning set forth in Section 9 hereof.

(e) “Conveyance” – that transaction or series of transactions by which Owner shall transfer, bargain, sell and convey any and all right, title or interest in and to the Optioned Property to Host.

(f) “Extraordinary Costs and Expenses” – shall have the meaning set forth in the Indenture.

(g) “Indenture” – the Indenture of Trust dated as of [DATE] between Owner, as issuer, and the Bond Trustee, as trustee, pursuant to which the Bonds were issued.

(h) “Manager” – Catalyst Housing Group LLC and its successors and assigns.

(i) “Option Price” – the sum of the amounts set forth below:

i. an amount sufficient to either prepay, redeem in whole or fully defease for redemption on the earliest call date all Project Debt; plus

ii. any fees or other amounts not identified in clause (i) that may be necessary to effect the complete release from and discharge of any lien, mortgage or other encumbrance on the Optioned Property; plus

iii. any amounts due to Owner (including the Authority Indemnified Persons, as provided in the Indenture), the Bond Trustee or any predecessor or successor, or any other Person under any indenture, loan agreement, bond, note or other instrument relating to any Satisfied Indebtedness (including, without limitation, indemnification amounts, Owner’s Extraordinary Costs and Expenses, recurrent and extraordinary fees and expenses, and reimbursable costs and expenses of any kind or nature); plus

iv. Transaction Costs; minus

v. The amount of any Project Debt assumed by Host; and minus

vi. Any funds held by or for Owner under the Indenture applied to the retirement of Project Debt.

(j) “Option Exercise Date” – the date fifteen (15) years from the issuance of the Bonds.

(k) “Option Term” – shall commence on the Option Exercise Date and, if not exercised, shall terminate at 11:59 p.m. local time on the date that is fourteen (14) years from the Option Exercise Date.

(l) “Optioned Property” – means all of Owner’s right, title and interest (which includes fee simple title to the real property) in and to all property and assets used in or otherwise related to the operation of the Project including, without limitation, all real property and interests in real property, all tangible and intangible personal property including furniture, fixtures, equipment, supplies, intellectual property, licenses, permits, approvals, and contractual rights of any

kind or nature together with the right to own and carry on the business and operations of the Project.

(m) “Outstanding” – with respect to Bonds, as of any given date, all Bonds which have been authenticated and delivered by the Trustee under the Indenture, except: (i) Bonds cancelled at or prior to such date or delivered to or acquired by the Trustee or prior to such date for cancellation; (ii) Bonds deemed to be paid in accordance with Article VIII of the Indenture; and (iii) Bonds in lieu of which other Bonds have been authenticated under the Indenture.

(n) “Project Debt” – any debt secured by the Project and incurred to finance or re-finance Owner’s acquisition of the Project and related transaction costs, including any portion of the Bonds and any bonds, notes or other indebtedness issued by Owner to refund the Bonds in whole or in part.

(o) “Transaction Costs” – to the extent not otherwise described herein, any costs or expenses of any kind or nature associated with or incurred by Owner and Host in connection with the consummation of the Conveyance, any refinancing of the Project or assumption of Project Debt regardless of whether such costs and expenses are customarily borne by the seller or purchaser in any such transaction, including but not limited to taxes, recording fees and other impositions, Owner’s and Host’s legal and other professional fees, fees for verification agents, bidding agents, escrow agents, custodians or trustees, assumption fees, prepayment fees, the cost of the appraisal, surveys, inspections, title commitments, title insurance premiums and other title-related fees, and all amounts required for indemnification of Authority, Trustee and Manager.

**Section 3. Effectiveness; Term and Termination.** The Option shall become effective on the Option Exercise Date and may be exercised during the Option Term. Owner agrees that it will not enter into any agreement to sell all or any part of the Optioned Property during the Option Term, without the specific written request of the Host and written consent of the Owner, which consent shall not be unreasonably withheld, and delivery of an Opinion of Bond Counsel to the Owner substantially to the effect that such sale will not, in and of itself, adversely affect the exclusion of interest on the Bonds from gross income for purposes of federal income taxation. After expiration of the Option Term, Host shall not be precluded from purchasing all or any portion of the Optioned Property from Owner at a price and on the terms agreed upon by Host and Owner, but Owner shall not be precluded from seeking or agreeing to sell, or consummating the sale of, all or any portion thereof to any third person.

**Section 4. Manner of Exercise.**

(a) Owner’s Notice. At least six (6) months prior to the Option Exercise Date, Owner shall provide Host notice of the Option Exercise Date; provided, however, that failure to provide such notice shall not affect the sufficiency or validity of any proceedings taken in connection with the exercise of the Option.

(b) Host’s Notice. To exercise the Option, Host shall provide a notice (an “*Exercise Notice*”) to Owner at any time prior to the end of the Option Term.

(c) Owner's Response. Within fifteen (15) business days of its receipt of the Exercise Notice, Owner shall provide Host with written estimate of the amounts comprising the Option Price.

(d) Host's Response. Within fifteen (15) business days of its receipt of Owner's estimate under Subsection (c), Host shall notify Owner in writing either (i) that it is withdrawing its Exercise Notice, or (ii) that it intends to proceed with the purchase of the Optioned Property.

(e) Fixing of Option Price; Contractual Obligation. Unless Host notifies Owner in writing that it is withdrawing its Exercise Notice within fifteen (15) business days of its receipt of Owner's estimate under Section 4(c) hereof, Host shall deliver to Owner a purchase agreement therefor in form and substance satisfactory to Owner and its counsel subject to the terms and conditions of this Option Agreement. Unless Owner shall have objected to the form of purchase agreement within fifteen (15) business days of its receipt thereof, Owner shall be deemed to have accepted the terms of the purchase agreement without the need for the signature of Owner thereon, and Host shall be obligated to purchase and Owner shall be obligated to sell and convey to Host good and marketable title to the Optioned Property at the Option Price within ninety (90) days thereafter.

**Section 5. Determination of Option Price**. Unless the parties otherwise agree, Owner shall cooperate with Host and provide Host with all information and records in its possession, and access to counsel and other professionals, to assist Host in determining and updating the Option Price.

**Section 6. Surplus Cash**. The Owner shall cause the Trustee to create an account (the "Excess Revenue Fund") under (i) the Indenture or (ii) in the event that the Bonds have been retired and the Indenture discharged, a separate trust agreement identifying Owner as trustor, a trustee selected by Owner as trustee, and Host as beneficiary, into which excess revenue over expenses shall be deposited. Upon the commencement of the Option Term, after full payment of the fees, charges and expenses of the Owner and the Trustee and other amounts required to be paid pursuant to the Indenture or other documents relating to then-outstanding Project Debt, amounts remaining in the Excess Revenue Fund shall be transferred to the Host. Thereafter, amounts in the Excess Revenue Fund shall be transferred to the Host periodically.

The Host shall apply amounts in the Excess Revenue Fund to the payment of the Option Price and thereafter shall apply such funds in its sole discretion.

**Section 7. Terms of Conveyance**.

(a) The Conveyance shall be in the nature of a grant deed in which Owner shall deliver one or more deeds, bills of sale, or other instruments of transfer without recourse or warranty of any kind or nature.

(b) The Optioned Property will be conveyed to Host in AS IS CONDITION, WITH ALL FAULTS, and without representations or warranties of any kind or nature as to the condition of the Property. Host acknowledges that Owner will convey the Optioned Property AS IS and that OWNER IS MAKING NO WARRANTIES AND REPRESENTATIONS, EXPRESS OR IMPLIED, with reference to the condition of the Property. HOST WAIVES ANY AND ALL

CLAIMS AGAINST OWNER, INCLUDING BUT NOT LIMITED TO, CLAIMS BASED IN PART, INCLUDING, BUT NOT LIMITED TO, NEGLIGENCE, STRICT LIABILITY AND STRICT RESPONSIBILITY, IN CONTRACT, IN WARRANTY, IN EQUITY, OR UNDER ANY STATUTE, LAW OR REGULATION ARISING DIRECTLY OR INDIRECTLY OUT OF ANY CONDITION OF THE PROPERTY.

(c) There shall be no partial transfer and that, upon consummation of the Conveyance, Owner shall be fully divested of any and all right, title or interest in and to the Optioned Property.

(d) Upon payment of the Option Price, as adjusted for any prorations, credits and charges, Owner shall convey title to the Optioned Property by quit claim deed reasonably satisfactory in form and substance to Host.

**Section 8. Closing.** The closing of the Conveyance ("Closing") shall take place not later than the ninetieth (90<sup>th</sup>) calendar day following the date on which the parties agree on the terms of the purchase agreement pursuant to Section 4(e) hereof at such time within normal business hours and at such place as may be designated by Host.

(a) Prorations. All general and special real property taxes and assessments, and rents shall be prorated as of the Closing, with Host responsible for all such items to the extent arising or due at any time following the closing. General real property taxes shall be prorated at the time of Closing based on the net general real property taxes for the year of Closing.

(b) Limitation. If, after taking into account all adjustments and prorations, the net amount due Owner at Closing is less than the Option Price, the Option Price, as the case may be, shall instead be the Option Price, it being understood and agreed that in no event shall Owner receive proceeds less than the amount necessary to fully retire or defease, as the case may be, the Series A Bonds and the Series B Bonds and otherwise satisfy all of the payments constituting the components of the Option Price.

**Section 9. Recording.** This Option Agreement, and any amendment thereto, shall be recorded with the recorder's office of the County of Solano; *provided*, that in the event Host fails to exercise the Option, then upon termination of the term of this Option Agreement, Host shall cooperate with Owner to remove any such recorded Option Agreement or amendment thereto from title to the Optioned Property upon Owner's reasonable request therefor and, in any event, by no later than thirty (30) days after the expiration of the original term of this Option Agreement. In the event that, within said time, Host fails to so cooperate and provide its original signature to a termination of such recorded Option Agreement or amendment thereto, then Host hereby irrevocably constitutes and appoints Owner as Host's true and lawful attorney (and agent-in-fact) to execute in Host's name any such termination.

**Section 10. Possession.** Physical possession of the Optioned Property shall be delivered to Host at the time of Closing.

**Section 11. Title Insurance, Title Defects.**



(a) Within fifteen (15) business days after it receives the Option Exercise Notice, Owner shall provide Host with a title commitment (the "Title Commitment") in the customary ALTA form of Standard Owner's Policy of Title Insurance in Host's favor, for the amount equivalent to the Option Price (whichever is applicable), with a commitment to insure good and marketable fee simple title to the Optioned Property in Host, issued by a title insurance company licensed to do business in the State of California and acceptable to Host (the "Title Company"). The policy shall show the status of title to the Optioned Property and show all exceptions, including easements, restrictions, rights-of-way, covenants, reservations, and other conditions of record, if any, affecting the subject real estate. Accompanying the Title Commitment, Owner shall also have Title Company furnish Host with true, correct, complete, and legible copies of all documents affecting title to the subject real estate. The cost and expense of such Standard Owner's Title Commitment shall be payable as a Transaction Cost. Host shall pay the additional premium due if Host elects to obtain an extended coverage policy of title insurance and/or extended coverage endorsements. Owner shall cooperate with Host, at no expense to Owner, by providing an affidavit to Title Company to induce Title Company to issue to Host at Closing a "GAP" endorsement to the Title Commitment showing the effective date of the Title Commitment to be the time and date of Closing.

(b) If the Title Commitment shows exceptions to title which are unacceptable to Host, Host shall, within ten (10) business days after receipt of the Title Commitment and not later than twenty (20) business days before the date for Closing, notify Owner of such fact and Owner shall have twenty (20) business days after Owner receives Host's written objections to cure such defects and to present a Title Commitment on the basis of which Closing may occur or to notify Host that Owner will not cure same. If Owner cannot or will not cure such defects within such twenty (20) day period and thereafter convey title to the Property as required in this Agreement, then Host shall have the right (at Host's option) to either:

(i) Rescind the Option Exercise Notice and Owner may proceed to close the sale under the terms of the third-party offer, if there is a third-party offer; or

(ii) Accept whatever title Owner can or will convey, without reduction in the purchase price because of such title defects. Any exceptions to title disclosed on the Title Commitment to which Host does not timely object to in writing or to which Host objects but thereafter accepts by Closing shall be included as a "Permitted Exception."

**Section 12. Assignment.** The Host shall not assign the Option without the prior written consent of the Owner, which consent shall not be unreasonably withheld, and delivery of an Opinion of Bond Counsel to the Owner substantially to the effect that such assignment will not, in and of itself, adversely affect the exclusion of interest on the Bonds from gross income for purposes of federal income taxation. Notwithstanding the foregoing, neither party to this Option Agreement shall assign its interests, obligations, rights and/or responsibilities under this Option Agreement without the prior written consent of the other party.

**Section 13. No Individual Liability.** No Authority Indemnified Person shall be individually or personally liable for the payment of any sum hereunder or be subject to any personal liability or accountability by reason of the execution and delivery of this Option Agreement , or

by any proceedings for the determination of the Option Price, or Host's exercise or waiver of same, or otherwise except in the case of such Authority Indemnified Person's own willful misconduct.

**Section 14. Notices, Governing Law, Binding Effect and Other Miscellaneous Provisions.**

(a) Notices. All notices provided for in this Option Agreement shall be in writing and shall be given to Owner or Host at the address set forth below or at such other address as they individually may specify thereafter by written notice in accordance herewith:

If to Owner: California Community Housing Agency  
1400 W. Lacey Blvd., Building 1  
Hanford, California 93230  
Attention: Michael LaPierre

With a copy to: Catalyst Housing Group  
21 Ward Street, Suite 2  
Larkspur, California 94939  
Attention: Jordan Moss

If to Host: City of [CITY]  
[ADDRESS]  
Attention: [NAME, DEPARTMENT]

Such notices shall be deemed effective upon actual delivery or upon the date that any such delivery was attempted and acceptance thereof was refused, or if mailed, certified return receipt requested, postage prepaid, properly addressed, three (3) days after posting.

(b) Consents and Approvals. All consents and approvals and waivers required or asserted hereunder shall be in writing, signed by the party from whom such consent, approval, waiver or notice is requested, provided that no written consent or approval of Owner shall be required for any action that Host may, in its reasonable good faith judgment, find it necessary to take in the event of an emergency.

(c) Cooperation. Owner will keep Host advised of its complete name at all times, including any change of such name. Host will keep Owner advised of its complete name at all times, including any change of such name.

(d) Pronouns. Where appropriate to the context, words of one gender include all genders, and the singular includes the plural and vice versa.

(e) Amendments. This Option Agreement may not be modified except in a written instrument signed by Host and Owner.

(f) Complete Agreement. This Option Agreement together with all schedules and exhibits attached hereto and made part thereof supersedes all previous agreements, understandings and representations made by or between the parties hereto.

(g) Governing Law. This Option Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to conflicts of law principles. All claims of whatever character arising out of this Option Agreement, or under any statute or common law relating in any way, directly or indirectly, to the subject matter hereof or to the dealings between Owner and any other party hereto, if and to the extent that such claim potentially could or actually does involve Owner, shall be brought in any state or federal court of competent jurisdiction located in Kings County, California. By executing and delivering this Option Agreement, each party hereto irrevocably: (i) accepts generally and unconditionally the exclusive jurisdiction and venue of such courts; (ii) waives any defense of forum non-conveniens; and (iii) agrees not to seek removal of such proceedings to any court or forum other than as specified above. The foregoing shall not be deemed or construed to constitute a waiver by Owner of any prior notice or procedural requirements applicable to actions or claims against or involving governmental units and/or political subdivisions of the State of California that may exist at the time of and in connection with such matter.

(h) Legal Construction. In case any one or more of the provisions contained in this Option Agreement shall for any reason be held by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such invalid provision shall be deemed severable, and shall not affect the validity or enforceability of any other provisions of this Option Agreement, all of which shall remain fully enforceable.

(i) Term. This Agreement shall terminate upon the earlier of (a) the Conveyance or (b) the first date on which all Project Debt has been retired and Owner has made an absolute assignment to Host of all future Surplus Cash.

(j) Captions. The captions used in this Option Agreement are solely for convenience, and shall not be deemed to constitute a part of the substance of the Option Agreement for purpose of its construction.

**[SIGNATURE PAGE TO FOLLOW]**

**IN WITNESS WHEREOF**, the parties have executed this Option Agreement as of the date set forth above.

**CALIFORNIA COMMUNITY HOUSING  
AGENCY**

By:

\_\_\_\_\_  
\_\_\_\_\_

**CITY OF [CITY]**

By:

\_\_\_\_\_  
\_\_\_\_\_

*Signature Page to Purchase Option Agreement*

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_,  
(insert name and title of the officer)

Notary Public, personally appeared \_\_\_\_\_,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are  
subscribed to the within instrument and acknowledged to me that he/she/they executed the same  
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument  
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that  
the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_

(Seal)

**EXHIBIT A**

**LEGAL DESCRIPTION OF REAL PROPERTY**



May 30, 2019

**Orrick, Herrington & Sutcliffe LLP**

The Orrick Building  
405 Howard Street  
San Francisco, CA 94105-2669

+1 415 773 5700

orrick.com

**Justin Cooper**

E jcooper@orrick.com

D +1 415 773 5908

F +1 415 773 5759

California Community Housing Agency  
2999 Oak Road, Suite 710  
Walnut Creek, CA 94597  
Attn: Michael LaPierre

Re: California Community Housing Agency

The California Community Housing Agency (“CalCHA”) was formed pursuant to a Joint Exercise of Powers Agreement (the “Agreement”) between two original members, Kings County and the Housing Authority of Kings County (the “Charter Members”). In accordance with Section 12 of the Agreement, additional cities, counties and other local government entities may, and have, joined CalCHA (each a Non-Charter Member or “Additional Member” and, together with the Charter Members, the “Members”). You have asked whether an Additional Member is exposed to liability by virtue of its decision to become a member of CalCHA and/or its approval of bonds proposed to be issued by CalCHA.

CalCHA is a political subdivision of the State of California created under the California Joint Powers Act (California Government Code Section 6500 and following) (the “Act”) and the Agreement. Pursuant to the Act and the Agreement, CalCHA is authorized to issue revenue bonds and to acquire, construct, improve, own, maintain and operate, or provide for maintenance and operation, and sell, lease, pledge, assign, mortgage or otherwise dispose, of any property.

In order to meet state law, federal income tax law, and policy requirements for the issuance of certain bonds, CalCHA has adopted a policy to not issue bonds or other forms of indebtedness unless the governing body of an Additional Member (or Charter Member, as the case may be) in which the proposed project (the “Project”) is located approves the issuance of bonds for the Project.



Page 2

Pursuant to applicable state law, CalCHA policies, and the documents providing for the issuance of bonds by CalCHA, the bonds are issued as limited obligations of CalCHA, not of any Charter Member or Additional Member, and are payable solely out of the revenues and receipts derived from the Project being financed.

Specifically, Section 8 of the Agreement provides that “[t]he Bonds, together with the interest and premium, if any, thereon, shall **not** be deemed to constitute a debt of any Member or pledge of the faith and credit of the Members...Neither the Members nor...shall be obligated to pay the principal of, premium, if any, or interest on the Bonds, or other costs incidental thereto...” (emphasis added). The Agreement also expressly provides that CalCHA is a public entity separate and apart from the Members, and “[i]ts debts, liabilities and obligations do not constitute debts, liabilities or obligations of any Members.”<sup>1</sup> Accordingly, bonds issued for any particular Project will be indebtedness solely of CalCHA.

Please do not hesitate to contact me if you have further questions with respect to this matter.

Sincerely yours,

*/s/ Justin Cooper*

Justin Cooper

---

<sup>1</sup> See Cal. Government Code Section 6508.1. “...the debts, liabilities, and obligations of the agency shall be debts, liabilities, and obligations of the parties to the agreement unless the agreement specifies otherwise.”





# Essential Housing



# Crisis

## California has failed its essential middle-income workforce...

- *Our nurses, teachers, first responders and civil servants earn in excess of traditional affordable housing income limits, yet are priced out of the very communities they serve*
- *Ripple effects of housing shortfalls include congestion, pollution, crime, homelessness, health issues, poor academic performance, involuntary mobility and social dislocation*
- *The future prospects of our state hinge predominantly on providing adequate and reasonably affordable housing accommodations for our essential workforce*

# Problem

## California's middle-income housing crisis is complex...

- *Restrictive land use policies*
- *Organized NIMBY protectionists*
- *Record construction costs*
- *Widening income inequality*
- *Aggressive value-add investors*
- *Tax law changes*
- *Insufficient affordable housing subsidies*
- *Nonexistent middle-income motivations*

# Team

**Catalyst has partnered innovative housing experts to connect arcane aspects of the California Constitution, municipal finance and property tax law...**

- *Catalyst Housing Group (“Catalyst”)*
- *California Community Housing Agency (“CalCHA”)*
- *Orrick*
- *Ballard Spahr*
- *Meyers Nave*
- *Jefferies*

# Solution

**Catalyst has developed a scalable and unsubsidized capital structure to create perpetually affordable housing for California's essential middle-income workforce...**

- *Leverages by-right mechanisms*
- *Operates without public subsidies*
- *Requires no equity investments*
- *Preserves existing tenant populations*
- *Imposes middle-income regulatory agreements*
- *Restricts annual rent increases*
- *Grants surplus economics to underlying jurisdictions*

# Comparison

Our Essential Housing model compared to traditional “Capital A” affordable housing...

Program Attribute	Affordable Housing	Essential Housing
Tax Credits	Yes	No
Bond Financing	Private Activity Bonds	Governmental Bonds
Competitive Nature	Highly	NA
Demographic Served	<60% AMI	<120% AMI
Annual Increases	Uncapped	<4%
Tax Exemption	Partial (<80% AMI)	Full
Required Subsidy	Yes	No
Required Equity	Yes	No
Public Benefits	Tenants	Tenants and Cities



# Success

**Catalyst recently closed a first-of-its-kind essential housing transaction in Santa Rosa, California...**

- *Existing “Class A” market-rate rental community*
- *100% income restriction for 80-120% AMI households*
- *Significantly below market rents*
- *4% cap on annual rent increases*
- *Preservation of existing tenants*
- *\$200 million total capitalization*
- *100% debt financed for 30 years at 4.65%*
- *All upside granted to the City of Santa Rosa*



# Approvals

**Catalyst's essential housing program requires Council approval of a single Resolution...**

- *CalCHA membership (no cost, no liability)*
- *Issuance acknowledgement (no TEFRA)*
- *Acceptance of surplus economics (Purchase Option Agreement)*



# Together

**We can affordably house your essential middle-income workforce, create significant local public benefits and positively influence the future of Menlo Park!**





## STAFF REPORT

### City Council

**Meeting Date:** 7/16/2019  
**Staff Report Number:** 19-144-CC

**Public Hearing:** Consider the Planning Commission's recommendation to approve architectural control, use permit, heritage tree removal permit, major subdivision, and below market rate housing agreement for a six unit condominium conversion, the addition of two new condominium units and associated site improvements at 975 Florence Lane

### Recommendation

The Planning Commission and staff recommend that the City Council make the necessary findings and take actions for approval of the 975 Florence Lane project, as outlined in Attachment A. The specific entitlements are as follows:

1. Architectural Control for the construction of the two new units and other exterior work and site improvements (Resolution No. 6515 and Recommended Conditions of Approval in Attachment B)
2. A major subdivision to create eight condominium units by converting six existing residential dwelling units and constructing two new units on an 11,208-square foot parcel (Resolution No. 6515 and Recommended Conditions of Approval in Attachment B)
3. A use permit for work on an existing legal nonconforming structure that would exceed 50 percent of the value of the existing structure (Resolution No. 6515 and Recommended Conditions of Approval in Attachment B)
4. A Heritage Tree Removal Permit to remove one heritage-size Japanese maple tree (Resolution No. 6516 in Attachment C)
5. A Below Market Rate (BMR) Housing Agreement to provide one on-site BMR unit in accordance with the City's Below Market Rate Housing Program and State Density Bonus Law, including waivers to the City's Zoning Ordinance (Resolution No. 6517 and BMR Agreement in Attachment D)

### Policy Issues

The proposed project requires the City Council to consider the merits of the project. The City Council will need to consider architectural control, use permit and subdivision map findings. Further, resolutions regarding a heritage tree removal permit and the BMR Housing Agreement for the project will need to be considered. The policy issues summarized here are discussed in greater detail throughout the staff report.

## **Background**

### Site location

Using Florence Lane in the east to west orientation, the subject property is located on the south side of Florence Lane, between University Drive and Fremont Street in the R-3 (Apartment) zoning district. The subject property is currently developed with six apartment units in two buildings, with 12 off-street parking spaces. The properties surrounding the subject site are also located in the R-3 zoning district, and are developed with residential uses, primarily multifamily in nature. A location map is included as Attachment E.

### Project description

The subject property is currently developed with two buildings, each consisting of three apartments. Each building is considered nonconforming with regard to setbacks. The building in the front of the lot is three stories in height, with six parking spaces on the ground level, and three two-bedroom apartments on the second and third stories. Two additional parking spaces are located in front of the building and four are located behind the front building. The rear building is two stories in height, with two two-bedroom units and one three-bedroom unit. The applicant is proposing to convert the existing six apartments into condominiums and add one one-bedroom market rate condominium and one one-bedroom BMR for-sale unit to the rear building, for total of eight condominiums. The applicant is proposing exterior and interior upgrades to both buildings and the removal of the existing pool and shed in the rear of the property. Approval of a tentative subdivision map is required for the creation of the condominiums and a use permit is required for work on a legal, non-conforming structure (rear building) that exceeds 50 percent of the replacement cost of the structure. The proposed modifications to the front building would not exceed the use permit threshold. The applicant's project plans are included as Attachment H and the applicant's project description letter and BMR proposal are included as Attachment I. The Planning Commission is typically the final decision-making body, unless appealed, on the use permit, architectural control and BMR agreement with the City Arborist being the decision-making body on tree permit. However, the City Council is the final decision-making body on a major subdivision. In this case, the development of the two units is being presented together with the tentative map. The City Council is the final decision-making body on all the proposed requests.

### Housing Commission review

On August 8, 2018, the Housing Commission recommended approval of a Below Market Rate (BMR) Term Sheet to the Planning Commission and City Council for one on-site, for-sale BMR unit.

### Planning Commission review

On May 6, 2019, the Planning Commission voted unanimously (6-0, with Commissioner Strehl absent) to recommend that the City Council approve the project subject to the following conditions:

- The heritage tree proposed for removal shall be replaced at a two-to-one ratio.
- The City Council shall identify which unit is appropriate to designate as the BMR unit, and whether low-income is the appropriate income level if the one-bedroom unit is designated as the BMR unit.
- Condition of approval 6(b), requiring the CC&Rs to state that no on-street overnight parking permits will be issued by the City for any units, including units with less than two parking spaces, shall continue to

be included with any project approvals.

- The city attorney shall investigate if Government Code Section 65589.5(d)(1), which would mean the project is not subject to State Density Bonus law, applies to the project.

Three people spoke at the Planning Commission meeting. Two speakers were in favor of the project, noting the need for affordable housing, and one speaker was opposed to the project, noting concerns with the proposed number of parking spaces. The staff report, which provides more details about the components of the project, and meeting minutes are included as hyperlink Attachments F and G, respectively.

Following the Planning Commission meeting, the applicant and staff has had further conversation regarding the recommended conditions of approval. The applicant has stated both at the meeting and afterward that they do not agree with the recommended condition of approval 6(b). Staff believes the condition for no on-street overnight parking permits is appropriate as it would notify future buyers of the condition. With respect to the Commission's recommendation for the City Council to identify the BMR unit, the City Attorney has indicated that the applicant is correctly applying State Density Bonus law to his request and the project should be processed and voted on as submitted, with the proposed BMR unit as one of the new one-bedroom units at moderate-income level. The City Attorney has also reviewed Government Code Section 65589.5(d)(1) and indicated it does not apply in this case because the City has not met or exceeded its share of the regional housing need allocation pursuant to Section 65584 for the income category proposed for the housing development. Therefore, the provisions of Government Code Section 65915, the state density bonus law, apply to the project as described later in this report and in the Planning Commission staff report for the May 6 hearing.

#### Environmental Quality Commission review

On May 15, the Environmental Quality Commission unanimously voted to recommend the City Council approve the proposed removal of a heritage Japanese maple tree. The tree is proposed to be removed due to its poor health and to allow the installation of a ramp to meet accessibility requirements.

### **Analysis**

#### Design and Materials

The applicant is proposing to update the building facades but the forms would remain generally the same with the addition of the two new units. The applicant is proposing to remove the existing wood shake roofing on both buildings and add new composition shingle roofing. The brick veneer and the board and batten siding along the front façade of the front building would also be removed. Horizontal lap siding would be added to the top floors along the front façade of both buildings, as well as the top floor of the rear building. The rest of the exterior facades would remain stucco, painted in a dark grey color and the two units would be integrated into the design. The windows and sliding doors for the new units would be vinyl and the entry doors would be wood, painted white, to match the existing windows and doors.

#### Trees and landscaping

There are 11 trees located on or near the property, including five heritage trees. One heritage tree is proposed for removal due to its poor health and to allow the installation of a ramp to meet accessibility requirements. A replacement Brisbane box tree is proposed in the rear of the property. As previously

noted, the Planning Commission recommended a second replacement tree, which the applicant has agreed to provide. The species and location of this tree would be determined at the building permit stage pursuant to recommended condition of approval 6(c). The remaining heritage trees would be protected by tree protection fencing and other tree protection measures discussed in the arborist report (Attachment J). All recommendations identified in the arborist shall be report shall be implemented and will be ensured as part of condition 5j.

### Subdivision

The Subdivision Ordinance requires the preparation of a tentative map, which is included in the applicant's project plans (Attachment H) and submittal of a building code compliance report for condominium conversions. The tentative map has been reviewed by the City's Engineering Division and has been found to comply with the provisions of the State Subdivision Map Act and the City's Subdivision Ordinance subject to conditions of approval (Attachment B). Additionally, the Building Division has reviewed the code compliance report in order to determine the extent of modifications to convert the building into condominium units. The subdivision ordinance also requires the applicant to submit documentation to the City of its program to notify tenants of the proposed conversion, as well as to allow existing tenants the first right to purchase the units. The applicant submitted a letter outlining his program to notify tenants as well as the actual notices provided to each tenant. On March 12, the City Council adopted a tenant relocation assistance ordinance. Staff is the process of determining whether any existing tenants at the project site are eligible for relocation assistance under the ordinance.

### Valuation of work on a nonconforming structure

The applicant is requesting a use permit to allow the work proposed on the rear building, which would exceed 50 percent of the replacement cost of the structure within a 12-month period. The City has determined that the replacement cost of the existing rear structure would be \$795,820 meaning that the applicant would be allowed to propose new construction and remodeling of the building totaling less than \$397,910 in any 12-month period without obtaining a use permit. The City has determined that the value of the proposed work would be \$651,300, requiring a use permit.

### BMR Housing Program requirement

The applicant is required to comply with Chapter 16.96 of City's Municipal Code ("BMR Ordinance"), and with the BMR Housing Program Guidelines adopted by the City Council to implement the BMR Ordinance (BMR Guidelines) since the project includes more than four residential units. In accordance with the City's BMR Guidelines, for residential developments of five to nine units, it is preferred that the applicant provide one unit at below market rate on-site.

The applicant is proposing to satisfy the project's BMR obligation through the application of State Density Bonus Law and the construction of one on-site, moderate-income level for-sale BMR unit. The proposed BMR unit would be a new unit located on the second floor of the rear building. The second new unit would be located below the BMR unit. The total size of the BMR unit would be approximately 560 square feet, the same size as the new market rate unit. As shown on the proposed elevations, the exterior of the BMR unit would be indistinguishable from those of the market-rate units. A draft resolution approving the BMR agreement, as well as the draft agreement, is included as Attachment D. The provision of both market rate and affordable residential units in and around the El Camino Real corridor is generally desired, per City policies.

*Application of the State density bonus law to the project*

The applicant is proposing to apply the provisions of Government Code Section 65915 (GC 65915), the State Density Bonus Law, to the project. The purpose of GC 65915 is to encourage and provide incentives to developers to include lower income housing units in their developments. The language of GC 65915 is mandatory; therefore, the City must grant the applicant a density bonus, which would allow the applicant to increase the density above the maximum allowable limit under the Zoning Ordinance, and waivers to development standards if the application of a development standard would physically preclude construction of a project that includes lower income housing. There is no limit on the number of development standard waivers that an applicant may request. Furthermore, the City is obligated to grant the requested development standard waiver(s), unless it can find that the waiver would have a specific adverse impact, as defined in Government Code Section 65589.5(d)(2), upon public health and safety or the physical environment or any property listed on the California Register of Historical Places or would be contrary to federal or state law.

*Development standards and requested waivers*

The R-3 zoning district sets specific development standards for R-3 parcels with a lot area over 10,000 square feet in the area around the El Camino Real/Downtown Specific Plan. The subject property falls into this category, which allows seven residential units on this property. As described in the applicant's project description letter, State Density Bonus Law allows a developer to build one additional market rate unit and, in the case of a subdivision, to create a legal lot or condominium unit for such additional unit, for each BMR unit provided. So with the addition of the BMR unit, the applicant is permitted to construct an additional market-rate unit as an eighth unit on the parcel. In addition, an increase in the floor area associated with the residential development project by an amount that corresponds to the increase in allowable density is permitted.

The maximum permitted gross square footage for the lot is 7,664.7 square feet. To calculate the permitted increase in floor area based on the provision of a BMR unit, the maximum permitted floor area is divided by the maximum permitted units (seven) to determine the average per unit. For this parcel, the average per unit is 1,094.9 square feet, which is multiplied by eight for a total permitted gross floor area of 8,759.2 square feet. The applicant's proposal, at 8,736.3 square feet, complies with this maximum.

The Zoning Ordinance requires two parking spaces for units with two or more bedrooms and 1.5 parking spaces for units up to one bedroom, with a covered parking space required for each unit. The current development provides 12 parking spaces. Two of these parking spaces would be combined into the required accessible parking space and adjacent loading area. In total, the project would provide 11 spaces where 15 spaces would be required with the addition of the two units. Of the 11 parking spaces, six would be covered, where eight covered spaces would be required with the addition of the two units. The applicant's proposal includes assigning one space to each unit and leaving the two remaining regular (non-accessible) spaces either as guest parking or as spaces that could be rented by condominium owners from the homeowners association. Recommended condition of approval 6(b) requires the CC&Rs (Covenants, Conditions and Restrictions) for the project to state that no on-street overnight parking permits will be issued by the City for any units, including units with less than two parking spaces.

The applicant is requesting a waiver under the State Density Bonus law to allow reductions in parking spaces from the 15 total parking space requirement and the eight covered parking space requirement since the existing development of the site makes the addition of new parking spaces infeasible. Staff



believes that the site location, close to downtown, the Menlo Park Caltrain station and bus transit, and other shopping/services, would support a reduced parking requirement.

The applicant is also requesting a waiver to allow an increase in building coverage from the 40 percent building coverage permitted by the R-3 zone to 53.7 percent (6,015.9 square feet). The current building coverage is 49.2 percent (5,513.7 square feet) and without this waiver the proposed addition of a BMR unit would not be possible.

The proposed project is meeting the remaining R-3 development standards for lots over 10,000 square feet size in the area around the El Camino Real/Downtown Specific Plan, unless existing nonconforming and proposed to remain unchanged, as described below:

- Approximately 8.5 percent driveways and open parking areas are existing where 35 percent is the maximum
- Approximately 38 percent of the site would be open space with the addition of the two new units where the minimum is 25 percent
- A maximum height of approximately 31.8 feet is existing and proposed where 35 feet is the maximum

Staff believes that the requested waivers from the Zoning Ordinance development standards would not have a specific adverse impact upon public health and safety or the physical environment. The proposed waivers would not reduce the required setbacks for the proposed additions, which further limits the potential impact on the neighboring properties. In addition, the waivers are necessary to accommodate the construction of the on-site BMR unit and the bonus market-rate unit as required by the City's BMR ordinance and State Density Bonus law.

### Correspondence

Staff received four emails (Attachment K) after the staff report for the Planning Commission hearing was published. Two of these emails were in support of the project, including an email focusing on the need for affordable housing units, and two emails expressed concerns regarding the number of parking spaces that would be provided for the proposed eight units.

### Conclusion

Approval of the architectural control, tentative map, use permit, BMR agreement, and heritage tree removal permit would allow the existing six units to be sold separately, allow the addition of one market rate unit and one BMR unit to the lot and the City's housing stock, and allow remodeling and exterior updates to the existing buildings and site. The proposed waivers from the R-3 development standards would be necessary for the development of the two new units. Staff recommends that the City Council approve the architectural control, use permit, tentative map, BMR agreement and State Density Bonus, and heritage tree removal permit because the number of housing and affordable housing units in the City would be increased, the buildings would be refreshed and would be brought up to building code, and the development is appropriate given the site's proximity to downtown.

### **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.

## 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. 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. Resolution No. 6515 approving the findings and conditions for the tentative subdivision map, architectural control and use permit
- C. Resolution No. 6516 approving the heritage tree removal permits
- D. Resolution No. 6517 approving the BMR agreement
- E. Location map
- F. Planning Commission staff report, May 6, 2019 – Hyperlink:  
[https://menlopark.org/DocumentCenter/View/21420/F3\\_975-Florence-Ave?bidId=](https://menlopark.org/DocumentCenter/View/21420/F3_975-Florence-Ave?bidId=)
- G. Planning Commission minutes, May 6, 2019 – Hyperlink:  
[https://menlopark.org/AgendaCenter/ViewFile/Minutes/\\_05062019-3271](https://menlopark.org/AgendaCenter/ViewFile/Minutes/_05062019-3271)
- H. Project plans
- I. Project description letter
- J. Arborist report
- K. Correspondence

## 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 City Hall.

## Exhibits to be provided at the meeting

1. Colors and materials board

Report prepared by:

Corinna Sandmeier, Senior Planner

Report reviewed by:

Deanna Chow, Assistant Community Development Director

Mark Muenzer, Community Development Director



**Recommended Actions  
975 Florence Lane**

**Architectural Control, Use Permit, and Tentative Map**

1. Adopt a Resolution of the City Council of the City of Menlo Park Approving Findings and Conditions for the Architectural Control, Use Permit, and Tentative Map for a project at 975 Florence Lane (Attachment B)

**Heritage Tree Removal Permit**

2. Adopt a Resolution of the City Council of the City of Menlo Park Approving a Heritage Tree Removal Permit for a project located at 975 Florence Lane (Attachment C)

**Below Market Rate (BMR) Housing Agreement**

3. Adopt a Resolution Approving a Below Market Rate Housing Agreement with Florence Lane Ventures LLC for a project located at 975 Florence Lane (Attachment D)

## RESOLUTION NO. 6515

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK  
APPROVING FINDINGS AND CONDITIONS FOR ARCHITECTURAL  
CONTROL, USE PERMIT, AND A TENTATIVE SUBDIVISION MAP FOR THE  
PROJECT LOCATED AT 975 FLORENCE LANE**

**WHEREAS**, the City of Menlo Park (“City”) has received an application from Florence Lane Ventures, LLC (“Applicant”), for a tentative subdivision map to create eight condominium units by converting six existing residential dwelling units and constructing two new units on the property located at 975 Florence Lane (“Project Site”); and

**WHEREAS**, the findings and conditions for Architectural Control, Use Permit, and Tentative Subdivision Map would ensure that all City requirements are applied consistently and correctly as part of the project’s implementation; and

**WHEREAS**, Applicant has elected to satisfy the BMR requirement for the proposed project by constructing one on-site “for sale” BMR unit in accordance with the City’s Below Market Rate Housing Program and State Density Bonus Law, and will also provide a bonus market-rate unit, both including waivers to the City’s Zoning Ordinance that are based on the existing site constraints; and

**WHEREAS**, all required public notices and public hearings were duly given and held according to law; and

**WHEREAS**, after notice having been lawfully given, a public hearing was scheduled and held before the Planning Commission of the City of Menlo Park on May 6, 2019 whereat all persons interested therein might appear and be heard; and

**WHEREAS**, the Planning Commission of the City of Menlo Park having fully reviewed, considered and evaluated all the testimony and evidence submitted in this matter voted affirmatively to recommend to the City Council of the City of Menlo Park to approve the findings and conditions for Architectural Control, Use Permit, and Tentative Subdivision Map; and

**WHEREAS**, after notice having been lawfully given, a public hearing was scheduled and held before the City Council of the City of Menlo Park on May 16, 2019 whereat all persons interested therein might appear and be heard; and

**WHEREAS**, the City Council reviewed the project on July 16, 2019, and found the project to be categorically exempt under Class 1 (Section 15301(e) and (k)), “Existing Facilities” of the current California Environmental Quality Act (CEQA) Guidelines; and

**WHEREAS**, the City Council of the City of Menlo Park having fully reviewed, considered and evaluated all the testimony and evidence submitted in this matter voted affirmatively to approve the findings and conditions for Architectural Control, Use Permit, and Tentative Subdivision Map.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Menlo Park hereby approves the findings and conditions for Architectural Control, Use Permit, and Tentative Subdivision Map attached hereto as Exhibit A and incorporated herein by this reference.

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 of said City Council on the sixteenth day of July, 2019, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS THEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this sixteenth day of July, 2019.

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Judi A. Herren, City Clerk

<b>LOCATION:</b> 975 Florence Lane	<b>PROJECT NUMBER:</b> PLN2017-0104	<b>APPLICANT/OWNER:</b> Florence Lane Ventures LLC
<p><b>REQUEST:</b> Request for a major subdivision to create eight condominium units by converting six existing residential dwelling units and constructing two new units on one parcel in the R-3 (Apartment) zoning district. The applicant is also requesting architectural control for the construction of the two new units and other exterior work, and a use permit for work on an existing legal nonconforming structure that exceeds 50 percent of the value of the existing structure. The application is being submitted subject to the State Density Bonus Law, Government Code Section 65915 and relevant amendments, which permits exceptions to the City's Zoning Ordinance requirements. One below market rate unit is proposed for a moderate-income household. The project also includes the removal of one heritage-size Japanese maple tree.</p>		
<b>DECISION ENTITY:</b> City Council	<b>DATE:</b> July 16, 2019,	<b>ACTION:</b> TBD
<p><b>VOTE:</b> TBD (Carlton, Combs, Mueller, Nash, Taylor)</p>		
<p><b>ACTION:</b></p> <ol style="list-style-type: none"> <li>1. Adopt the following findings, as per Section 16.68.020 of the Zoning Ordinance, pertaining to the architectural control approval:             <ol style="list-style-type: none"> <li>a. The general appearance of the structures is in keeping with the character of the neighborhood. The proposed exterior materials and finishes would be high quality in nature and would reinforce the neighborhood compatibility.</li> <li>b. The development will not be detrimental to the harmonious and orderly growth of the City. With the exception of waivers granted under the State Density Bonus Law, the project would meet the relevant development standards of the R-3 zoning district.</li> <li>c. The development will not impair the desirability of investment or occupation in the neighborhood. The construction and ongoing occupation of the site would proceed in accordance with all applicable City requirements and procedures, as verified in these conditions of approval.</li> <li>d. The development includes a waiver for reduced parking as permitted under the State Density Bonus Law, and has made adequate provisions for access to such parking. Specifically, the project would provide 11 parking spaces.</li> </ol> </li> <li>2. Make findings, as per Section 16.82.030 of the Zoning Ordinance pertaining to the granting of use permits that the proposed work exceeding 50 percent of the replacement value of a legal non-conforming structure, 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.</li> <li>3. Make findings that the proposed major subdivision is technically correct and in compliance with all applicable State regulations, City General Plan, Zoning and Subdivision Ordinances, and the State Subdivision Map Act.</li> <li>4. Make findings that the waivers of certain development regulations relating to parking, gross floor area and building coverage, are necessary to accommodate the construction of</li> </ol>		

the on-site BMR unit and the bonus market-rate unit as required by the City's BMR ordinance and state density bonus law.

5. Approve the tentative subdivision map, 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 Kellond Architects, consisting of 22 sheets, dated April 23, 2019, reviewed and recommended for approval by the Planning Commission May 5, 2019, and approved by the City Council July 16, 2019, except as modified by the conditions contained herein, subject to review and approval of the Planning Division.
  - b. Minor modifications to building exteriors and locations, fence styles and locations, signage, and significant landscape features may be approved by the community development director or designee, based on the determination that the proposed modification is consistent with other building and design elements of the approved Architectural Control and will not have an adverse impact on the character and aesthetics of the site. The Director may refer any request for revisions to the plans to the Planning Commission for architectural control approval. A public meeting could be called regarding such changes if deemed necessary by the Planning Commission.
  - c. Major modifications to building exteriors and locations, fence styles and locations, signage, and significant landscape features may be allowed subject to obtaining an architectural control permit from the Planning Commission, based on the determination that the proposed modification is compatible with the other building and design elements of the approved Architectural Control and will not have an adverse impact on the character and aesthetics of the site.
  - d. Major revisions to the development plan which involve material changes, or expansion or intensification of development require public meetings by the Planning Commission and City Council.
  - e. Before approval of the Final Map or the issuance of any project related building permit, the Applicant shall comply with all requirements of the Building Division, Engineering Division, and Transportation Division that are directly applicable to the project.
  - f. Before approval of the Final Map or issuance of any project related building permit, the Applicant shall comply with all Sanitary District, California Water Company, Menlo Park Fire Protection District, and utility companies' regulations that are directly applicable to the project. Will serve letters will be required.
  - g. All public right of way improvements, including frontage improvements shall be completed to the satisfaction of the Engineering Division before building permit final inspection. Before commencing any work within the right of way or public easements, the Applicant shall obtain an encroachment permit from the appropriate reviewing jurisdiction.

- h. Before commencing any work within the right of way, the Applicant shall obtain an encroachment permit from the Public Works Department.
  - i. Before issuance of any project-related building permit, the Applicant shall comply with all Sanitary District, California Water Company, Menlo Park Fire Protection District, and utility companies' regulations that are directly applicable to the project.
  - j. Heritage and street trees in the vicinity of the construction project shall be protected pursuant to the Heritage Tree Ordinance and the arborist report by Kielty Arborist Services LLC, dated revised February 22, 2019.
6. Approve the tentative subdivision map, architectural control, and use permit subject to the following **project-specific** conditions:
- a. The applicant shall submit the project CC&Rs (Covenants, Conditions and Restrictions), including the Condominium Plan, with the complete final map submittal.
  - b. The CC&Rs shall state that no on-street overnight parking permits will be issued by the City for any units, including units with less than two parking spaces.
  - c. Simultaneous with the submittal of a complete building permit application, the applicant shall submit a landscape plan showing a second heritage replacement tree, subject to review and approval of the Planning Division and the City Arborist.
  - d. Engineering-specific conditions, subject to review and approval of the Engineering Division except as otherwise noted:
    - i. The project shall comply with all requirements that are applicable to a condominium conversion project as indicated in Chapter 15.34, "CONDOMINIUMS," of the City of Menlo Park Subdivision Ordinance.
    - ii. After City approval of the Tentative Map, the applicant shall schedule a pre-application meeting with the Engineering Division to submit a complete final map submittal. The City will not accept said submittal before the meeting. The required items for the submittal are listed in the City's Final Map Checklist, which is available at the City counter and the City's website.
    - iii. Before recordation of the map, the applicant shall pay the Recreation In-Lieu Fee for the two new units based on the latest approved City Master Fee Schedule (currently \$78,400 per unit, total \$156,800). The fee is subject to change.
    - iv. Before building permit issuance, Applicant shall submit plans to remove and replace the sidewalk and concrete valley gutter along entire project frontage.
    - v. Before building permit issuance, Applicant shall pay all Public Works fees. Refer to City of Menlo Park Master Fee Schedule.

- vi. The water provider is the California Water Company (650-854-5454). The applicant shall coordinate appropriately to determine sufficiency of size of the existing service lateral.
  - vii. The sanitary sewer provider is West Bay Sanitary Sewer District (650-321-0384). The applicant shall coordinate as necessary.
- e. Transportation-specific Conditions, subject to review and approval of the Transportation Division except as otherwise noted:
- i. Before building permit issuance, the applicant shall pay a Transportation Impact Fee that will be calculated based on the City's Transportation Impact Fee program guidelines. The fee rate is subject to change annually July 1 and the current TIF is calculated as follows: 2 new dwelling units times \$2,026.34 per dwelling unit = \$4,052.68.

## RESOLUTION NO. 6516

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK  
APPROVING A HERITAGE TREE REMOVAL PERMIT FOR A PROJECT  
LOCATED AT 975 FLORENCE LANE**

**WHEREAS**, the City of Menlo Park (“City”) received applications from Florence Lane Ventures, LLC, (“Applicant”) for the removal of one heritage tree at the property located at 975 Florence Lane (“Project Site”) as more particularly described and shown in Exhibit A; and

**WHEREAS**, the requested tree removal is necessary in order to add two residential units to the Project Site; and

**WHEREAS**, the removal of Heritage Trees within the City is subject to the requirements of Municipal Code Chapter 13.24, Heritage Trees; and

**WHEREAS**, the City’s Contract Arborist reviewed the requested tree removal; and

**WHEREAS**, the City’s Contract Arborist determined that the requested removal is justified in recognition of factors #1 (tree condition/health); and

**WHEREAS**, the City Arborist reviewed and approved the work of the City’s Contract Arborist; and

**WHEREAS**, all required public notices and public hearings were duly given and held according to law; and

**WHEREAS**, after notice having been lawfully given, a public meeting was scheduled and held before the Environmental Quality Commission of the City of Menlo Park on May 15, 2019 whereat all persons interested therein might appear and be heard; and

**WHEREAS**, the Environmental Quality Commission of the City of Menlo Park having fully reviewed, considered and evaluated all the testimony and evidence submitted in this matter voted to recommend to the City Council of the City of Menlo Park to approve the Heritage Tree Removal Permit for one heritage tree; and

**WHEREAS**, the site plan proposes a one-to-one replacement ratio; and

**WHEREAS**, after notice having been lawfully given, a public hearing was scheduled and held before the Planning Commission of the City of Menlo Park on May 6, 2019, whereat all persons interested therein might appear and be heard; and

**WHEREAS**, the Planning Commission of the City of Menlo Park having fully reviewed, considered and evaluated all the testimony and evidence submitted in this matter voted affirmatively to recommend to the City Council of the City of Menlo Park to approve the Heritage Tree Removal Permit for the one heritage tree and at a replacement ratio of two new trees for the existing tree; and

**WHEREAS**, after notice having been lawfully given, a public hearing was scheduled and held before the City Council of the City of Menlo Park on July 16, 2019 whereat all persons interested therein might appear and be heard; and



**WHEREAS**, the City Council reviewed the project on July 16, 2019, and found the project to be categorically exempt under Class 1 (Section 15301(e) and (k)), "Existing Facilities" of the current California Environmental Quality Act (CEQA) Guidelines; and

**WHEREAS**, the City Council of the City of Menlo Park having fully reviewed, considered and evaluated all the testimony and evidence submitted in this matter voted affirmatively to approve the Heritage Tree Removal Permit at a replacement ratio of two new trees for the existing tree.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Menlo Park hereby approves the Heritage Tree Removal Permit for one heritage tree as identified in Project Plan Sheet SD 1.2, attached by this reference 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 of said City Council on the sixteenth day of July, 2019, by the following votes:

AYES:

NOES:

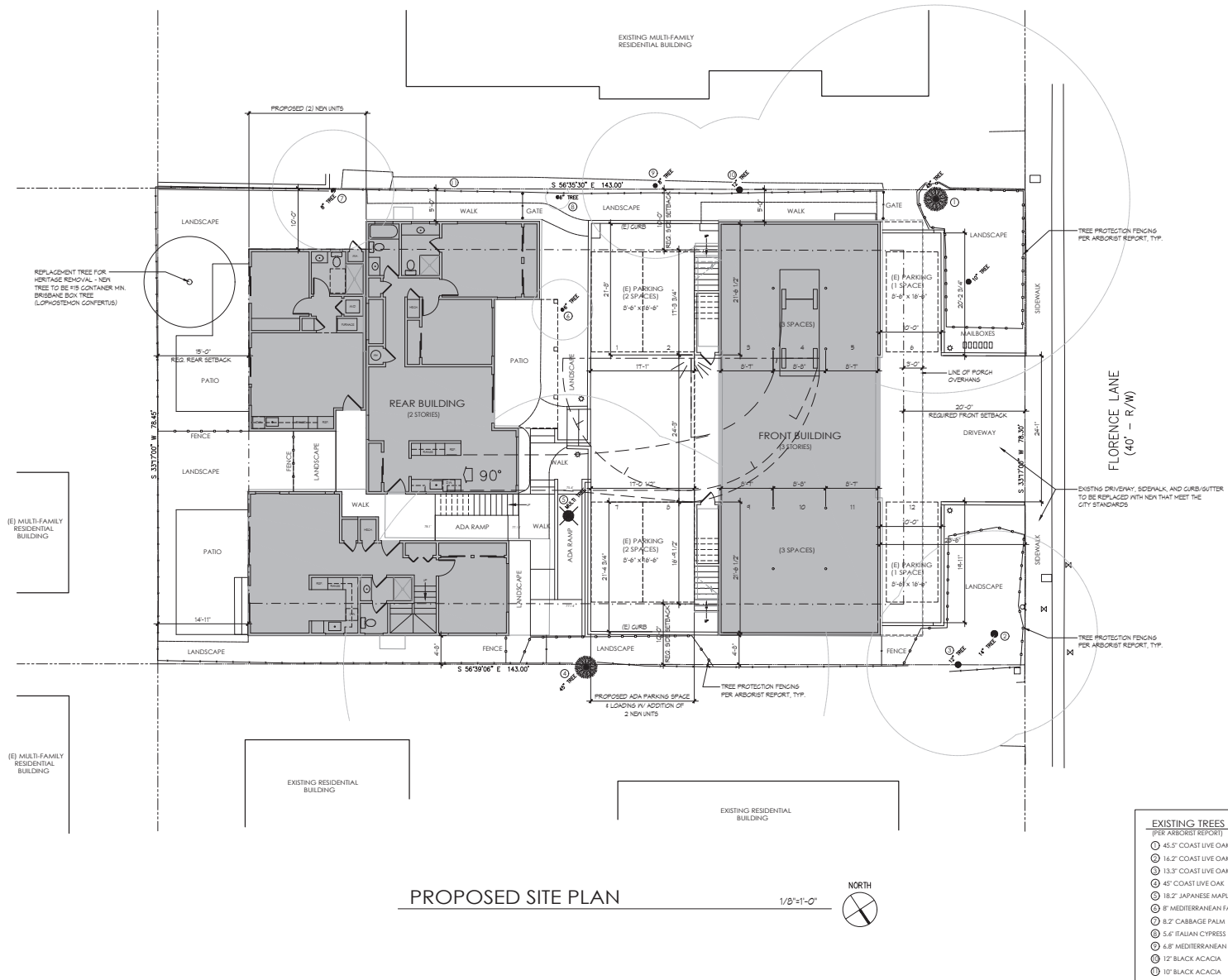
ABSENT:

ABSTAIN:

IN WITNESS THEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this sixteenth day of July, 2019.

---

Judi A. Herren, City Clerk



PROPOSED SITE PLAN

1/8"=1'-0"



- EXISTING TREES**  
(PER ARBORIST REPORT)
- ⊙ 45.5' COAST LIVE OAK
  - ⊙ 14.2' COAST LIVE OAK
  - ⊙ 13.3' COAST LIVE OAK
  - ⊙ 41' COAST LIVE OAK
  - ⊙ 18.2' JAPANESE MAPLE
  - ⊙ 8' MEDITERRANEAN FAN PALM
  - ⊙ 3.2' CABBAGE PALM
  - ⊙ 3.6' ITALIAN CYPRESS
  - ⊙ 4.8' MEDITERRANEAN FAN PALM
  - ⊙ 12' BLACK ACACIA
  - ⊙ 12' BLACK ACACIA

Kellond Architects

14510 Big Basin Way, #205  
Saratoga, California 95070

408.741.0600 ph.

www.kellondarchitects.com

ALL DRAWINGS AND WRITTEN MATERIAL  
HEREIN CONSTITUTE THE ORIGINAL AND  
UNPUBLISHED WORK OF THE ARCHITECT,  
WHICH MAY NOT BE DUPLICATED, USED, OR  
DISCLOSED WITHOUT THE WRITTEN CONSENT  
OF THE ARCHITECT.

PROJECT

975 Florence Ln.  
Menlo Park, CA 94025

SHEET TITLE

PROPOSED SITE PLAN

REVISIONS

No.	Date	Notes
⚠	12/11/18	PLANNING REVISIONS
⚠	1/12/19	PLANNING REVISIONS
⚠	2/22/19	PLANNING REVISIONS
⚠	3/26/19	PLANNING REVISIONS

PROJECT #: 2017.10

DATE: 25 JUNE 2018

SHEET #: SD-1.2

## RESOLUTION NO. 6517

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK  
APPROVING THE BELOW MARKET RATE HOUSING AGREEMENT  
BETWEEN THE CITY OF MENLO PARK AND FLORENCE LANE VENTURES,  
LLC, FOR A PROJECT LOCATED AT 975 FLORENCE LANE**

**WHEREAS**, the City of Menlo Park (“City”) has received an application from Florence Lane Ventures, LLC (“Applicant”), for a tentative subdivision map to create eight condominium units by converting six existing residential dwelling units and constructing two new units on the property located at 975 Florence Lane (“Project Site”); and

**WHEREAS**, all required public notices and public hearings were duly given and held according to law; and

**WHEREAS**, the City Council reviewed the project on July 16, 2019, and found the project to be categorically exempt under Class 1 (Section 15301(e) and (k)), “Existing Facilities” of the current California Environmental Quality Act (CEQA) Guidelines; and

**WHEREAS**, after notice having been lawfully given, a public meeting was scheduled and held before the Housing Commission of the City of Menlo Park on August 8, 2018 to review the initial draft BMR Agreement Term Sheet, for the provision of one on-site BMR unit, whereat all persons interested therein might appear and be heard; and

**WHEREAS**, the Housing Commission of the City of Menlo Park having fully reviewed, and considered and evaluated all the testimony and evidence submitted in this matter voted affirmatively to recommend the Planning Commission of the City of Menlo Park to approve the BMR Agreement; and

**WHEREAS**, after notice having been lawfully given, a public hearing was scheduled and held before the Planning Commission of the City of Menlo Park on May 6, 2019 whereat all persons interested therein might appear and be heard; and

**WHEREAS**, the Planning Commission of the City of Menlo Park having fully reviewed, considered and evaluated all the testimony and evidence submitted in this matter voted affirmatively to recommend to the City Council of the City of Menlo Park to approve the BMR Agreement; and

**WHEREAS**, after notice having been lawfully given, a public hearing was scheduled and held before the City Council of the City of Menlo Park on July 16, 2019 whereat all persons interested therein might appear and be heard.

**WHEREAS**, on July 16, 2019 the City Council of the City of Menlo Park has read and considered that certain BMR Agreement between the City and the Applicant that satisfies the requirement that Developer comply with Chapter 16.96 of the City’s Municipal Code and with the Below Market Rate Housing Program Guidelines.

NOW, THEREFORE, the City Council of the City does RESOLVE as follows:

1. Public interest and convenience require the City to enter into the Agreement described above and incorporated herein as Exhibit A.

2. The City of Menlo Park hereby approves the Agreement and the City Manager is hereby authorized on behalf of the City to execute the Agreement.

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 of said City Council on the sixteenth day of July, 2019, by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

IN WITNESS THEREOF, I have hereunto set my hand and affixed the Official Seal of said City on this sixteenth day of July, 2019.

---

Judi A. Herren, City Clerk

THIS DOCUMENT IS RECORDED FOR THE BENEFIT  
OF THE CITY OF MENLO PARK AND  
IS EXEMPT FROM FEE PER  
GOVERNMENT CODE SECTIONS 27383 AND 6103.

WHEN RECORDED MAIL TO: )  
 )  
CITY OF MENLO PARK )  
701 Laurel St. )  
Menlo Park, CA 94025-3483 )  
Attention: City Clerk's Office )  
 )  
 )

---

**BELOW MARKET RATE FOR-SALE AGREEMENT**  
**975 FLORENCE LANE**

---

## **BELOW MARKET RATE FOR-SALE AGREEMENT**

This Below Market Rate For-Sale Agreement ("Agreement") is made as of this \_\_\_\_\_ day of \_\_\_\_\_ 2019 by and between THE CITY OF MENLO PARK, a California municipality ("City") and FLORENCE LANE VENTURES, LLC, a California limited liability company ("Owner"), with respect to the following:

### **RECITALS**

A. Owner is the owner of certain real property located in the City of Menlo Park, County of San Mateo, State of California ("Property"), more particularly described in Exhibit A attached hereto. The Property is commonly known as 975 Florence Lane and consists of Assessor's Parcel Number 071-302-010.

B. Pursuant to City Municipal Code Chapter 16.96, the City's BMR Housing Ordinance ("BMR Ordinance"), and the City's Below Market Rate Housing Program Guidelines ("Guidelines") attached hereto as Exhibit B, Owner is required to enter into this Agreement for the benefit of the City to insure compliance with the City's BMR Ordinance and the Guidelines, which is a prerequisite to obtaining final development approvals and "Final Inspection" of the units from the Building Division.

C. Owner plans to improve the Property by creating eight condominium units by converting six (6) existing residential dwelling units and constructing two (2) new units of which one (1) shall be a below market rate unit ("BMR Unit"), as required by, and in full compliance with the City's BMR Ordinance and the Guidelines.

D. The BMR Unit shall be sold to a third party who meets the eligibility requirements set forth in the BMR Ordinance and the Guidelines, and with a price determined in accordance with this Agreement.

E. This Agreement is for the benefit of Owner and the City. The deed to the BMR Unit shall contain restrictions that limit the sales price of the BMR Unit in accordance with the BMR Ordinance and the Guidelines. These deed restrictions relating to the one (1) BMR Unit shall be binding on the future owners of the unit.

NOW, THEREFORE, the parties agree as follows:

1. The one (1) BMR Unit is to be completed and sold in accordance with the BMR Ordinance and the Guidelines with the appropriate deed restrictions. For purposes of Section 8 of the Guidelines, a BMR Unit shall be deemed "available for purchase" when the City has issued a letter that states that the BMR Unit meets the requirements of the Guidelines and satisfies the provisions of this Agreement. The letter will be issued when the BMR Unit is substantially ready for occupancy, as reasonably determined by the City's Community Development Director, and when the BMR Unit has passed Final Inspection by the Building Division.

2. The location of the one (1) BMR Unit is shown on Exhibit C attached hereto. The floor plan showing the size and layout of the BMR Unit is shown on Exhibit D attached hereto.

3. The architectural control, use permit, BMR agreement, and heritage tree removal for this project shall be approved by the City Council.

4. The exterior materials used in the construction of the BMR Unit will be similar and indistinguishable from those used on the market rate units. The interior finishes of the BMR Unit shall be similar to those of the market rate units, except for upgrades purchased by individual buyers.

5. The BMR Unit shall be affordable to households which are moderate income as defined in Section 50093 of the California Health and Safety Code, as described in the Guidelines, and are of the smallest household size eligible for the BMR Unit on the BMR waiting list maintained by the City on the date that the Sales Price is set, as more particularly described below. The BMR Sales Price shall be calculated according to the following formula by reference to the definitions and standards set forth in Sections 6.1 and 6.2, below.

6.1 The "**Sales Price**" shall be calculated by adding the cash down payment, defined in 6.2.10, below, to the Maximum Mortgage Amount, defined in Section 6.1.6, below, less lender and escrow fees and costs incurred by the buyer. The Sales Price shall be set before the commencement of the sale process for the BMR Unit.

6.1.1 Calculate the "**Smallest Household Size**": The household with the smallest number of persons eligible for the BMR Unit, as shown in Section 14, Table C (Occupancy Standards) of the Guidelines.

6.1.2. The current "**Maximum Eligible Income**" shall be the most current State Income Limit for San Mateo County, Moderate Income category, as published by the State of California Department of Housing and Community Development, for the Smallest Household Size.

6.1.3. Calculate the "**Maximum Allowable Monthly Housing Expenses**": Multiply the Maximum Eligible Income by thirty three percent (33%) and divide by twelve (12).

6.1.4. Calculate the "**Actual Monthly Housing Expenses**": Add the following costs associated with a particular BMR Unit, as more particularly described in Paragraph 6.2 below, and divide by twelve (12): (a) any loan fees, escrow fees and other closing costs (amortized over 360 months) and/or private mortgage insurance associated therewith; (b) property taxes and assessments; (c) fire, casualty insurance and flood insurance, if required; (d) property maintenance and repairs, deemed to be One Hundred Dollars (\$100) per month; (e) a reasonable allowance for utilities as set forth in the Guidelines, not including telephones, and (f) homeowners association fees, if applicable, but less the amount of such homeowners association fees allocated for any costs

attributable to (c), (d) or (e) above.

6.1.5. Calculate the "**Maximum Monthly Mortgage Payment Amount**": Subtract the Actual Monthly Housing Expenses from the Maximum Allowable Monthly Housing Expenses.

6.1.6. Determine the "**Maximum Mortgage Amount**": Determine the amount of mortgage that a lender would loan, based upon the Maximum Monthly Mortgage Payment Amount and based upon the down payment found to be the lowest that lenders are willing to accept in a survey of lenders as described below. Survey and take the average of at least three local lenders who regularly make home loans at a typical housing expense ratio to first-time buyers in the price range of the BMR home on the day that the price is set. The mortgage amount shall be for a 30-year fixed rate mortgage with standard fees, closing costs and no points, and shall be less than or equal to the Maximum Monthly Mortgage Amount.

6.2. The calculation of the Sales Price shall be based upon the factors defined below. These definitions conform to the eligibility and underwriting standards established by the major secondary mortgage market investors, such as the Federal National Mortgage Association ("Fannie Mae") and the Federal Home Loan Mortgage Corporation ("Freddie Mac").

6.2.1. Mortgage Interest Rate. The mean average of contract interest rates on the date that the Sales Price is set, for fixed rate, 30-year "Conforming" mortgages (presently \$484,350 or less, as such amount may be adjusted from time to time as the maximum amount of FHA Conforming mortgages), or for jumbo mortgages if applicable, as quoted by three local retail lenders. The three local retail lenders shall be selected at random by the City from the list of lenders certified by San Mateo County to make first mortgage loans with Mortgage Credit Certificates.

6.2.2. Points. The mean average of points quoted by three local lenders that make mortgage loans to first time home buyers in the City of Menlo Park on the date that the Sales Price is set for fixed rate, 30 year mortgages of \$484,350 or less, or for jumbo mortgages if applicable, which lenders are selected on a random basis by the City. Points are a one-time fee paid to a lender for making a loan. One point is equal to one percent of the loan amount.

6.2.3. Lender/Escrow Fees. The mean average of fees charged by three local lenders that make mortgage loans to homebuyers, which lenders are selected on a random basis by the City, plus escrow company fees, for such items as title insurance, appraisal, escrow fees, document preparation and recording fees.

6.2.4. Loan to Value Ratio. The maximum ratio of the dollar amount of a Conforming mortgage to the sales price of a home which a lender is willing to approve at a given point in time. For purposes of this Agreement, the Loan to Value Ratio shall be calculated as the mean average of the maximum Loan to Value Ratios as quoted by three



local lenders selected on a random basis by the City from a list of lenders who actively make loans to homebuyers and who participate in the Mortgage Credit Certificate program.

6.2.5. Housing Expense Ratio. The mean average of the housing expense ratio as reported on the date that the sales price is set, for fixed rate, 30-year mortgages of \$484,350 or less, or for jumbo mortgages if applicable, by three local lenders that make mortgage loans to homebuyers in the City of Menlo Park, which lenders are selected on a random basis by the City. Housing expense is defined as the sum of the annual mortgage payment (including principal and interest), and annual payments for taxes, homeowners association dues, insurance, property maintenance and repairs, a reasonable allowance for utilities according to the San Mateo County Housing Authority Utility Financial Allowance Chart which is periodically updated and amended, and any secondary financing (but excluding any portion of the aforementioned expenses covered by homeowners association dues). To determine the ratio, this sum is divided by gross annual income.

6.2.6. Homeowners Insurance. Calculated as the mean average of the annual cost of insurance quoted by two or three local brokers, based on their experience, for a housing unit of the price, room configuration, location, construction material and structure type of the subject BMR Unit. Flood insurance costs, if required, shall be calculated by this same method.

6.2.7. Private Mortgage Insurance. The mean average of the annual cost of private mortgage insurance quoted by two or three local lenders, based on their experience, for a housing unit of the price, location, and structure type of the subject BMR Unit.

6.2.8. Taxes. The tax rate as reported by the San Mateo County Assessor's Office.

6.2.9. Homeowners' Dues. Reported by the developer and as set forth in the Public Report issued by the California Department of Real Estate for the project.

6.2.10. Down Payment. Cash portion paid by a buyer from his own funds, as opposed to that portion of the purchase price which is financed. For the purpose of calculating the BMR Sales Price, the down payment will be defined as the mean average of the smallest down payment required by the two or three local lenders surveyed.

6.3. The Sales Price shall be agreed upon in writing by Owner and the City's Community Development Director no later than the date of the Final Inspection, or at an earlier date agreed to by the City's Community Development Director, and before the process begins to find a buyer.

7. As a condition precedent to a Final Inspection of the market rate units the BMR Unit shall have passed Final Inspection. In any event, the BMR Unit must pass Final Inspection

before the last market rate unit passes Final Inspection.

8. If there is a standard pre-sale requirement by the BMR applicant's lender for a certain percentage of units in the project to be sold before the BMR applicant's lender will close escrow on the loan, then the time for the City's purchase or the buyer's purchase will be extended until that requisite number of units has closed.

9. This Agreement shall be binding on and inure to the benefit of the parties hereto and any respective assigns and or owners of the property. Either party may freely assign this Agreement without the consent of the other. However, to be valid, an assignment of this Agreement must be in writing.

10. This Agreement is a covenant running with the land for the benefit of the City and all lands owned by the City within the limits of the City.

11. If any legal action is commenced to interpret or enforce this Agreement or to collect damages as a result of any breach of this Agreement, the party prevailing shall be entitled to recover all reasonable attorney's fees and costs incurred in such action from the other party.

12. Owner shall record this Agreement in the Office of the County Recorder of San Mateo prior to the recording of a final subdivision map for any portion of the Property and shall provide a copy of such recorded agreement to the City.

13. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

14. The terms of this Agreement may not be modified or amended except by an instrument in writing executed by each of the parties hereto.

15. The exhibits attached hereto are hereby incorporated herein by this reference for all purposes.

16. This Agreement supersedes any prior agreements, negotiations and communications, oral or written, and contains the entire agreement between the parties as to the subject matter hereof.

17. If any portion of this Agreement as applied to either party or to any circumstances shall be adjudged by a court to be void or unenforceable, such portion shall be deemed severed from this Agreement and shall in no way effect the validity or enforceability of the remaining portions of this Agreement.

18. Any and all obligations or responsibilities of Owner under this Agreement shall terminate upon the recording of the grant deeds conveying the BMR Unit to qualified third party purchasers in accordance with the terms and provisions of this Agreement, the recording of the deed restrictions against such BMR Unit, and/or the payment of the in lieu fees, if applicable, to

be paid through escrow, as set forth in Section 4.3 of the Guidelines.

19. The execution and delivery of this Agreement shall not be deemed to be for the benefit of the third party purchasers of the BMR Unit or any other third party and any and all obligations and responsibilities of Owner under this Agreement are to the City for whose benefit this Agreement has been entered into. No third party purchaser of a BMR or market rate unit, homeowners' association or any other third party shall obtain any rights or standing to complain that the BMR Unit was not constructed, designed, sold or conveyed in accordance with this Agreement, or the BMR Ordinance and the Guidelines as a result of this Agreement. Furthermore, the acceptance of this Agreement by the City, the acceptance of the interior specifications for the BMR Unit and the conveyance of the BMR Unit to qualified third parties shall conclusively indicate that Owner has complied with this Agreement and the BMR Ordinance and the Guidelines.

20. To the extent of any conflict between the terms and provisions of the Guidelines attached hereto as Exhibit B and the terms and provisions of the Agreement, the terms and provisions of this Agreement shall prevail.

*\*\*Signatures on next page\*\**

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

City of Menlo Park	FLORENCE LANE VENTURES, LLC, a California Limited Liability Company
By: _____ Name: Starla Jerome Robinson Its: City Manager	By: _____ Name: By: Surinder P. Goswamy Its: Manager

Notarial acknowledgement for the City and Florence Lane Ventures, LLC, a California Limited Liability Company, are attached.

List of Exhibits

- Exhibit A: Property Description
- Exhibit B: BMR Guidelines
- Exhibit C: BMR Unit Location Exhibit
- Exhibit D: BMR Floor Plan

**EXHIBIT "A"**  
Legal Description

**For APN/Parcel ID(s): 071-302-010**

---

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF MENLO PARK, COUNTY OF SAN MATEO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

THE SOUTHWESTERLY 1/2 OF LOT 44 BEING A STRIP OF GROUND WITH A FRONTAGE OF 78.3 FEET ON FLORENCE LANE AS SHOWN ON THAT CERTAIN MAP ENTITLED "MAP OF STANFORD PARK ANNEX, MENLO PARK, SAN MATEO COUNTY, CALIFORNIA, 1913", FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY, STATE OF CALIFORNIA ON OCTOBER 17, 1913 IN BOOK 9 OF MAPS AT PAGE 9.

JPN 071-030-302-01

**EXHIBIT B**

**Below Market Rate Housing Program Guidance**

# **BELOW MARKET RATE HOUSING PROGRAM GUIDELINES**

## **Income Limits/Section 14, Tables A and B Updated for 2017-18**

Originally Adopted by City Council on January 12, 1988

Revised by City Council on the following dates:

- December 17, 2002 (No Resolution)
- March 25, 2003 (Resolution No. 5433)
- January 13, 2004 (No Resolution)
- March 22, 2005 (Resolution No. 5586)
- March 2, 2010 (Resolution No. 5915)
- May 10, 2011 (No Resolution)
- May 6, 2014 (Resolution No. 6196)
- April 17, 2018 (Resolution No. 6432)
- June 19, 2018 (Resolution No. 6446)

# BELOW MARKET RATE HOUSING PROGRAM GUIDELINES

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## 1. OVERVIEW

The high cost and scarcity of housing in Menlo Park have been caused in large part because the number of jobs in Menlo Park has grown, but the supply of housing has not increased significantly. A majority of new employees earn low- and moderate-incomes and are most severely impacted by the lack of affordable housing in Menlo Park. Because of the high cost of housing, families who seek to live in Menlo Park cannot afford to purchase homes here and are forced to rent. Many renters pay a disproportionately high amount of their incomes in rent.

**1.1 Purpose.** The City of Menlo Park's Below Market Rate ("BMR") Housing Program is intended to increase the housing supply for households that have very low, low- and moderate-incomes compared to the median income for San Mateo County. The primary objective is to obtain actual housing units, either "rental" or "for sale," rather than equivalent cash.

**1.2 Enabling Legislation.** The BMR Housing Program is governed by Chapter 16.96 of the Municipal Code. The BMR Housing Program is administered under these BMR Housing Program Guidelines ("Guidelines").

## 2. BMR HOUSING AGREEMENT AND REVIEW PROCESS

**2.1 BMR Housing Agreement.** Before acceptance of plans for review by the City of Menlo Park staff, a developer should provide a proposal for meeting the requirements of the BMR Housing Program. The proposal should include one or a combination of the following alternatives: a) Provision of BMR units on site; and/or b) Provision of BMR units off-site; and/or c) Payment of an in-lieu fee. These alternatives are listed in order of preference.

**2.2 Review Steps.** The following review steps apply to most development projects:

- City staff will review a BMR For-Sale Agreement or an Affordability Housing Agreement (either, a "BMR Housing Agreement"), that has been prepared by the developer's attorney on a form substantially similar to that provided by the City and shall make a recommendation with respect to it to the Housing Commission, and, if applicable, to the Planning Commission and/or the City Council. The City Attorney must approve as to form the BMR Housing Agreement prior to its review by the Planning Commission.
- The City Council grants approval of the BMR Housing Agreement for projects which it reviews. For all other projects, the BMR Housing Agreement shall be approved by the entity having final approval authority over the project.

### 3. REQUIREMENTS FOR DEVELOPMENTS BY TYPE

**3.1 Commercial Developments.** The BMR Housing Program requires commercial developments which bring employees to Menlo Park to provide BMR units or to contribute to the BMR Housing Fund that is set up to increase the stock of housing for very low, low and moderate income households, with preference for workers whose employment is located in the City of Menlo Park, and for City residents.

**3.1.1 Commercial Development Requirements.** Commercial buildings of 10,000 square feet or more gross floor area are required to mitigate the demand for affordable housing created by the commercial development project. In order to do so, it is preferred that a commercial development project provide BMR housing on-site (if allowed by zoning) or off-site (if on-site BMR units are infeasible). A density bonus of up to 15% above the density otherwise allowed by zoning may be permitted when BMR housing is provided on-site. The BMR Housing Agreement will detail the BMR Housing Program participation of a particular development.

Although the provision of actual BMR units is strongly preferred, it is not always possible to provide BMR housing units. In such cases, the developer shall pay a commercial in-lieu fee rather than provide actual BMR housing units. Commercial in-lieu fees must be paid prior to the issuance of a building permit.

Commercial in-lieu fees are charged at different rates to two groups based on the employee housing demand the uses produce. Group A uses are office and research and development ("R&D"). Group B uses are all other uses not in Group A.

Commercial in-lieu fee rates are adjusted annually on July 1st. The amount of the adjustment is based on a five-year moving average of the percentage increase in the Consumer Price Index (Shelter Only) for All Urban Consumers in the San Francisco-Oakland-San Jose area. Refer to Section 14, Table D, for the Commercial In-lieu Fee Rates, which may be updated by City staff from time to time.

**3.1.2 Applicability.** The BMR Housing Program applies to conditional use permits, conditional development permits, planned development permits, subdivision approvals, architectural control approvals, variance approvals and building permits for any commercial development. The BMR Housing Program also applies to the construction of any new square footage or any square footage that is converted from an exempt use to a non-exempt use. Finally, the BMR Housing Program applies to the conversion of floor area from a less intensive use (Commercial/Industrial uses) to a more intensive use (Office/R&D).

**3.1.3 Exemptions.** The following are exempted from the BMR Housing Program:

- (a) Private schools and churches;
- (b) Public facilities;

- (c) Commercial development projects of less than 10,000 square feet; and
- (d) Projects that generate few or no employees.

**3.2 Residential Developments.** The BMR Housing Program requires residential developments which use scarce residentially zoned land in Menlo Park to provide BMR units or to contribute to the BMR Housing Fund. The BMR Housing Fund is set up to increase the stock of housing for very low-, low- and moderate-income families, with preference for workers whose employment is located in the City of Menlo Park, and for City residents.

**3.2.1 Residential Development Requirements.** Residential developments of five or more units are subject to the requirements of the BMR Housing Program. These requirements also apply to condominium conversions of five units or more. As part of the application for a residential development of five or more units, the developer must submit a BMR Housing Agreement, in a form substantially similar to that provided by the City, which details the developer's plan for participation in the BMR Housing Program. No building permit or other land use authorization may be issued or approved by the City unless the requirements of the BMR Program have been satisfied.

**3.2.2 Condominium Conversions.** If an apartment complex already participating in the BMR Housing Program elects to convert the complex to condominiums, then the existing BMR rental apartments shall be converted to BMR condominium units under the BMR Housing Program.

When market rate rental units are removed from the rental housing stock for conversion to condominiums, and they are not already participating in the BMR Housing Program, then the project shall meet the same requirements as new developments to provide BMR units in effect at the time of conversion. When the property owner notifies the City of the intent to sell, the property owner shall notify any BMR tenants of such units of the pending sale and non-renewal of lease. Such tenant(s) shall be given the right of first refusal to purchase the unit. If the tenant seeks to purchase the unit, at the close of escrow the unit shall exist as a for-sale BMR unit. If the tenant does not seek to purchase, the tenant shall vacate the unit at the expiration of the current lease term and the unit will be sold to an eligible third party according to the BMR Guidelines and held as a for-sale BMR unit. The tenant who vacates will have priority to move to other vacant BMR rental units in the City for two years from the date the lease expired, regardless of the place of residence of the displaced BMR tenant.

**3.3 Mixed Use Developments.** Mixed use developments must comply with the requirements for commercial developments in the commercial portion of the development and must comply with the requirements for residential developments for the residential portion of the development.

**3.4 Required Contribution for Residential Development Projects.** All

residential developments of five units or more are required to participate in the BMR Housing Program. The preferred BMR Housing Program contribution for all residential developments is on-site BMR units. For rental residential development projects, the applicant may comply with the City's BMR requirements by providing in-lieu fees, land dedication, off-site construction, or acquisition and rehabilitation of existing units. Any alternative means of compliance shall be approved by the City Council upon findings that the alternative is commensurate with the applicable on-site requirement and complies with applicable BMR Guidelines.

For ownership residential development projects, if providing on-site BMR units is not feasible as confirmed by the City, developers are required to pay an in-lieu fee as described in Section 4.3. The requirements for participation increase by development size as shown below:

**One (1) to Four (4) Units.** Developers are exempt from the requirements of the BMR Housing Program.

**Five (5) to Nine (9) Units.** It is preferred that the developer provide one unit at below market rate to a very low, low, or moderate income household.

**Ten (10) to Nineteen (19) Units.** The developer shall provide not less than 10% of the units at below market rates to very low-, low- and moderate-income households.

**Twenty (20) or More Units.** The developer shall provide not less than 15% of the units at below market rates to very low-, low- and moderate-income households. On a case-by-case basis, the City will consider creative proposals for providing lower cost units available to lower income households such as smaller unit size, duet-style, and/or attached units that are visually and architecturally consistent with the market-rate units on the exterior, and that meet the City's requirements for design, materials, and interior features of BMR units.

**3.4.1 Fraction of a BMR Housing Unit.** If the number of BMR units required for a residential development project includes a fraction of a unit, the developer shall provide either a whole unit, the preferred form of participation, or make a pro rata residential in lieu payment on account of such fraction per Section 4.3 or 4.4, as applicable.

*Example: A residential project is developed with 25 condominium units. The BMR requirement of 15% equates to 3.75 units. The preferred BMR Housing Program participation is four BMR units. If four BMR units are provided, the developer would pay no in-lieu fee. Alternatively, if three BMR units are provided, the developer would have to pay an in-lieu fee for the remaining fractional BMR unit.*

#### **4. BMR PROGRAM REQUIREMENTS FOR ON-SITE BMR UNITS, OFF-SITE BMR UNITS AND IN-LIEU FEES**

##### **4.1 On-Site BMR Units.**

**4.1.1 Initial Price for For-Sale Unit.** The initial selling price of BMR for-sale units for extremely low (30% AMI), very low (50% AMI), subsidized low (60% AMI), low (80% AMI) or moderate (120% AMI) income households is based on what is affordable to households with incomes at the identified percentage of area median income (“AMI”) related to household size, as established from time to time by the State of California Housing and Community Development Department (“HCD”) for San Mateo County. See Section 14, Table A, which may be updated by City staff from time to time.

**4.1.2 Initial Price for Rental Unit.** The initial monthly rental amounts for BMR rental units will be equal to or less than thirty percent (30%) of the applicable income limits for extremely low, very low, subsidized low, low and moderate income households adjusted for occupancy, as established from time to time by the HCD for San Mateo County. In no case shall the monthly rental amounts for BMR units exceed seventy-five percent (75%) of comparable market rate rents. The maximum rent for specific BMR units will be based on Section 14, Table B of the BMR Guidelines, which may be updated by City staff from time to time. See also Sections 11.1.1 and 11.1.2.

The purchase or rental price for BMR units shall be established and agreed upon in writing in the BMR Housing Agreement per Section 2.2, prior to final building inspection for such BMR units. The provision of affordable units at extremely low, very low, low and/or moderate income levels shall be roughly equivalent to the provision of all of the affordable units at the low income level.

**4.1.3 Bonus Unit.** For each BMR unit provided, a developer shall be permitted to build one additional market rate (bonus) unit. However, in no event shall the total number of units in a development be more than fifteen percent (15%) over the number otherwise allowed by zoning.

**4.2 Off-Site BMR Units.** If authorized by the City as described in Section 2.2, developers may propose to provide BMR units at a site other than the proposed development. These off-site BMR units must be provided on or before completion of the proposed development and must provide the same number of units at below market rates to very low, low and moderate income households as required for on-site developments. Such units may be new or existing. Provision by the developer and acceptance by the City of off-site units shall be described in the BMR Housing Agreement. Size, location, amenities and condition of the BMR units shall be among the factors considered by the City in evaluating the acceptability of the off-site BMR units. For existing units, the developer shall be responsible for correcting, at developer’s expense, all deficiencies revealed by detailed inspection of the premises by qualified inspectors, including a certified pest inspector.

The initial price or rent for the BMR units shall be established as stated in Sections 4.1.1 and 4.1.2 and in accordance with the BMR Income Guidelines in Section 14 in effect at the time the BMR unit is ready for sale or rent. Fractions of required BMR units shall be handled by provision of an in-lieu fee for the market rate units for which no BMR unit is provided.

**4.3 Ownership Residential In Lieu Payments Based on Sales Price.**

**4.3.1 Developments of Ten (10) or More Units.** In developments of 10 or more units, the City will consider an in-lieu payment alternative to required BMR units only if the developer substantiates to the City's satisfaction that the BMR units cannot be provided on or off-site. In developments of 10 or more units which provide BMR units, upon the close of escrow on the sale of each unit in the subdivision for which a BMR unit has not been provided, the developer shall pay to the City an in-lieu payment calculated at three percent (3%) of the actual sales price of each unit sold. In lieu payments for fractions of BMR units shall be determined by disregarding any bonus units and as three percent (3%) of selling price of each market rate unit sold if the developer substantiates to the City's satisfaction that the BMR units cannot be provided on or off-site.

If a portion of a BMR requirement is met by a provision of BMR units, and the developer substantiates to the City's satisfaction that a sufficient number of BMR units cannot be provided on or off-site, then BMR in-lieu payments will be required from the sales of the number of market rate units (excluding bonus units) that is in proportion to the BMR requirement that is not met.

**4.3.2 Developments of Five (5) to Nine (9) Units.**

**Residential In-Lieu Payments Based on Sales Price.** In developments of five to nine units, the City will consider an in-lieu payment alternative to required BMR units only if the developer cannot provide an additional BMR unit. If providing an additional BMR unit is not feasible, developers are required to pay a residential in lieu fee as described below.

<u>Unit No.</u>	<u>In lieu fee for each unit</u>
1, 2 and 3	1% of the sales price
4, 5 and 6	2% of the sales price
7, 8 and 9	3% of the sales price

*Example: In a development of seven units, the BMR contribution would be, in order of preference: a) One BMR unit out of the seven units, with the possibility of a density bonus of one unit, or, if that is not feasible, b) Three units designated to pay an in-lieu fee of one percent (1%) of the sales price, three units to pay in-lieu fees of two percent (2%) of their sales prices and one unit to pay three percent (3%) of its sales price.*

Units paying in-lieu fees are designated so that they are distributed by unit size and location throughout the project.

In developments of 10 or more units which provide BMR units, upon the close of escrow on the sale of each unit in the subdivision for which a BMR unit has not been provided, the developer shall pay to the City an in-lieu payment calculated at three percent (3%) of the actual sales price of each unit sold.

*Example: Two possible plans to meet the BMR requirement for a project of 15 housing units are, in order of preference: a) Two BMR units are provided, and no in-lieu fees are paid, or b) One BMR unit is provided out of the first 10 units, one bonus unit is granted for the provision of the BMR unit, and four units pay in-lieu fees.*

**Units held as rental, in-lieu fee.** If the developer retains any completed unit as a rental, either for its own account or through subsidiary or affiliated organizations, the BMR contribution including BMR housing unit or in-lieu payment for such unit shall be negotiated between the developer and the City. If an in-lieu fee is paid, the market value shall be based on an appropriate appraisal by an appraiser agreed upon by the City and the developer and paid for by the developer. The basis for such appraisal shall be as a condominium rather than as a rental.

**4.4 Rental Residential In Lieu Payments Based on Cost.** The City Council shall establish a rental residential in-lieu fee by resolution, which fee may be updated from time to time. The fee shall be based on the cost to develop, design, construct, and maintain a standard one-bedroom unit in Menlo Park. The fee shall also include the proportionate costs of associated common area as well as land acquisition costs. The fee shall be adjusted on a project-by-project basis depending on size, location and other factors relevant to cost. The fee can be adjusted by a pre-set formula or by a consultant selected by the City and funded by the applicant.

## **5. CHARACTERISTICS OF BMR UNITS**

**5.1 Size and Location of BMR Units.** BMR housing units shall generally be of the same proportionate size (number of bedrooms and square footage) as the market-rate units. The BMR units should be distributed throughout the development, and should be indistinguishable from the exterior. BMR units shall contain standard appliances common to new units, but need not have luxury accessories, such as Jacuzzi tubs. The Planning Commission and/or City Council shall have the authority to waive these size, location and appearance requirements of BMR units in order to carry out the purposes of the BMR Housing Program and the Housing Element.

**5.2 Design and Materials in BMR Units.** The design and materials used in construction of BMR units shall be of a quality comparable to other new units constructed in the development but need not be of luxury quality.

**5.3 The BMR Price Must Be Set Before Final Building Inspection.** There shall be no final inspection of BMR housing units until their purchase or rental prices

have been agreed upon in writing by the developer and the City Manager, or his or her designee. Also, the sale or rental process will not begin until the sales price is set.

### **5.3.1 Final Inspection Schedule for Smaller and Larger Developments.**

**Less Than Ten (10) Units.** In developments of less than 10 units with one or more BMR units, all BMR units must pass final inspection before the last market rate unit passes final inspection.

**Ten (10) to Nineteen (19) Units.** In developments of 10 or more units, including developments that are constructed in phases, for the first 10 housing units, a BMR unit must pass final inspection before nine market rate units may pass final inspection. For each additional group of 10 housing units, one additional BMR unit must pass final inspection before nine additional market rate units may pass final inspection.

**Twenty (20) or More Units.** In developments of 20 or more units, including developments that are constructed in phases, for the first 10 housing units, a BMR unit must pass final inspection before nine market rate units may pass final inspection. In addition, two additional BMR units must pass final inspection before eight additional market rate units may pass final inspection. For each additional group of 20 housing units, three additional BMR units must pass final inspection before 17 additional market rate units may pass final inspection. No project or phase may pass final inspection unless all the BMR units, which equal 15% or more of the housing units in that phase or project, have passed final inspection for that phase or project.

**Last Unit.** In no case may the last market rate unit pass final inspection before the last BMR unit has passed final inspection.

**5.4 Sales Price Determination for BMR For-Sale Units.** The maximum sales price for BMR units shall be calculated as affordable to households on the BMR Purchase Waiting List, which are eligible by income at the time that the maximum prices are set and which are of the smallest size eligible for the BMR units (excluding two-bedroom units, which shall be based on incomes for two person households even when units are made available to one person households). See Section 14, Table A, for income eligibility limits, and Table C, for occupancy standards, which tables may be updated by City staff from time to time. The affordability of maximum prices will take into consideration mortgage interest rates, minimum down payments, mortgage debt-to-income ratios and other qualifying criteria used by lenders at the time the sales prices are set, as well as cost of insurance, taxes, homeowners' dues and any other necessary costs of homeownership.

**5.4.1 Price Determination for Projects with Condominium Maps That Will Rent for an Indefinite Period of Time.** Projects with condominium subdivision maps that will rent BMR units for an indefinite period shall have basic sales prices established at the outset for such BMR units in accordance with the Guidelines. Such initial sales prices shall be adjusted for the period between the month of



completion of the BMR units and the month of notification of intent to sell the units, with further adjustments for improvements and deterioration per the Guidelines. The adjustments shall be based on one-third of the increase in the Consumer Price Index ("CPI"), All Urban Consumers, San Francisco-Oakland-San Jose, published by the U.S. Department of Labor, Bureau of Labor Statistics, plus certain other equitable adjustments.

**5.5 Legal Characteristics of BMR Units: Right of First Refusal and Deed Restrictions.** All BMR units shall be subject to deed restrictions and conditions which include a right of first refusal in favor of the City for a period of 55 years under which the City or its designee will be entitled to purchase the property at the lower of (1) market value, or (2) the purchase price paid by seller, plus one-third of the increase (during the period of seller's ownership) in the CPI, All Urban Consumers, San Francisco-Oakland-San Jose, published by the U.S. Department of Labor, Bureau of Labor Statistics, plus certain other equitable adjustments. The deed restrictions will also prohibit sales or transfers of the property except with the written consent of the City and at a price computed as above. Exceptions from all prohibitions against sale or transfer will include:

- (1) Demonstrated unlikelihood of obtaining a qualified buyer within a reasonable period;
- (2) Transfer by termination of joint tenancy or by gift or inheritance to parents, spouse, children, grandchildren or their issue.

The prohibition against sales or transfers will not terminate at the end of 55 years in the event of an exempt transfer by termination of joint tenancy or by gift or inheritance to family members. The prohibition against sales or transfers will terminate in the event of an exempt sale or transfer when there is a demonstrated unlikelihood of obtaining a qualified buyer within a reasonable period of time.

In the event of an exempt sale when there is a demonstrated unlikelihood of obtaining a qualified buyer within a reasonable period of time, the seller will be entitled to receive the lesser of (A) market value or (B) the purchase price paid by the seller plus one-third of the increase (during the seller's ownership) in the CPI, plus certain other equitable adjustments, as specified in the deed restrictions. The balance of the proceeds shall be paid to the City of Menlo Park to be deposited in the BMR Housing Fund. Any transferee pursuant to an exempt transfer by termination of joint tenancy or by gift or inheritance to family members must reside in the BMR unit and must qualify under the income criteria of the BMR Program at the time of the transfer of the BMR unit.

## **6. ELIGIBILITY REQUIREMENTS FOR HOUSEHOLDS APPLYING TO PURCHASE BMR UNITS**

**Note: Eligibility requirements for households that wish to be placed on the BMR Purchase Waiting List are identified in Section 7. The requirements identified below apply at the actual time of application to purchase a BMR unit.**

**In order for a household to be eligible at the time of application to purchase, ALL of the following requirements must be met:**

**6.1 BMR Purchase Waiting List.** Applicants are eligible to have their names placed on the BMR Purchase Waiting List if they meet the following three requirements at the time they submit an application for the BMR Purchase Waiting List: (1) currently live or work within incorporated Menlo Park; (2) meet the current income limit requirements (per household size) for purchase of a BMR unit; and (3) all applicants currently live together as a household.

**6.1.1 Definition of Household.** For the purposes of this program, household is defined as all persons who occupy a housing unit. A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit, or a group of unrelated people sharing a housing unit such as partners or roomers, is also counted as a household. To be considered a household, all applicants/household members must live together in a home that is their primary residence. To be considered part of the household and included in household size, children under the age of 18 (including foster children) must reside in the home at least part-time or parents must have at least partial (50%) custody of the child/children.

**6.2 Live and/or Work Eligibility.** Households that live and/or work within incorporated Menlo Park shall be eligible for the Below Market Rate Housing Program in accordance with the following provisions:

**6.2.1 Eligibility by Living in Menlo Park.** To qualify as living in Menlo Park, the applicant household must meet the following two requirements at the time of application: (1) currently live in Menlo Park as the household's primary residence and (2) must have continuously lived in Menlo Park for a minimum of one (1) year prior to the date of actual application to purchase.

**6.2.2 Eligibility by Working in Menlo Park.** To qualify as a household that works in Menlo Park, a member of the applicant's household must meet the following two requirements at the time of application: (1) currently work in Menlo Park at least 20 hours per week, or (if currently less than 20 hours per week) hours worked over the course of the one year prior to application averages a minimum of 20 hours per week and (2) must have continuously worked in Menlo Park for a minimum of one year prior to the date of actual application to purchase.

**6.2.2.1 Types of Work.** Work is defined as (1) owning and operating a business at a Menlo Park location; (2) employment for wages or salary by an employer located at a Menlo Park location; (3) contract employment where the actual work is conducted at a Menlo Park location for one year; or (4) commission work, up to and including a 100% commission arrangement, conducted in Menlo Park.

**6.2.2.2 Employer-Based Work.** If employed for wages or salary by an employer, working in Menlo Park is defined as the employer is located in Menlo Park AND the employment/actual work is performed within incorporated Menlo Park.

**6.2.2.3 Owning and Operating a Business at a Menlo Park Location.** This does NOT include owning (either wholly or in part) a residential or commercial property for investment purposes only.

**6.2.2.4 Work does NOT include volunteer or unpaid work.**

**6.3 Household Requirement.** To constitute a household, all members of the applicant household must currently live together (in a location that is their primary residence) at the time of application. Also, at the time of application and regardless of where they currently live, all members who make up the applicant household must have continuously lived together for a minimum of one year prior to the date of application.

**6.3.1 Exceptions.** Exceptions to this minimum one year joint-residency requirement include:

- Children under the age of 18 who have recently joined the household in conjunction with marriage, separation, or divorce, or similar family re-organization, and for whom there is evidence of a custody agreement or arrangement. This also applies to foster children.
- Children born or adopted into a household.
- Households newly formed as a result of marriage or domestic partnership.
- Other circumstances approved by the City to account for a recently added household member (such as an aging parent).

**6.4 First Time Homebuyer.** All members of the applicant household must be first time homebuyers, defined as not having owned a home as your primary residence within the last three years prior to the date of application. First time homebuyers DO include owners of mobile homes, as well as applicants whose names are on title for properties they have not lived in as their primary residences for the last three years (for instance rental properties, which must be considered as part of the applicant's eligibility per assets).

**6. 4. 1. Exceptions.** Exceptions to this requirement are:

- Applicants who are current BMR homeowners and are otherwise eligible for the BMR Housing Program, are eligible to place their names on the BMR Purchase Waiting List and to purchase a smaller or larger home needed due to changes in household size or family needs, such as for handicap accessibility (per Section 7.2.6, below).

- Applicants whose names were placed on the BMR Purchase Waiting List prior to March 2, 2010.
- Applicant households that currently and/or within the last three years prior to the date of application own homes as their primary residences more than 50 miles outside Menlo Park city limits, that are otherwise eligible for the BMR Housing Program.

**6.5 Complete One-Time Pre-Purchase Homebuyer Education.** After an applicant's name is placed on the BMR Purchase Waiting List and before receiving an offer to purchase a BMR property, all adult applicants/household members must complete a one-time homebuyer education workshop, class, or counseling session. When applicants' names are placed on the BMR Purchase Waiting List, program staff provides them with a list of approved local organizations that provide pre-purchase homebuyer education. Applicants choose an education provider or program from the approved list and may choose to attend in either a group or individualized setting. It is the applicants' responsibility to provide the City or the City's BMR Housing Program provider with evidence that a pre-purchase homebuyer education workshop or session was completed. In most cases, the education providers will provide applicants with certificates of completion, which applicants can submit to the City's BMR Housing Program provider as proof that the pre-purchase education requirement was completed. Households on the BMR Purchase Waiting List that have not completed the homebuyer education requirement will retain their rank on the list but will NOT be invited to apply to purchase BMR units. Only households on the BMR Purchase Waiting List that have completed the education requirement will be invited to apply when units become available. Elderly parents of applicants living in the household need not complete the education requirement.

**6.5.1 Prior Completion of Pre-Purchase Homebuyer Education.** At the time of application to the BMR Purchase Waiting List, applicants who provide written evidence of having completed an approved homebuyer education workshop, class, or counseling session within the previous twelve months prior to the date of application to the BMR Purchase Waiting List are not required to complete an additional workshop, class, or counseling session.

**6.5.2 Homebuyer Education Provider.** At the City's discretion, the City may elect to work exclusively with one or more homebuyer education providers/organizations. The City may also choose to contract with a particular person or organization to provide this educational component.

**6.5.3 Long-Term Education or Counseling Required for Certain Applicants.** Applicants who are invited to apply to purchase BMR units and are twice denied (on separate occasions) due to long-term or significant credit problems, will be required to meet individually with a credit counseling professional in order to remain on the BMR Purchase Waiting List. The applicant must provide evidence of completion of credit counseling within six months to the City's BMR provider or the applicant will be removed from the BMR Purchase Waiting List. This does not exclude the applicant

from applying to the BMR Purchase Waiting List again, to be placed at the bottom of the list.

**6.6 Ownership Interest.** A minimum of 50% of the ownership interest in the property must be vested in the qualifying applicant(s), regardless of income.

**6.7 Income and Asset Limits for Purchasers of BMR Units.** Income eligibility limits are established by HCD for San Mateo County. Income limits are updated on an annual basis. BMR units shall only be sold to very low, low, and moderate income households. Only households having gross incomes at or below 120% of the AMI for San Mateo County, adjusted for household size, are eligible to purchase and occupy BMR for-sale units, either upon initial sale or upon any subsequent resale, as specified in the deed restrictions. Refer to Section 14, Table A, for the income eligibility limits, which may be updated by City staff from time to time.

An asset is a cash or non-cash item that can be converted into cash. Only households having non-retirement assets that do not exceed the purchase price of the BMR units are considered eligible.

- Assets Include: cash held in checking accounts, savings accounts, and safe deposit boxes; equity in real property; cash value of stocks (including options), bonds, Treasury bills, certificates of deposit, money market accounts, and revocable trusts; personal property held as an investment such as gems, jewelry, coin and art collections, antiques, and vintage and/or luxury cars; lump sum or one-time receipts such as inheritances, capital gains, lottery winnings, victim's restitution, and insurance settlements; payment of funds from mortgages or deeds of trust held by the applicant(s); boats and planes; and motor homes intended for primary residential use.
- Assets DO NOT Include: cars and furniture (except cars and furniture held as investments such as vintage and/or luxury cars, and antiques); company pension and retirement plans; Keogh accounts; dedicated education funds/savings accounts; and funds dedicated to federally recognized retirement programs such as 401K's and IRA's.

Note that equity in real property or capital investments is defined as follows: the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and all reasonable costs (e.g. broker/realtor fees) that would be incurred in selling the asset.

**6.7.1 Senior or Disabled Households That Use Assets for Living Expenses.** An exception to the income and asset limit requirement is a household whose head is over 62 years of age, or permanently disabled and unable to work, with assets valued up to two times the price of the BMR unit. The applicant must be able to demonstrate that the sole use of his/her assets has been for household support for at

least the three previous years, and that the total annual household income meets the BMR Guidelines.

## **7. BMR PURCHASE WAITING LIST AND BMR RENTAL INTEREST LIST**

**7.1 BMR Purchase Waiting List and BMR Rental Interest List Eligibility Requirements.** A numbered BMR Purchase Waiting List of households eligible for - purchase of BMR units is maintained by the City or the City's designee. In addition, the City maintains an unranked BMR Rental interest list. Households are eligible to be placed on the BMR Purchase Waiting List or BMR Rental Interest List if they meet the following requirements at the time they submit applications for the either list:

- The household currently resides within incorporated Menlo Park as its primary residence OR a member of the household currently works at least 20 hours per week within incorporated Menlo Park.
- For purposes of these Guidelines, unhoused persons may show local residency by providing evidence that their last permanent residence was located in Menlo Park and/or documentation from a case manager or homeless services provider demonstrating current residency in Menlo Park, including places or structures other than a bona fide dwelling unit (i.e. vehicle or tent).
- The household meets the current income limit requirements (per household size) for rent and/or purchase of a BMR unit. See Section 14, Table A, for income eligibility limits, which may be updated by City staff from time to time.
- Except as specified in Section 6.3.1 of these Guidelines, all persons included as members of the household currently live together in a residence that is their primary home.
- A person residing in Menlo Park in 2008 who was subsequently displaced from such housing shall not be disqualified based on current lack of residency, provided they can show their displacement was due to economic conditions beyond their control (including but not limited to job loss, rent increase, eviction, foreclosure or other form of economic hardship resulting in loss of housing). Evidence of such economic displacement shall be in the form of direct evidence (i.e. job termination letter) or declarations submitted under penalty of perjury.
- Applicant households may submit applications and, if eligible, will be placed on the numbered BMR Purchase Waiting List in the order in which their applications were received and/or the BMR Rental InterestList, which is neither numbered nor ordered.

- In accordance with Section 6.4, all members of the household must be first time homebuyers for inclusion on the BMR Purchase Waiting List.

**7.2 BMR Purchase Waiting List Management.** BMR units available for purchase are offered to households on the BMR Purchase Waiting List in the order in which the BMR Purchase Waiting List applications were received.

**7.2.1 Annual affirmation of continued interest in remaining on the BMR Purchase Waiting List.** On an annual basis, all households on the BMR Purchase Waiting List will be required to confirm their continued interest in remaining on the list. At or around the same time each year, the City's BMR Housing Program provider will mail and/or email annual update forms/applications to all current households on the BMR Purchase Waiting List. Households on the BMR Purchase Waiting List that wish to remain on the list are asked to complete the form and return it to the City's BMR Housing Program provider within a specified period of time (usually about one month) with a \$10 annual fee for processing. Households who do not respond by completing and returning the forms and the fee by the specified deadline, or whose mail is returned undeliverable to the City's BMR Housing Program provider or who otherwise cannot be reached, shall be removed from the BMR Purchase Waiting List. This does not exclude households removed from the BMR Purchase Waiting List from re-applying to the list, to be added to the bottom of the list in accordance with normal procedures.

**7.2.2 Complete One-Time Pre-Purchase Homebuyer Education for Households That Would Like to Purchase a BMR Unit.** For households that indicate they would like to purchase BMR units, after households are placed on the BMR Purchase Waiting List and before receiving offers to purchase BMR properties, all adult applicants/household members must complete a one-time homebuyer education workshop, class, or counseling session, per Section 6.5.

**7.2.3** When a BMR unit is offered for purchase, applicants must enter into a purchase agreement within a defined, reasonable period of time. If an applicant fails to do so, the BMR unit will be offered to the next eligible applicant on the BMR Purchase Waiting List. The City of Menlo Park reserves the right to establish other criteria to give preference to certain categories of eligible participants on the BMR Purchase Waiting List.

**7.2.4** A tenant of a BMR rental unit who is required to vacate the BMR rental unit due to its conversion to a BMR for sale unit, shall have first priority for vacant BMR rental units for which the tenant is eligible and qualifies for two years from the expiration of the lease, regardless of the place of residence of the displaced tenant.

**7.2.5 Preference for Handicap Accessible Units for Bona Fide Wheelchair Users.** If the BMR unit is wheelchair accessible, then bona fide wheelchair users on the BMR Purchase Waiting List who are otherwise eligible for the BMR unit, including by household size and income, will receive preference over other

applicants, and the BMR unit will be offered to the bona fide wheelchair users in the order that their applications were received.

**7.2.6** Households who are current BMR homeowners are eligible to place their name on the BMR Purchase Waiting List and to purchase a smaller or larger home needed due to changes in their household size or family needs, such as for a handicapped accessible unit.

## **8. THE BMR UNIT PURCHASE PROCESS: BUYER SELECTION AND SALE PROCEDURES**

### **8.1 New Units and Condominium Conversions.**

**8.1.1** The participating developer informs the City or its designee in writing that the BMR unit has received its final building inspection and that the BMR unit is ready for sale and occupancy. "The City" shall mean the City Manager, or his or her designee.

**8.1.2** City of Menlo Park staff or the City's BMR Housing Program provider inspects the BMR unit. After approval of the unit, the City or the City's BMR Housing Program provider writes a certifying letter that states the BMR unit meets the BMR Housing Program's requirements and satisfies the BMR Agreement's provisions. The certifying letter will also state the price for the BMR unit. The price for the BMR unit will be determined based on the information described in the next three sections.

**8.1.3** The City or its designee obtains necessary information for determining the price of the BMR unit. These include, but may not be limited to, the estimated tax figures from the developer and the County Assessor, as well as Homeowner's Association dues, Covenants, Conditions and Restrictions, and insurance figures from the developer. Also included will be all associated Homeowner Association documentation.

**8.1.4** Household size and income qualifications are established. In households in which an adult holds 50% or more custody of a minor child or children through a legally binding joint custody settlement, each such child shall count as a person in determining the household size.

**8.1.5** The City or its designee determines the maximum price of the BMR unit based on an income up to 120% of AMI ("AMI") related to household size, as established from time to time by HCD for San Mateo County, monthly housing costs including current mortgage rates, insurance costs, homeowners' dues, taxes, closing costs and any other consideration of costs of qualifying for a first mortgage and purchase of the BMR unit. See Section 14, Table A, for income eligibility limits, which may be updated by City staff from time to time. When these documents and the information described in this and preceding sections have been received, the City will provide the developer with a certifying letter in which the City states the price for the



BMR unit, accepts the BMR unit as available for purchase and the purchase period will commence.

**8.1.6** If there is a standard pre-sale requirement by the BMR applicant's lender for a certain percentage of units in the project to be sold before the BMR applicant's lender will close, then the time for the City's purchase or the buyer's purchase will be extended until that requisite number of units has closed.

**8.1.7** The City may retain a realtor to facilitate the sale of the property.

**8.1.8** Contact is established between the City or its designee and the developer's representative to work out a schedule and convenient strategy for advertisements, if needed, when the units will be open for viewing, and for when the interested applicants may obtain detailed information about the units.

**8.1.9** All marketing and sales procedures for BMR units must be approved by the City and will be subject to review on a periodic basis for compliance.

**8.1.10** An information packet and application forms are designed and duplicated by the City or its designee. The developer provides information about the unit, including a floor plan of the unit and of the building showing the location of the unit, dimensions, appliances, amenities, and finishes.

**8.1.11** The City or the City's BMR Housing Program provider holds an application orientation meeting(s). Households on the BMR Purchase Waiting List with the lowest numbers are contacted and invited to attend the orientation meeting(s). Only households that are eligible by household size and have completed the one-time pre-purchase education requirement are contacted and invited to attend the orientation. Applications to purchase BMR units can only be obtained by attending an application orientation meeting. At the meeting, potential applicants are provided with the following information:

- A detailed description of the BMR Housing Program, including the rights, restrictions, and responsibilities of owning a BMR unit.
- A complete description of the property or properties being offered for sale including buyer eligibility requirements, the purchase price, home owner association costs (if any), estimated property taxes, and home features.
- An overview of the home loan application process and description of necessary costs including down payment (if required), closing costs, real estate taxes, and mortgage insurance.
- A description of the BMR and home loan approval process. Potential applicants are informed they must work with one of the program's approved mortgage providers. Per the City's discretion the potential applicants are also informed of the kinds of acceptable mortgage

financing, and also of mortgage financing not allowed at that time (for instance negative amortizing loans).

- Based on the purchase price, estimates are provided on the minimum annual income required to purchase, as well as possible monthly housing costs including principal and interest, property taxes, and insurance payments.
- A step-by-step explanation of the BMR purchase application. If there are several sizes of units for which applicants may be eligible, applicants are instructed where to indicate their unit size preferences.

Potential applicants are invited to ask questions. Meeting attendees are invited to sign up to tour the property or properties for sale. Attendees are given applications and a reasonable deadline to submit their completed applications.

**8.1.12** Completed applications are submitted to the City or its designee along with income and asset verifications.

**8.1.13** When the application period closes, the City or its designee reviews the completed applications. The complete, eligible, qualifying applications are ranked in order by BMR Purchase Waiting List numbers and/or other criteria established by the City. The complete applications with the lowest numbers, and meeting other qualifying criteria for each unit, if any, are selected, and the households that submitted them are notified of the opportunity to purchase the BMR unit, in the order of their numbers on the BMR Purchase Waiting List. They are invited to an orientation meeting.

**8.1.14** If the leading applicant for a unit fails to contact the developer, provide a deposit, or obtain appropriate financing within the period of time specified in the notification letter, the City or its designee will contact the next household on the list.

**8.1.15** The City of Menlo Park or its designee submits to the title insurance company the Grant Deed, BMR Agreement and Deed Restrictions, and Request for Notice to be recorded with the deed to the property.

**8.1.16** The developer shall be free to sell a BMR unit without restriction as to price or qualification of buyer if all of the following criteria are met, unless the BMR applicant's lender has a loan condition that a specific number of units in the development must be sold before the loan can be approved: (1) the City and the developer are unable to obtain a qualified buyer within six months after the City has provided written notice both certifying that the unit is available for purchase and setting the price for the BMR unit, (2) the City or its designee does not offer to purchase the BMR unit within said six months period, and complete said purchase within not more than 60 days following the end of the six month period, (3) the developer has exercised reasonable good faith efforts to obtain a qualified buyer. A qualified buyer is a buyer who meets the eligibility requirements of the BMR Housing Program and who

demonstrates the ability to complete the purchase of the BMR unit. Written notice of availability shall be delivered to the City Manager, City of Menlo Park, 701 Laurel Street, Menlo Park, CA 94025. Separate written notice of availability shall also be delivered to the City Manager, City of Menlo Park, 701 Laurel Street, Menlo Park, CA 94025.

## **9. OCCUPANCY REQUIREMENTS FOR OWNER-OCCUPIED BMR UNITS**

**9.1 Primary Residence.** The owners listed on title to the BMR property must occupy it as their primary residence and remain in residence for the duration of the Deed Restrictions (55 years). Occupancy is defined as a minimum stay of 10 months in every 12 month period. BMR owners may not terminate occupancy of the BMR property and allow the property to be occupied by a relative, friend, or tenant. Failure of the purchaser to maintain a homeowner's property tax exemption shall be construed as evidence that the BMR property is not the primary place of residence of the purchaser. As necessary, the City may request that BMR owners provide evidence that their units are currently occupied by them as their primary residences. Examples of such evidence may include current copies of any of the following: homeowner's insurance, car/vehicle registration, and utility bills.

**9.2 Refinancing and BMR Valuations.** BMR owners may refinance the debt on their property at any time following purchase, however, they must contact the City's designated BMR Housing Program provider first, prior to a refinance or equity line. The City's BMR Housing Program provider will provide the owner with clear instructions to ensure program compliance. At that time and at any other time the owner requests it, the BMR Housing Program provider will provide the owner and/or the lender with the current BMR value of the home, in accordance with the formula specified in the Deed Restrictions. Only the City's BMR Housing Program provider can determine the appraised value of a BMR unit and it is the owner's responsibility to inform their lender that the property is a BMR unit. BMR owners are not allowed to take out loans against their property that exceed the BMR value of the home. There is a fee for refinancing a BMR unit that is set by the City's BMR Housing Program provider.

**9.3 Transfers of Title.** Prior to adding an additional person to title or transferring title to the BMR unit, BMR owners must contact the City for clear instructions to ensure program compliance.

The following transfers of title are exempt from the City's right of first refusal and do NOT re-start the 55 year deed restriction clock:

- Transfer by devise or inheritance to the owner's spouse.
- Transfer of title by an owner's death to a surviving joint tenant, tenant in common, or a surviving spouse of community property (that is, another owner already on title).

- Transfer of title to a spouse as part of divorce or dissolution proceedings.
- Transfer of title or an interest in the property to the spouse in conjunction with marriage.

Transfers by devise or inheritance (such as to a child or other family member), are permitted under certain terms and conditions identified in the Deed Restrictions. These kinds of transfers must first be reviewed and approved by the City or the BMR Housing Program provider. If the person inheriting the property meets the following terms and conditions, then that person may take title, assume full ownership, and reside in the BMR unit. This would then restart the 55 year deed restriction clock. If the person inheriting the property does NOT meet the following terms and conditions they may still inherit the property but are not allowed to live there. In such case, the inheriting party must sell the property and shall be entitled to receive any proceeds from the sale after payment of sales expenses and all liens against the property. The property would then be sold by the City through the BMR Housing Program to an eligible, qualified household on the BMR Purchase Waiting List.

For transfers of title by devise or inheritance, the inheriting party (“Transferee”) must meet the following terms and conditions in order to live in the BMR unit:

- Transferee shall occupy, establish and maintain the property as the Transferee’s primary residence.
- The Transferee must meet all current eligibility requirements for the BMR Housing Program, as identified at the time of transfer in the BMR Guidelines.
- The Transferee must sign a new BMR Agreement and Deed Restrictions for the property. This restarts the 55 year clock.

## **10. PROCESS FOR RESALE OF BMR UNITS**

**10.1** The seller notifies the City by certified mail that he/she wishes to sell the unit. The City notifies its designee, if applicable. The unit must be provided in good repair and salable condition, or the cost of rehabilitating the unit will be reimbursed to the City out of the proceeds of the sale. The definition of “salable condition” for any given unit shall be provided on a case-by-case basis following the City’s inspection of the unit, and shall be at the discretion of the City Manager or his/her designee. “Salable condition” shall refer to the general appearance, condition, and functionality of all: flooring; painted surfaces; plumbing, heating, and electrical systems; fixtures; appliances; doors; windows; walkways; patios; roofing; grading; and landscaping. In addition for each unit, the City reserves the right to withhold the cost of having it professionally cleaned from the seller’s proceeds. Once cleaning is complete, the seller will be refunded any difference between the amount withheld and the actual cost to clean the unit.

**10.2** When the seller notifies the City or the City's BMR Housing Program provider, and it has been determined that the unit is in good repair and salable condition, and the City has set the price for the BMR unit, then the City or the City's BMR Housing Program provider will state in writing that the 180 day period for completing the sale of the BMR unit shall commence. The price will be set using information in Sections 10.3 through 10.6 below.

**10.3** The City or its designee obtains an appraisal made to ascertain the market value of the unit, giving consideration to substantial improvements made by the seller, if needed.

**10.4** The City or its designee obtains figures for homeowners' dues, insurance, and taxes from the seller.

**10.5** The City or its designee checks major lending institutions active in this market to ascertain current mortgage information (prevailing interest rates, length of loans available, points, and minimum down payments). Monthly housing costs are estimated.

**10.6** The City or its designee establishes a sales price, based on the original selling price of the unit, depreciated value of substantial improvements made by the seller, and 1/3 of the increase in the cost of living index for the Bay Area. The selling price is established for the unit at the appraised market value or the computed price whichever is the lower.

**10.7** The City retains a realtor to facilitate the sale of the property.

**10.8** Agreement is reached between seller and the City or its designee for a schedule of open houses for the unit, at the seller's convenience.

**10.9** The procedure continues the same as in Sections 8.1.7 – 8.1.16 above, with the seller substituted for the developer.

**10.10** The City or its designee submits to the title insurance company the Grant Deed, BMR Agreement and Deed Restrictions, and Request for Notice and the seller's release from the previous Deed Restrictions, to be recorded with the new deed to the property.

## **11. REQUIREMENTS FOR BMR RENTAL DEVELOPMENTS**

### **11.1 Income and Rent Standards.**

**11.1.1 Income Limits upon Occupancy of BMR Rental Units.** Unless otherwise approved by the Planning Commission or City Council in the BMR Housing Agreement for the proposed project, only households having gross incomes at or below Low Income for San Mateo County, adjusted for household size, are eligible to occupy BMR rental units, either when initially rented or upon filling any subsequent

vacancy. See Section 14, Table A (Below Market Rate Household Income Limits), which may be updated by City staff from time to time. Any variation in the affordability mix to assist the City in meeting its Regional Housing Needs Assessment (including very low, low or moderate income households) shall require a finding by the approving body that the mix is roughly equivalent to the provision of all of the affordable units at the low income level.

**11.1.2 BMR Rent.** BMR units may be rented for monthly amounts not exceeding thirty percent (30%) of the income limit for extremely low, very low, subsidized low, low or moderate income households adjusted for occupancy, as established from time to time by the HCD for San Mateo County. In no case shall the monthly rental amounts for BMR units exceed 75% of comparable market rate rents. The maximum rental amounts are listed in Section 14, Table B, (Maximum Monthly Housing Cost Limits for BMR Rental Units), which may be updated by City staff from time to time. BMR rents may be adjusted from time to time to reflect any changes to the then current Income limits.

**11.1.3 Tenant Selection and Certification Procedures.** Priority for occupancy of all BMR rental units shall be given to those eligible households who either live or work in the City of Menlo Park as defined in Sections 6.2 and 7.1 of these Guidelines. If no qualified household living or working in Menlo Park is available to occupy the vacated unit as aforesaid, the owner shall be free to rent the BMR unit to any other eligible BMR tenant.

**11.1.4 BMR Rental Interest List.** The qualifications of BMR rental tenants as described in Section 7.1, above, will be independently verified by the owner. The City of Menlo Park or the City's designee shall maintain a BMR Rental Interest List and shall make it available to any owner/developer upon request.

**11.1.5 One-Year Lease Offer.** Each BMR tenant shall be offered the opportunity to enter into a lease, which has a minimum term of one year. Such offer must be made in writing. If the tenant rejects the offer, such rejection must also be in writing. A lease may be renewed upon the mutual agreement of both parties.

**11.1.6 Vacation of Units and Re-Renting.** When a BMR tenant vacates, the owner must provide notice to the City, and re-rent the unit to a qualified BMR tenant in accordance with these BMR Guidelines and the BMR Housing Agreement for the unit.

**11.1.7 Annual Recertification of BMR Units.** The City of Menlo Park or the City's BMR Housing Program provider will recertify annually, by procedures to be established in the BMR Housing Agreement, the provision of BMR rental units as agreed at the time of application for the permit. A qualified BMR tenant shall continue to qualify unless at the time of recertification, for two consecutive years, the household's income exceeds the eligibility requirements, then the tenant shall no longer be qualified. Upon the owner's determination that any such household is no longer qualified, the unit shall no longer be deemed a BMR Unit, and the owner shall

make the next available unit, which is comparable in terms of size, features and number of bedrooms, a BMR (the “Next Available Unit Requirement”), or take other actions as may be necessary to ensure that the total required number of units are rented to qualifying BMR households. The owner shall notify the City annually if it substitutes a different unit for one of the designated BMR Units pursuant to this paragraph.

**11.1.8 Annual Report.** On an annual basis on or before July 1 of each year, the developer or subsequent owner shall submit a report (the “Annual Report”) to the City which contains, with respect to each BMR unit, the name of the eligible tenant, the rental rate and the income and household size of the occupants. The Annual Report shall be based on information supplied by the tenant or occupant of each BMR unit in a certified statement executed yearly by the tenant on a form provided or previously approved by the City or designee. Execution and delivery thereof by the tenant may be required by the terms of the lease as a condition to continued occupancy at the BMR rate. In order to verify the information provided, City shall have the right to inspect the books and records of developer and its rental agent or bookkeeper upon reasonable notice during normal business hours. The Annual Report shall also provide a statement of the owner’s management policies, communications with the tenants and maintenance of the BMR unit, including a statement of planned repairs to be made and the dates for the repairs.

## **12. EQUIVALENT ALTERNATIVES**

Nothing set forth herein shall preclude the City from approving reasonably equivalent alternatives to these BMR Guidelines, including, but not limited to, in lieu fees, land dedication, off-site construction or acquisition and rehabilitation of units. Additionally, the City reserves the right to approve reasonably equivalent alternatives to the characteristics of the proposed BMR units and the affordability mix. Any modifications to these Guidelines shall be approved by the City Council and shall contain findings that the alternative is commensurate with the applicable requirement(s) in the BMR Guidelines and is consistent with the goals of the BMR Guidelines.

## **13. BELOW MARKET RATE HOUSING FUND AND SEVERABILITY CLAUSE**

**13.1 Purpose.** The City of Menlo Park Below Market Rate Housing Fund (“BMR Housing Fund”) is a separate City fund set aside for the specific purpose of assisting the development of housing that is affordable to very low, low and moderate income households. The BMR Housing Fund is generated by such income as in-lieu fees. All monies contributed to the BMR Housing Fund, as well as repayments and interest earnings accrued, shall be used solely for this purpose, subject to provisions set forth below.

**13.2 Eligible Uses.** The BMR Housing Fund will be used to reduce the cost of housing to levels that are affordable to very low, low and moderate income households, as defined in the Housing Element of the City's General Plan. A

preference will be given to assisting development of housing for households with minor children; however, this preference does not preclude the use of funds for other types of housing affordable to households with very low, low and moderate incomes.

**13.3 Eligible Uses in Support of Very Low, Low and Moderate Income Housing Development.** The BMR Housing Fund may be used for, but is not limited, to the following:

- Provision of below market rate financing for homebuyers.
- Purchase of land or air rights for resale to developers at a reduced cost to facilitate housing development for very low, low or moderate income households.
- Reduction of interest rates for construction loans or permanent financing, or assistance with other costs associated with development or purchase of very low, low or moderate income housing.
- Rehabilitation of uninhabitable structures for very low, low or moderate income housing.
- On-site and off-site improvement costs for production of affordable housing.
- Reduction of purchase price to provide units that are very low, low or moderate cost.
- Rent subsidies to reduce the cost of rent for households with limited incomes.
- Emergency repair and/or renovation loan program for BMR owners of older units.
- Loan program to assist BMR condominium owners who have no other way to pay for major special assessments.
- City staff time and administrative costs associated with implementation of the BMR Housing Program.

**13.4 Procedures.** Requests for use of BMR Housing Fund money shall be submitted to staff for review and recommendation to the City Council. A request for funding shall provide the following minimum information:

- A description of the proposal to be funded and the organizations involved in the project. Public benefit and relevant Housing Element policies and programs should be identified.
- Amount of funding requested.



- Identification of the number of very low, low and moderate income households to be assisted and the specific income range of those assisted.
- Reasons why special funding is appropriate.
- Identification of loan rate, financial status of applicants, and source of repayment funds or other terms.
- Identification of leverage achieved through City funding.

**13.5 Annual Report.** At the close of each fiscal year, City staff shall report on activity during the previous year (deposits and disbursements) and available funds. The City's auditor shall periodically examine this report and all other BMR Housing Fund financial records, and shall report the results of this examination. In addition, City staff shall report annually on activities assisted by monies from the BMR Housing Fund. The report will review how the program is serving its designated purpose. It will include a discussion of the timely use of funds for actions taken to provide BMR housing units, a review of management activities, and staff recommendations for policy changes to improve the program's performance. In addition, it will provide, for each activity, information corresponding to that required of funding requests listed above in Section 13.4.

**13.6 Severability Clause.** If any one or more of the provisions contained in the BMR Guidelines shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, then such provisions shall be deemed severable from the remaining provisions contained in the BMR Guidelines, and the BMR Guidelines shall be construed as if such invalid, illegal or unenforceable provision(s) had never been contained herein.

**13.7 Administrative Updates.** Future updates to tables in Section 14 may be made annually without City Council approval when data becomes available from the appropriate state and federal agencies.

**14. TABLES**

**Table A**

**Below Market Rate Household Income Limits**

<i>Household Size</i>	<i>Extremely Low (30% AMI)</i>	<i>Very Low (50% AMI)</i>	<i>City Subsidized Low (60% AMI)</i>	<i>Low (80% AMI)</i>	<i>Area Median Income (100% AMI)</i>	<i>Moderate (120% AMI)</i>
1	27,650	46,100	55,320	73,750	80,700	96,850
2	31,600	52,650	63,180	84,300	92,250	110,700
3	35,550	59,250	71,100	94,850	103,750	124,500
4	39,500	65,800	78,960	105,350	115,300	138,350
5	42,700	71,100	85,320	113,800	124,500	149,400
6	45,850	76,350	91,620	122,250	133,750	160,500
7	49,000	81,600	97,920	130,650	142,950	171,550
8	52,150	86,900	104,280	139,100	152,200	182,600

Source: Based on median income for a household of four persons as reported in the Income Guidelines for San Mateo County published by the Department of Housing and Community Development Division of Housing Policy Development for 2017.

<http://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits/docs/inc2k17.pdf>

**Table B**

**Maximum Affordable Rent Payment\***

<i>Unit Size</i>	<i>Extremely Low (30% AMI)</i>	<i>Very Low (50% AMI)</i>	<i>City Subsidized Low (60% AMI)</i>	<i>Low (80% AMI)***</i>	<i>Area Median Income (100% AMI)</i>	<i>Moderate Income (120% AMI)***</i>
Studio**	691	1,152	1,479	1,844	2,304	2,421
1	740	1,234	1,586	1,976	2,468	2,594
2	888	1,481	1,904	2,371	2,962	3,113
3	1,026	1,711	2,192	2,739	3,422	3,597
4	1,145	1,908	2,425	3,056	3,816	4,013

Source:

<https://housing.smcgov.org/sites/housing.smcgov.org/files/2017%20Income%20and%20Rent%2006%2019%2017.pdf>

\*Maximum affordable rent based on 30% of monthly income and all utilities paid by landlord unless further adjusted by HUD. Utility allowances for tenant-paid utilities may be established by Housing Authority of County of San Mateo Section 8 Program.

\*\*The following is the assumed family size for each unit: Studio: 1 person; one-bedroom: 1.5 persons; two-bedroom: 3 persons; three-bedroom: 4.5 persons; four-bedroom: 6 persons.

\*\*\*In 2017, HCD for San Mateo County did not provide a maximum rent for low or moderate income households. The maximum rent in the table is 30% of annual income divided by 12 months, rounded to the nearest whole number. With respect to a one-bedroom unit with 1.5 persons occupying, the income limit is determined by adding the income for a one person household plus the income for a two person household and dividing by two. With respect to a three-bedroom unit with 4.5 persons occupying, the income limit is determined by adding the income for a four person household plus the income for a five person household and dividing by two.

### Table C

#### Occupancy Standards

Occupancy of BMR units shall be limited to the following:

Unit Size	Number of Persons	
	Minimum	Maximum
Studio	1	2
1	1	4
2	2	5
3	3	7
4	4	9

Note: The City Manager or his/her designee has the discretion to vary the persons per unit for unusually large units, not to exceed one person per bedroom, plus one.

### Table D

#### Commercial In-Lieu Fees for 2017-18

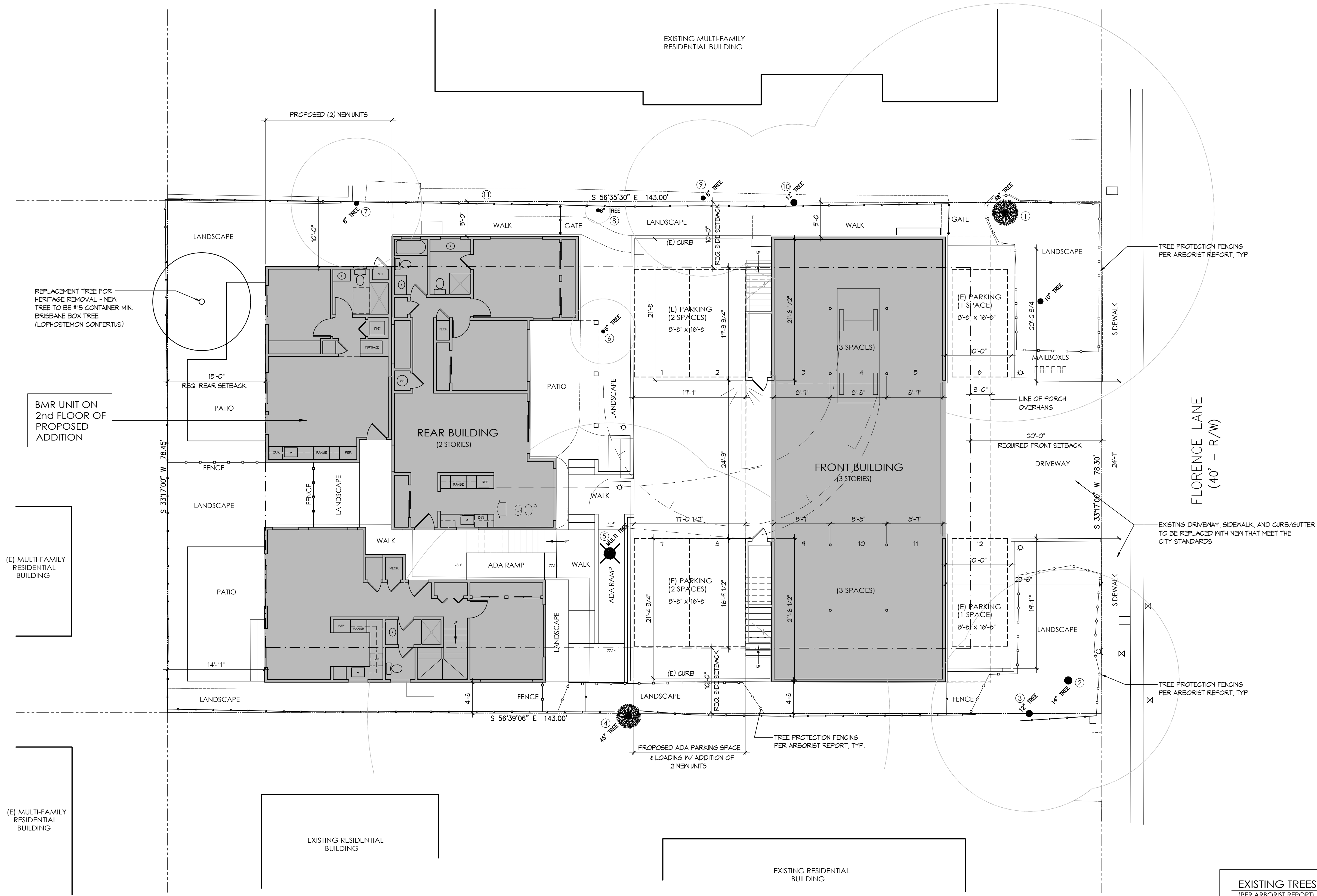
<b>Group A</b> uses are Research & Development and Office.	Fee: \$16.90 per square foot of gross floor area.
--	---

<b>Group B</b> uses are all other Commercial Uses not in Group A.	Fee: \$9.17 per square foot of gross floor area.
---	--

Commercial In-Lieu Fees are adjusted annually on July 1.

EXHIBIT C

BMR Unit Location Exhibit



**PROPOSED SITE PLAN** 1/8"=1'-0" 

- EXISTING TREES**  
(PER ARBORIST REPORT)
- ① 45.5' COAST LIVE OAK
  - ② 16.2' COAST LIVE OAK
  - ③ 13.3' COAST LIVE OAK
  - ④ 45' COAST LIVE OAK
  - ⑤ 18.2' JAPANESE MAPLE
  - ⑥ 8' MEDITERRANEAN FAN PALM
  - ⑦ 8.2' CABBAGE PALM
  - ⑧ 5.6' ITALIAN CYPRESS
  - ⑨ 6.8' MEDITERRANEAN FAN PALM
  - ⑩ 12' BLACK ACACIA
  - ⑪ 10' BLACK ACACIA

**Kellond Architects**  
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Saratoga, California 95070  
408.741.0600 ph.  
www.kellondarchitects.com

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PROJECT  
**975 Florence Ln.**  
Menlo Park, CA 94025

SHEET TITLE  
**PROPOSED SITE PLAN**

No.	Date	Notes
△	12/11/18	PLANNING REVISIONS
△	1/18/19	PLANNING REVISIONS
△	2/22/19	PLANNING REVISIONS
△	3/20/19	PLANNING REVISIONS

PROJECT #: 2017.10  
DATE: 25 JUNE 2018  
SHEET #: SD-1.2

EXHIBIT D

BMR Floor Plan

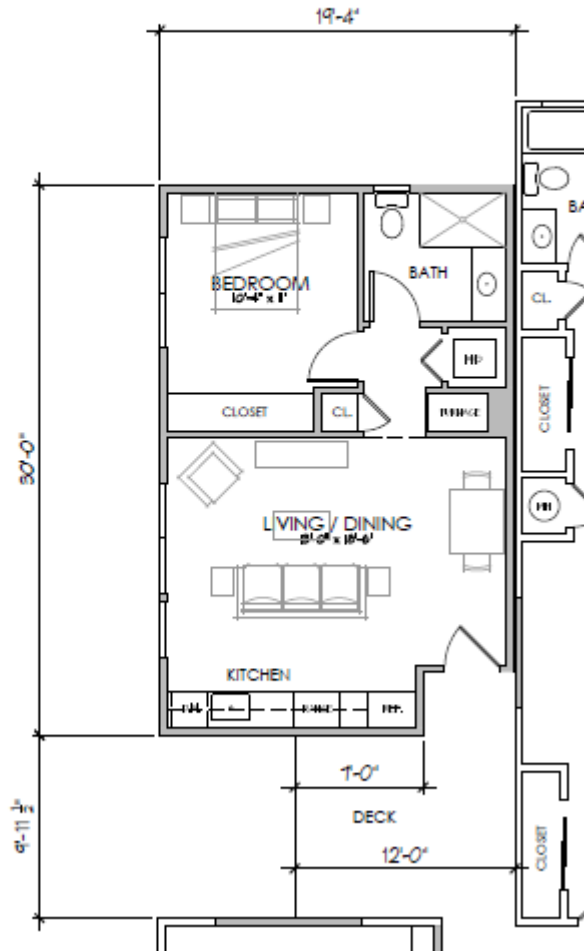
Design

The proposed (1) Bedroom BMR (New Unit #2) is located on the 2<sup>nd</sup> floor of the rear building, and is 560.5 s.f.

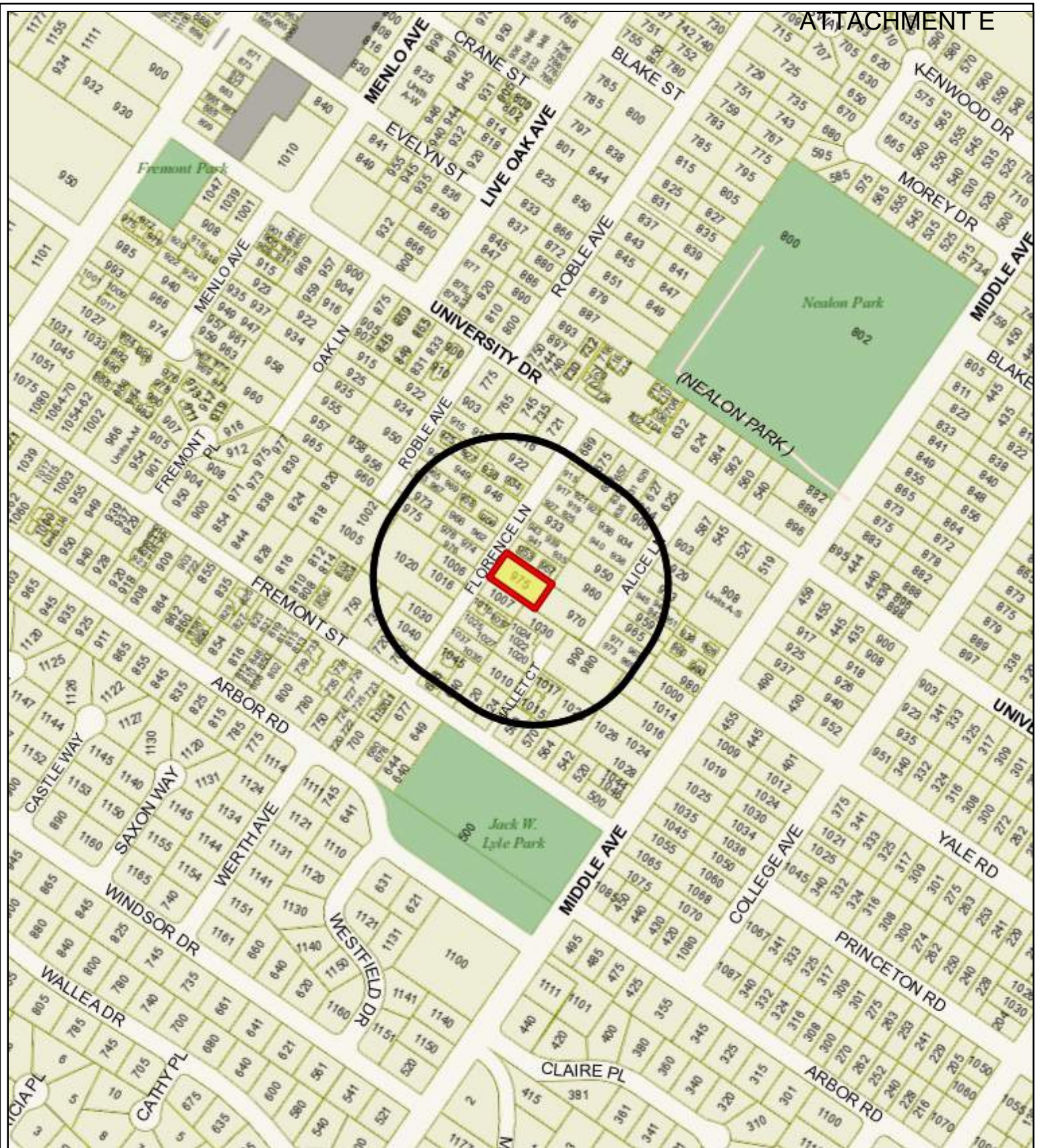
## NEW UNIT #2

1 BDRM. - BMR

560.5 s.f.







City of Menlo Park  
 Location Map  
 975 Florence Lane





# Proposed Subdivision

CONDOMINIUM CONVERSION OF (6) EXISTING UNITS + (2) PROPOSED NEW

# 975 Florence Lane

## Menlo Park, CA 94025

PLANNING COMMISSION SUBMITTAL SET

**Kellond Architects**

14510 Big Basin Way, #205  
Saratoga, California 95070

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**PROJECT INFO**

**AREA PLAN**

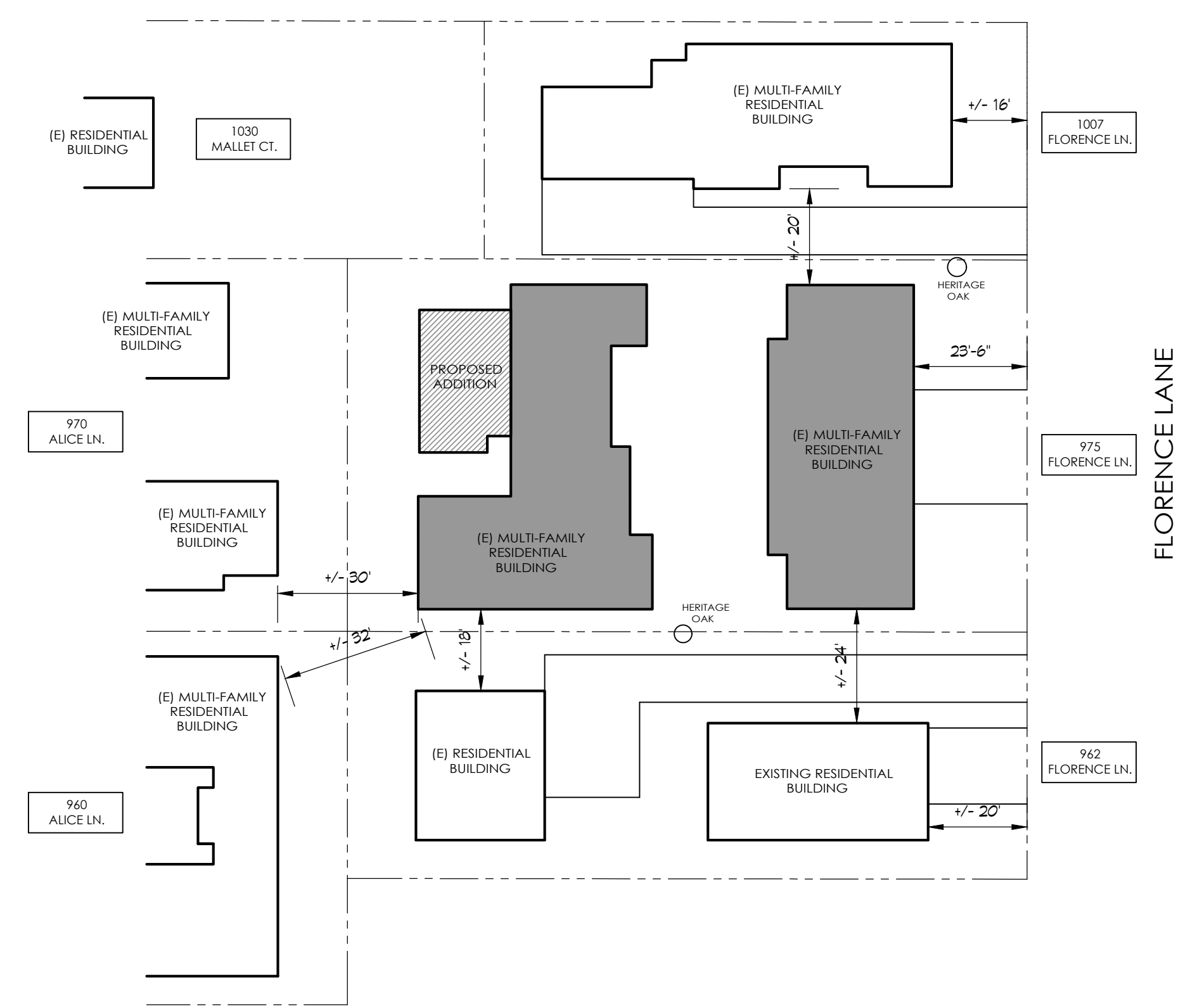
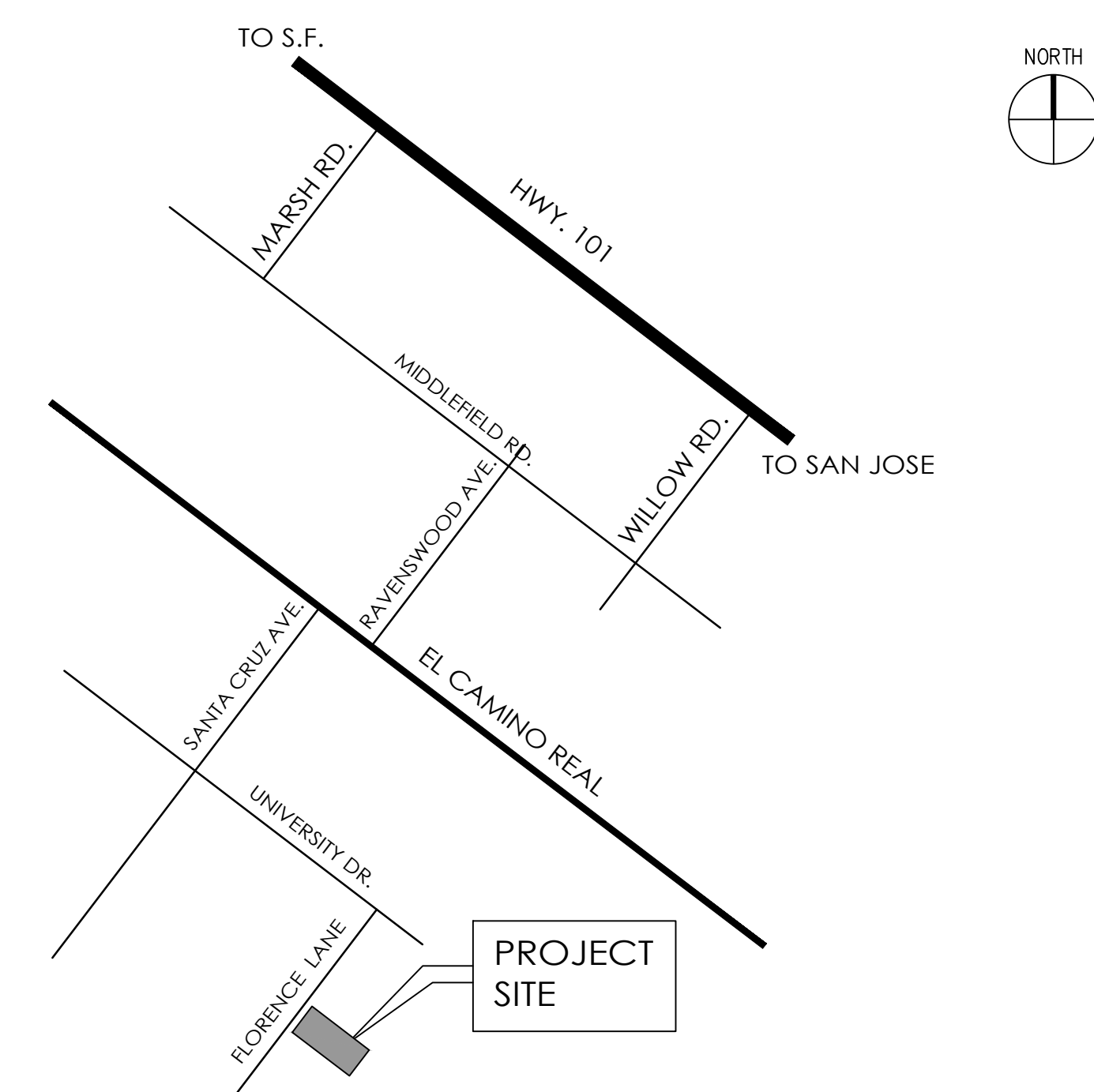
**SHEET INDEX**

**PROJECT DESCRIPTION**

The proposed project is an existing (6) unit apartment building that is requesting approval of a subdivision and conversion of the residential units into for-sale condominium units. (1) BMR unit and (1) additional unit are proposed to be added for a total of (8) units. Existing parking is proposed to remain.

- SD-0.1 TITLE SHEET & PROJECT INFO
- TOPOGRAPHIC SURVEY
- SD-1.1 EXISTING SITE PLAN
- SD-1.2 PROPOSED SITE PLAN
- SD-2.1 EXISTING FLOOR PLANS - REAR BUILDING
- SD-2.2 EXISTING FLOOR PLANS - FRONT BUILDING
- SD-2.3 EXISTING ROOF PLANS
- SD-2.4 PROPOSED FLOOR PLANS - REAR BUILDING
- SD-2.5 PROPOSED ROOF PLANS
- SD-3.0 EXTERIOR PHOTOS
- SD-3.1 EXISTING EXTERIOR ELEVATIONS
- SD-3.2 PROPOSED EXTERIOR ELEVATIONS
- SD-3.3 PROPOSED EXTERIOR ELEVATIONS
- SD-3.4 PROPOSED COLOR ELEVATIONS
- SD-4.1 EXISTING FLOOR AREA & COVERAGE CALCS.
- SD-4.2 EXISTING FLOOR AREA & COVERAGE CALCS.
- SD-4.3 PROPOSED FLOOR AREA & COVERAGE CALCS.
- SD-4.4 EXISTING OPEN SPACE CALCS
- SD-4.5 PROPOSED OPEN SPACE CALCS
- SD-5.1 REMODEL DIAGRAMS - FRONT BUILDING
- SD-5.2 REMODEL DIAGRAMS - FRONT BUILDING
- SD-5.3 REMODEL DIAGRAMS - REAR BUILDING
- SD-5.4 REMODEL DIAGRAMS - REAR BUILDING
- T-1 VESTING TENTATIVE SUBDIVISION MAP

**VICINITY MAP**



AREA PLAN: 975 FLORENCE 1" = 40'

**PROJECT DATA**

975 Florence Lane

APN	071-302-010
Zoning	R3
Site Area	11,208 s.f.
Density	7 units allowable
Allowable Floor Area	7,664.7 s.f. (7,664.7 s.f. / 7 units = 1094.9 s.f. per unit)

**EXISTING FLOOR AREA:**

<b>Front Building</b>	
First Floor	85 s.f. (1,817.7 s.f. Garage not counted)
Second Floor	1,817.6 s.f.
Third Floor	1,885.5 s.f.
<b>TOTAL</b>	<b>3,788.1 s.f.</b>
<b>Rear Building</b>	
First Floor	2,034.8 s.f.
Second Floor	1,944.3 s.f.
<b>TOTAL</b>	<b>3,979.1 s.f.</b>
Shed	95.8 s.f.
<b>TOTAL Existing</b>	<b>7,863 s.f.</b>

**AREA TO BE REMOVED:**

Shed	95.8 s.f.
Rear Building (Laundry & Unit A)	151.9 s.f.
<b>TOTAL to be Removed</b>	<b>247.7 s.f.</b>

**PROPOSED FLOOR AREA**

(2) New Units @ Rear Bldg.	1,121 s.f. (1) BMR unit + (1) unit per state density bonus)
Existing Buildings to remain	7,615.3 s.f. (7863 s.f. - 247.7 s.f.)
<b>TOTAL Proposed</b>	<b>8,736.3 s.f.</b>
<b>TOTAL Allowable</b>	<b>8,759.2 s.f.</b>
	(1,094.9 s.f. per unit x (8))

**PROJECT**

**975 Florence Ln.**  
Menlo Park, CA 94025

**SHEET TITLE**

**TITLE SHEET**

**REVISIONS**

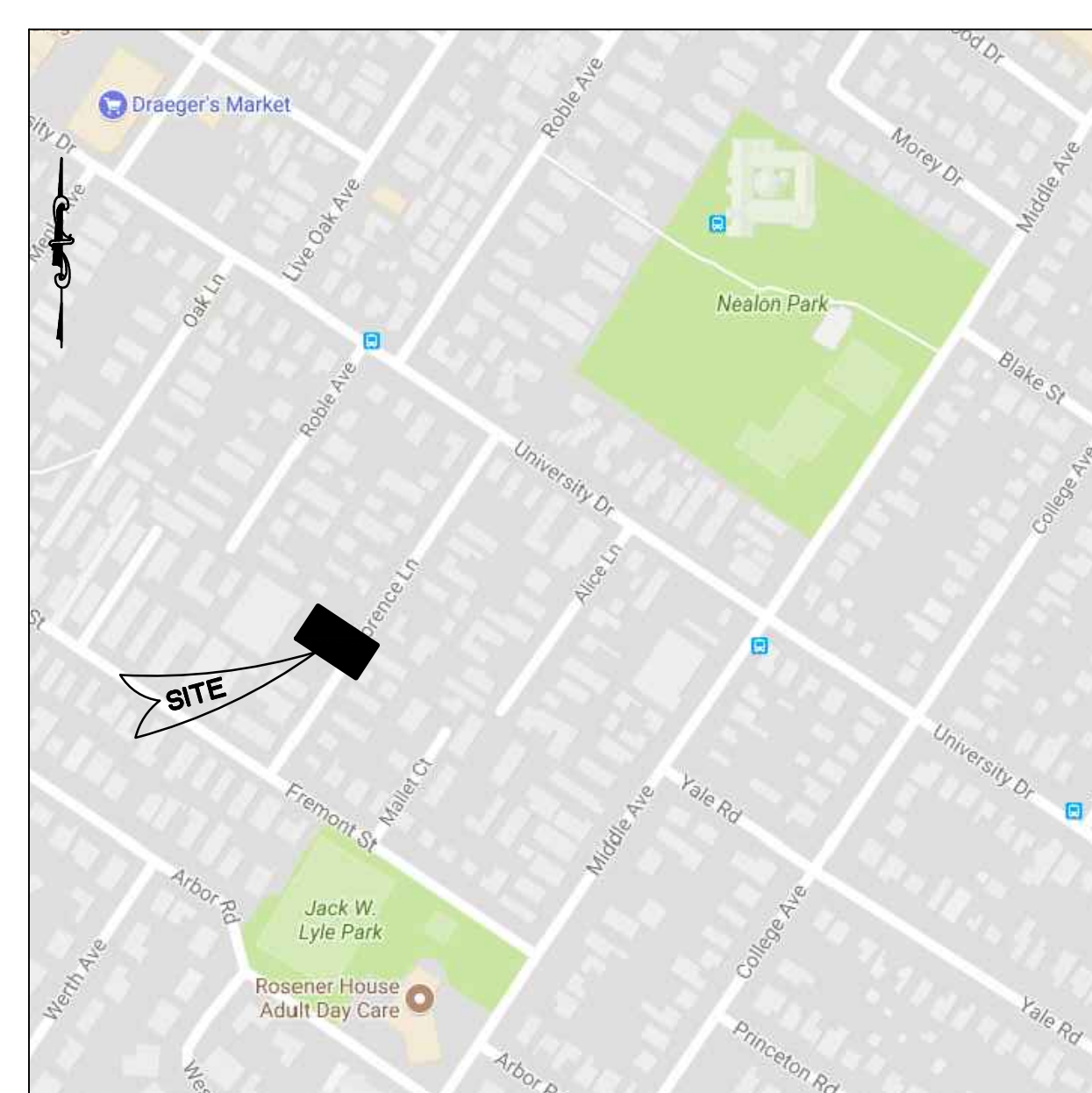
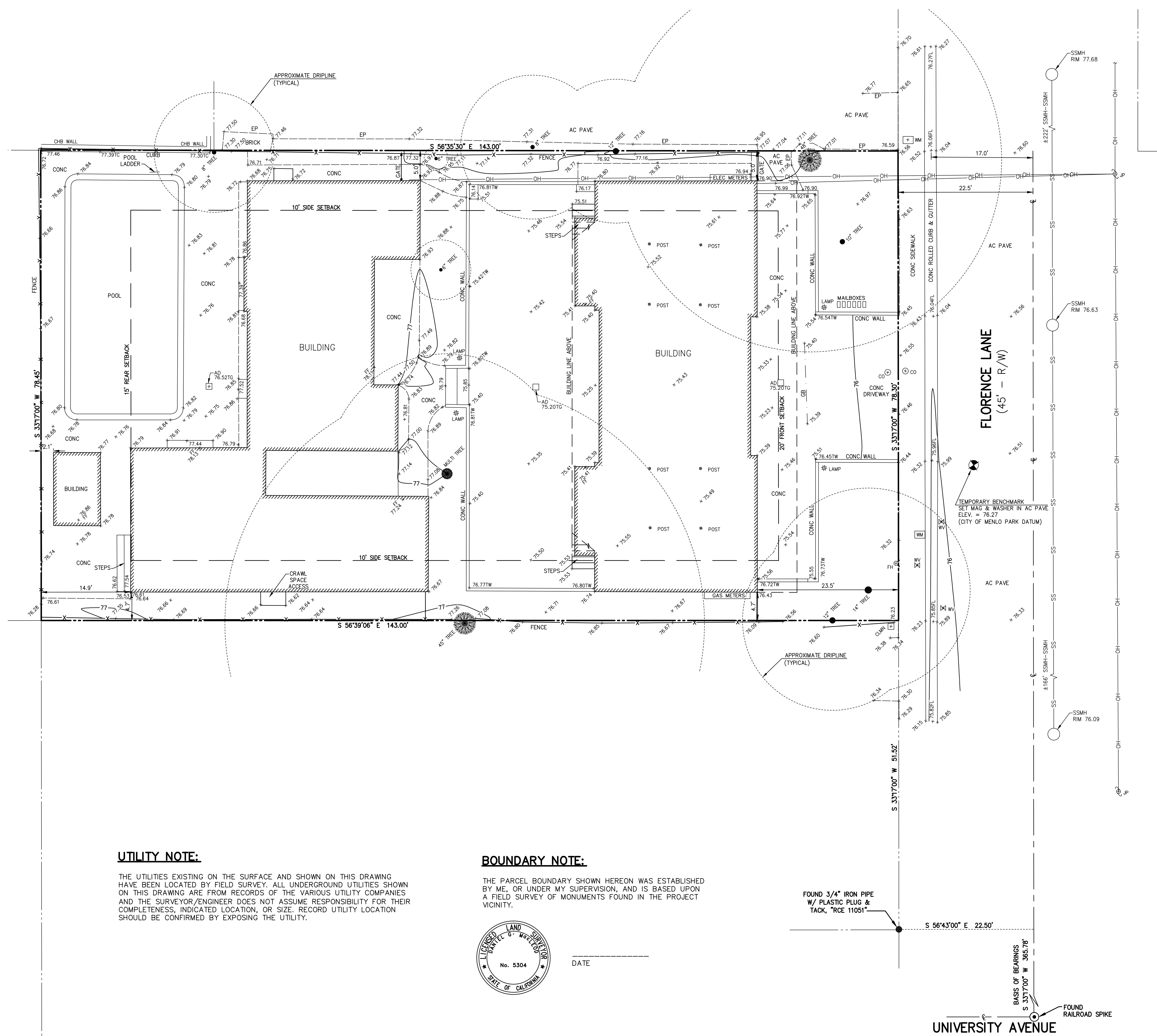
No.	Date	Notes
1	12/11/18	PLANNING REVISIONS
2	1/18/19	PLANNING REVISIONS
3	2/22/19	PLANNING REVISIONS
4	3/22/19	PLANNING REVISIONS
5	4/26/19	PLANNING REVISIONS

PROJECT #: 2017.10

DATE: 25 JUNE 2018

SHEET #: SD-0.1





**VICINITY MAP**  
(NOT TO SCALE)

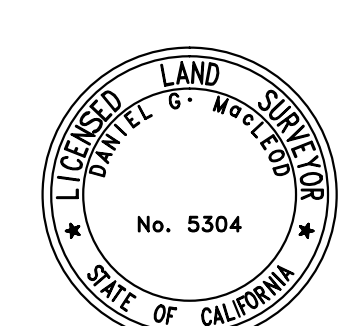
**LEGEND**

AC PAVE	PROPERTY LINE
AD	ASPHALT CONCRETE PAVEMENT
CO	AREA DRAIN
CONC	CLEANOUT
ELEC	CONCRETE
EP	ELECTRIC
FF	EDGE OF PAVEMENT
FH	FINISH FLOOR
FL	FIRE HYDRANT
JP	FLOWLINE
SSMH	JOINT UTILITY POLE
TG	SANITARY SEWER MANHOLE
TW	TOP OF GRATE
WM	TOP OF WALL
WV	WATER METER
	WATER VALVE
	TREE W/ SIZE
X-X	FENCE
OH	OVERHEAD UTILITY LINE
SS	SANITARY SEWER LINE

**LOT AREA:**  
 = 11,208 SQ. FT. ±  
 = 0.257 ACRES ±

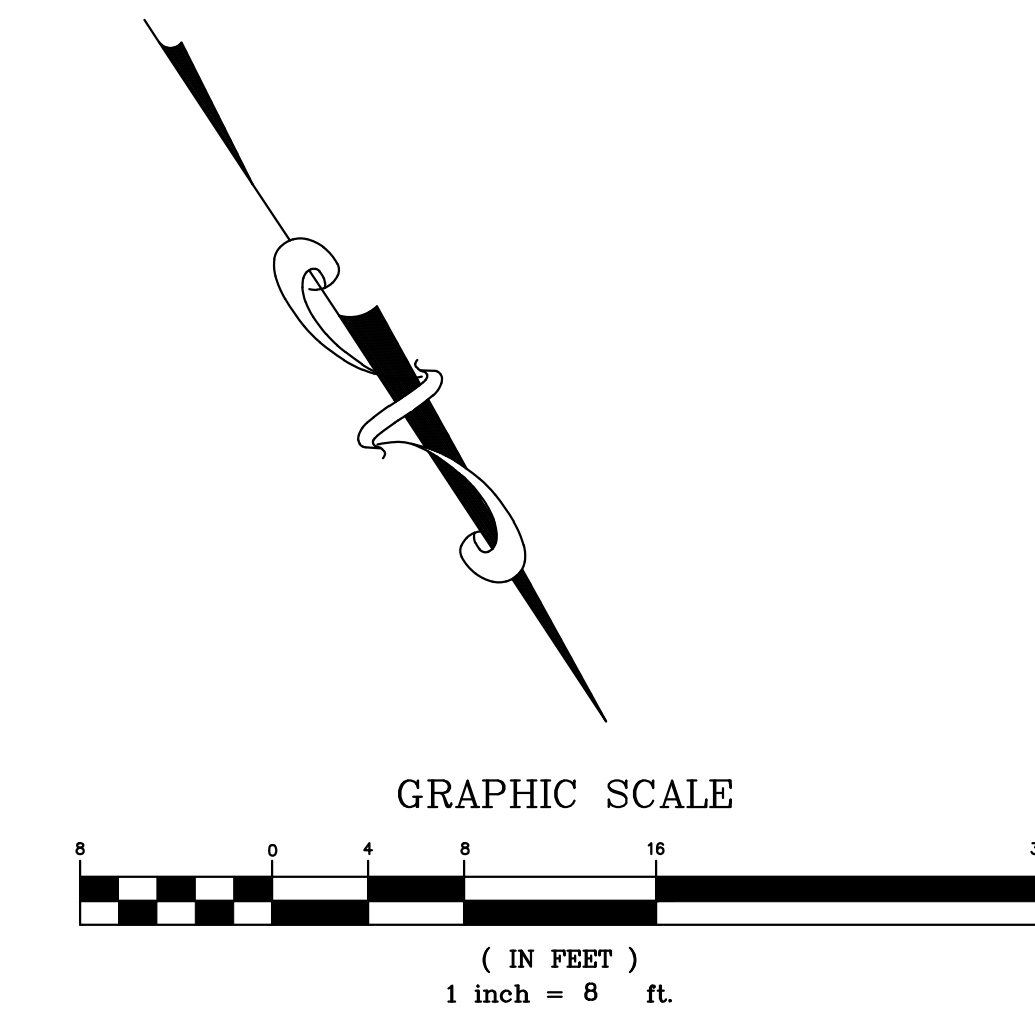
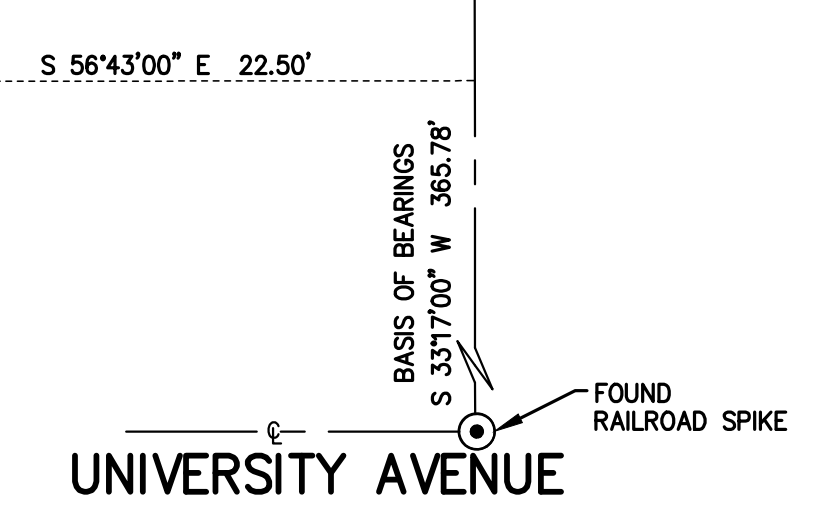
**UTILITY NOTE:**  
 THE UTILITIES EXISTING ON THE SURFACE AND SHOWN ON THIS DRAWING HAVE BEEN LOCATED BY FIELD SURVEY. ALL UNDERGROUND UTILITIES SHOWN ON THIS DRAWING ARE FROM RECORDS OF THE VARIOUS UTILITY COMPANIES AND THE SURVEYOR/ENGINEER DOES NOT ASSUME RESPONSIBILITY FOR THEIR COMPLETENESS, INDICATED LOCATION, OR SIZE. RECORD UTILITY LOCATION SHOULD BE CONFIRMED BY EXPOSING THE UTILITY.

**BOUNDARY NOTE:**  
 THE PARCEL BOUNDARY SHOWN HEREON WAS ESTABLISHED BY ME, OR UNDER MY SUPERVISION, AND IS BASED UPON A FIELD SURVEY OF MONUMENTS FOUND IN THE PROJECT VICINITY.



DATE \_\_\_\_\_

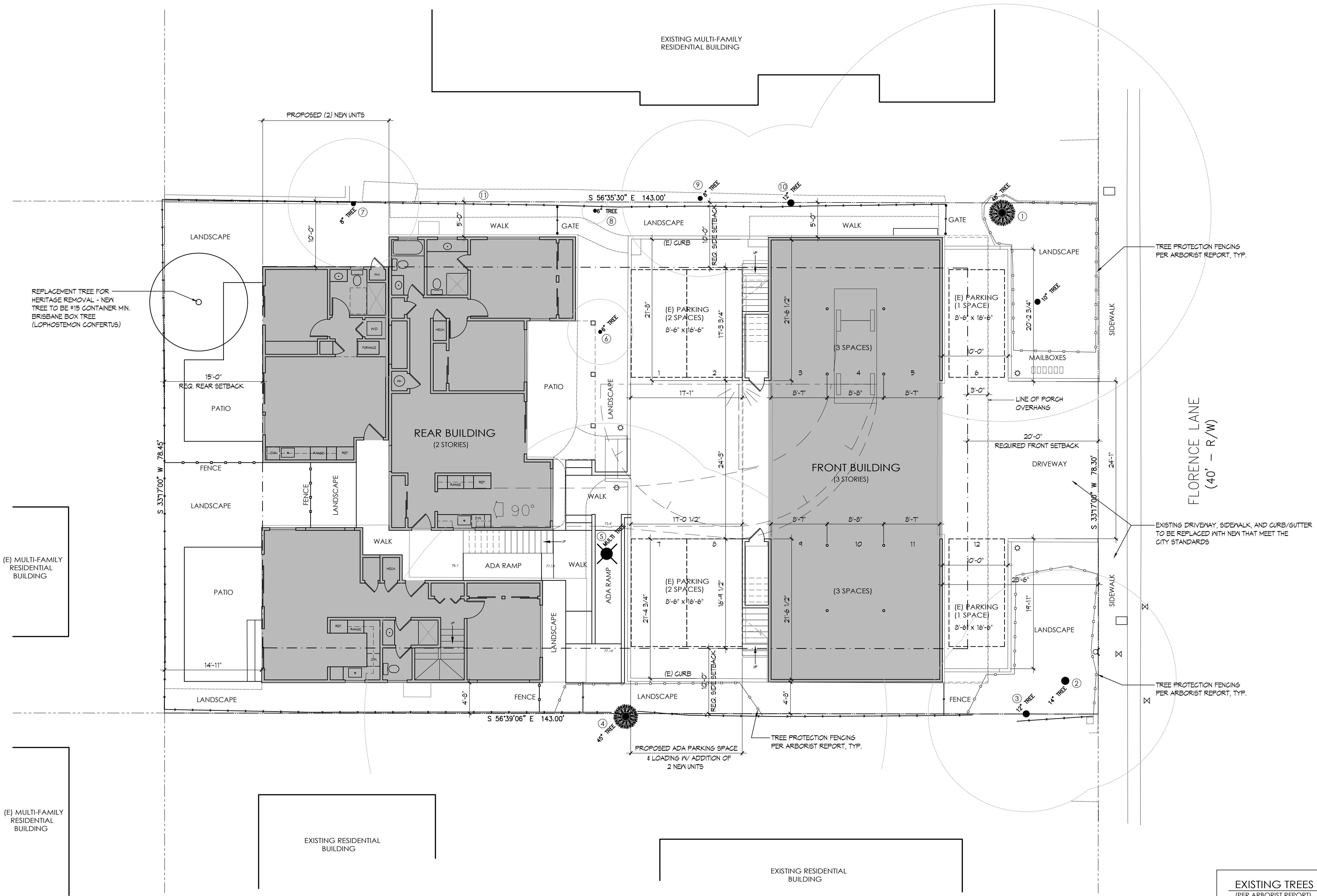
FOUND 3/4" IRON PIPE W/ PLASTIC PLUG & TACK, "RCE 11051"



DATE:	
BY:	
DESCRIPTION:	
REV:	
<b>MACLEOD AND ASSOCIATES</b>	
CIVIL ENGINEERING • LAND SURVEYING	
965 CENTER STREET • SAN CARLOS, CA 94070 • (650) 593-8560	
PREPARED FOR:	FLORENCE LANE VENTURES, LLC
<b>BOUNDARY AND TOPOGRAPHIC SURVEY PLAN</b>	
975 FLORENCE LANE	
A.P.N. 071-302-010	
DOC. # 2017-050072	
MENLO PARK	CALIFORNIA
DRAWN BY:	MDL
DESIGNED BY:	---
CHECKED BY:	DGM
SCALE:	1"=8'
DATE:	08-31-17
DRAWING NO.	4491-TOPO
SHEET	1 OF 1







**PROPOSED SITE PLAN**  
 1/8"=1'-0" NORTH

- EXISTING TREES**  
 (PER ARBORIST REPORT)
- ① 45.5" COAST LIVE OAK
  - ② 16.2" COAST LIVE OAK
  - ③ 13.3" COAST LIVE OAK
  - ④ 45" COAST LIVE OAK
  - ⑤ 18.2" JAPANESE MAPLE
  - ⑥ 8" MEDITERRANEAN FAN PALM
  - ⑦ 8.2" CABBAGE PALM
  - ⑧ 5.6" ITALIAN CYPRESS
  - ⑨ 6.8" MEDITERRANEAN FAN PALM
  - ⑩ 12" BLACK ACACIA
  - ⑪ 10" BLACK ACACIA

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PROJECT

**975 Florence Ln.**  
 Menlo Park, CA 94025

SHEET TITLE

**PROPOSED SITE PLAN**

REVISIONS

No.	Date	Notes
△	12/11/18	PLANNING REVISIONS
△	1/18/19	PLANNING REVISIONS
△	2/22/19	PLANNING REVISIONS
△	3/20/19	PLANNING REVISIONS

PROJECT #: 2017.10

DATE: 25 JUNE 2018

SHEET #: SD-1.2







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Menlo Park, CA 94025

SHEET TITLE

EXISTING ROOF PLANS

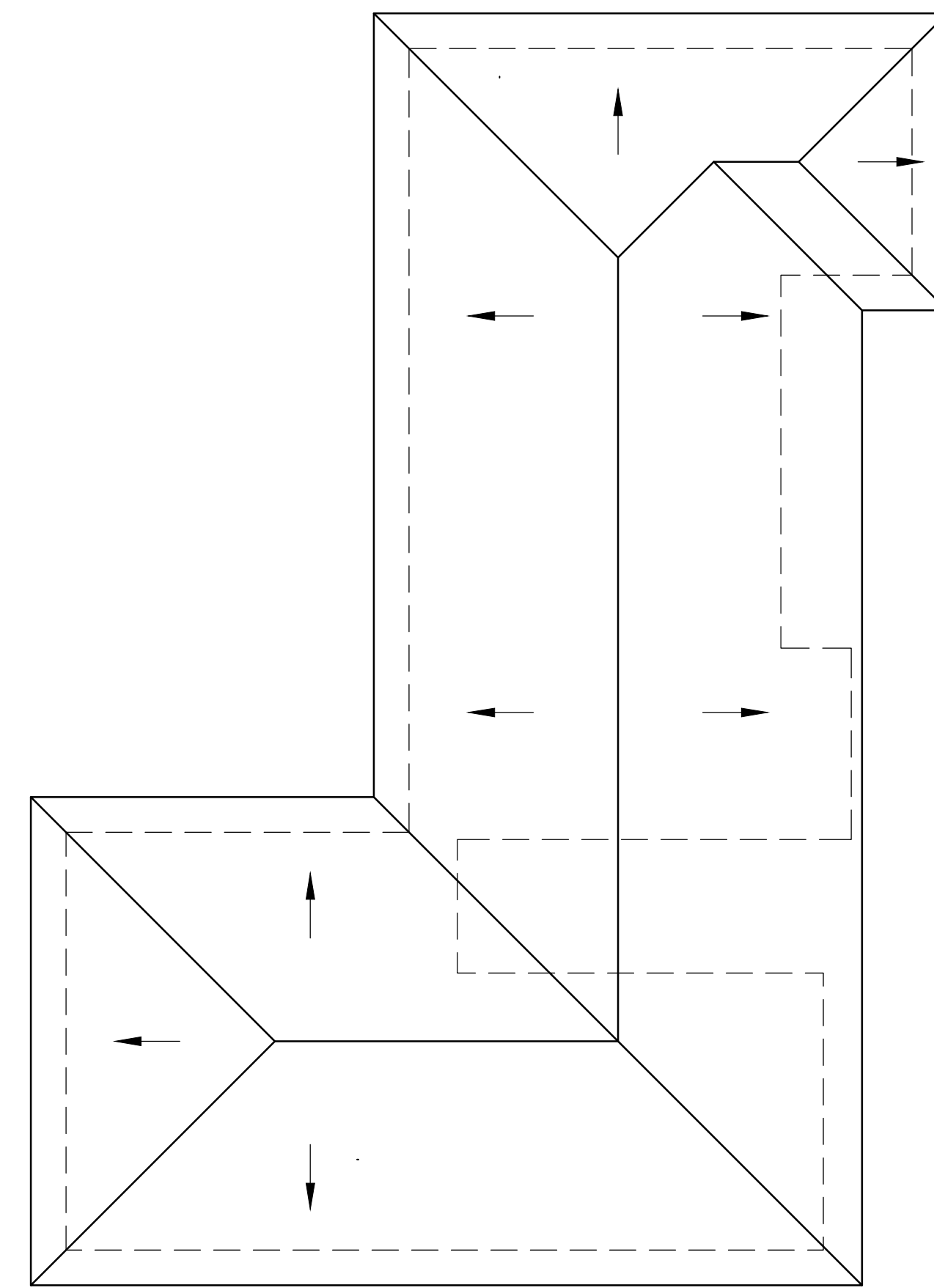
REVISIONS

No.	Date	Notes

PROJECT #: 2017.10

DATE: 25 JUNE 2018

SHEET #: SD-2.3

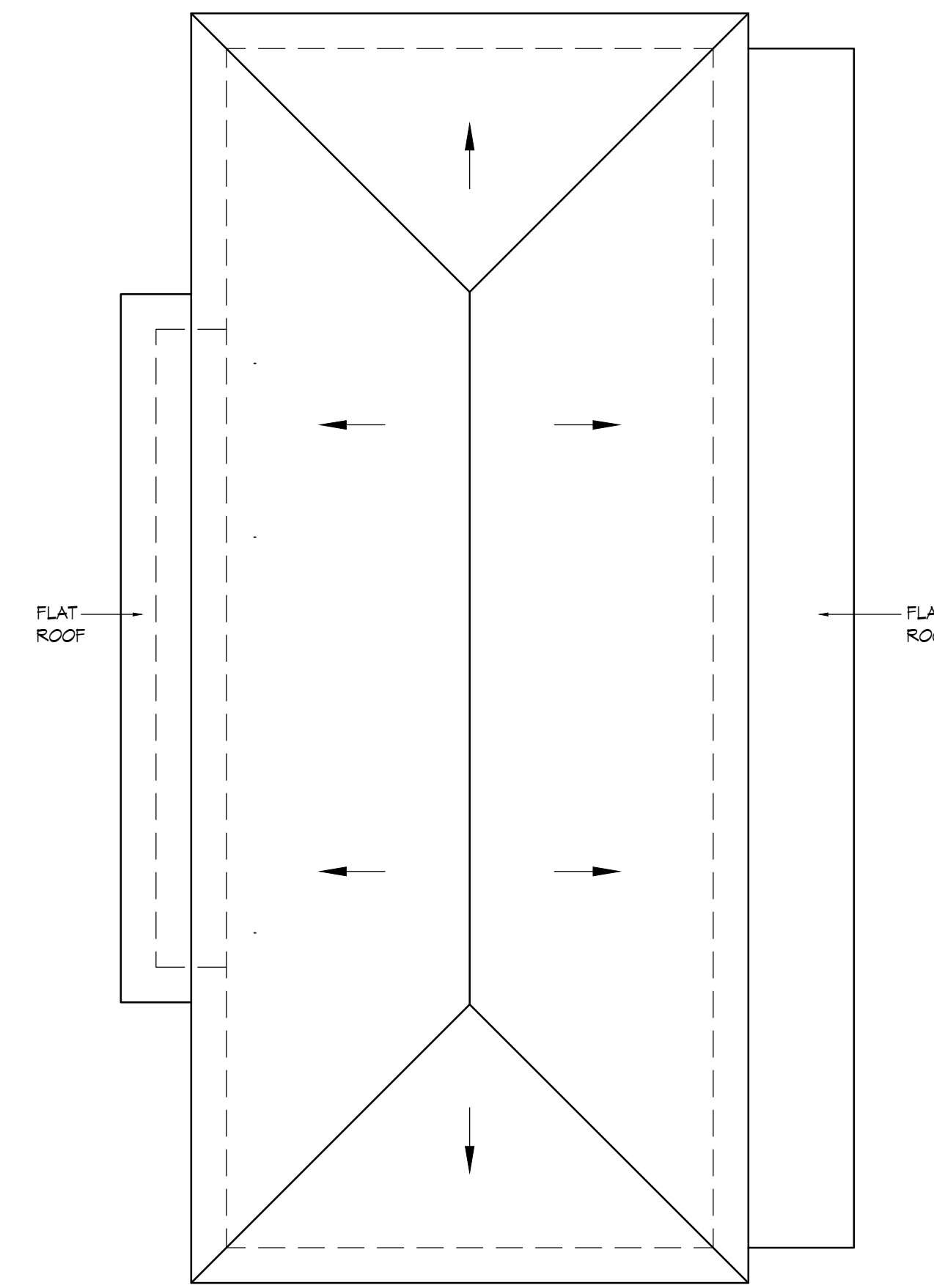
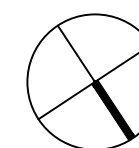


\*\* ALL EXISTING ROOF SLOPES 4:12 (U.O.N.) \*\*

REAR BLDG. - ROOF

1/8"=1'-0"

NORTH



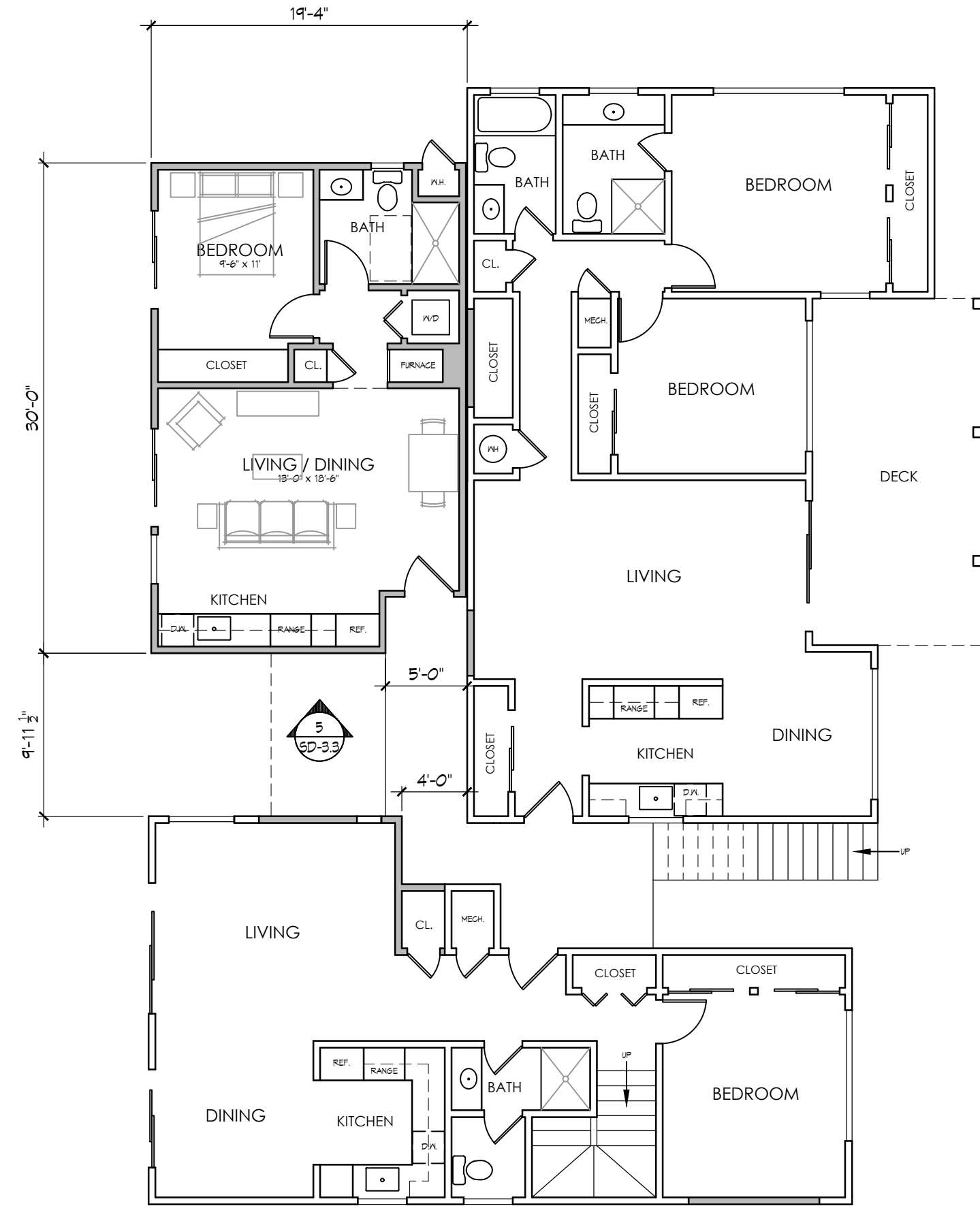
\*\* ALL EXISTING ROOF SLOPES 4:12 (U.O.N.) \*\*

FRONT BLDG. - ROOF

1/8"=1'-0"

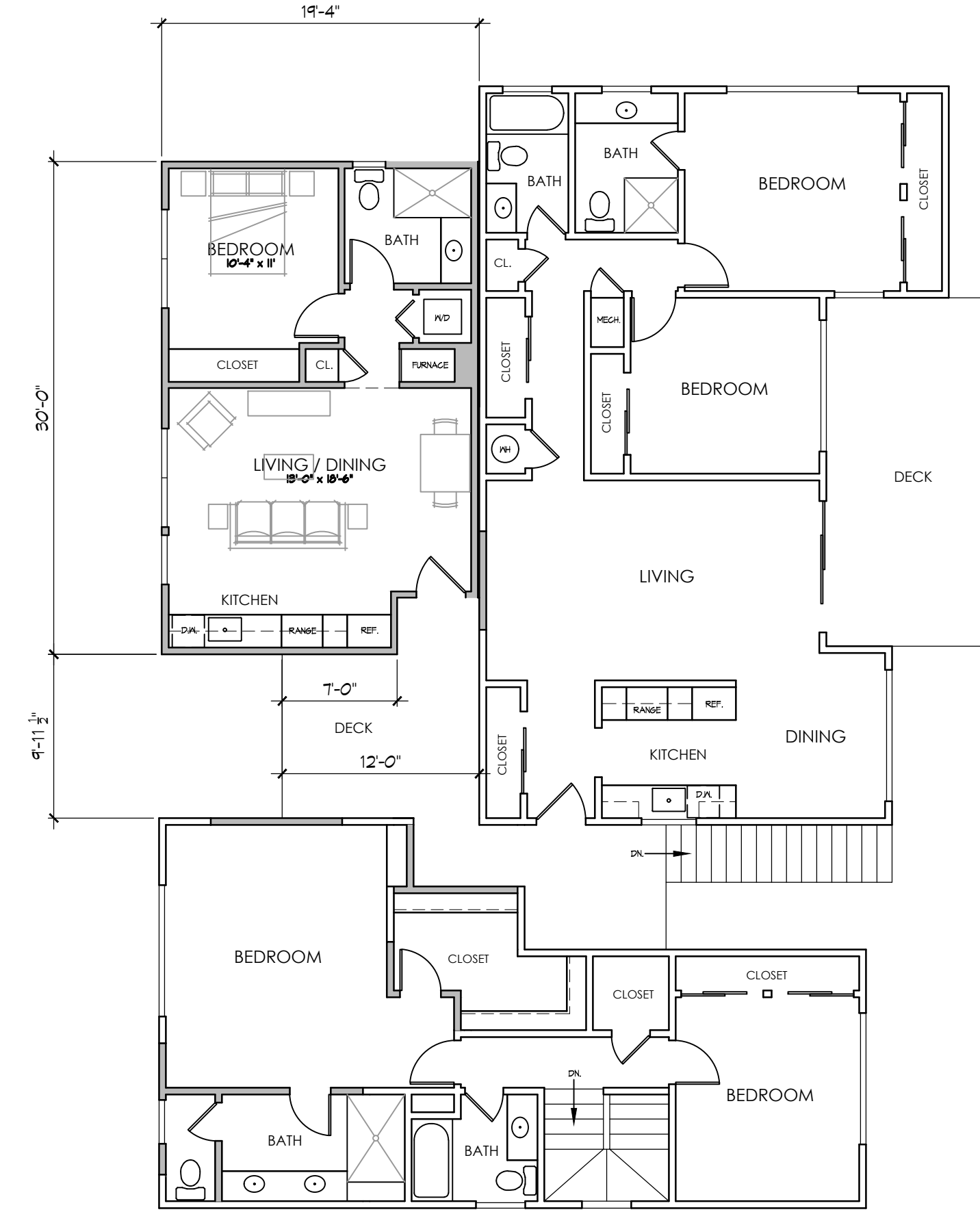


**NEW UNIT #1**  
1 BDRM.  
560.5 s.f.



**UNIT 'B'**  
2 BDRM.  
1,088 s.f.

**NEW UNIT #2**  
1 BDRM. - BMR  
560.5 s.f.



**UNIT 'C'**  
2 BDRM.  
1,088 s.f.

**UNIT 'A'**  
3 BDRM.  
1,650 s.f.

**UNIT 'A'**

**REAR BLDG. - 1st FLOOR**  
1/8"=1'-0"



**REAR BLDG. - 2nd FLOOR**  
1/8"=1'-0"

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975 Florence Ln.  
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SHEET TITLE

PROPOSED FLOOR PLANS  
REAR BUILDING

REVISIONS

No.	Date	Notes
1	12/11/18	PLANNING REVISIONS
2	1/18/19	PLANNING REVISIONS
3	3/20/19	PLANNING REVISIONS

PROJECT #: 2017.10

DATE: 25 JUNE 2018

SHEET #: SD-2.4

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SHEET TITLE

PROPOSED ROOF PLANS

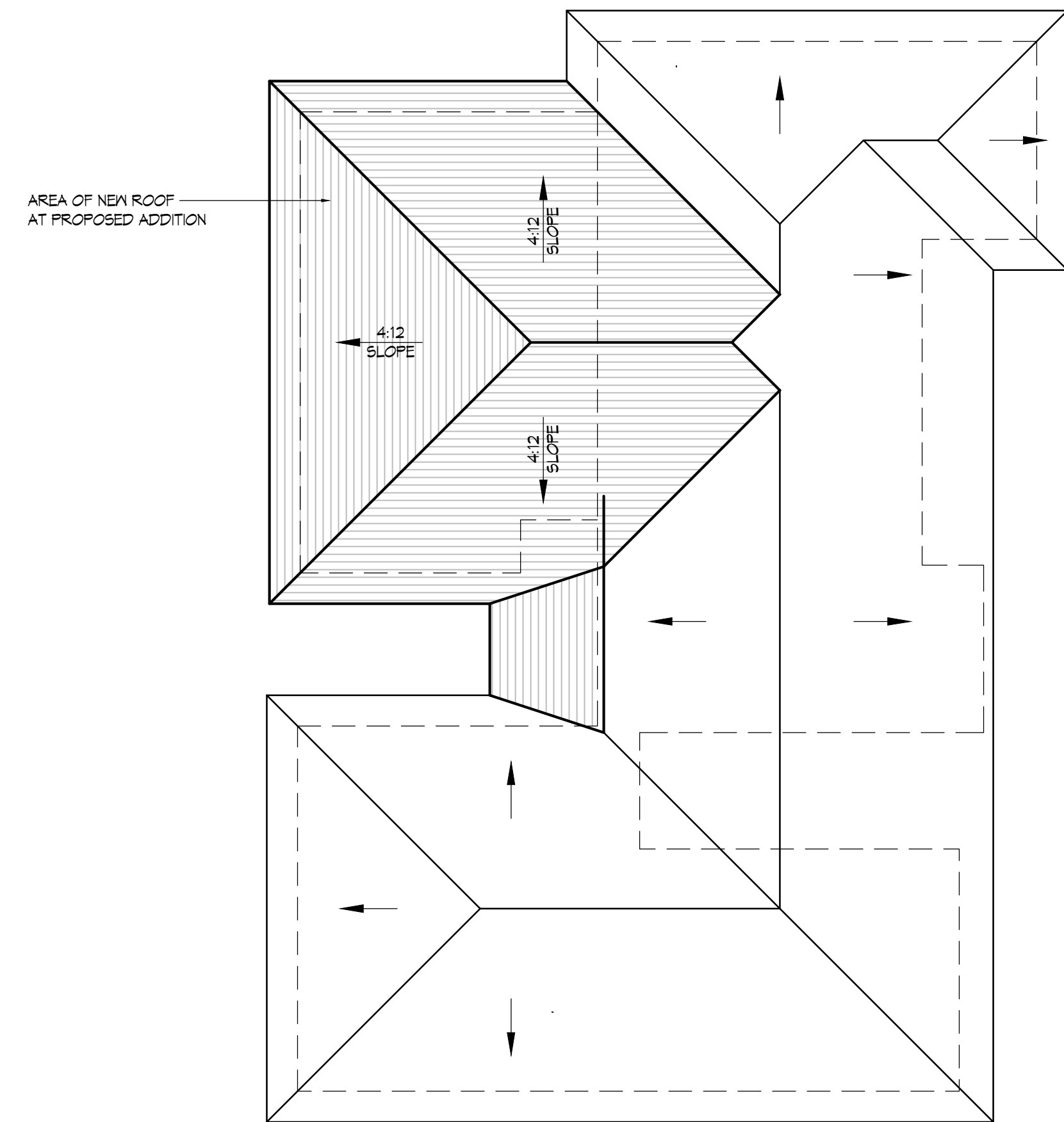
REVISIONS

No.	Date	Notes
1	3/20/14	PLANNING REVISIONS

PROJECT #: 2017.10

DATE: 25 JUNE 2018

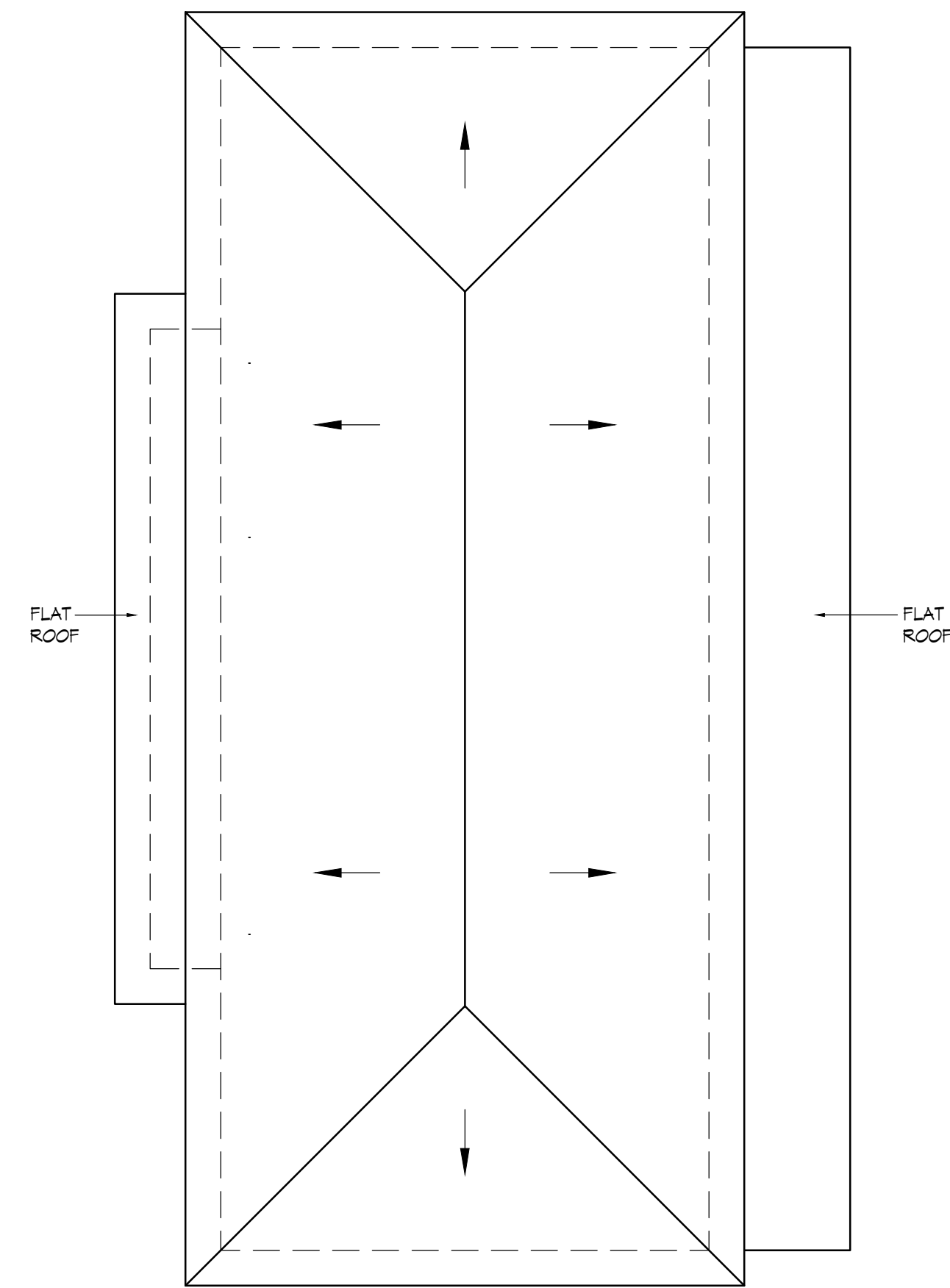
SHEET #: SD-2.5



\*\* ALL EXISTING ROOF SLOPES 4:12 (U.O.N.) \*\*

REAR BLDG. - ROOF

1/8"=1'-0"



\*\* ALL EXISTING ROOF SLOPES 4:12 (U.O.N.) \*\*

FRONT BLDG. - ROOF

1/8"=1'-0"





② FRONT ELEVATION - RIGHT  
Front Building



① FRONT ELEVATION - Florence Lane  
Front Building



③ REAR ELEVATION - LEFT  
Front Building



⑤ FRONT ELEVATION - LEFT  
Rear Building



⑥ FRONT ELEVATION - RIGHT  
Rear Building



④ REAR ELEVATION - RIGHT  
Front Building



⑦ REAR ELEVATION - LEFT  
Rear Building



⑧ REAR ELEVATION - RIGHT  
Rear Building

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PROJECT

**975 Florence Ln.**  
Menlo Park, CA 94025

SHEET TITLE

EXTERIOR ELEVATION  
PHOTOS

REVISIONS

No.	Date	Notes

PROJECT #: 2017.10

DATE: 25 JUNE 2018

SHEET #: SD-3.0

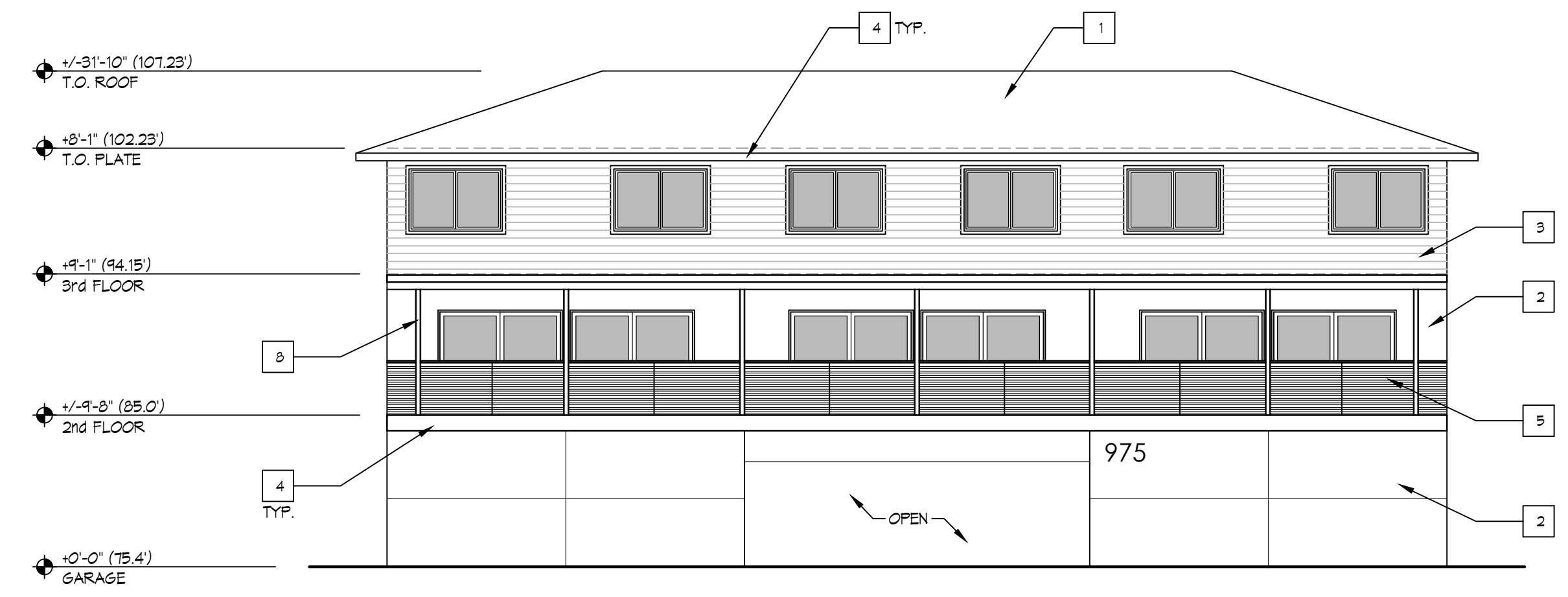




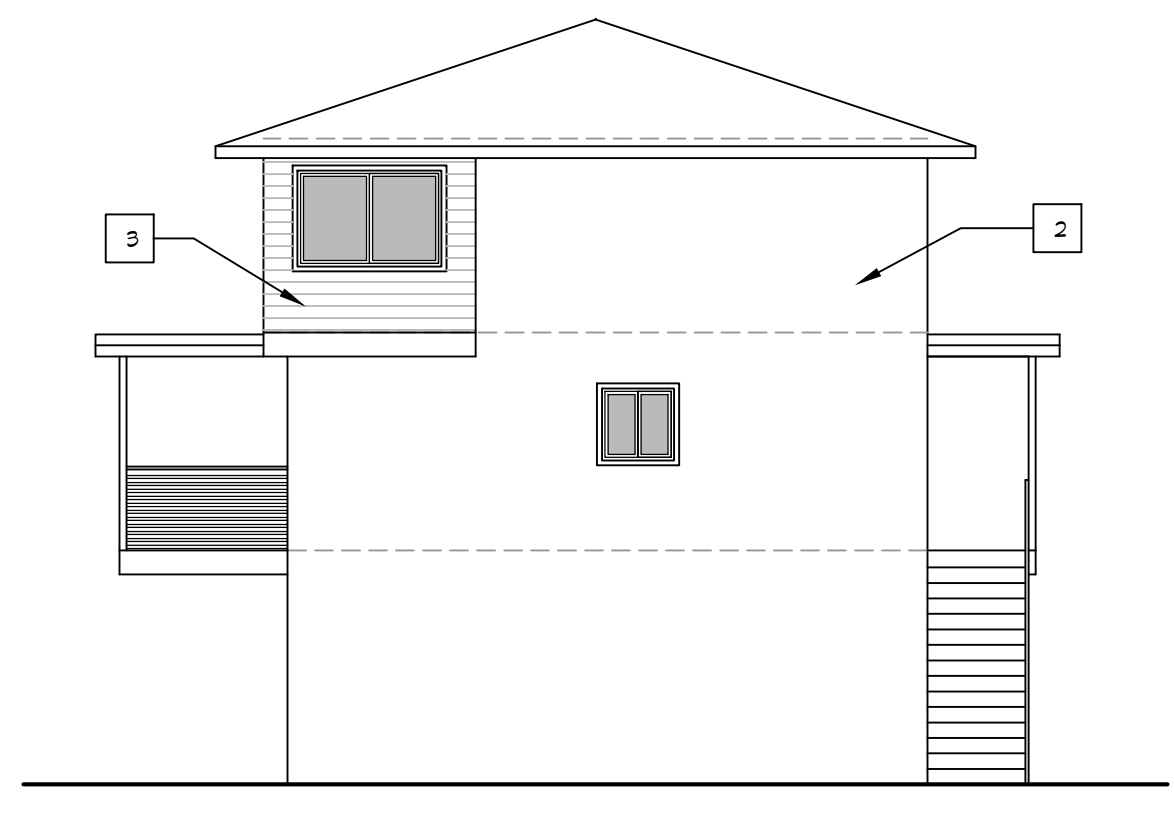
KEYNOTES	
1	COMPOSITION SHINGLE ROOF, 'CHARCOAL'
2	STUCCO SIDING, PAINTED 'ROCK GRAY'
3	HORIZONTAL LAP SIDING, PAINTED 'DELRAY GRAY'
4	FASCIA / HORIZ. TRIM BAND, PAINTED 'WHITE'
5	WOOD RAILING - 42" HEIGHT, STAINED 'NATURAL'
6	VINYL WINDOW/DOOR TO MATCH EXISTING JV TRIM, PAINTED 'WHITE'
7	NEW DECK/BALCONY
8	EXISTING 4x4 POST (12" MAX WIDTH ALLOWED) & FLAT ROOF ABOVE, PAINTED 'WHITE'
9	EXISTING WOOD ENTRY DOOR, PAINTED 'WHITE'
10	NEW WOOD ENTRY DOOR, PAINTED 'WHITE'
11	MECHANICAL ACCESS DOOR, PAINTED TO MATCH WALL 'ROCK GRAY'

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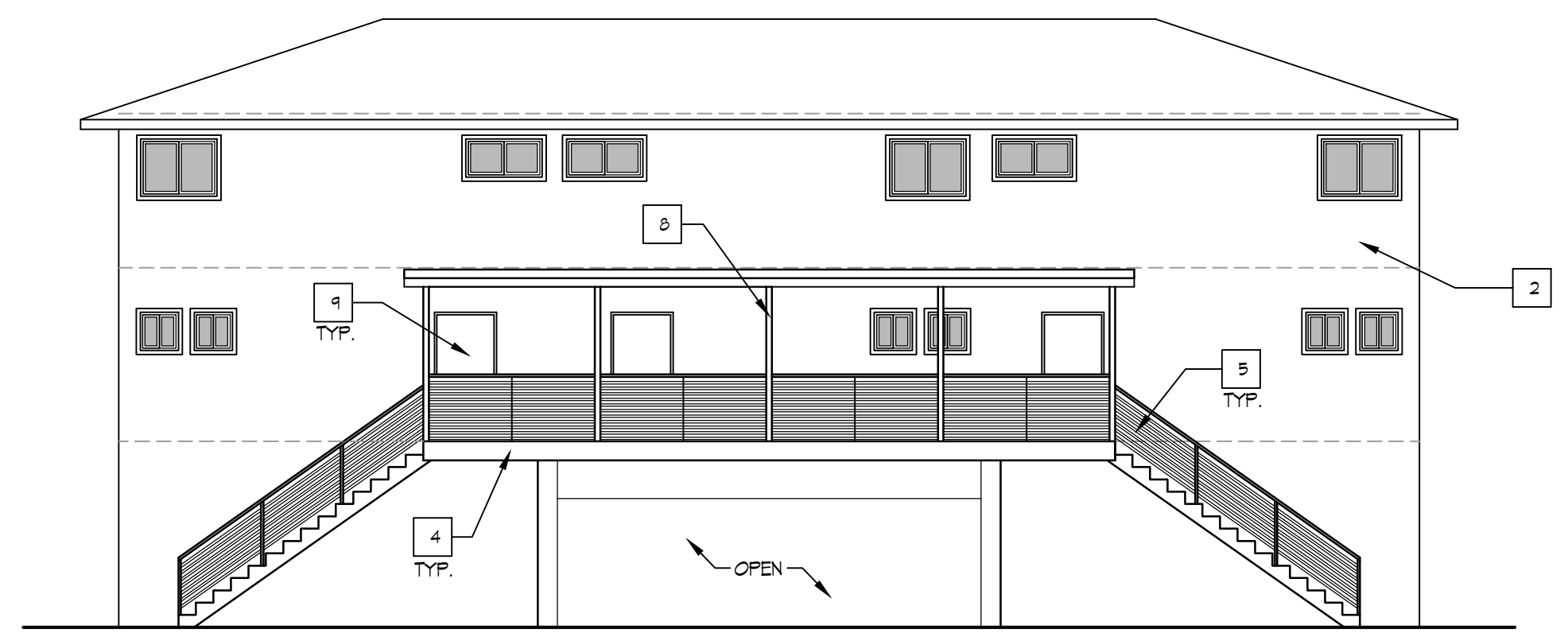
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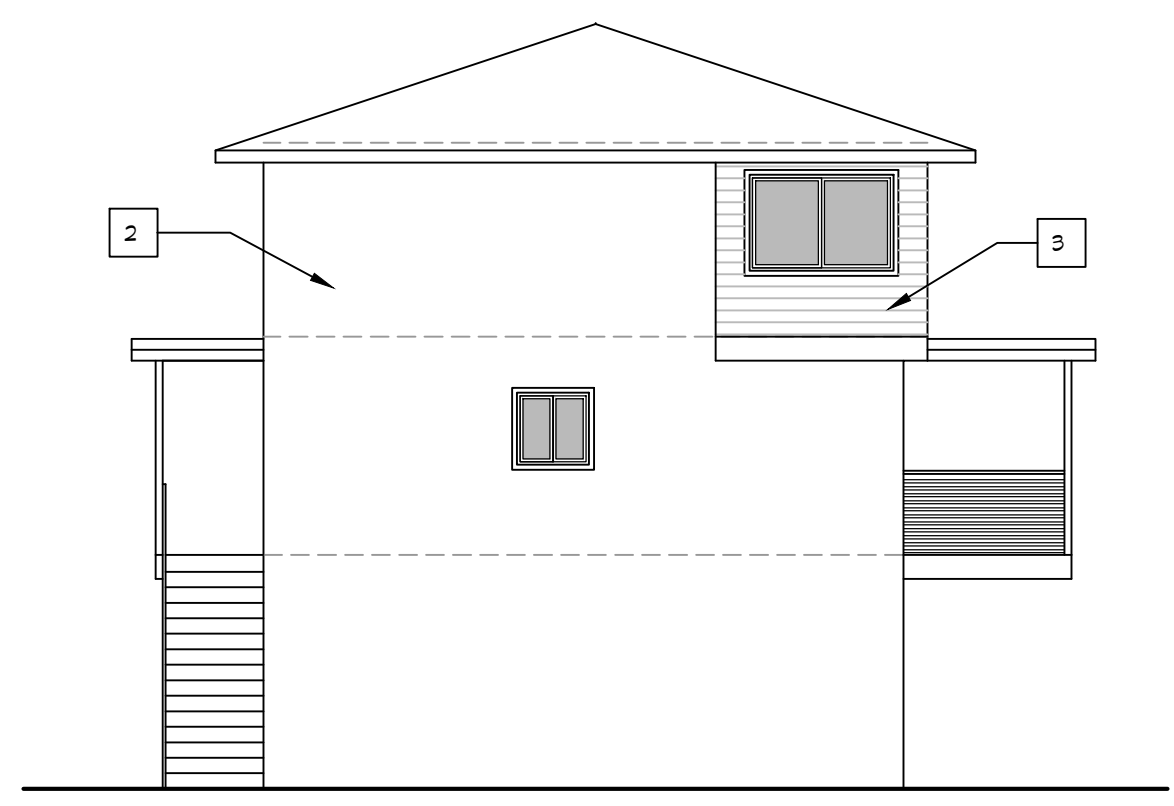
1 STREET ELEVATION - FRONT BUILDING (NORTHWEST) 1/8"=1'-0"  
 0 3 6 12



2 SIDE ELEVATION - FRONT BUILDING (SOUTHWEST) 1/8"=1'-0"



3 REAR ELEVATION - FRONT BUILDING (SOUTHEAST) 1/8"=1'-0"



4 SIDE ELEVATION - FRONT BUILDING (NORTHEAST) 1/8"=1'-0"

PROJECT

975 Florence Ln.  
 Menlo Park, CA 94025

SHEET TITLE

PROPOSED EXTERIOR ELEVATIONS

REVISIONS

No.	Date	Notes
1	12/11/10	PLANNING REVISIONS
2	1/18/11	PLANNING REVISIONS
3	2/22/11	PLANNING REVISIONS
4	3/20/11	PLANNING REVISIONS
5	4/26/11	PLANNING REVISIONS

PROJECT #: 2017.10

DATE: 25 JUNE 2018

SHEET #: SD-3.2

KEYNOTES	
1	COMPOSITION SHINGLE ROOF, 'CHARCOAL'
2	STUCCO SIDING, PAINTED 'ROCK GRAY'
3	HORIZONTAL LAP SIDING, PAINTED 'DELRAY GRAY'
4	FASCIA / HORIZ. TRIM BAND, PAINTED 'WHITE'
5	WOOD RAILINGS - 42" HEIGHT, STAINED 'NATURAL'
6	VINYL WINDOW/DOOR TO MATCH EXISTING IV TRIM, PAINTED 'WHITE'
7	NEW DECK/BALCONY
8	EXISTING 4x4 POST (12" MAX WIDTH ALLOWED) & FLAT ROOF ABOVE, PAINTED 'WHITE'
9	EXISTING WOOD ENTRY DOOR, PAINTED 'WHITE'
10	NEW WOOD ENTRY DOOR, PAINTED 'WHITE'
11	MECHANICAL ACCESS DOOR, PAINTED TO MATCH WALL 'ROCK GRAY'

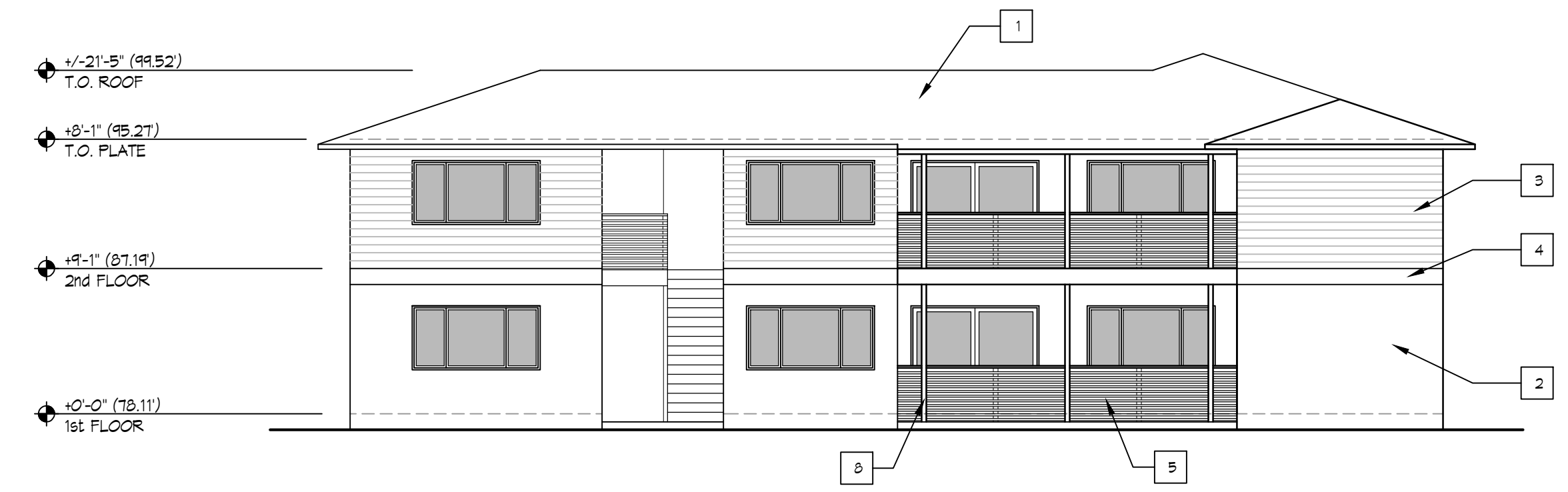
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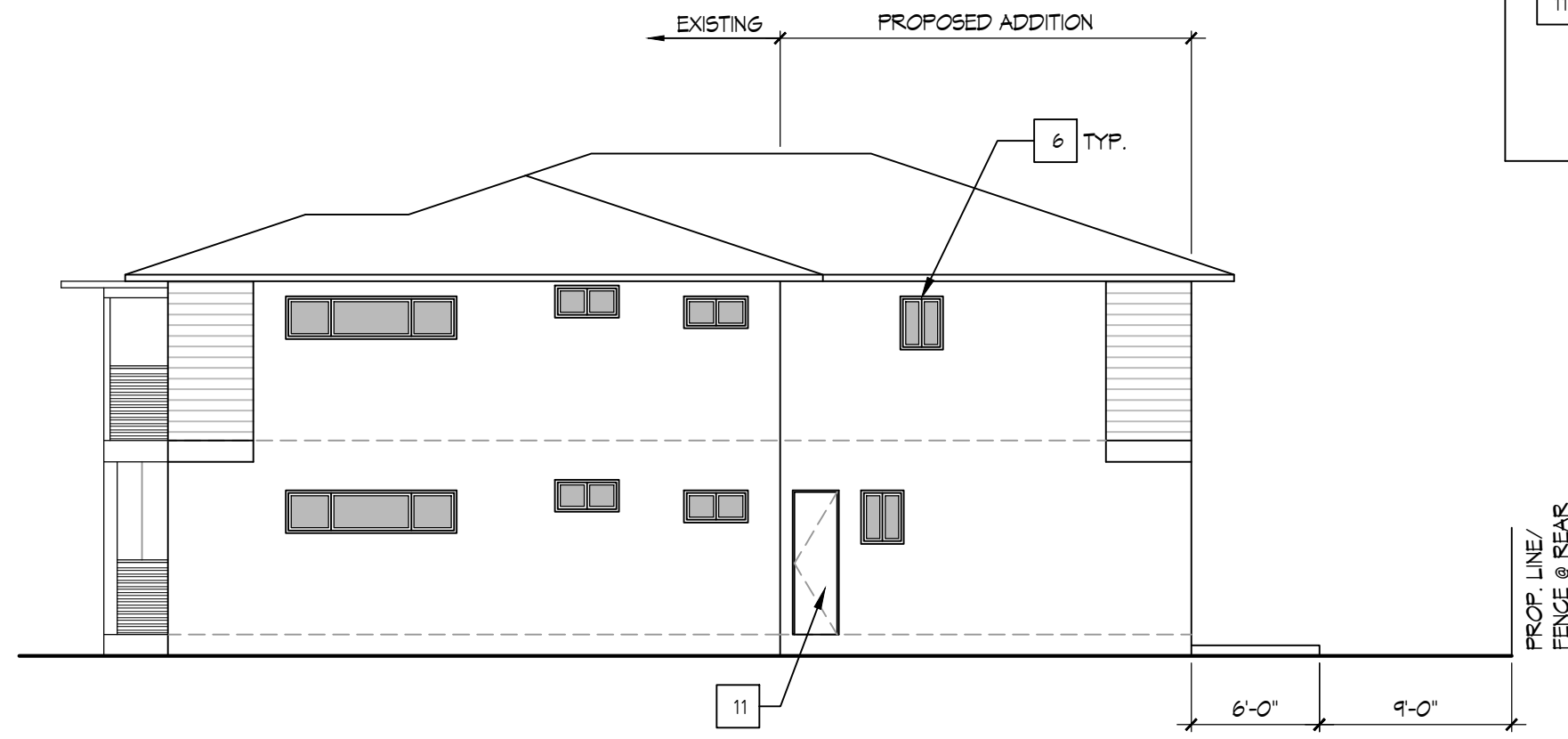
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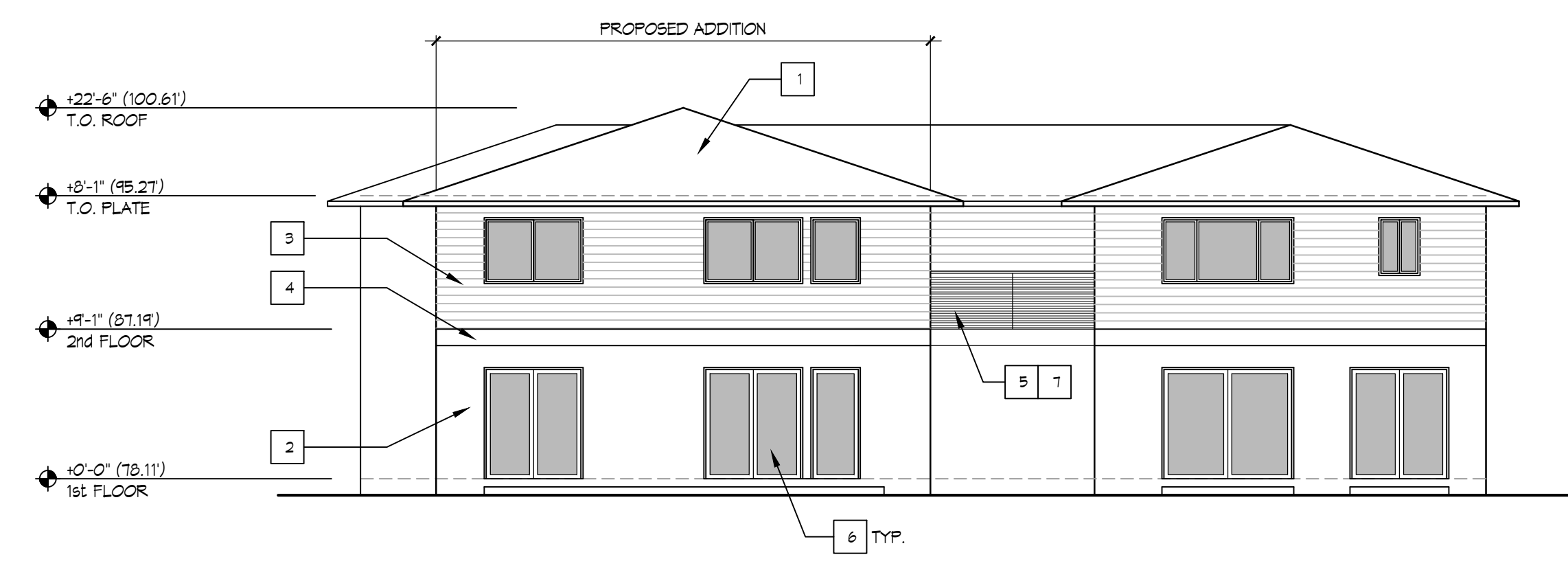
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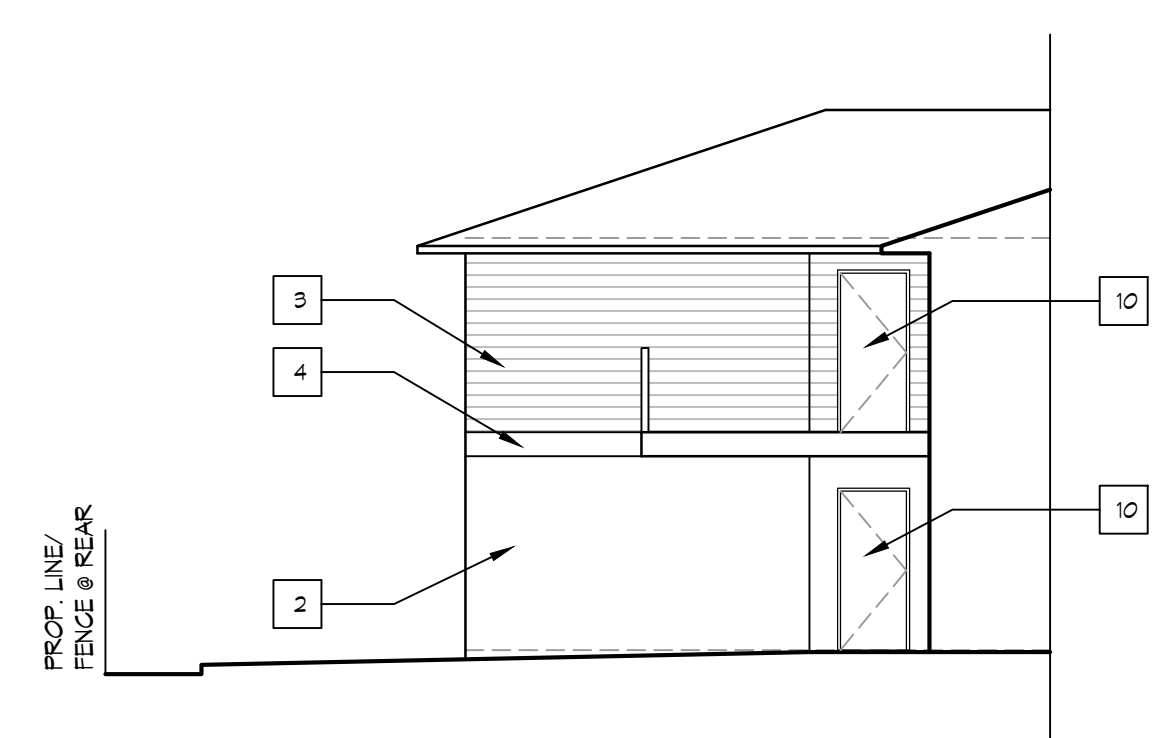
1 FRONT ELEVATION - REAR BUILDING (NORTHWEST) 1/8"=1'-0"



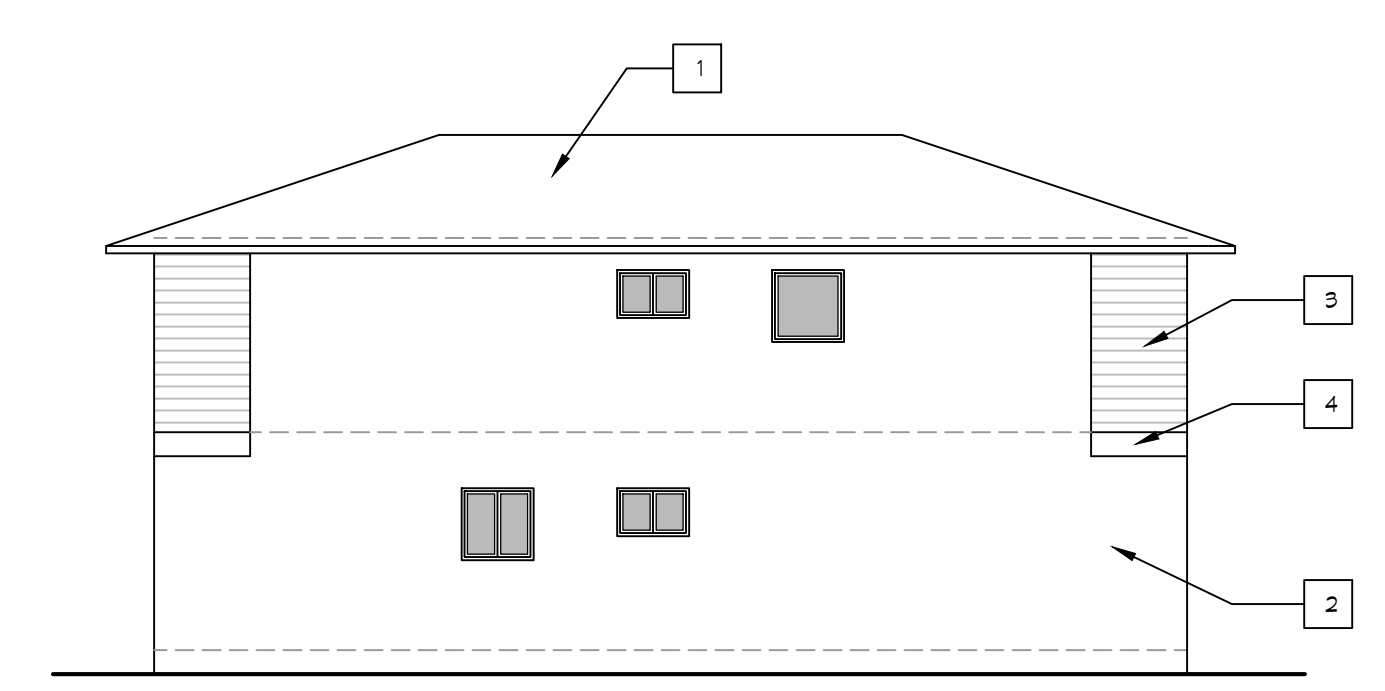
2 SIDE ELEVATION - REAR BUILDING (SOUTHWEST) 1/8"=1'-0"



3 REAR ELEVATION - REAR BUILDING (SOUTHEAST) 1/8"=1'-0"



4 PARTIAL ELEVATION - REAR BLDG. (NORTHEAST) 1/8"=1'-0"



5 SIDE ELEVATION - REAR BUILDING (NORTHEAST) 1/8"=1'-0"

PROJECT

975 Florence Ln.  
Menlo Park, CA 94025

SHEET TITLE

PROPOSED EXTERIOR ELEVATIONS

REVISIONS

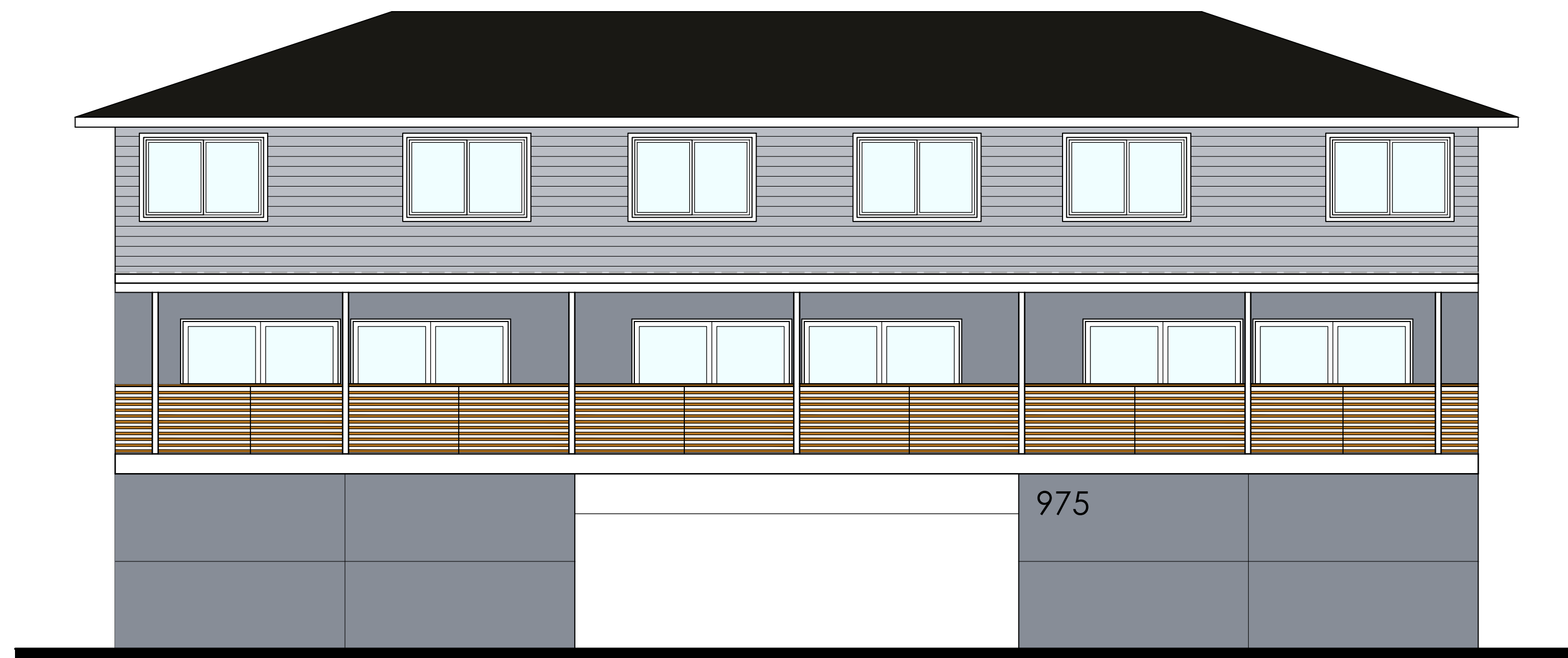
No.	Date	Notes
△ 1	12/11/18	PLANNING REVISIONS
△ 2	1/18/19	PLANNING REVISIONS
△ 3	2/22/19	PLANNING REVISIONS
△ 4	3/20/19	PLANNING REVISIONS
△ 5	4/26/19	PLANNING REVISIONS

PROJECT #: 2017.10

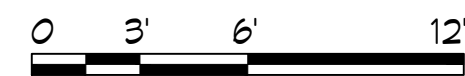
DATE: 25 JUNE 2018

SHEET #: SD-3.3





① STREET ELEVATION - FRONT BUILDING  
(NORTHWEST)

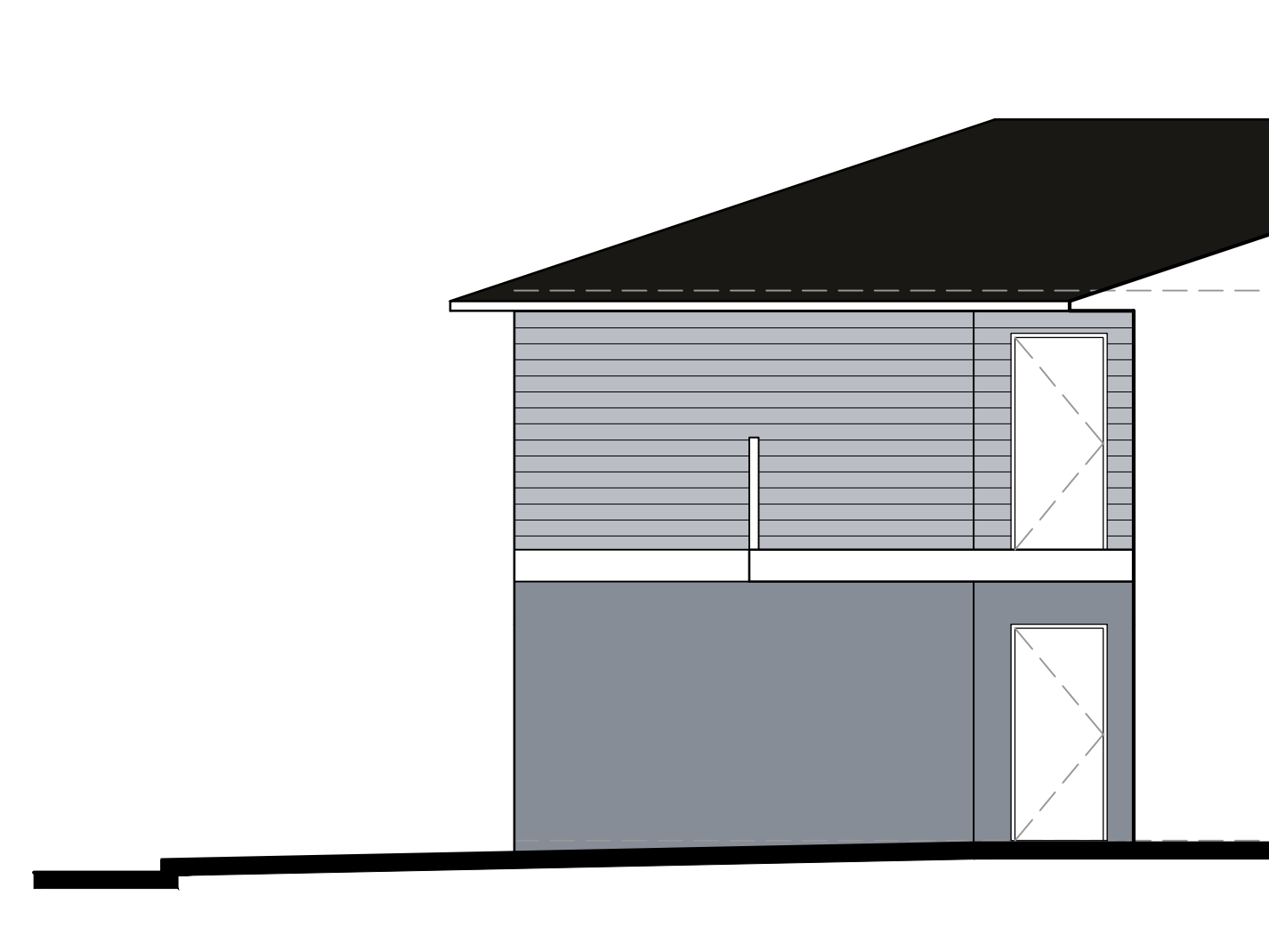


- 1. Composition shingle roof, 'Charcoal'
- 2. Vinyl windows & 'White' trim
- 3. Benjamin Moore 'Delray Gray' (Siding)
- 4. Benjamin Moore 'Rock Gray' (Stucco)
- 5. Wood stained railings, Cabot, 'Natural'
- 6. Wood railing design concept

EXTERIOR COLORS & MATERIALS



② FRONT ELEVATION - REAR BUILDING  
(NORTHWEST)



③ PARTIAL ELEVATION - REAR BUILDING

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975 Florence Ln.  
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SHEET TITLE

PROPOSED  
COLOR ELEVATIONS

REVISIONS

No.	Date	Notes
△	1/18/19	PLANNING REVISIONS

PROJECT #: 2017.10

DATE: 25 JUNE 2018

SHEET #: SD-3.4





TOTAL FLOOR AREA - FRONT BLDG.  
3,788.1 S.F.

FLOOR AREA CALCS

FIRST FLOOR

- (A) 4'-0" x 10'-7" = 42.5 S.F.
- (B) 4'-0" x 10'-7" = 42.5 S.F.

TOTAL = 85 S.F.

FLOOR AREA CALCS

SECOND FLOOR

- (A) 22'-10" x 26'-8" = 608.8 S.F.
- (B) 22'-6" x 26'-8" = 600 S.F.
- (C) 22'-10" x 26'-8" = 608.8 S.F.

TOTAL = 1,817.6 S.F.

COVERAGE CALCS

SECOND FLOOR

- ① 22'-10" x 7'-0" = 159.8 S.F.
- ② 22'-6" x 7'-0" = 157.5 S.F.
- ③ 22'-10" x 7'-0" = 159.8 S.F.
- ④ 4'-0" x 60'-0" = 240 S.F.

TOTAL = 717.1 S.F.

BUILDING = 1,817.6 S.F.

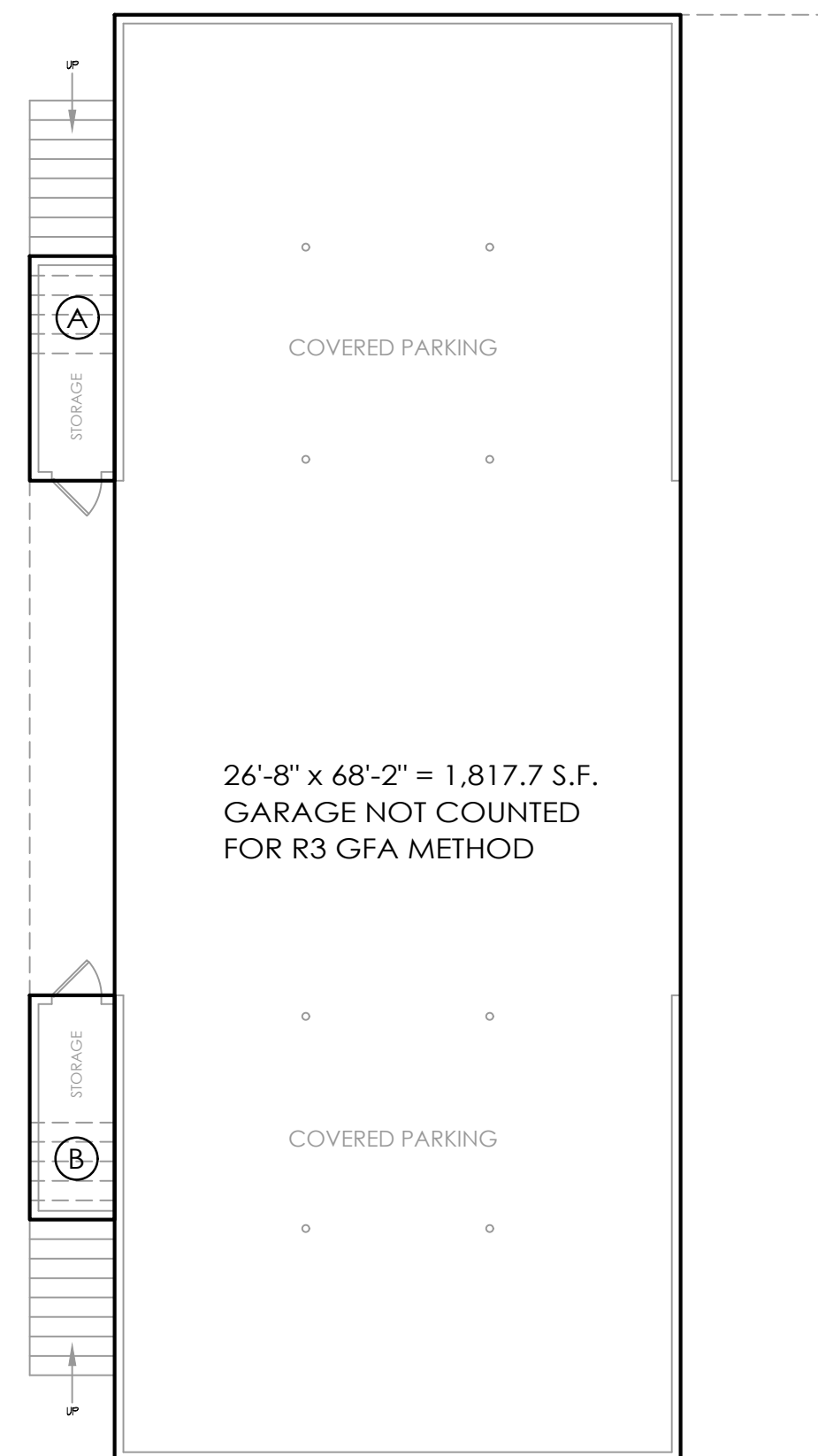
TOTAL COVERAGE = 2,534.7 S.F.

FLOOR AREA CALCS

THIRD FLOOR

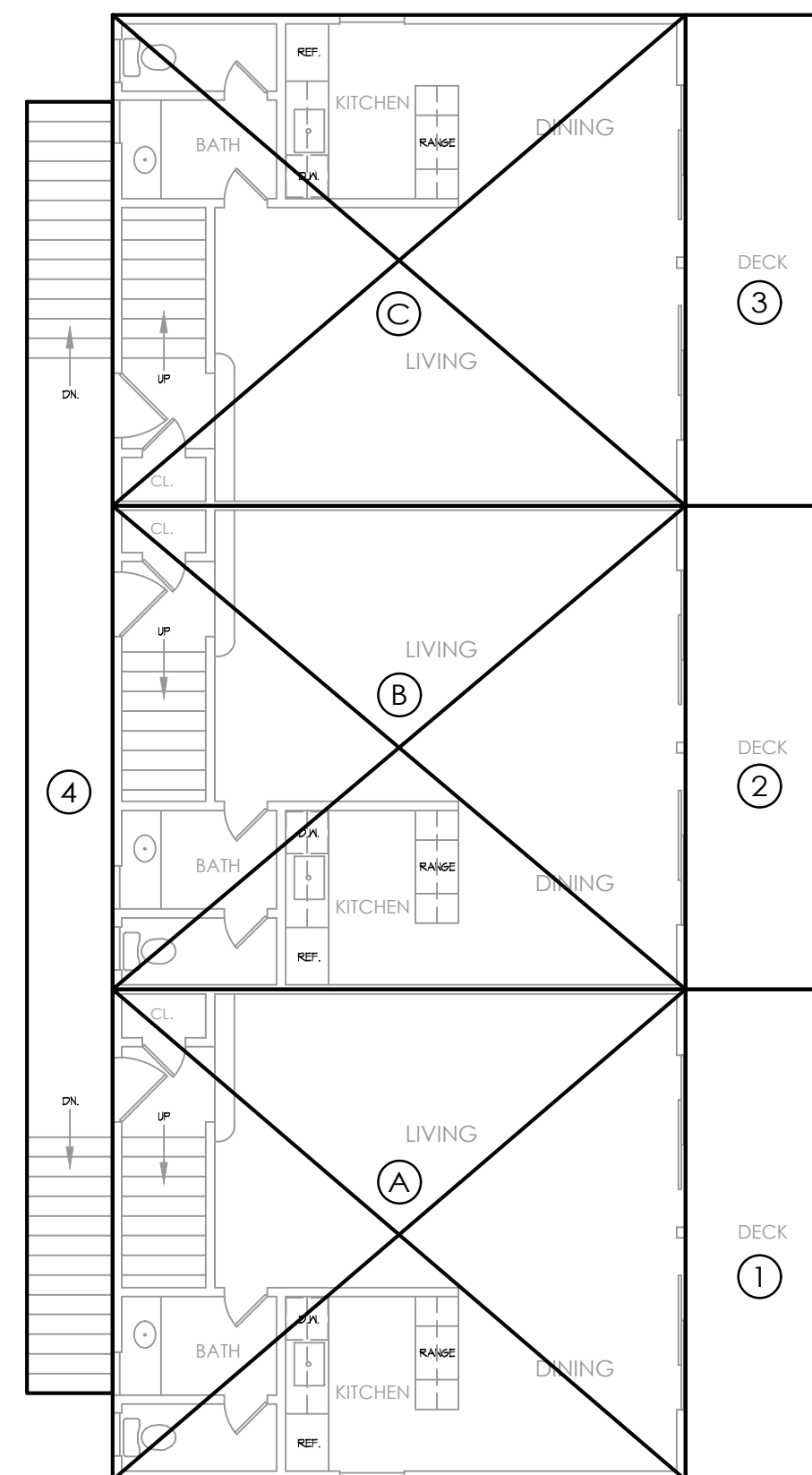
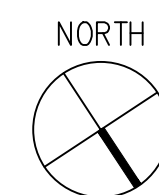
- (A) 22'-10" x 27'-8" = 631.4 S.F.
- (B) 22'-6" x 27'-8" = 622.7 S.F.
- (C) 22'-10" x 27'-8" = 631.4 S.F.

TOTAL = 1,885.5 S.F.



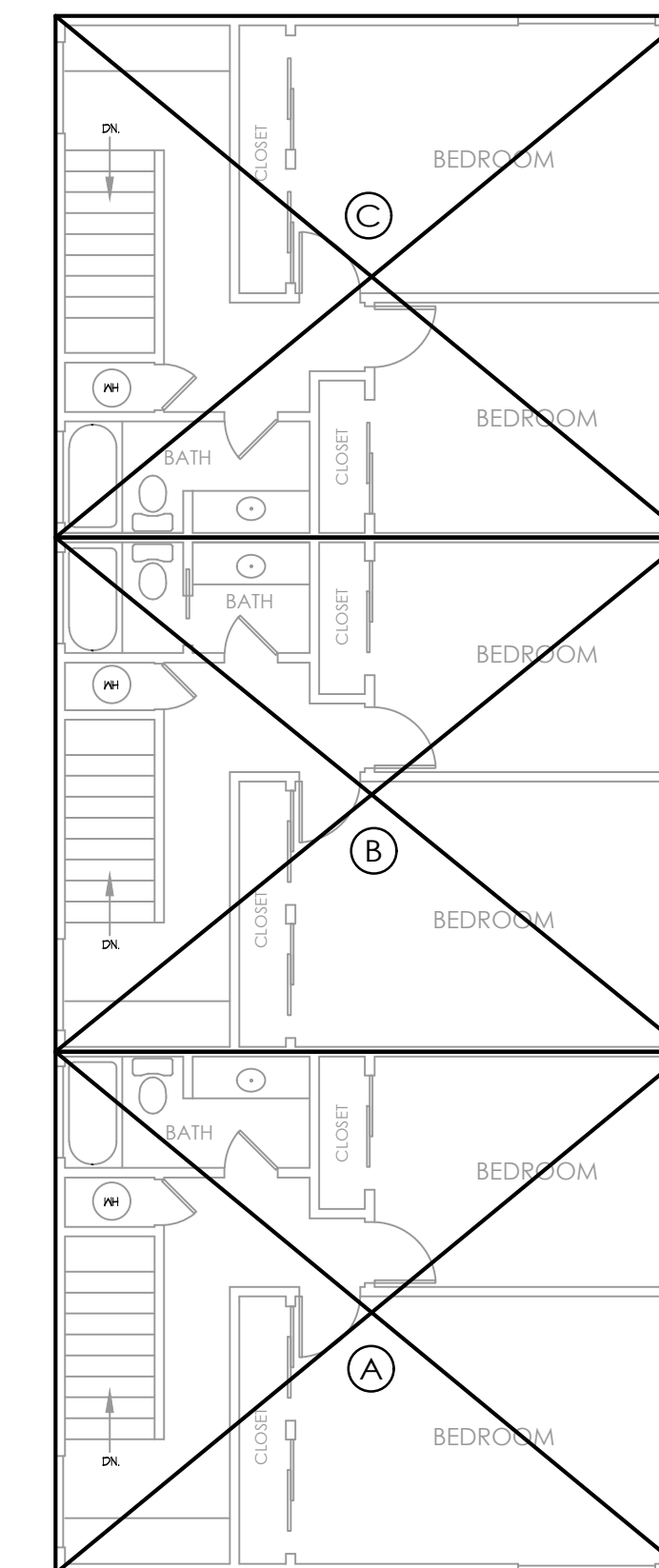
FRONT BLDG. - 1st FLOOR

1/8"=1'-0"



FRONT BLDG. - 2nd FLOOR

1/8"=1'-0"



FRONT BLDG. - 3rd FLOOR

1/8"=1'-0"

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OF THE ARCHITECT.

PROJECT

975 Florence Ln.  
Menlo Park, CA 94025

SHEET TITLE

EXISTING FLOOR AREA  
FRONT BUILDING

REVISIONS

No.	Date	Notes

PROJECT #: 2017.10

DATE: 25 JUNE 2018

SHEET #: SD-4.2

TOTAL FLOOR AREA - REAR BLDG.  
4,948.2 S.F.

FLOOR AREA CALCS

FIRST FLOOR

- (A) 23'-9" x 15'-6" = 368 S.F.
- (B) 6'-0" x 19'-7" = 118 S.F.
- (C) 15'-8" x 21'-6" = 336.8 S.F.
- (D) 10'-10" x 25'-1" = 272.5 S.F.
- (E) 21'-2" x 21'-1" = 448 S.F.
- (F) 12'-10" x 28'-7" = 368 S.F.
- (G) 19'-3" x 26'-6" = 511 S.F.
- (H) 3'-5" x 14'-4" = 49.5 S.F.

TOTAL = 2,471.8 S.F.

COVERAGE CALCS

FIRST FLOOR

- (1) 23'-9" x 21'-6" = 511.6 S.F.
- (2) 15'-8" x 21'-6" = 336.8 S.F.
- (3) 161 S.F.

TOTAL = 1,009.4 S.F.

BUILDING = 2,471.8 S.F.

TOTAL COVERAGE = 3,481.2 S.F.

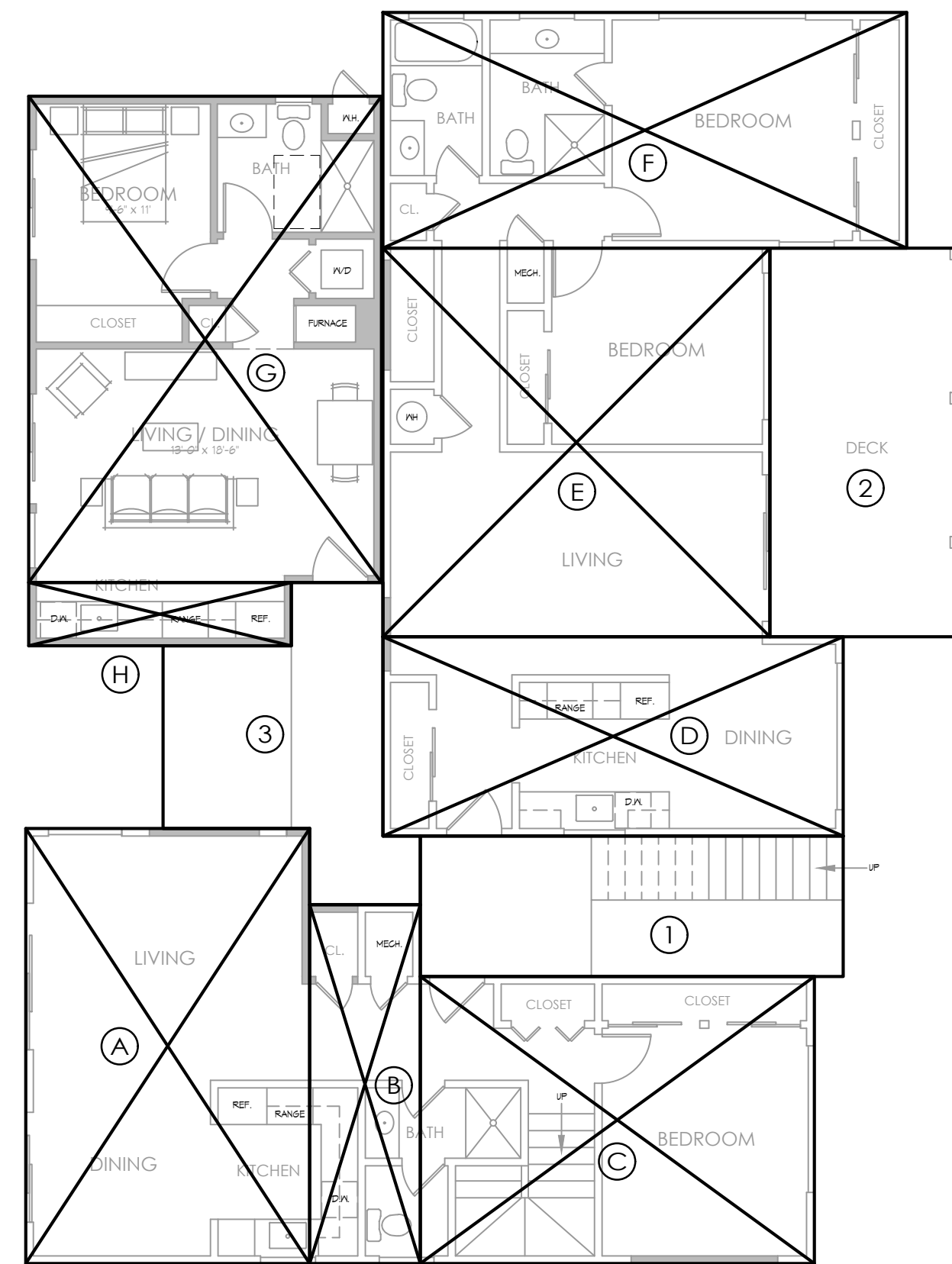
FLOOR AREA CALCS

SECOND FLOOR

- (A) 23'-9" x 15'-6" = 368 S.F.
- (B) 6'-9" x 19'-7" = 132 S.F.
- (C) 15'-8" x 20'-9" = 327.4 S.F.
- (D) 10'-10" x 25'-1" = 272.5 S.F.
- (E) 21'-2" x 21'-1" = 448 S.F.
- (F) 12'-10" x 28'-7" = 368 S.F.
- (G) 19'-3" x 26'-6" = 511 S.F.
- (H) 3'-5" x 14'-4" = 49.5 S.F.

TOTAL = 2,476.4 S.F.

NEW UNIT #1  
1 BDRM.  
560.5 s.f.



UNIT 'B'  
2 BDRM.  
1,088 s.f.

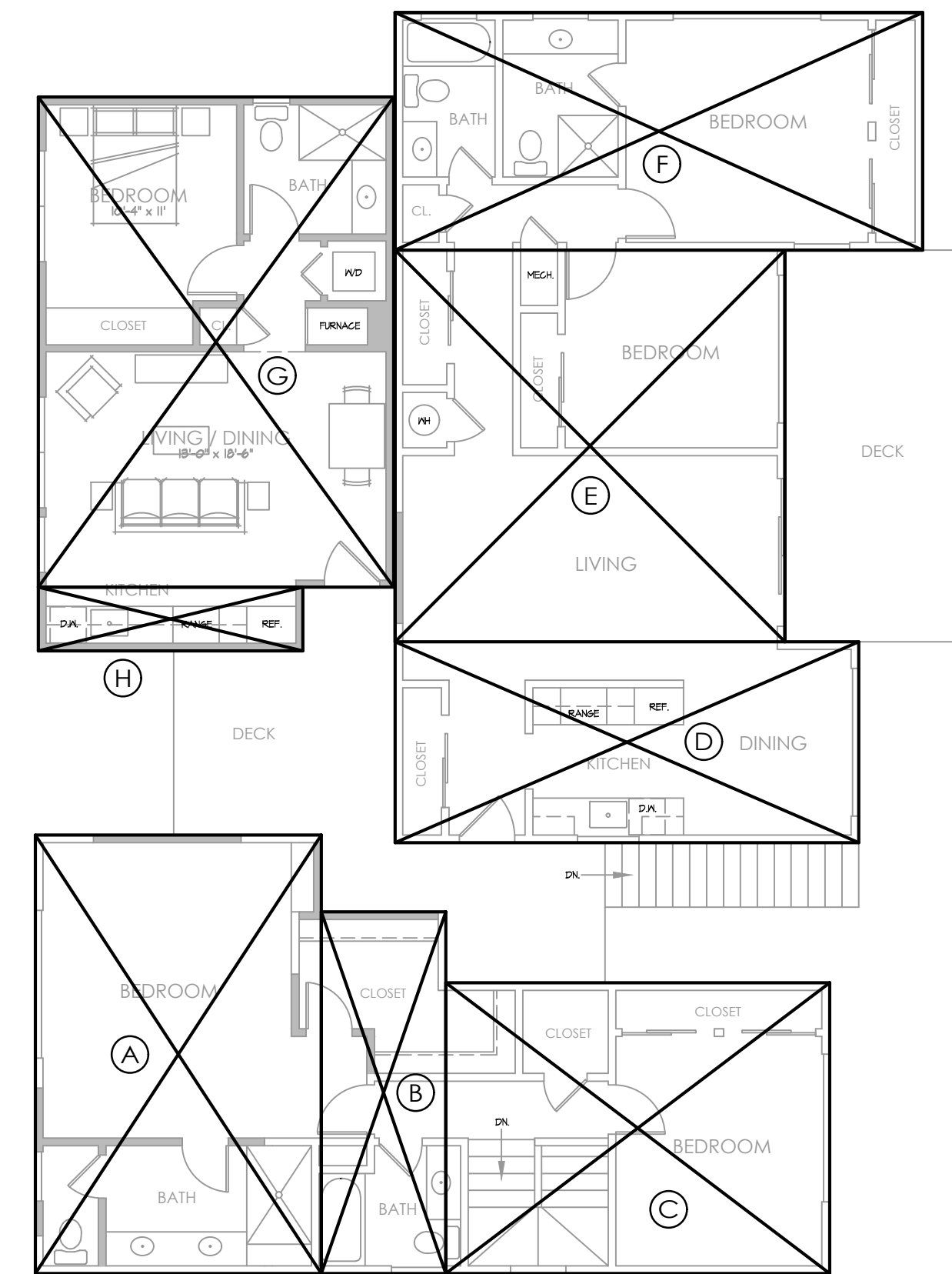
UNIT 'A'  
3 BDRM.  
1,650 s.f.

REAR BLDG. - 1st FLOOR

1/8"=1'-0"



NEW UNIT #2  
1 BDRM. - BMR  
560.5 s.f.



UNIT 'C'  
2 BDRM.  
1,088 s.f.

UNIT 'A'

REAR BLDG. - 2nd FLOOR

1/8"=1'-0"

Kellond Architects

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PROJECT

975 Florence Ln.  
Menlo Park, CA 94025

SHEET TITLE

PROPOSED FLOOR AREA  
REAR BUILDING

REVISIONS

No.	Date	Notes
1	3/20/14	PLANNING REVISIONS

PROJECT #: 2017.10

DATE: 25 JUNE 2018

SHEET #: SD-4.3







**NONCONFORMING STRUCTURE - NEW WORK VALUE CALCULATION**

Address: 975 Florence Ln. - FRONT BUILDING

Case No.:

50% of Existing Value	\$442,429.50	
75% of Existing Value	\$663,644.25	
<b>Value of Proposed Project</b>	<b>\$425,965.00</b>	48%

**Existing Development**

Non-Conforming Structure Type	Square Footage	Construction Cost	Existing Value
Existing 1st floor	85	X \$200/Sq Ft	\$17,000.00
Existing 2nd floor	1817.6	X \$200/Sq Ft	\$363,520.00
Existing 3rd floor	1885.5	X \$200/Sq Ft	\$377,100.00
Existing Garage	1817.7	X \$70/Sq Ft	\$127,239.00
<b>Total</b>	<b>5995.8</b>		<b>\$884,859.00</b>

Note: This spreadsheet is only used on one nonconforming structure at a time. If there are detached structures on the same site, they are either subject to their own spreadsheet (if they are also nonconforming and subject to new work) or ignored (if conforming, or nonconforming but not subject to new work).

Page 4 of 8

**Proposed Development**

Proposed Development Type	Square Footage	Construction Cost	Development Value
<b>Category 1: New square footage (areas of new foundation and/or wall framing)</b>			
1st Floor Addition	0	X \$200/Sq Ft	\$0.00
2nd Floor Addition	0	X \$200/Sq Ft	\$0.00
Basement Floor Addition	0	X \$200/Sq Ft	\$0.00
Garage Addition	0	X \$70/Sq Ft	\$0.00
<b>Category 2: Remodel of existing square footage (foundation and wall framing are both retained)</b>			
<small>Note: Square footage measurements are taken to full extent of any room with any interior modifications. When the use of a room is changing, the proposed use should be used for this calculation.</small>			
Remodel of Kitchen	216	X \$130/Sq Ft	\$28,080.00
Remodel of Bathrooms	405	X \$130/Sq Ft	\$52,650.00
Remodel of Other Living Areas	3081	X \$100/Sq Ft	\$308,100.00
Remodel of Garage	0	X \$35/Sq Ft	\$0.00
<b>Category 3: Exterior modifications to existing structure</b>			
<small>Window and exterior door replacements are included in areas remodelled and accounted for in Category 2. New roofs and new siding on existing portions of the structure are not included in Category 2 or Category 1 and should be accounted for using the calculation below.</small>			
New Roof Structure Over Existing Sq. Ft.	0	X \$50/Sq Ft	\$0.00
Replacement of Existing Windows/Exterior Doors	0	X \$35/Sq Ft	\$0.00
Replacement of Existing Siding	1061	X \$35/Sq Ft	\$37,135.00
<b>Total</b>	<b>4763</b>		<b>\$425,965.00</b>

Page 5 of 8

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**PROJECT**

975 Florence Ln.  
Menlo Park, CA 94025

**SHEET TITLE**

REMODEL DIAGRAMS  
FRONT BUILDING

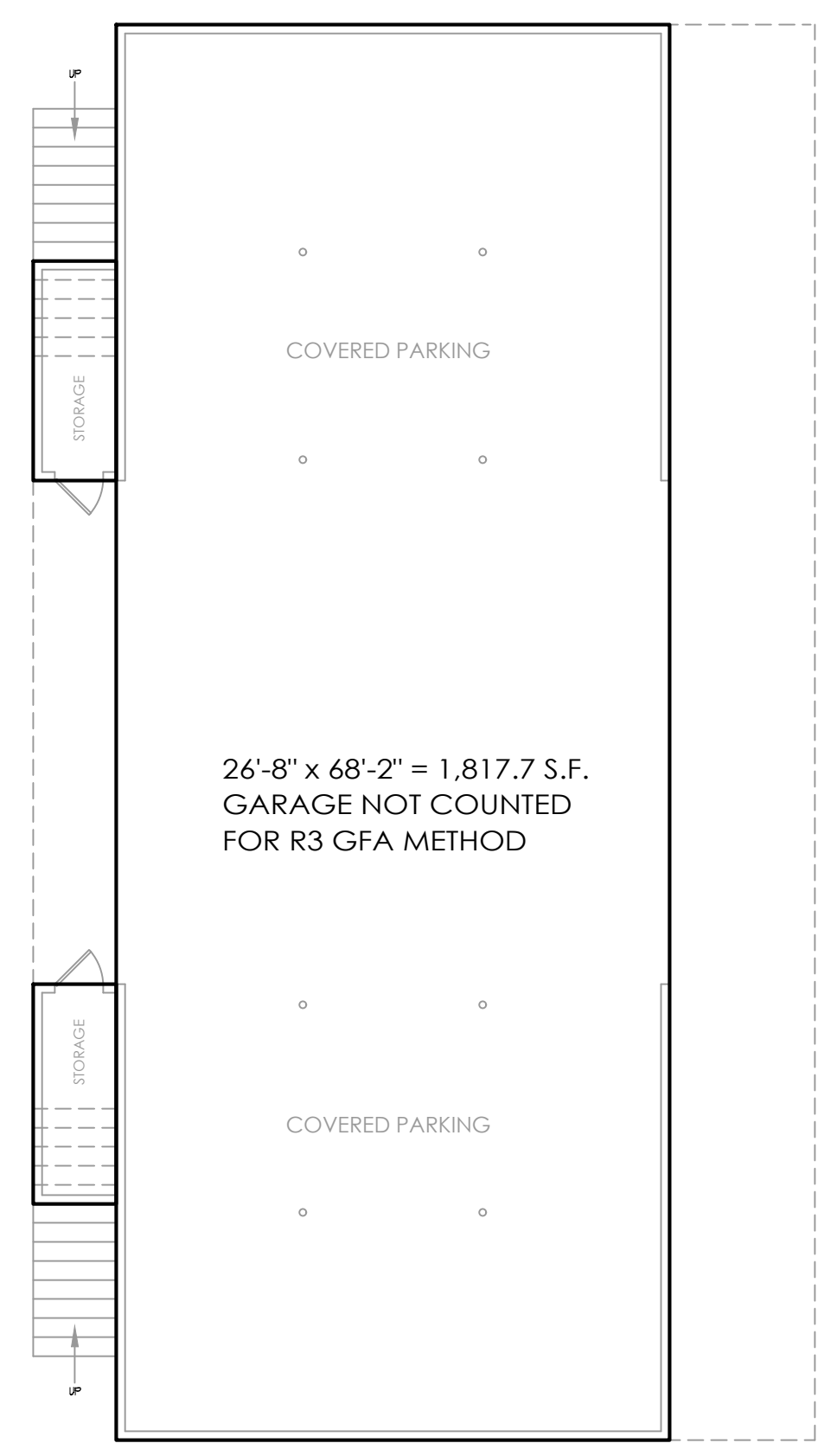
**REVISIONS**

No.	Date	Notes
A	2/22/19	PLANNING REVISIONS
B	4/26/19	PLANNING REVISIONS

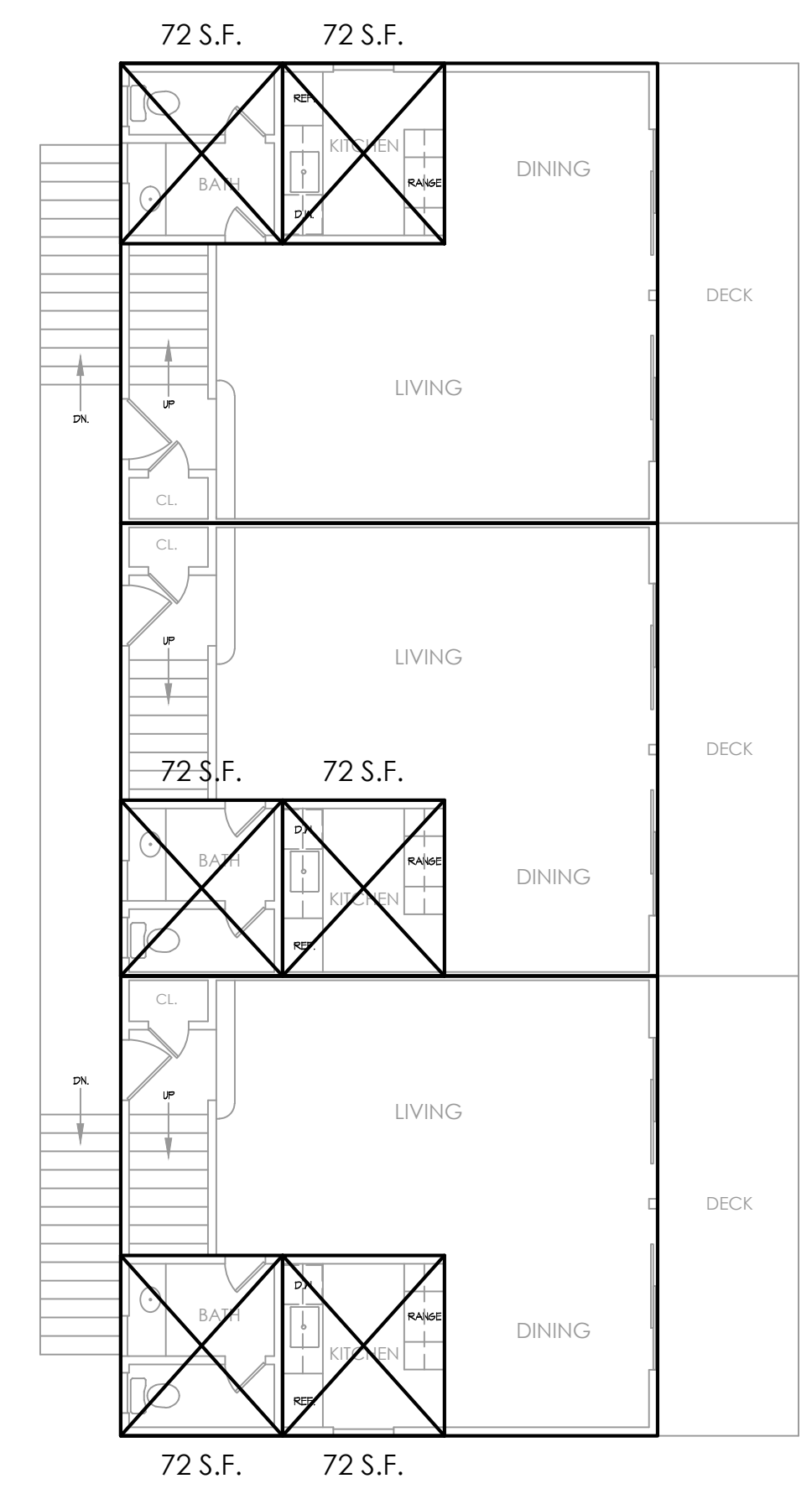
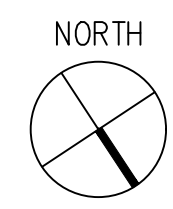
PROJECT #: 2017.10

DATE: 25 JUNE 2018

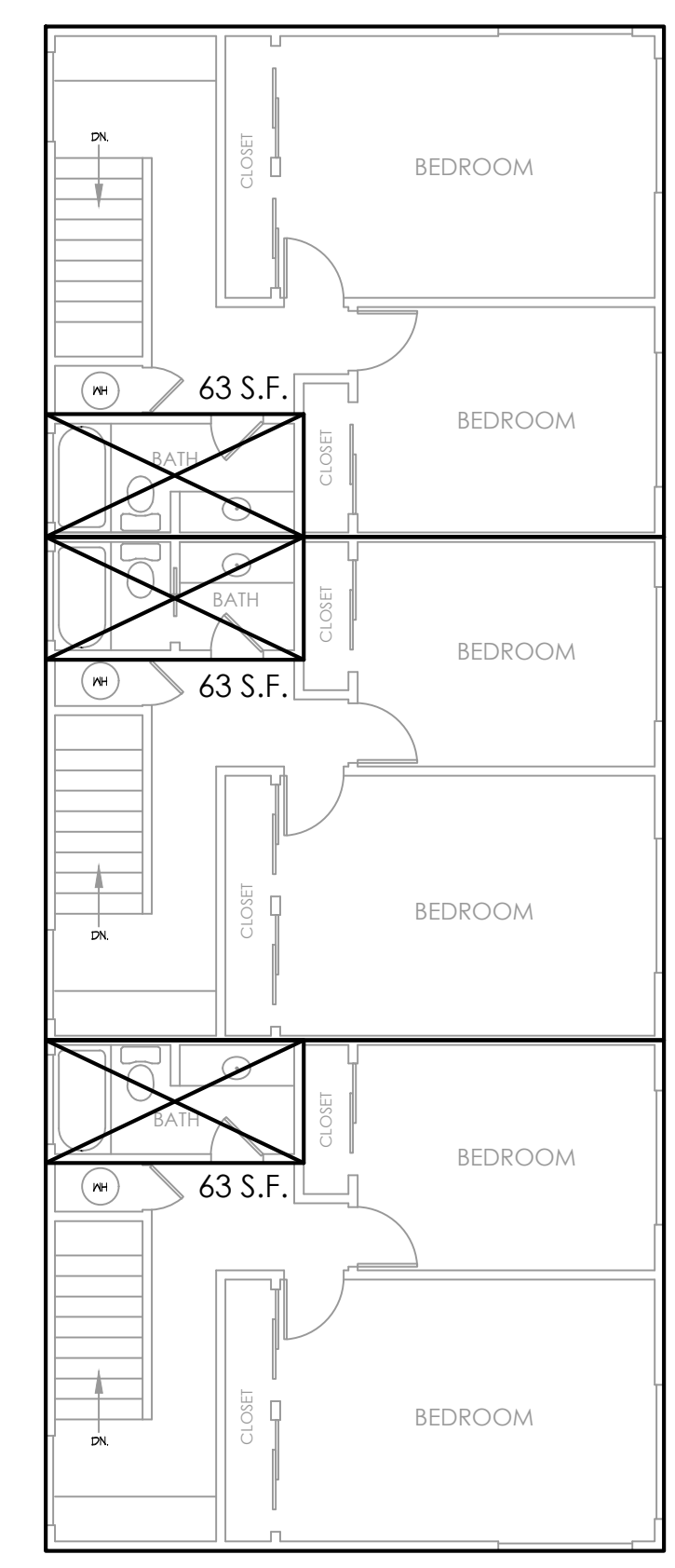
SHEET #: SD-5.1



**FRONT BLDG. - 1st FLOOR**  
1/8"=1'-0"



**FRONT BLDG. - 2nd FLOOR**



**FRONT BLDG. - 3rd FLOOR**





**NONCONFORMING STRUCTURE - NEW WORK VALUE CALCULATION**

Address: 975 Florence Ln. - REAR BUILDING  
 Case No.:  
 90% of Existing Value \$387,910.00  
 75% of Existing Value \$596,865.00  
 Value of Proposed Project \$661,300.00 82%

Non-Conforming Structure Type	Square Footage	Construction Cost	Existing Value
Existing 1st floor	2034.8	X \$200/Sq Ft	\$406,960.00
Existing 2nd floor	1944.3	X \$200/Sq Ft	\$388,860.00
Existing 3rd floor	0	X \$200/Sq Ft	\$0.00
Existing Garage	0	X \$70/Sq Ft	\$0.00
<b>Total</b>	<b>3979.1</b>		<b>\$795,820.00</b>

Note: This spreadsheet is only used on one nonconforming structure at a time. If there are detached structures on the same site, they are either subject to their own spreadsheet (if they are also nonconforming and subject to new work) or ignored (if conforming, or nonconforming but not subject to new work).

Page 4 of 8

**Proposed Development**

Proposed Development Type	Square Footage	Construction Cost	Development Value
<b>Category 1: New square footage (areas of new foundation and/or wall framing)</b>			
1st Floor Addition	560.5	X \$200/Sq Ft	\$112,100.00
2nd Floor Addition	560.5	X \$200/Sq Ft	\$112,100.00
Basement Floor Addition	0	X \$200/Sq Ft	\$0.00
Garage Addition	0	X \$70/Sq Ft	\$0.00
<b>Category 2: Remodel of existing square footage (foundation and wall framing are both retained)</b>			
<small>Note: Square footage measurements are taken to full extent of any room with any interior modifications. When the use of a room is changing, the proposed use should be used for this calculation.</small>			
Remodel of Kitchen	234	X \$130/Sq Ft	\$30,420.00
Remodel of Bathrooms	470	X \$130/Sq Ft	\$61,100.00
Remodel of Other Living Areas	3122	X \$100/Sq Ft	\$312,200.00
Remodel of Garage	0	X \$35/Sq Ft	\$0.00
<b>Category 3: Exterior modifications to existing structure</b>			
<small>Window and exterior door replacements are included in areas remodelled and accounted for in Category 2. New roofs and new siding on existing portions of the structure are not included in Category 2 or Category 1 and should be accounted for using the calculation below.</small>			
New Roof Structure Over Existing Sq. Ft.	0	X \$50/Sq Ft	\$0.00
Replacement of Existing Windows/Exterior Doors	0	X \$35/Sq Ft	\$0.00
Replacement of Existing Siding	668	X \$35/Sq Ft	\$23,380.00
<b>Total</b>	<b>5615</b>		<b>\$661,300.00</b>

Page 5 of 8

Kellond Architects

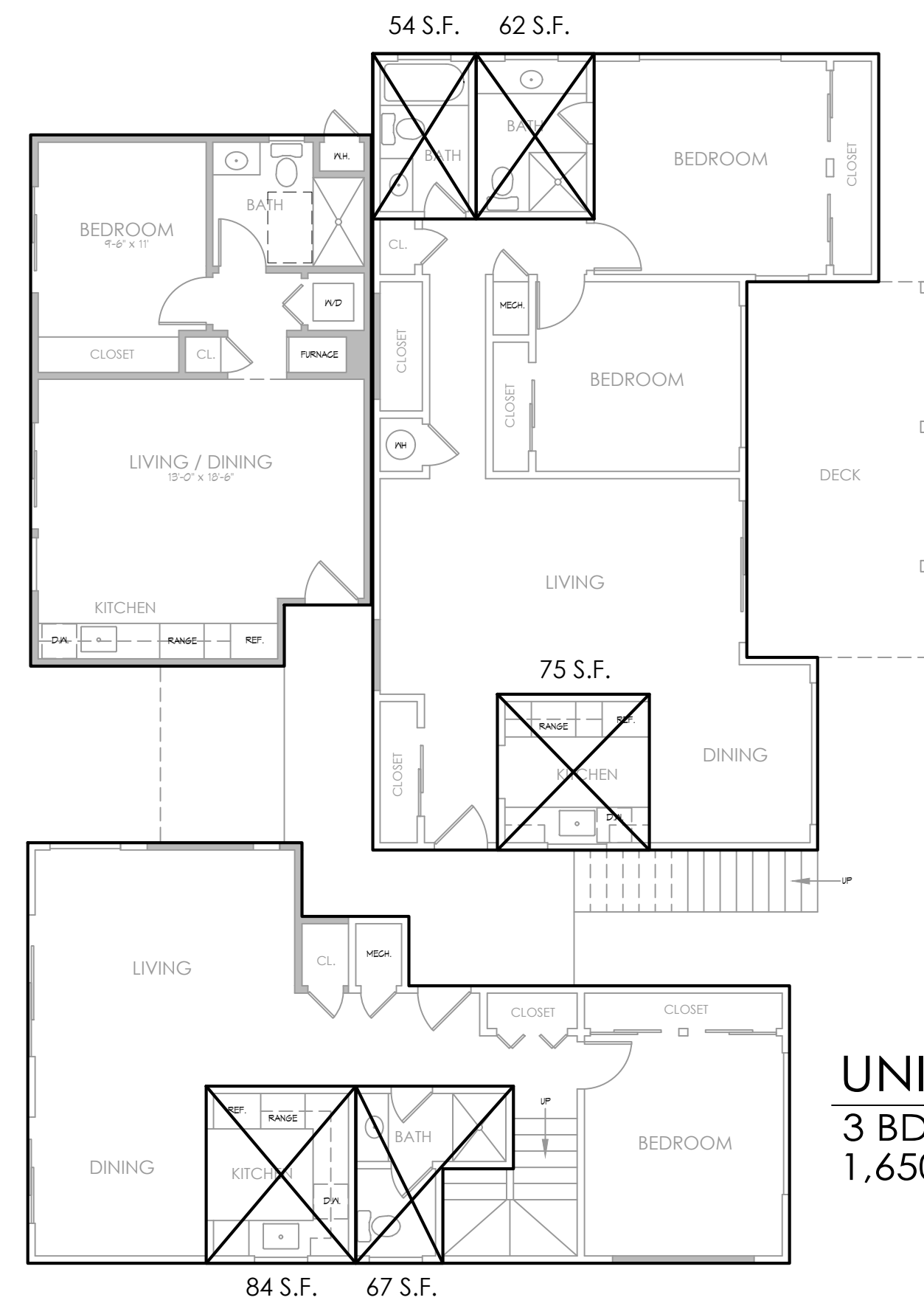
14510 Big Basin Way, #205  
Saratoga, California 95070

408.741.0600 ph.

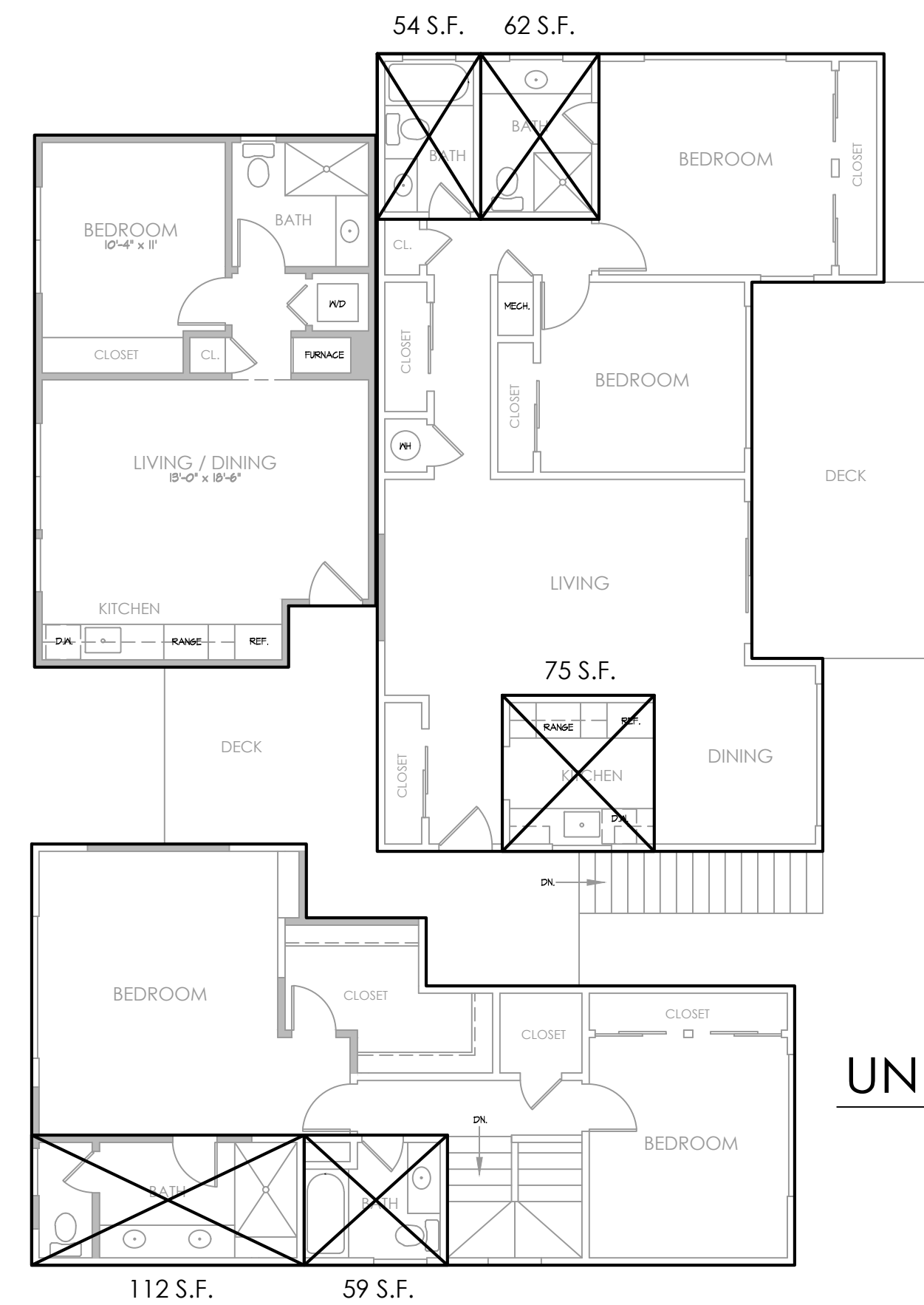
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**NEW UNIT #1**  
1 BDRM.  
560.5 s.f.



**NEW UNIT #2**  
1 BDRM. - BMR  
560.5 s.f.



**UNIT 'C'**  
2 BDRM.  
1,088 s.f.

**UNIT 'B'**  
2 BDRM.  
1,088 s.f.

**UNIT 'A'**  
3 BDRM.  
1,650 s.f.

**UNIT 'A'**

REAR BLDG. - 1st FLOOR



REAR BLDG. - 2nd FLOOR

PROJECT

975 Florence Ln.  
Menlo Park, CA 94025

SHEET TITLE

REMODEL DIAGRAMS  
REAR BUILDING

REVISIONS

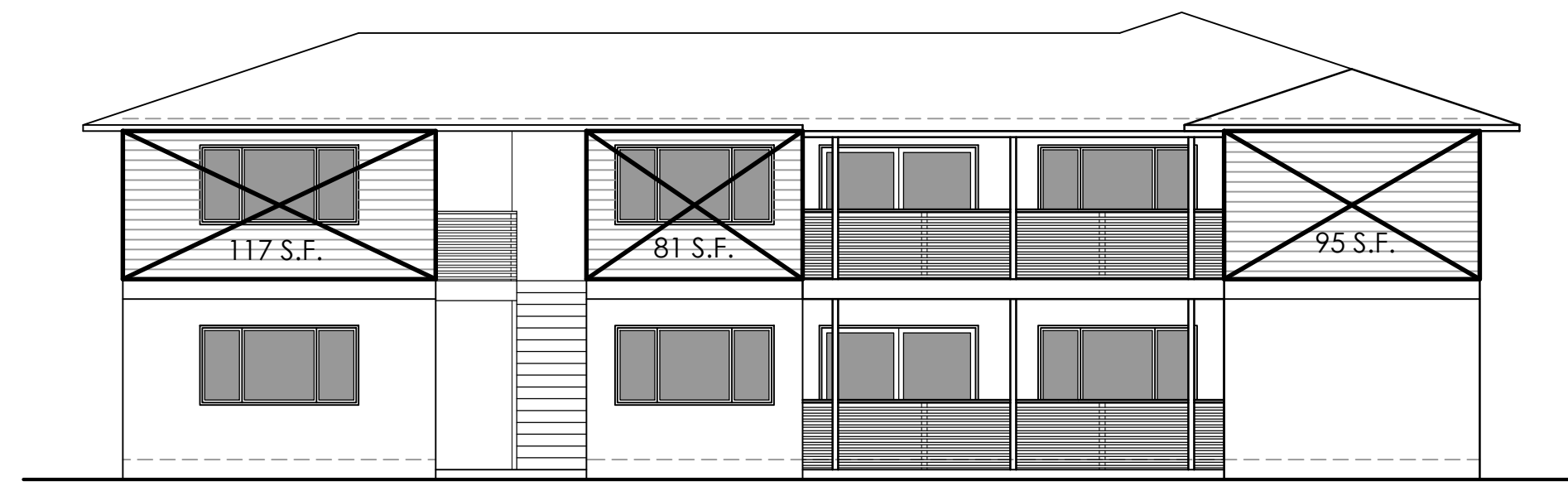
No.	Date	Notes
1	2/22/19	PLANNING REVISIONS
2	3/20/19	PLANNING REVISIONS

PROJECT #: 2017.10

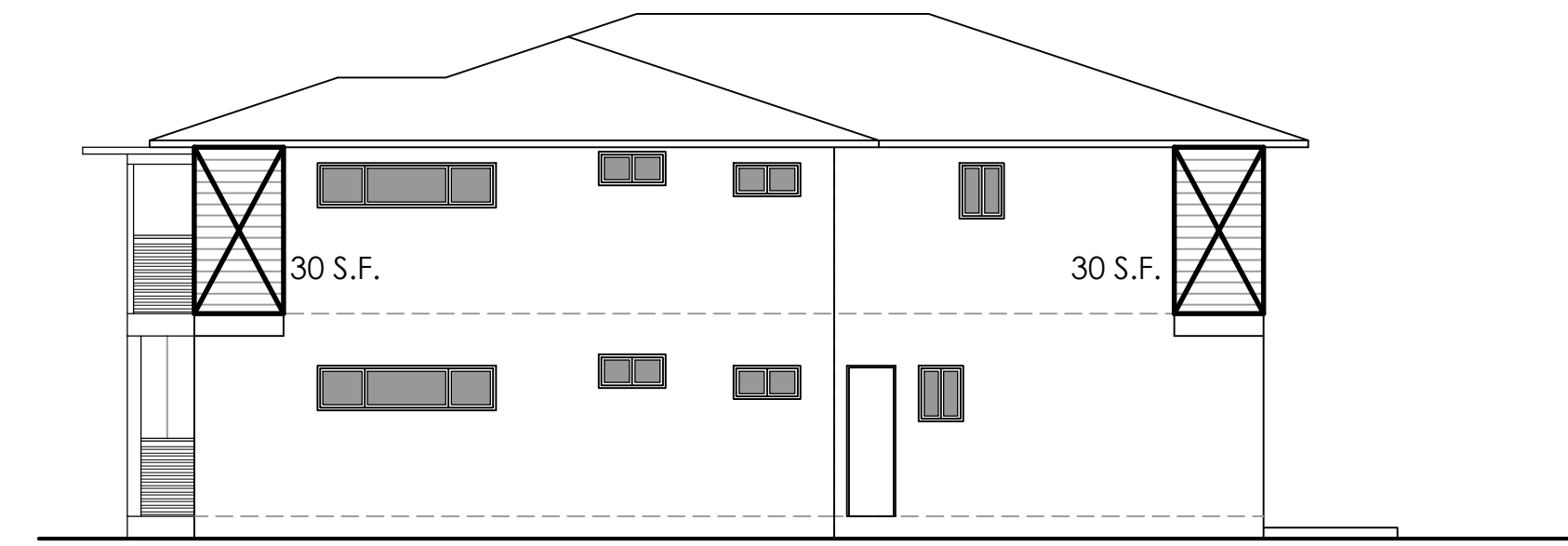
DATE: 25 JUNE 2018

SHEET #: SD-5.3

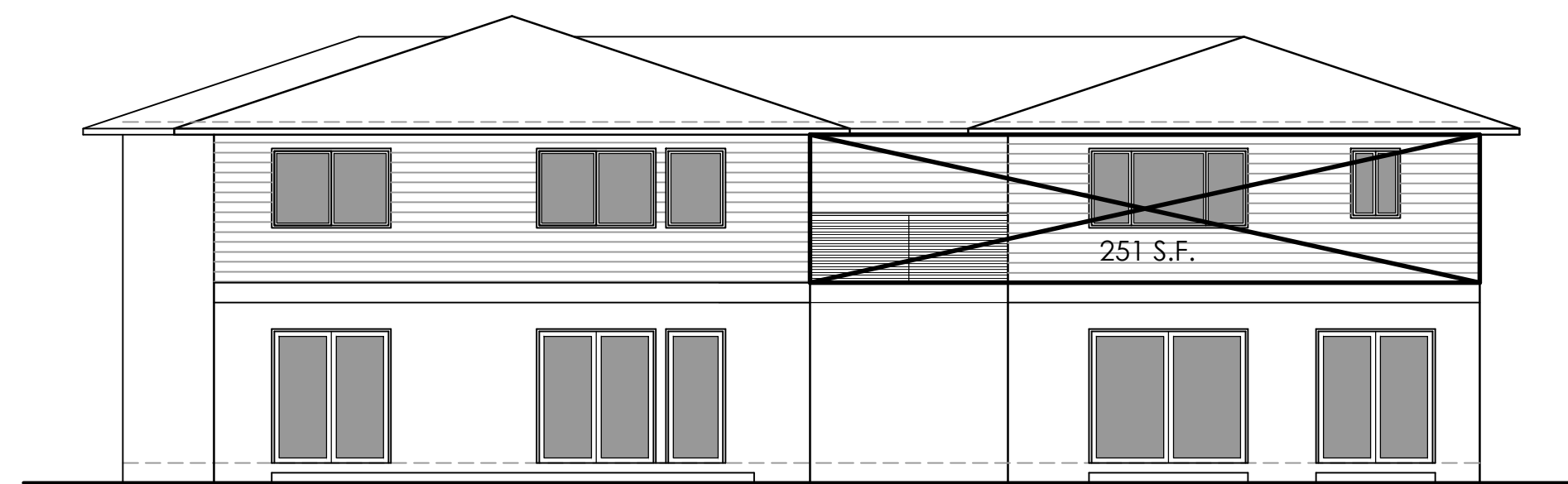




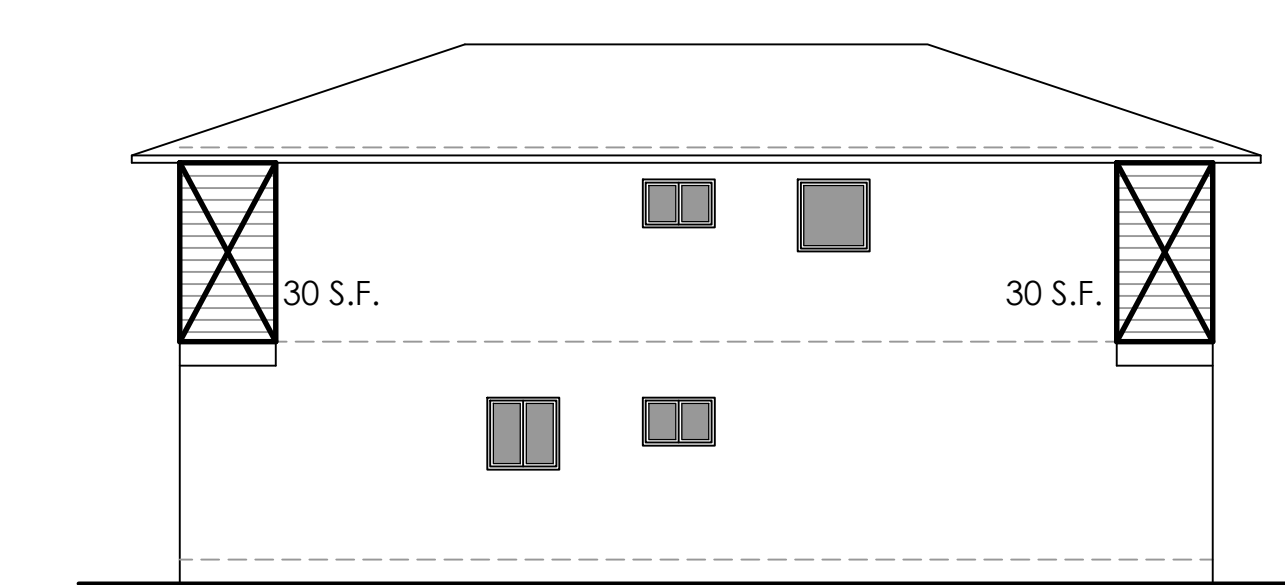
① FRONT ELEVATION - REAR BUILDING  
(NORTHWEST)



② SIDE ELEVATION - REAR BUILDING  
(SOUTHWEST)



③ REAR ELEVATION - REAR BUILDING  
(SOUTHEAST)



④ SIDE ELEVATION - REAR BUILDING  
(NORTHEAST)

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PROJECT

975 Florence Ln.  
Menlo Park, CA 94025

SHEET TITLE

REMODEL DIAGRAMS  
REAR BUILDING

REVISIONS

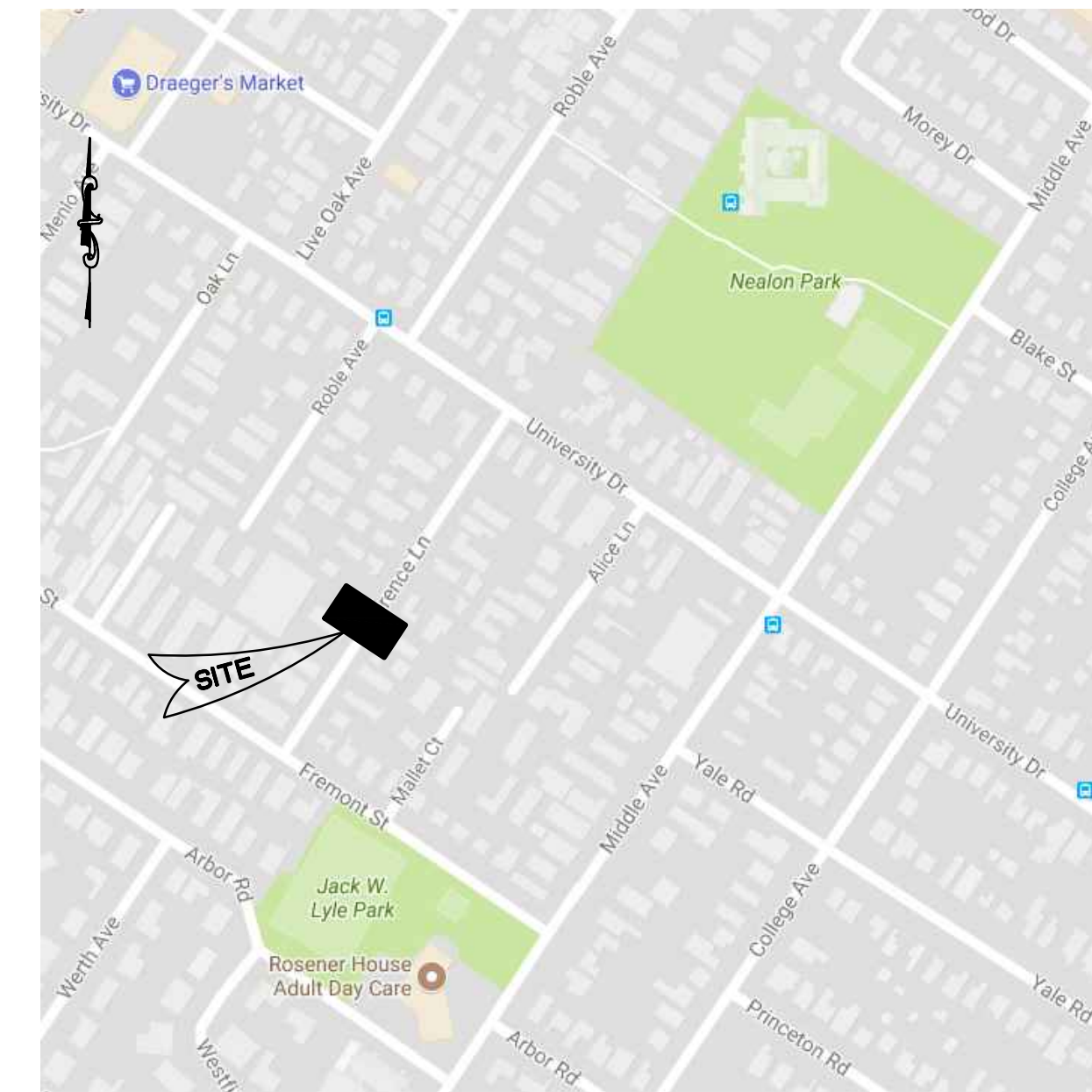
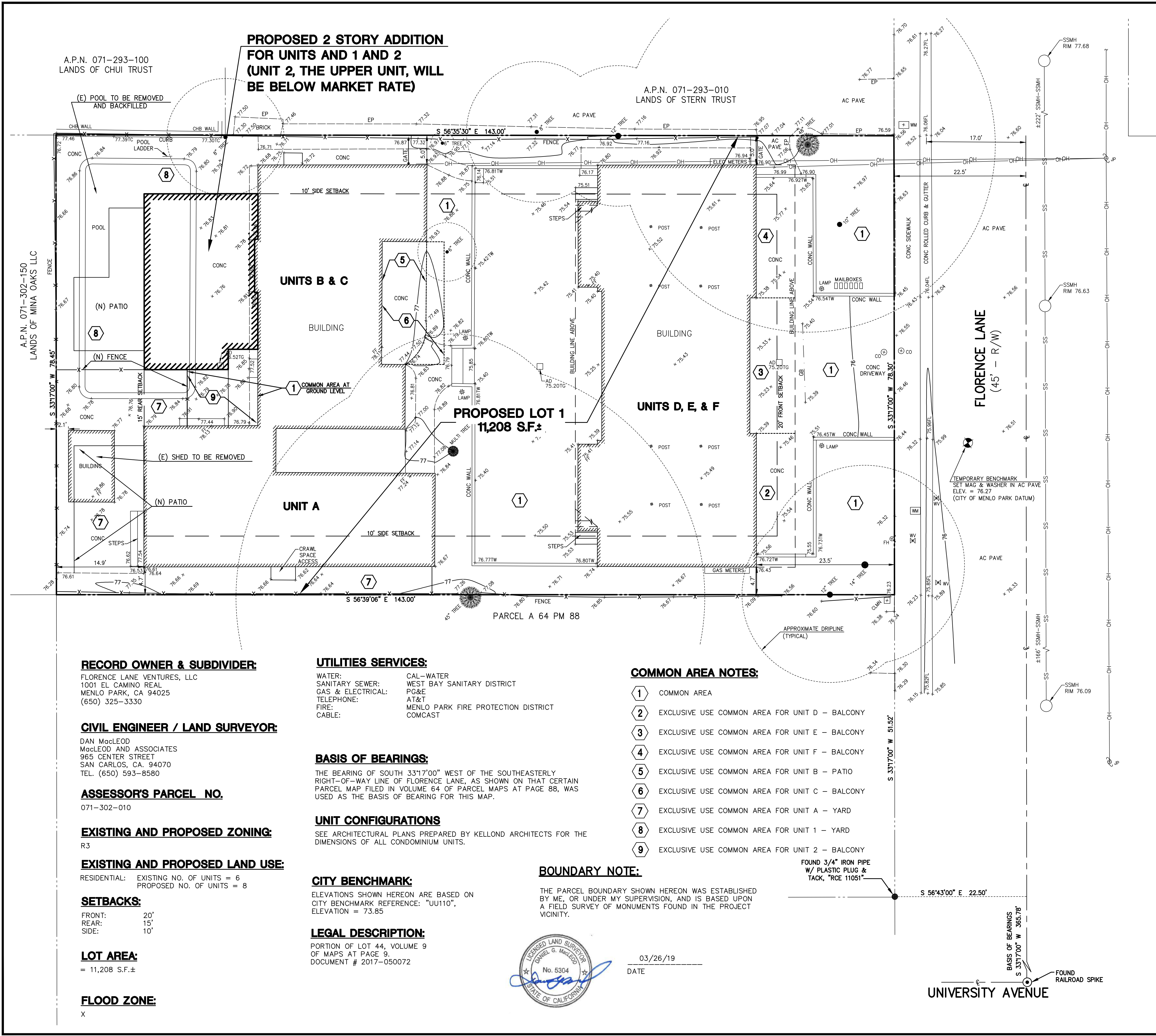
No.	Date	Notes
3	2/22/19	PLANNING REVISIONS
4	3/20/19	PLANNING REVISIONS

PROJECT #: 2017.10

DATE: 25 JUNE 2018

SHEET #: SD-5.4





**VICINITY MAP**  
(NOT TO SCALE)

**LEGEND**

AC PAVE	PROPERTY LINE	ASPHALT CONCRETE PAVEMENT
AD	AREA DRAIN	CLEANOUT
CO	CONCRETE	ELECTRIC
CONC	EDGE OF PAVEMENT	FINISH FLOOR
ELEC	FIRE HYDRANT	FLOWLINE
EP	FIRE HYDRANT	JOINT UTILITY POLE
FF	FLOWLINE	SANITARY SEWER MANHOLE
FH	FINISH FLOOR	TOP OF GRATE
FL	FINISH FLOOR	TOP OF WALL
JP	FIRE HYDRANT	WATER METER
SSMH	FLOWLINE	WATER VALVE
TG	JOINT UTILITY POLE	TREE W/ SIZE
TW	SANITARY SEWER MANHOLE	FENCE
WM	TOP OF GRATE	OVERHEAD UTILITY LINE
WV	TOP OF WALL	SANITARY SEWER LINE
WV	WATER METER	
WV	WATER VALVE	
WV	TREE W/ SIZE	
WV	FENCE	
WV	OVERHEAD UTILITY LINE	
WV	SANITARY SEWER LINE	

**RECORD OWNER & SUBDIVIDER:**  
FLORENCE LANE VENTURES, LLC  
1001 EL CAMINO REAL  
MENLO PARK, CA 94025  
(650) 325-3330

**CIVIL ENGINEER / LAND SURVEYOR:**  
DAN MacLEOD  
MacLEOD AND ASSOCIATES  
965 CENTER STREET  
SAN CARLOS, CA. 94070  
TEL. (650) 593-8580

**ASSESSOR'S PARCEL NO.**  
071-302-010

**EXISTING AND PROPOSED ZONING:**  
R3

**EXISTING AND PROPOSED LAND USE:**  
RESIDENTIAL: EXISTING NO. OF UNITS = 6  
PROPOSED NO. OF UNITS = 8

**SETBACKS:**  
FRONT: 20'  
REAR: 15'  
SIDE: 10'

**LOT AREA:**  
= 11,208 S.F.±

**FLOOD ZONE:**  
X

**UTILITIES SERVICES:**  
WATER: CAL-WATER  
SANITARY SEWER: WEST BAY SANITARY DISTRICT  
GAS & ELECTRICAL: PG&E  
TELEPHONE: AT&T  
FIRE: MENLO PARK FIRE PROTECTION DISTRICT  
CABLE: COMCAST

**BASIS OF BEARINGS:**  
THE BEARING OF SOUTH 33°17'00" WEST OF THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF FLORENCE LANE, AS SHOWN ON THAT CERTAIN PARCEL MAP FILED IN VOLUME 64 OF PARCEL MAPS AT PAGE 88, WAS USED AS THE BASIS OF BEARING FOR THIS MAP.

**UNIT CONFIGURATIONS:**  
SEE ARCHITECTURAL PLANS PREPARED BY KELLOND ARCHITECTS FOR THE DIMENSIONS OF ALL CONDOMINIUM UNITS.

**CITY BENCHMARK:**  
ELEVATIONS SHOWN HEREON ARE BASED ON CITY BENCHMARK REFERENCE: "UU110", ELEVATION = 73.85

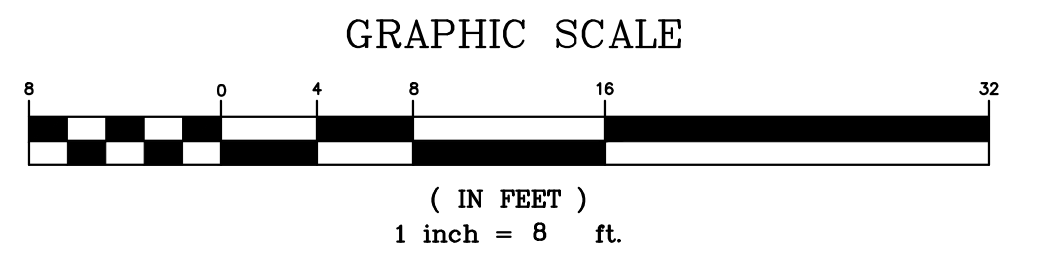
**LEGAL DESCRIPTION:**  
PORTION OF LOT 44, VOLUME 9 OF MAPS AT PAGE 9, DOCUMENT # 2017-050072

- COMMON AREA NOTES:**
- 1 COMMON AREA
  - 2 EXCLUSIVE USE COMMON AREA FOR UNIT D - BALCONY
  - 3 EXCLUSIVE USE COMMON AREA FOR UNIT E - BALCONY
  - 4 EXCLUSIVE USE COMMON AREA FOR UNIT F - BALCONY
  - 5 EXCLUSIVE USE COMMON AREA FOR UNIT B - PATIO
  - 6 EXCLUSIVE USE COMMON AREA FOR UNIT C - BALCONY
  - 7 EXCLUSIVE USE COMMON AREA FOR UNIT A - YARD
  - 8 EXCLUSIVE USE COMMON AREA FOR UNIT 1 - YARD
  - 9 EXCLUSIVE USE COMMON AREA FOR UNIT 2 - BALCONY

**BOUNDARY NOTE:**  
THE PARCEL BOUNDARY SHOWN HEREON WAS ESTABLISHED BY ME, OR UNDER MY SUPERVISION, AND IS BASED UPON A FIELD SURVEY OF MONUMENTS FOUND IN THE PROJECT VICINITY.



DATE: 03/26/19



**T-1**

<b>MACLEOD AND ASSOCIATES</b> CIVIL ENGINEERING • LAND SURVEYING 965 CENTER STREET • SAN CARLOS, CA 94070 • (650) 593-8580	
<b>PREPARED FOR:</b> FLORENCE LANE VENTURES, LLC	<b>DATE:</b> 03/26/19
<b>VESTING TENTATIVE SUBDIVISION MAP</b> FOR CONDOMINIUM CONVERSION PURPOSES (8 UNITS) BEING A SUBDIVISION OF A PORTION OF LOT 44, AS SHOWN ON THE MAP ENTITLED "MAP OF STANFORD PARK ANNEX, MENLO PARK, SAN MATEO COUNTY, CALIFORNIA, 1913" FILED IN BOOK 9 OF MAPS AT PAGE 9	<b>REVISED ADDITION LOCATION:</b> DAK <b>REVISED NO. OF UNITS:</b> DAK <b>REVISION DATE:</b> 06/27/18
<b>DESCRIPTION:</b> MENLO PARK SAN MATEO COUNTY CALIFORNIA	<b>BY:</b> <b>DATE:</b>
<b>SCALE:</b> 1"=8' <b>DATE:</b> 08-31-17 <b>DRAWING NO.:</b> 4491-TM <b>SHEET:</b> 1 OF 1	



## Kellond Architects

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### **975 Florence Lane**

#### Project Description

This project application is for a major subdivision (more than 5 units) of an existing multi-family residential property. It is located in the R-3 zoning district and is currently a (6) unit apartment building, which has (3) units in one building at the front, and (3) in another at the rear of the property. (5) of the existing residential units are 2 bedroom units that range in size from 1,088 s.f. to 1,240 s.f.. There is (1) 3 bedroom unit that is 1,703 s.f. Both buildings are a ranch style consistent with others in the area, and those built around 1961 when the buildings were constructed. There is no evidence of any historical value or features. These existing apartments will become individual for-sale condominium units.

Under the California state density bonus law for providing inclusionary housing, the project is also proposing to add (1) below market rate (BMR) housing unit and (1) regular unit, for a new total of (8) units. Both proposed new units are 560.5 s.f. in area, and have 1 bedroom with 1 bath. These units are proposed to be a 2-story addition to the rear of the property, onto the back of the existing rear building.

Since the proposed (1) BMR unit represents 14% of the total allowable units (1 of 7), the state density law allows a 9% bonus, which, when rounded up per law, results in (1) additional unit over the allowable (7) unit density for the property. Additionally, under the city zoning ordinance, the project is allowed a proportional GFA increase of 1,094.9 s.f. (area per unit) on top of the allowable 7,664.7 s.f. for (7) units max. for the property.

Under the state density bonus law, projects that provide at least 10% of the units as affordable, are entitled to (1) incentive plus waivers of development standard that would have the effect of physically precluding the construction of a development at the densities or with the incentives permitted. In this case, the project is proposing 14% affordable units and is requesting waivers for maximum building coverage, minimum parking requirements, and minimum landscaping that do not comply with the development standards. These elements are not physically possible to achieve with the proposed density bonus for inclusionary housing due to the building site constraints.

With the addition of (2) new units, the project is also proposing to make both exterior and interior upgrades to the entire site. Each of the units will be remodeled on the interior to provide a new and fresh living unit. The exterior of the buildings will get a facelift with new and more modern exterior siding and colors. This will result in a like-new addition to the neighborhood and streetscape.

The existing apartment rental tenants have been notified of the requested application. City code required measures have been implemented to allow first right of refusal, rent control during the period of application review and approval, and relocation assistance as needed.

During the design of the project, there have been communications with the immediate neighboring properties. There has been opposition to the addition of below market rate housing to the street by some of the neighbors, as well as a concern for the number of parking spaces. Several discussions have occurred with one of the neighbors. We have tried to explain the state density bonus law, and have provided specifics with updates on how the project is proceeding.

In summary, the planning commission application request is simply to convert the existing multi-family property into individual for-sale units, with the addition of (2) units under the state density bonus law. This will result in a benefit for the city's diversity of housing, and an updated, like-new project for the neighborhood.

## **975 Florence Lane**

Below Market Rate Housing Plan

### Description

The proposed project is an existing (6) unit apartment building that is requesting approval of a subdivision and conversion of the residential units into for-sale condominium units. There are currently (3) units located in the front building, and (3) units in the rear building.

Under the California state density bonus law, the project is requesting (2) additional units to be added, with (1) being a below market rate unit, which would result in a total of (8) units for the property. Since the proposed (1) BMR unit represents 14% of the total allowable units (1 of 7), the state density law allows a 9% bonus, which, when rounded up per law, results in (1) additional unit over the allowable (7) unit density for the property. Additionally, under the city zoning ordinance, the project is allowed a proportional GFA increase of 1,094.9 s.f. (area per unit) on top of the allowable 7,664.7 s.f. for (7) units max. for the property.

Under the state density bonus law, projects that provide at least 10% of the units as affordable, are entitled to (1) incentive plus waivers of development standard that would have the effect of physically precluding the construction of a development at the densities or with the incentives permitted. In this case, the project is proposing 14% affordable units and is requesting waivers for maximum building coverage, minimum parking requirements, and minimum landscaping that do not comply with the development standards. These elements are not physically possible to achieve with the proposed density bonus for inclusionary housing due to the building site constraints.

The proposed BMR unit will be a (1) bedroom unit that is 560.5 s.f. The unit will be new, as an addition to the project, and will be the same size as the other new unit being proposed in the addition.

The income level proposed for the new (1) Bedroom BMR unit is to be "moderate". Because of the smaller unit's affordability compared to larger units, this will provide a greater diversity of potential tenants/buyers that would have access to housing in the Menlo Park area.

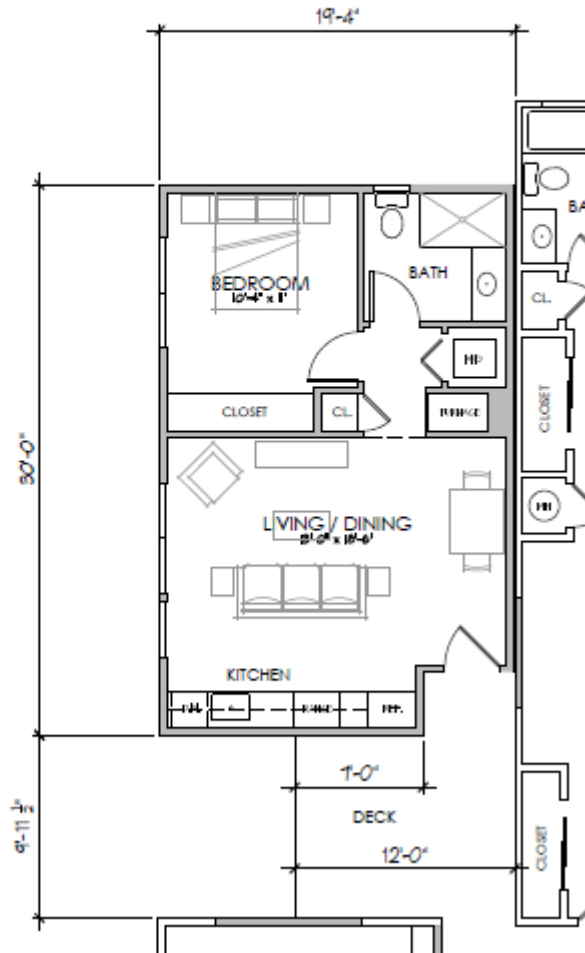
The BMR unit is proposed as a "for-sale" unit, and shall meet the city and county requirements for income levels outlined above, and associated sales prices.

Design

The proposed (1) Bedroom BMR (New Unit #2) is located on the 2<sup>nd</sup> floor of the rear building, and is 560.5 s.f.

**NEW UNIT #2**

1 BDRM. - BMR  
560.5 s.f.



## Kielty Arborist Services LLC

Certified Arborist WE#0476A

P.O. Box 6187

San Mateo, CA 94403

650-515-9783

December 26, 2018, Revised February 22, 2019

Mr. Paul Goswamy  
Florence Lane Ventures, LLC  
1001 El Camino Real  
Menlo Park, CA 94025

Site: 975 Florence Lane, Menlo Park, CA

Dear Mr. Goswamy,

As requested on Tuesday, August 14, 2018 I visited the above site to inspect and comment on the trees. An addition to the rear apartment building is proposed on this site, and your concern for the future health and safety of the trees has prompted this visit. Site Plan SD-1.2 dated 6/25/18 was the only plan reviewed for writing this report.

### Method:

All inspections were made from the ground; the trees were not climbed for this inspection. The trees in question were located on a map provided by you. The trees were then measured for diameter at 54 inches above ground level (DBH or diameter at breast height). The trees were given a condition rating for form and vitality. The trees condition rating is based on 50 percent vitality and 50 percent form, using the following scale.

1	-	29	Very Poor
30	-	49	Poor
50	-	69	Fair
70	-	89	Good
90	-	100	Excellent

The height of the trees was measured using a Nikon Forestry 550 Hypsometer. The spread was paced off. Comments and recommendations for future maintenance are provided.

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**Survey:**

<b>Tree#</b>	<b>Species</b>	<b>DBH</b>	<b>CON</b>	<b>HT/SP</b>	<b>Comments</b>
1P	Coast live oak ( <i>Quercus agrifolia</i> )	45.5	60	45/35	Good vigor, fair form, heavily pruned in past for building clearance, large cuts made on trunk have not callused over completely, minor decay in these areas, against neighbor's driveway, close to existing building, over extended limbs, recommended to prune using approved reduction cuts.
2P	Coast live oak ( <i>Quercus agrifolia</i> )	16.2	70	30/20	Good vigor, fair form, close to street, slight lean towards street.
3P	Coast live oak ( <i>Quercus agrifolia</i> )	13.3	70	30/20	Good vigor, fair form, 1 foot from neighbor's driveway, upright, suppressing tree #2.
4P	Coast live oak ( <i>Quercus agrifolia</i> )	45est	65	45/50	Good vigor, fair form, surrounded by hardscapes, 5 feet from corner of existing foundation, tree is heavy over 4 separate structures, recommended to remove all irrigation near tree, cable and reduce where possible using approved reduction cuts, tree has been overly thinned out in the past, needs high level of maintenance.
5P/R	Japanese maple ( <i>Acer palmatum</i> )	18.2@grade	30	15/15	Poor vigor, poor form, topped, in heavy decline.
6	Mediterranean fan palm ( <i>Chamaerops humilis</i> )	8.0	70	30/5	Fair vigor, fair form, close to foundation.
7	Cabbage palm ( <i>Cordyline australis</i> )	8.2	50	15/10	Fair vigor, fair form, against hardscape.
8	Italian cypress ( <i>Cupressus sempervirens</i> )	5.6	60	25/5	Fair vigor, fair form.
9	Mediterranean fan palm ( <i>Chamaerops humilis</i> )	6.8	70	30/5	Fair vigor, fair form, poor location, restricted root zone.
10*	Black acacia ( <i>Acacia melanoxylon</i> )	12est	30	30/12	Fair vigor, poor form, topped, fair screen, poor species, invasive.



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**Survey:**

Tree#	Species	DBH	CON	HT/SP	Comments
11*	Black acacia stand ( <i>Acacia melanoxylon</i> )	10.0avg	30	35/20	Poor vigor, poor form, topped, fair screen, invasive.

*\*-Indicates neighbors tree*

**P**-Indicates protected tree by city ordinance

**R**-Indicates tree proposed for removal

**Summary:**

The trees surveyed on site are a mix of imported species. Heritage trees surveyed on site are trees #1-5. The city of Menlo Park's definition of a heritage tree is as followed:

1. Any tree having a trunk with a circumference of 47.1 inches (diameter of 15 inches) or more measured at 54 inches above natural grade.
2. Any oak tree native to California, with a circumference of 31.4 inches (diameter of 10 inches) or more measured at 54 inches above natural grade.
3. Any tree or group of trees specifically designated by the City Council for protection because of its historical significance, special character or community benefit.
4. Any tree with more than one trunk measured at the point where the trunks divide, with a circumference of 47.1 inches (diameter of 15 inches) or more, with the exception of trees that are under 12 feet in height, which are exempt from the ordinance.

**Heritage trees proposed for removal:**

The only heritage tree proposed for removal is Japanese maple tree #5. This tree was give a poor condition rating of 30 out of 100. The tree is in decline, as little live foliage was observed. The tree has also been topped in the past. This tree is needs to be removed for the construction of a ADA ramp. Removal is also recommended due to the tree being in decline. No mitigation measures are expected to improve the trees condition.



**Summary of existing tree health:**

Heritage coast live oak tree #1 is in fair condition, and located on the south side of the property. The tree has been heavily pruned in the past for building clearance. Some of the past cuts have not completely callused over and are open to decay and insect attack. The tree is against the neighboring driveway, and in close proximity to the existing building and a concrete retaining wall. The tree has large over extended horizontal limbs that are recommended to be pruned using approved reduction cuts out on the ends of the limbs. This will help to reduce risk of branch failure. This tree is recommended to be re-inspected every 3 years due to its proximity to the existing building.

**Showing oak tree #1 against neighbor's driveway and close to the existing building.**

Coast live oak trees #2 and #3 are within a few feet from one another. These trees are both in good condition. Oak tree #3 is 1 foot from the neighboring driveway. Oak tree #2 leans towards the street as a result of being suppressed by the upright oak tree #3. No immediate pruning action is needed for these trees. Oak tree #2 should be pruned within the next 3 years in the direction of the tree's lean to reduce leverage.



Coast live oak tree #4 is in fair condition. This tree is very large and surrounded by existing buildings and hardscapes that make for a restricted root zone for the tree. The tree is 5 feet from the corner of the existing building on site. The tree is against the neighboring driveway, as the tree is on the property line and is considered to be a shared tree. The tree has grown over 4 separate structures, including structures on the neighboring properties. Because the tree is over existing buildings, it is recommended to cable the leaders where possible to offer extra support to the large codominant leaders. Pruning using approved reduction cuts out on the ends of the limbs is also recommended. All interior growth should be retained when possible in order to make future approved reduction cuts. This tree is recommended to be re-inspected every 3 years.

**Showing oak tree #4 at property line fence**



The remaining trees are small non-protected trees that are in fair to good condition with the exception of the neighboring black acacia trees. The black acacia trees are either on the neighbor's property or on the property line. These trees have been topped resulting in watersprout growth. The new growth (watersprouts) will continue to grow and will become large hazardous limbs if not removed or reduced. This species is also a very invasive species that likely was not planted in this location. These trees do offer a good amount of screening for the property. If these trees are to be retained they should be pruned using crown restoration cuts. If these trees are to be removed they should be replanted with a screening like tree appropriate for the area.

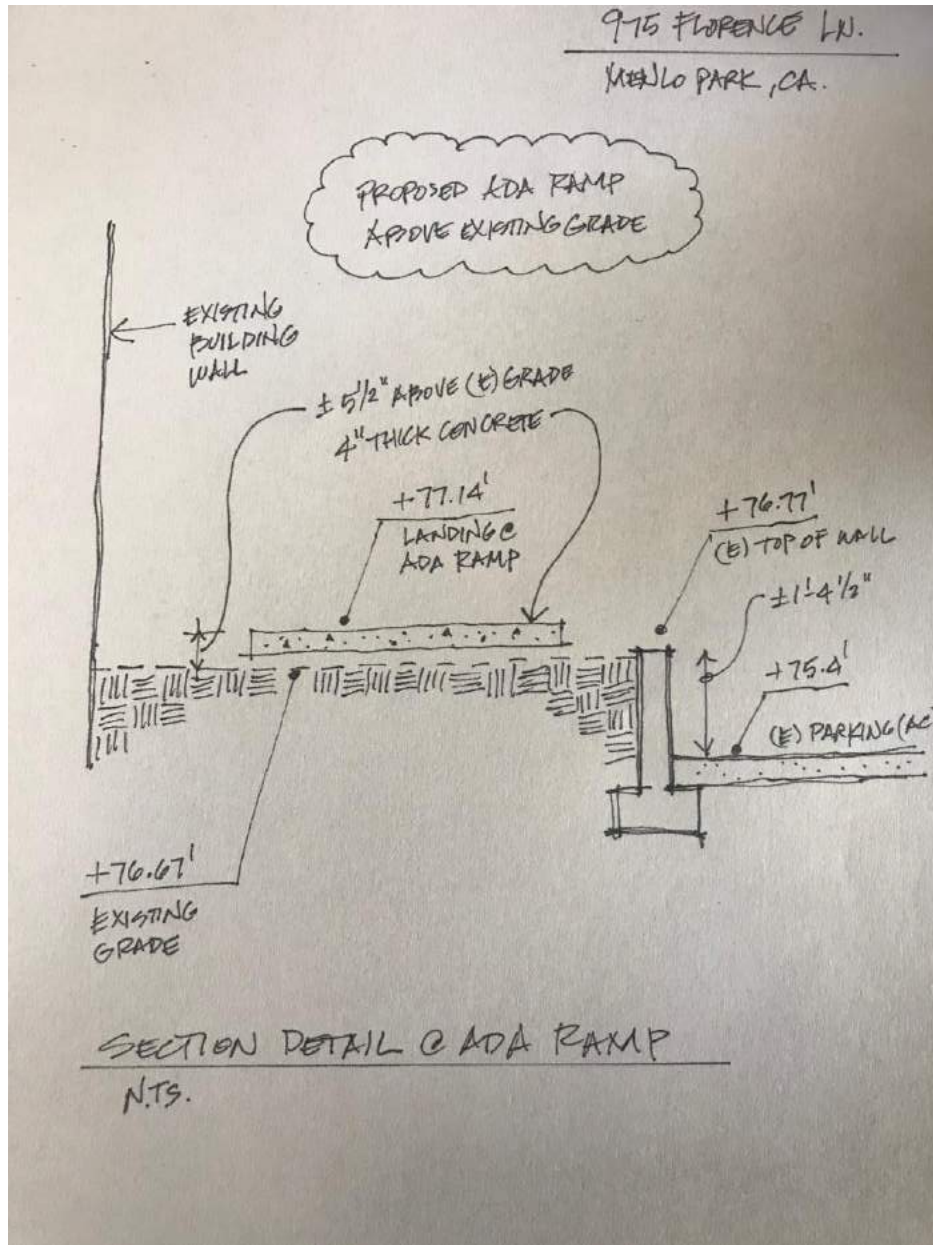
#### **Showing topping cuts on acacia trees**

#### **Proposed work near the protected trees on site/recommendations:**

The proposed work on site consist of an addition the existing rear building to make 2 new units. An ADA ramp will also be constructed on site. Portions of the rear building will be removed close to tree #4 for the construction of the ADA ramp, as well as to separate the 2 rear units to allow access to the proposed common space area at the rear of the property. During all of this work the only tree of concern will be the large protected coast live oak tree #4. No heavy equipment shall be allowed within the small landscaped area between the driveway/parking areas and the existing building. This existing landscaped area is recommended to be fenced off by tree protection fencing. Because a portion of the foundation close to tree #4 will be removed and tree protection fencing would likely not allow for access to this area, a landscape barrier is recommended to be installed during the foundation removal work on site. Landscape barriers consist of coarse mulch spread to a depth of 6 inches with plywood placed on top of the mulch. The plywood boards shall be attached in a way that reduces movement of the boards. This way the foundation can be removed while still protecting roots within the landscaped area from compaction. The foundation shall be carefully removed. The Project Arborist shall be on site when this work is taking place to document and to offer mitigation measures if needed.

The ADA ramp has been well designed by the architect as to reduce impacts to the tree as much as possible. The Project Arborist will need to be on site during the building of the ADA ramp to document and inspect. The proposed ADA ramp landing is within 12 feet from the tree. This landing has been well designed to be built entirely on top of grade. When constructing the landing pad, all workers must be on top of a landscape barrier if in contact with the existing landscaped area. Tree protection fencing will need to be placed as close as possible to the proposed work area, while still giving workers enough room to safely work. Impacts from the landing pad are expected to be nonexistent as no roots will be cut. On the next page is a drawing showing the landing pad construction method.





**Showing detail of landing pad within 12 feet from tree**

At 11 feet from the tree the ramp then moves downward to meet the existing parking lot grade. The grading of the ramp to meet the parking lot grade, must be done entirely by hand, under the Project Arborist supervision. Any encountered roots must be cleanly cut using lopper or a hand saw. Exposed cut root ends must be covered or wrapped in 3 layers of burlap, and kept moist by spraying down the burlap 4 times a day. This will help to avoid root desiccation.

A larger landscape area will be available for oak tree #4 as the building will be pushed back further away from the tree due to the removal of the foundation for the ADA ramp. This will be of benefit for the tree in the long run as more room will be available for future root growth. The landscape area near tree #4 will need to be a dry landscape that is compatible with the tree's needs. Dry season irrigation can significantly increase risk of oak root fungus infection. It is recommended to remove all existing irrigation near this tree. All excavation within 38 feet from this tree will need to be reviewed and inspected by the Project Arborist. At this time impacts are expected to be minor. The tree is recommended to be deep water injected using 300 gallons of water in the months of May and October as a mitigation for the minor impacts.

The existing pool on site will be filled in to build the proposed new units. All access to the pool area is recommended to take place on the south side of the property as far away as possible from oak tree #4. If not possible, all areas of access within the landscaped area must be protected by a landscaped barrier.

### **Tree Protection Plan:**

#### *Tree Protection Zones*

Tree protection zones should be installed and maintained throughout the entire length of the project. Fencing for tree protection zones should be 6' tall, metal chain link material supported by metal 2" diameter poles, pounded into the ground to a depth of no less than 2'. The location for the protective fencing for the protected trees on site should be placed at a distance equal to the trees canopy spread where possible. Where not possible because of approved proposed work or existing hardscapes, the tree protection fencing shall be placed at the edge of the proposed work or existing hardscapes. No equipment or materials shall be stored or cleaned inside the protection zones. Areas where tree protection fencing needs to be reduced for access or for any other reason, should be mulched with 6" of coarse wood chips with ½ inch plywood laid on top(landscape barrier). The plywood boards should be attached together in order to minimize movement. The spreading of chips will help to reduce compaction and improve soil structure. All tree protection measures must be installed prior to any demolition or construction activity at the site. The city of Menlo Park requires an inspection of the tree protection fencing by the Project Arborist before the demolition permit can be picked up, and another inspection before the building permit can be picked up. All other non-protected trees to be retained are recommended to be protected by fencing placed at the tree driplines when possible. Special tree protection measures will be needed for oak tree #4 as described earlier in this report.

#### *Landscape Barrier*

Where tree protection does not cover the entire root zone of the trees, or when a smaller tree protection zone is needed for access, a landscape buffer consisting of wood chips spread to a depth of six inches with plywood or steel plates placed on top will be placed where foot traffic is expected to be heavy. The landscape buffer will help to reduce compaction to the unprotected root zone.

### *Root Cutting*

Any roots to be cut shall be monitored and documented. Large roots (over 2" diameter) or large masses of roots to be cut must be inspected by the site arborist. The site arborist, at this time, may recommend irrigation or fertilization of the root zone. All roots needing to be cut should be cut clean with a saw or lopper. Roots to be left exposed for a period of time should be covered with layers of burlap and kept moist. No roots shall be cut within 3 times a tree's diameter as these roots are needed for structural stability.

### *Grading*

The existing grade underneath the canopies of the protected trees on site is recommended to be retained as is. Grade changes of 3" may be acceptable by the Project arborist after review. Any grade changes proposed that are greater than 3" will require special mitigation measures for tree in close proximity. No grade changes are allowed within 3 feet of a tree's basal flare.

### *Trenching and Excavation*

Trenching for irrigation, drainage, electrical or any other reason shall be done by hand when inside the dripline of a protected tree. Hand digging and the careful placement of pipes below or besides protected roots will significantly reduce root loss, thus reducing trauma to the tree. All trenches shall be backfilled with native materials and compacted to near its original level, as soon as possible. Trenches to be left open for a period of time, will require the covering of all exposed roots with burlap and be kept moist. The trenches will also need to be covered with plywood to help protect the exposed roots.

### *Irrigation*

Normal irrigation shall be maintained on this site at all times for the imported trees. On a construction site, I recommend irrigation during winter months, 1 time per month. Seasonal rainfall may reduce the need for additional irrigation. During the warm season my recommendation is to use heavy irrigation, 2 times per month. This type of irrigation should be started prior to any excavation. The irrigation will improve the vigor and water content of the trees. The on-site arborist may make adjustments to the irrigation recommendations as needed. The foliage of the trees may need cleaning if dust levels are extreme. Removing dust from the foliage will help to reduce mite and insect infestation. No irrigation shall be provided to the native oak trees unless directed by the Project Arborist.

### *Inspections*

It is the contractor's responsibility to contact the Project Arborist when work is to take place underneath the dripline of a protected tree on site. Kielty Arborist Services can be reached by email at [kkarbor0476@yahoo.com](mailto:kkarbor0476@yahoo.com) or by phone at (650) 515-9783 (Kevin). A 48 hour notice is needed before these inspections can take place. In addition to monitoring construction activities underneath the dripline of a protected tree on site, monthly monitoring reports are required by the city of Menlo Park. It is required that the Project Arborist provide periodic inspections during construction. Four-week intervals would be sufficient to access and monitor the effectiveness of the Tree Protection Plan, and to provide recommendations for any additional care or treatment. The contractor must notify the Project Arborist when construction is to start. Should the builder



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fail to follow the tree protection specifications, the Project Arborist will report the matter to the City Arborist as an issue of non-compliance.

The information included in this report is believed to be true and based on sound arboricultural principles and practices.

Sincerely,

Kevin R. Kielty

Certified Arborist WE#0476A

**From:** [Claudia Knight](#)  
**To:** [Sandmeier, Corinna D](#)  
**Subject:** Florence Lane Ventures/975 Florence Lane  
**Date:** Wednesday, July 3, 2019 4:00:38 PM

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Dear Corinna

We are long term owners/residents on Florence Lane... our first and only house since 1996. Since then parking on the street has increased, which on trash day is a real problem. Two extra units, without designated parking plus their occasional guests is simply a parking lot. Please visit the street especially on Tuesday night or Wednesday morning. We are packed in here; it works... for now.

We object to additional units without supporting off-street parking. Thank you for listening. We would attend the meeting but will be away at that time

Claudia and Ian knight  
956 Florence Lane

**From:** [Keri Nicholas](#)  
**To:** [Sandmeier, Corinna D](#)  
**Subject:** In support of the project on Florence  
**Date:** Monday, May 6, 2019 1:42:33 PM

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My name is Keri Nicholas and I own 3 downtown properties in Menlo Park.  
We have such a need for housing and these units will only beautify the old, outdated buildings that have been here far too long.  
I am in full support of Paul Goswamy's project on Florence, I own 2 properties on Fremont Avenue and one on Arbor Road.  
Please know there are many in Menlo Park who support this.

Thank you  
Keri Nicholas

**From:** [Kristen L](#)  
**To:** [\\_Planning Commission](#); [Herren, Judi A](#); [\\_CCIN](#)  
**Subject:** 975 Florence Lane  
**Date:** Friday, May 3, 2019 7:33:18 PM

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Hello, City Council and Planning Commission!

I don't know if it's relevant or if the issue has already been decided but, since there are objections to the project at 975 Florence Lane, I wanted to voice my opinion. I am strongly in favor of the project, especially since it includes Below Market Rate housing.

Rents and purchase prices in our area have been increasing at a breakneck pace. My father grew up in Menlo Park. I grew up in Menlo Park and I am doing everything I can to continue living here.

I am a teacher. I don't take the label lightly. Teaching is my calling. It is my honor and pleasure to be integrally involved in the learning, growth and development of kindergarten students. I can't imagine having any other career. Unfortunately, teaching is not the kind of job that provides a salary that allows one to purchase a home in Menlo Park. BMR housing is the only option. This development would be life changing for someone like me. We contribute to Menlo Park's vitality and value. The city can not continue to prosper without teachers, nurses, librarians, caretakers, and other people who make less than \$100,000 a year.

Please approve this project!

Thank you for taking my opinion into account.

Kristen Leep  
28 year Menlo Park resident  
Library Commission Chair

Architectural Control/Use Permit/Major Subdivision and Below Market Rate Housing Agreement/Florence Lane Ventures LLC/975 Florence Lane

**From:** [Noel Smith](#)  
**To:** [PlanningDept](#); [Planning Commission](#)  
**Subject:** [Sent to Planning ]Staff report RE: 975 Florence  
**Date:** Thursday, May 2, 2019 1:05:26 PM

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Dear Sirs:

In the staff report it is stated:

“Recommended condition of approval 6(b) requires the CC&Rs (Covenants, Conditions and Restrictions) for the project to state that no on-street overnight parking permits will be issued by the City for any units, including units with less than two parking spaces.”

Enforcing and monitoring the compliance of this restriction would be very difficult, if not impossible, and would be something the homeowners association would most likely ignore. Enforcement probably would not be a police responsibility unless an ordinance was passed by the City of Menlo Park, forbidding parking permits for this property.

This appears at first glance to address the neighborhood reservations about allowing less than the required number of parking places. In reality however, once the 8 units are sold, the 8 owners could easily pass a resolution removing this restriction from the CC&Rs. Since there is only one space on the street in front of the complex (due to the fire hydrant) passing such a resolution would not negatively impact the other owners of the complex....it would only impact the rest of the neighborhood. In addition, each unit owner can purchase 50 nightly street parking passes per 6 month period from the police department. Which ever way you look at the parking problem, the addition of two units, and the reduction in the required parking places is going to adversely affect a neighborhood that already has a lack of parking.

Sincerely

Noel Smith



**STAFF REPORT**

**City Council**  
**Meeting Date:** 7/16/2019  
**Staff Report Number:** 19-145-CC

**Regular Business:** **Authorize the city manager to amend a contract with ICF Jones & Stokes, Inc. to prepare an environmental impact report for the proposed Willow Village master plan project at 1350-1390 Willow Road, 925-1098 Hamilton Avenue and 1005-1275 Hamilton Court for the amount of \$992,460 and future augmentations as may be necessary to complete the environmental review for the proposed project**

**Recommendation**

Staff recommends that City Council authorize the city manager to approve a contract amendment with Jones & Stokes, Inc. (ICF) for the amount of \$992,460 and future augmentations as may be necessary to complete the environmental review for the proposed master plan project, based on the proposed scope and budget included as Attachment A.

**Policy Issues**

The applicant is proposing to redevelop the site through the master plan process, as provided for in the zoning ordinance, by utilizing a conditional development permit and entering into a development agreement with the City. The proposed project would require the Planning Commission and the City Council to consider the merits of the proposed master plan, including the appropriateness of the applicant's proposed amendments, and the project's consistency with the City's general plan and zoning ordinance, along with the municipal code, and other adopted policies and programs of the City such as the below market rate housing program.

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 that adjusts annually based on changes in the construction cost index. The current award authority is \$69,596. The City Council retains discretion for all agreements exceeding the award authority delegated to city manager. 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.

Authorization of the environmental impact report (EIR) scope of work and contract does not imply an endorsement of the project. Entering into a contract with ICF would allow the City to conduct the environmental review which is necessary to start the overall entitlement review of the project proposal, and required for compliance with the California Environmental Quality Act (CEQA.) 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, which includes evaluation for consistency with the City's general plan, compliance with the zoning ordinance and municipal code, review of the development agreement and conformance with other City adopted policies.



The City Council will be the final decision-making body on the proposed project.

## **Background**

The approximately 59-acre subject site is generally located along Willow Road between Hamilton Avenue and Ivy Drive; previously referred to as the ProLogis Menlo Science and Technology Park. Facebook Building 20 is located to the Northwest and multifamily and neighborhood commercial uses are to the west, across Willow Road. The subject site is generally bordered by the San Francisco Public Utilities Commission (SFPUC) Hetch Hetchy right of way and Mid-Peninsula High School to the south, the Dumbarton Corridor to the north, and properties within the Menlo Business Park to the east.

The existing campus has 20 buildings (generally constructed between the 1950s and 1990s) located on 18 parcels that have historically housed general office, research and development (R&D), warehouse and manufacturing uses that total approximately 1,000,000 square feet of gross floor area (GFA). Facebook currently occupies eight buildings at the project site for offices, R&D, dining facilities and a health center. A location map is included as Attachment B.

As part of the ConnectMenlo general plan and zoning ordinance update, the existing project site was rezoned in December 2016 from M-2 (General Industrial) to O-B (Office, Bonus) and R-MU-B (Residential Mixed Use, Bonus). In July 2017 the City received an application for the redevelopment of the project site. That previous proposal was reviewed by the Planning Commission and City Council as a study session item in February and March 2018, respectively.

Following the study sessions, the applicant team further evaluated the proposed project and modified the site layout (including land uses, circulation network and open space), the proposed square footages by land use, and the project phasing. The City Council reviewed the updated proposed project as a study session item at its meeting May 7 and provided feedback and direction to staff and the applicant team.

The authorization of the EIR contract was originally scheduled for the May 14 City Council meeting but was continued for a larger discussion on the proposed development in the City and a discussion of a potential moratorium.

### Project overview

The proposed project would comprehensively redevelop the project site with a mixed-use master plan. On June 6 the applicant resubmitted the project plans and project description document. The resubmitted project maintained the proposed office square footage, the retail (non-office commercial) square footage, and the maximum number of hotel rooms, while increasing the number of dwelling units proposed from 1,500 units to a maximum of 1,735 units.

The updated proposal would modify the square footage of the proposed right of way dedication to allow for an increase in residential density. Staff is currently evaluating the proposed modifications to ensure that the density would be in compliance with the zoning ordinance maximum.

Table 1 below compares the previously proposed project, the revised project, and the zoning ordinance maximum development potential. Select plan sheets are included in Attachment C for reference and a link to the study session staff report is included in Attachment D.

**Table 1: Comparison of previously proposed project, revised project and zoning ordinance maximum**

Project component land use	Project for May 7, City Council study session	Proposed project resubmitted June 6	Zoning ordinance maximum development potential*
Dwelling units	1,500 units (225 BMR units)***	1,735 units (261 BMR units)***	1,861 units (280 BMR units)
Residential GFA	1,462,713 s.f.	1,462,713 s.f.	1,823,560 s.f.
Commercial retail GFA (Non-office square footage)	175,000 s.f. (up to 200,000 s.f.)	175,000 s.f. (up to 200,000 s.f.)	398,425 s.f.
Community center	10,000 s.f.	10,000 s.f.	Included in non-office GFA
Office GFA	1,750,000 s.f.	1,750,000 s.f.	1,783,800 s.f.
Hotel rooms	200- 250 rooms	200-250 rooms	n/a
Hotel GFA	140,000 s.f.- 175,000 s.f.	140,000 s.f.- 175,000 s.f.	369,552 s.f.

\* The zoning ordinance maximum development potential is based on preliminary site area information and the updated right of way (ROW) dedication square footage provided by the applicant and may be updated through staff’s verification of the required amount of ROW dedication.

\*\*The proposed land uses may change based on the updated maximum development potential calculations.

\*\*\* The calculation of the number of BMR units is based on the City’s 15 percent inclusionary requirement and the number of BMR units could increase if the commercial linkage fee component is converted into units on-site.

The proposed site plan would continue to include approximately 26.7 acres of landscaping and open space, of which approximately 10 acres would be publicly accessible, and new bicycle, pedestrian and vehicle infrastructure. In addition to the open space distributed throughout the project site, the proposal would include a 4-acre publicly accessible park at the southwestern corner of the project site, along with a town square plaza, and dog park. The proposed site circulation includes a proposed access point from O’Brien Drive, along with additional site access from Willow Road.

**Analysis**

The proposed project is considered a project under the California Environmental Quality Act (CEQA) and requires an EIR that will examine the potential environmental effects of the proposed project and mitigations. Although the project level EIR will examine all impacts of the proposed project, where appropriate, this project level EIR will tier from the ConnectMenlo program level EIR, incorporating relevant mitigation measures previously identified through ConnectMenlo. To enable the environmental analysis to move forward efficiently and allow for ICF’s participation in working sessions with the City, in January 2018 the city manager authorized ICF to prepare the first phase of the environmental review for \$49,965, which was within the city manager’s authorization limit for individual purchase orders.

Limited work on the environmental analysis has been undertaken since the City Council study session in March 2018, as the applicant team was making refinements to the proposed project. An amendment of \$17,600 to the Phase 1 scope of work was submitted by ICF and its sub-consultant to conduct additional data gathering for the transportation analysis that needed to be completed before the Memorial Day holiday weekend. That amendment was reviewed and authorized by the city manager following the May 7 study session, and the total amount for phase 1 (with Amendment 1) is \$67,565, which is within the total maximum amount of the city manager’s signing authority.

Therefore, the attached proposed amendment to the scope and budget for the project level EIR is for Phase



2 (Amendment 2) of the environmental review for the proposed project. The total budget for ICF, including Phases 1 and 2, would be \$1,060,025, per the proposed scope and budget in Attachment A.

The proposed scope and budget for the project level EIR have been structured so the EIR would comply with the current CEQA guidelines and the terms of the settlement agreement between the City of Menlo Park and the City of East Palo Alto regarding the program level EIR for ConnectMenlo. Due to the scale of the proposed project, the project level EIR would study a number of additional CEQA topic areas beyond the minimum topics required through the settlement agreement with East Palo Alto. It is anticipated that the project level EIR would study all CEQA Topic Areas except Agricultural and Forestry Resources, Mineral Resources and Wildfire.

#### Housing analysis

As part of the project level analysis, the City will prepare a project specific housing needs assessment (HNA) for the project. The attached scope includes a placeholder for the scope and budget for the HNA, as City staff is still evaluating potential consultants for the HNA. Once a consultant is selected by the City, ICF will adjust its scope and budget accordingly and submit a scope and budget amendment to the City (Amendment 3.) Staff is requesting the City Council authorize the city manager to review and authorize a future budget amendment for the HNA and associated housing related analyses required by the settlement agreement.

#### Transportation impact analysis

The project level transportation impact analysis (TIA) was previously anticipated to use level of service (LOS) as the threshold of significance for potential transportation impacts that could result from the project. LOS is currently the threshold of significance for potential impacts under CEQA (until July 1, 2020) as identified in the City's general plan circulation element and transportation impact analysis guidelines. For Draft EIRs that will be released after July 1, 2020, transportation impacts on the environment will be required to be analyzed based on vehicle miles traveled (VMT), as the threshold of significance, per the requirements of Senate Bill 743 and the Governor's Office of Planning and Research which sets California Environmental Quality Act guidelines.

Since the environmental analysis is in the early stages and the transportation impact analysis cannot begin until after Labor Day (due to the need to acquire additional data after the start of the school year), staff believes that the Draft EIR would likely be released after July 1, 2020. The project analysis was previously anticipated to evaluate impacts using LOS and would disclose VMT for informational purposes; however, it is now anticipated that the project's potential impacts will be evaluated using VMT as the threshold of significance and disclose LOS to identify project consistency with the General Plan Circulation Element. As such, the scope has been structured to identify that the analysis will use the appropriate impact threshold based on the current CEQA Guidelines in effect at the time of the analysis. The transportation analysis will use the data in the City's Circulation System Assessment (CSA) and the City's travel demand model developed in 2016 for the project.

The City's Transportation Division will need to initiate an update to the City's TIA Guidelines to include VMT and updates to the CSA to be compliant with CEQA in 2019 to allow for this analysis and other project level environmental analyses to move forward in compliance with the upcoming CEQA requirements as a result of SB 743. Staff expects to schedule a City Council study session to provide background information on this topic and allow the City Council to provide general direction before preparing a draft update of the TIA guidelines for City Council consideration and approval.

To meet the schedule of this project and to comply with SB 743 requirements, staff anticipates the updated TIA guidelines would need to be approved by the City Council before the end of 2019. It is therefore

critically important to maintain the schedule of the transportation impact fee program update, currently anticipated to be considered by the City Council in September and October 2019, so that updated fees are in place before transitioning to VMT. Other work priorities may need to be modified in order to meet this timeline.

### Project variants

Staff has worked with ICF and the project sponsor to outline a number of project variants that should be studied in the project level EIR to ensure the EIR maintains flexibility for modifications to be made to the project during the environmental analysis and entitlement review phases of the proposed project. Project variants are different from project alternatives and the project level EIR would continue to analyze project alternatives, consistent with the current CEQA guidelines. The following list identifies the proposed variants to be studied in the project level EIR.

#### *Multiple housing unit scenarios*

A maximum of approximately 1,861 dwelling units could be constructed at the project site. The resubmitted project has been revised to include a maximum of 1,735 dwelling units as part of the proposed project, an increase of 235 units from the previous submittal. However, to ensure that the EIR studies and analyzes multiple scenarios to allow for flexibility for decision makers, the applicant has requested including the following variants:

- Increased housing unit scenario (estimated at up to approximately 2,000 units)
- Decreased housing unit scenario (estimated at no less than 1,500 units)

The increased housing unit scenario would be further identified through the process, but the estimate of 2,000 units is generally anticipated to be the approximate maximum number of units that could be developed at the site using the City or State BMR density bonus allowances. In addition, staff believes that studying approximately 1,500 housing units, as a decreased housing unit project variant would be appropriate since that is consistent with the initial proposal and the requirements of the Facebook Campus Expansion Development Agreement to submit plans for a minimum of 1,500 units at the Prologis (Willow Village) site if ConnectMenlo was adopted.

The exact parameters of the increased and reduced housing scenarios will be determined through the EIR scoping process, which allows for input from other government agencies, members of the public, and the Planning Commission on topics to be analyzed in the EIR, such as the variants. The upper limit of approximately 2,000 units and the lower limit of approximately 1,500 units should be considered general approximations at this time to provide a general framework as part of the proposed scope and budget for the EIR.

#### *Hamilton Avenue realignment*

Hamilton Avenue could be realigned at the intersection with Willow Road. ICF would consider the environmental impacts associated with the construction of the realignment. In addition, as a result of the realignment, an existing gas station would need to be relocated to the north of the realigned street. ICF would analyze the environmental impacts associated with demolition and construction of a gas station.

#### *Willow Road/Dumbarton Rail Corridor crossing*

A grade-separated crossing is proposed for bicycles, pedestrians and Facebook trams. It is currently unknown whether this proposed crossing would be above or below grade. The EIR will analyze one of the options as part of the Project, while the other option will be analyzed in the Variants chapter.

#### *Recycled water*

The potential on-site system will be analyzed as part of the Project, while the system as a public utility

would be analyzed in the Variants chapter.

### *Others*

Other potential variants could include different programming for the proposed park and community amenities, as determined through the community engagement process.

### Next steps

Following authorization of the contract for ICF to conduct the environmental review, ICF will prepare a notice of preparation (NOP) for the EIR, which will identify the topic areas to be studied in the project level EIR. The release of the NOP is tentatively scheduled for summer 2019 with a 30-day comment period on the scope of the EIR. An EIR scoping session with the Planning Commission has not been determined yet but would likely be scheduled for one of the September Planning Commission meetings.

City staff is evaluating additional outreach options for the notice of preparation and EIR scoping period to allow for increased public participation in the EIR scoping process, which could include an expanded mailed noticing radius, city website and project page posting, the City's weekly digest, and informational item to the City Council on the schedule of the NOP and EIR scoping session. 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 ICF 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 EIR will be prepared for the proposed project. The EIR will, to the extent applicable, utilize the program level EIR prepared for the ConnectMenlo general plan and zoning ordinance update.

### **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 ICF Jones & Stokes
- B. Location map
- C. Project plans (select Sheets from June 6, 2019, resubmittal)
- D. Hyperlink – City Council May 7, 2019, study session staff report:  
<https://menlopark.org/DocumentCenter/View/21443/SS1-20190507-Willow-Village-CC>

Staff Report #: 19-145-CC

Report prepared by:  
Kyle Perata, Principal Planner

Report reviewed by:  
Deanna Chow, Assistant Community Development Director  
Mark Muenzer, Community Development Director





July 2, 2019

Kyle Perata, Acting Principal Planner  
City of Menlo Park Community Development Department  
701 Laurel Street  
Menlo Park, CA 94025

**SUBJECT: Proposal to Prepare an Environmental Impact Report for the Willow Village Master Plan Project – Phase II/Budget Amendment 2**

Dear Mr. Perata:

ICF Jones & Stokes, Inc. ("ICF") is pleased to present this scope and budget to prepare Phase II of an Environmental Impact Report (EIR) for the proposed Willow Village Master Plan Project (hereafter referred to as the Project). ICF submitted a Scope of Work (scope) for Phase I of the Project EIR in December 2017. With Budget Amendment 1 (approved May 2019), the current approved budget for the EIR is \$67,565.

This scope and budget (\$992,460) focuses on Phase II of the EIR, which includes the completion of the Notice of Preparation, Draft EIR, and Final EIR. In addition, this Phase II scope and budget includes tasks for the transportation subconsultants Hexagon (Attachment A) and the Fiscal Impact Analysis subconsultant BAE (Attachment B). Including Budget Amendment 1 and 2, the total budget for the EIR would be \$1,060,025.

This proposal is valid for a period of 90 days, at which time ICF reserves the right to revise the contents or extend the validity date, if needed. ICF shall provide services, as outlined in the attachment, under the terms and conditions of its existing agreement number 2251 with the City dated January 26, 2018. If you have any questions regarding this proposal, please contact Kirsten Chapman at 415.537.1702 or [kirsten.chapman@icf.com](mailto:kirsten.chapman@icf.com). We look forward to working with you on this project.

Sincerely,

A handwritten signature in blue ink that reads "Jodi Young". The signature is written in a cursive, flowing style.

Jodi Young  
Contracts Manager

Attachments

- A. Hexagon Scope of Work
- B. BAE Urban Scope of Work
- C. Budget – Phase II

## A. Project Understanding and General Approach

ICF has reviewed the information provided by the City and Peninsula Innovation Partners, LLC and Signature Development Group, on behalf of Facebook, Inc. (Project Sponsor). Based on our review of project materials and experience with similar projects, we understand that an EIR is needed.

### Project Understanding

The Project involves the redevelopment of the existing Menlo Park Science and Technology Park. The Project would demolish existing onsite buildings and landscaping and construct new buildings within a Town Square District, a Residential/Shopping District, and a Campus District. The Project would result in a net increase of approximately 1 million square feet (sf) of nonresidential uses (office space and non-office commercial/retail), for a total of approximately 2 million sf of nonresidential uses at the Project site. In addition, the Project would include housing units, a limited-service hotel, a community center, and open space. (The square footage of the hotel, community center, and park buildings are in addition to the increase of 1 million square feet of nonresidential square footage.) The Project site would be bisected by the north-south Main Street, which would provide access to all three districts. The Project site would also include a circulation network for vehicles, bicycles, and pedestrians with approximately 4.6 acres of public rights-of-way and 1.4 acres of private streets, generally aligned in an east-to-west and a north-to-south grid.

The Residential/Shopping District would be located in the southwestern portion of the Project Site, while the Town Square District would be located in the northwestern portion of the Project Site. Together, these two districts would include: approximately 1,735 residential units; a maximum of 200,000 sf of nonresidential/retail uses (including a grocery store, pharmacy, and restaurant); a hotel with 200-250 rooms and food services; and an approximately 10,000 sf indoor community center adjacent to a 4-acre public park. In addition, a 0.5-acre Town Square and 0.3-acre dog park would be accessible to the public.

The 37-acre Campus District, located in the eastern portion of the Project site, would include approximately 1.75 million sf of office uses and employee-serving amenity space, along with two above-ground parking structures with approximately 3,000 parking spaces. Both parking structures would include a ground-level Transit Center for commuter shuttles and campus trams. Open spaces would include a chain of publicly-accessible urban spaces and gardens along Main Street, a landscaped area off of O'Brien Street, and various secure, interior open spaces for the Campus District users.

The Willow Village Master Plan was designed to implement the guiding principles and policies adopted as part of ConnectMenlo such as including new affordable and market-rate housing units for local workers, opportunities for future transit connections, and construction of a grocery store. The Project is meant to align with ConnectMenlo's development and zoning standards and is consistent with ConnectMenlo's density and height limits for bonus development. The Project would develop an area that is transit-ready, with new infrastructure, housing, sustainability features, circulation, open spaces, office and mixed-uses, and pedestrian boulevards. New housing and community-serving retail would include a collection of



varied-scale public spaces, restaurants, and public gathering spaces. The Project would seek to develop using the bonus level allowance of the Zoning Ordinance and as such, would incorporate community amenities selected from the adopted Community Amenities List, consistent with the Zoning Ordinance requirements. As appropriate, this analysis would assess the possible environmental effects of the physical community amenities, provided as part of the Project.

## **General Approach**

ConnectMenlo, which updated the City's General Plan Land Use and Circulation Elements and the Zoning in the M-2 (Bayfront) Area, was approved on November 29, 2016. This serves as the City's comprehensive and long-range guide to land use and infrastructure development. Because of the long-term planning horizon of ConnectMenlo, the ConnectMenlo EIR was prepared as a program EIR, pursuant to Section 15168 of the CEQA Guidelines. Once a program EIR has been certified, subsequent activities within the program must be evaluated to determine whether additional CEQA review needs to be prepared. However, if the program EIR addresses the program's effects as specifically and comprehensively as possible, subsequent activities could be found to be within the program EIR scope, and additional environmental review would not be required (CEQA Guidelines Section 15168[c]). When a program EIR is relied on for a subsequent activity, the lead agency must incorporate feasible mitigation measures and alternatives developed in the program EIR into the subsequent activities (CEQA Guidelines Section 15168[c][3]). If a subsequent activity would have potentially significant environmental effects that are not within the scope of a program EIR, the lead agency must prepare an Initial Study leading to a Negative Declaration, a Mitigated Negative Declaration, or an EIR. The ConnectMenlo Program EIR will serve as the first-tier environmental analysis for the CEQA evaluation of the Project.

ConnectMenlo analyzed an increase in net new development in the Bayfront Area of up to 2.3 million square feet of non-residential uses, up to 4,500 residential units, and up to 400 hotel rooms, and up to 5,500 new employees. As mentioned above, the Project includes a net of approximately 750,000 sf of office uses, 200,000 sf of retail, a 10,000 sf indoor community center, approximately 1,735 residential units, and up to 250 hotel rooms, and approximately 9,500 employees. In total, the Project would include a net increase of approximately 1.04 million sf of non-residential uses (not including the hotel gross square footage), which is within the buildout projections of ConnectMenlo and within the parameters of what was analyzed in the ConnectMenlo EIR. However, it is anticipated that the Project would result in more employees than what was analyzed in the ConnectMenlo EIR. In addition, the Project will be implemented through a Master Plan, the specifics of which were unknown during the preparation of ConnectMenlo.

Due to the General Plan Amendments required to implement the Project, the Settlement Agreement with East Palo Alto (discussed further below), the Master Plan across zoning districts, and the potential increase in on-site employees over what was assumed in the ConnectMenlo EIR, a full EIR is proposed to analyze the Project. The EIR will tier from and utilize the ConnectMenlo program EIR where appropriate.



On December 5, 2017, the City Council approved the proposed Settlement Agreement between the City of Menlo Park and the City of East Palo Alto to fully and finally resolve the litigation initiated by East Palo Alto regarding the environmental review for ConnectMenlo. The Settlement Agreement will serve to inform the scope of the analysis for several topics in the EIR and provide guidance on the requirements for the Project's Housing Needs Assessment (HNA), which will be included as part of the EIR scope at a later date.

## **B. Scope of Work – Phase II**

The Phase I scope of work was approved in January 2018 and included the following tasks: Project Initiation (Task 1), EIR Project Description (Task 2), EIR Scope Definition (Task 3), and Project Management and Meetings (Task 4). The following tasks were conducted by ICF from January to April 2018, prior to the Project going on hold: attendance at team kick-off meeting; review of all project materials; preparation of several iterations of the data needs lists; preparation of the first draft of the Project Description; review of City/applicant comments on the Project Description and preliminary edits; preparation of the first draft of the Notice of Preparation; ongoing conversations about the transportation scope; and scoping, contracting, and coordination with the transportation subconsultants. Some of the work that was generated during this time period can be applied; however, due to the change in site plans and the year-long hold on the Project, many of the tasks need to be revisited and revised.

Therefore, below scope of work for the EIR includes Tasks 1 through 4 (as amendments to the tasks in the Phase I scope of work), and additional tasks through the certification of the EIR.

### **Task 1. Project Initiation**

Project Initiation will continue by discussing key issues, reviewing completed environmental documents, reviewing revised Project materials, attending a site visit, and continuing to refine the schedule for completion of individual tasks. In addition, ICF will work with the City and Project Sponsor on the data needs list by obtaining the necessary information to conduct the EIR analysis. This task assumes that an in-person "re-kick-off meeting" will occur with City of Menlo Park staff, the Project Sponsor team, and the traffic subconsultant. All other Project Initiation tasks were covered and/or will be covered by the existing Phase I scope of work and budget.

### **Task 2. EIR Project Description**

ICF prepared a draft Project Description and submitted it to the City in February 2018. Comments were received in April 2018. This was included in the Phase I scope of work. However, substantial revisions need to be applied to the Project Description due to the changes in the site plan, pending data needs responses, and changes in existing conditions. Based on discussions with City staff and on the Project Sponsor's application and plans, ICF will update the Project Description. This task assumes that one additional draft of the Project Description will be submitted to the City. Revisions to the Project Description



based on City/Project Sponsor comments, and additional data needs responses from the Project Sponsor, will be included in the submittal of the Administrative Draft EIR (Task 5).

### Task 3. EIR Scope Definition

ICF prepared the first draft of the Notice of Preparation (NOP) in April 2018 under the Phase I scope and budget. However, this draft was not submitted to the City before the Project went on hold. ICF will prepare the revised NOP for City staff review and revise per City/Project Sponsor edits. Our budget assumes that ICF will distribute to the State Clearinghouse and that the City will oversee mailing to other interested parties and public agencies. ICF will attend and be present at one scoping meeting (held as part of a regular Planning Commission meeting) and record comments received during the meeting. The principle objective of this scoping meeting will be to confirm or revise the list of environmental issues and the range of alternatives to be examined in the EIR. At the close of the comment period, ICF will review all comments and consider and address them while preparing the EIR. The hours for the scoping meeting are included in Task 5 of our budget.

#### *Deliverables*

- Electronic copies of draft and revised NOP in MS Word and Adobe PDF format
- Electronic copies of the final NOP in MS Word and Adobe PDF format
- Fifteen hard copies of the final NOP to the State Clearinghouse
- One PowerPoint presentation for scoping meeting.

### Task 4. Project Management and Meetings

The purpose of this task is to continue to effectively manage the below tasks and maintain communication with City staff. ICF project management will be responsible for coordination activities, will maintain QA/QC requirements for document preparation, and will monitor schedule and performance for all EIR work tasks. Project management subtasks also include maintaining internal communications among ICF staff and subconsultants and with City staff and other team members through emails and frequent phone contact, as well as the preparation of all correspondence. The Project Manager will coordinate internal staff, project guidance, and analysis criteria.

The purpose of this task is to attend meetings to accomplish the below tasks. Team members will attend and participate in meetings on an as-needed basis. For purposes of the cost estimates, ICF has assumed ten City staff and/or Project Sponsor face-to-face meetings and 30 phone conference calls. Additional meetings may be appropriate during the course of this effort and will be invoiced on a time-and-materials basis. The estimated cost for additional meetings is included in the discussion of the project budget, below.



## **Task 5. Administrative Draft EIR**

The purpose of this task is to prepare the Administrative Draft EIR. This task will synthesize background information for use in the existing setting, evaluate changes to those baseline conditions resulting from implementation of the Project, identify significant impacts, and identify mitigation measures to reduce potentially significant impacts to a less-than-significant level.

For this task, there will be four principal activities:

- Determine, by individual resource topic, the significance criteria to be used in the analysis.
- Present the analysis at full buildout of the Project.
- Compare the Project against analysis and conclusions in the ConnectMenlo EIR.
- Perform the analysis and make determinations of impact significance.
- Recommend mitigation measures to reduce impacts, if needed.

The ICF team will collect the information necessary to define baseline conditions in the Project area. Based on our understanding of the Project and discussions with City staff, baseline conditions will reflect the conditions at the time of the NOP release, unless as the analysis progresses an adjusted baseline is determined to be appropriate. ICF will also refer to the ConnectMenlo EIR (2016) and the Facebook Expansion Project EIR (2016)/EIR Addendum (2017) for applicable background data and impact areas. In particular, ICF will use the mitigation measures from the ConnectMenlo EIR, as applicable.

For each environmental topic, significance thresholds or criteria will be defined in consultation with the City so that it is clear how the EIR classifies an impact. These criteria will be based on CEQA Guidelines, Appendix G, standards used by the City, and our experience in developing performance standards and planning guidelines to minimize impacts.

The analysis will be based on standard methodologies and techniques and will focus on the net changes anticipated at the Project site. The text will clearly link measures to impacts and indicate their effectiveness (i.e., ability to reduce an impact to a less-than-significant level), identify the responsible agency or party, and distinguish whether measures are proposed as part of the Project, are already being implemented (such as existing regulations), or are to be considered. This approach facilitates preparation of the Mitigation Monitoring and Reporting Program (MMRP) that follows certification of an EIR.

The Administrative Draft EIR will also incorporate the alternatives and other CEQA considerations described in Task 7 (below). It is envisioned that the City's initial review of the document will consider content, accuracy, validity of assumptions, classification of impacts, feasibility of mitigation measures, and alternatives analyses. Because the impacts and mitigations are subject to revision based on staff review of the Administrative Draft EIR, the Executive Summary will be prepared only for the Screencheck Draft. The following task descriptions summarize the data to be collected, impact assessment methodologies to be used, and types of mitigation measures to be considered, by environmental issue.





### *Project Description*

The revised draft of the Project Description was submitted to the City and Project Sponsor as part of Task 2, above. The second draft of the Project Description will be included in the Administrative Draft EIR. This will include revisions to the Project Description based on comments from the City and Project Sponsor on the first draft. ICF will also incorporate the data needs responses from the City and Project Sponsor into this draft of the Project Description.

### *Issues Anticipated to be Less Than Significant*

To streamline the EIR process, ICF will “scope out” some environmental topics that do not require detailed discussion in the EIR. These topics will not be evaluated at the level of detail specified for the issues below, but at a level adequate to fully assess the potential effects. This discussion will be presented in the Impacts Found to be Less Than Significant chapter of the EIR.

Based on our preliminary review, the following environmental topics may be scoped out from detailed analysis in the EIR.

- **Agricultural and Forestry Resources.** ICF will describe existing conditions at the Project site, identify General Plan designation and zoning districts, and indicate lack of agricultural and forestry uses at the Project site.
- **Mineral Resources.** ICF will describe existing conditions at the Project site and identify the mineral resources zone classification for soils at the site. It is anticipated that the site does not contain significant mineral resources.
- **Wildfire.** The Project site is not located in or near state responsibility areas, or in an area classified as very high fire hazard severity zones.

### *Aesthetics*

The ConnectMenlo EIR considers views to the Santa Cruz Mountain Range, views to the Bay, and views of the foothills as scenic vistas. The ConnectMenlo EIR determined that no publically accessible views of scenic resources would be blocked by the increasing height limits. The ConnectMenlo EIR determined that buildout in the area would not impact scenic vistas/resources, would not degrade the existing visual character of the area, and would not introduce a significant source of light and glare. The ConnectMenlo EIR conclusions relate to a wide geographic area; the conclusions in the EIR for the Project are anticipated to be consistent with the ConnectMenlo EIR.

The analysis will consider Project site-specific impacts and impacts as viewed from Willow Road, Bayfront Expressway, and the Bay Trail. Data needs to complete the section include massing studies/visual simulations, landscape plans, lighting plans, and building architectural styles. It is assumed that this information will be provided by the Project Sponsor. ICF will prepare the Aesthetics section of the EIR based on the information provided and will conduct the following tasks:

- Visit the Project site and surroundings to identify and photo-document existing visual character and quality conditions, views to and from the Project site, and other urban design features.



- Peer review the massing studies/visual simulations, landscape plans, lighting plans, and shadow diagrams provided by the Project Sponsor.
- Based on scenic resources and scenic vistas identified in ConnectMenlo and the Project Sponsor’s massing studies, analyze potential adverse aesthetic effects resulting from the Project:
  - The surrounding scenic vista locations that could be affected by the proposed development include the Bay Trail, and the BCDC Public Shoreline Trail.
  - Scenic vistas in the immediate vicinity that could be affected include the tidal mudflats and marshes of the San Francisco Bay and the Santa Cruz Mountain Range.
  - Analyze potential adverse effects on scenic vistas from adjacent uses and other sensitive viewer locations.
- Review existing and proposed General Plan goals, policies, and programs related to visual quality to determine conflicts with any relevant plans and policies.
- Using the visual simulations and field observations, analyze whether the Project would conflict with applicable zoning and other regulations governing scenic quality due to grading, height, bulk, massing, architectural style, building materials, and other site alterations.
- Analyze lighting and glare impacts created by the proposed buildings, focusing on motorists on Bayfront Expressway and residents of the Belle Haven neighborhood.

### *Air Quality*

ICF will compose the Air Quality section of the EIR using the quantitative and qualitative analyses to be provided by Ramboll (the Project Sponsor’s consultant). ICF assumes that the CEQA Technical Analysis Documentation (Task A.14 [Tech Report] in Ramboll’s scope of work) will contain sufficient information to complete the EIR section. ICF will conduct a peer review of the Technical Report to ensure that the data, analyses, and conclusions are valid.

In the setting section of the EIR, ICF will summarize meteorological and climatological data for the Project study area, as well as ambient air quality near the Project. Existing state and federal regulations, as well as the locations of sensitive receptors, will also be described. For the discussion of impacts, the analysis will be comprised of the following components:

- Consistency with the BAAQMD’s 2017 Clean Air Plan
- Construction emissions inventory of criteria air pollutants
- Operational emissions inventory of criteria air pollutants
- Discussion of the health outcomes associated with the project’s construction and operational criteria pollutant emissions.
- Construction health risk assessment based on the project’s toxic air contaminants
- Operational health risk assessment based on the project’s toxic air contaminants
- Localized carbon monoxide impact analysis
- Odor impact analysis
- Cumulative analysis of toxic air contaminants, carbon monoxide, and odor



As described in Ramboll's scope of work, ICF is assuming that each of the components above will be fully analyzed quantitatively or qualitatively, as applicable, with the results presented in the Tech Report. We are also assuming that the results in the Tech Report will include an analysis of the existing uses at the Project site and that the net effect of the Project will be clearly discernable (i.e., Project emissions – existing site emissions = net emissions). Based on the analysis results of the Tech Report, ICF will use the Bay Area Air Quality Management District's (BAAQMD) most recent CEQA Air Quality Guidelines to evaluate project impacts. The ultimate determination of impact significance will be evaluated with respect to the BAAQMD CEQA Guidelines or other relevant agency guidance. In the EIR, we will describe the air quality thresholds used to identify significant impacts based on the BAAQMD's CEQA Guidelines and guidance provided by BAAQMD staff. The methodology write-up used to analyze Project impacts will be a high-level overview in the EIR section, and readers of the EIR will be referred to the detailed discussion of methods in the Tech Report, which will be included as an Appendix to the EIR.

In the event that the impact results of any of the components listed above would lead to significant impacts, ICF will review the mitigation recommended by Ramboll in the Tech Report. As discussed in the Ramboll scope of work, ICF will participate in discussions with Ramboll, the City, and the Project Sponsor as needed to determine appropriate, feasible mitigation. ICF also assumes that any revised analyses and/or results that would be needed for a mitigated analysis will be provided by Ramboll. If Project impacts cannot be mitigated by the recommended mitigation measures, ICF would report this conclusion in the EIR.

In addition to the tasks described above, ICF will also review the work products described in Ramboll's scope of work. We are assuming that Ramboll will submit relevant modeling files to ICF for Quality Assurance (QA) purposes, and that the relevant files will be suitable for an air quality expert to determine the overall modeling procedures. ICF will review the Methodology Documentation and Tech Report prepared by Ramboll and will provide input on these documents as applicable.

### *Biological Resources*

The ConnectMenlo EIR determined that development could have an impact on special status species, sensitive habitats, migratory wildlife, and wetlands. ConnectMenlo Mitigation Measure BIO-1 requires that prior to individual project approval, project applicants shall prepare and submit project-specific baseline biological resources assessments on sites with features such as mature trees or unused structures that could support special-status species. The existing site is developed with buildings and surface parking lots. As such, natural biological resources are likely to be minimal. Nonetheless, the Project site is in close proximity to the Bay and the Don Edwards San Francisco Bay National Wildlife Refuge and could have an indirect impact on special-status species inhabiting these areas. In addition, buildings and trees currently exist on the campus, which could provide habitat for nesting birds and/or roosting bats. Consistent with the requirements in Mitigation Measure BIO-1, ICF's qualified biologists will conduct the following tasks:



- The Project Sponsor has conducted a baseline Biological Assessment. ICF will peer review the Biological Assessment and provide one round of comments in a memorandum. In addition to technical accuracy, ICF will verify whether the Biological Assessment is adequate for CEQA purposes. If necessary, an ICF biologist will visit the site to verify existing conditions. Once final, ICF will incorporate the Biological Assessment in the Setting section of the Biological Resources EIR chapter. It is assumed that the assessment will determine if any sensitive biological resources are present on the Project site and will include review of Menlo Park’s heritage tree ordinance, the California Department of Fish and Wildlife’s Natural Diversity Database (CNDDB), the U.S. Fish and Wildlife Service’s Special-Status Species Online Database, and the California Native Plant Society’s online inventory. ICF will also conduct a site visit to aid in the peer review.
- Based on the Biological Assessment and site visit, ICF will evaluate the Project’s effects on the identified biological resources, and recommend mitigation as warranted. Based on prior experience in the region, and the urban nature of the site, ICF anticipates that the prominent issues for the Project will be limited to nesting migratory birds, roosting bats, and protected trees, per the City of Menlo Park heritage tree ordinance. However, with the proximity of Ravenswood Slough, the Don Edwards San Francisco Bay National Wildlife Refuge, and the associated salt marsh habitat, ICF also will address the possibility that special-status species associated with this habitat could be affected by the Project.
- Per Mitigation Measure BIO-1, if sensitive biological resources are determined to be present, appropriate measures should be included in the Biological Assessment, such as preconstruction surveys, establishing no-disturbance zones during construction, and applying bird-safe building design practices and materials. ICF will incorporate the mitigation measures, as applicable.

### *Greenhouse Gas Emissions*

As discussed above for Air Quality, ICF will compose the Greenhouse Gas Emissions section of the EIR using the quantitative and qualitative analyses to be provided by Ramboll. ICF assumes that the CEQA Technical Analysis Documentation (Task A.14 [Tech Report] of Ramboll’s scope of work) will contain sufficient information to complete the EIR section.

In the setting section of the EIR, ICF will summarize the GHGs of greatest concern, including carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O) that directly and indirectly result from the proposed project. The project setting will describe these pollutants and their relationship to global climate change. ICF will include information on applicable federal, state, and local goals, policies, and regulations adopted to reduce GHG emissions. ICF will use the BAAQMD’s most recent CEQA Air Quality Guidelines to evaluate Project impacts. For the discussion of impacts, the analysis will be comprised of the following components:

- Construction emissions inventory
- Operational emissions inventory
- Greenhouse gas consistency analysis with applicable plans and regulations



As described in Ramboll's scope of work, ICF is assuming that each of the components above will be fully analyzed quantitatively or qualitatively, as applicable, with the results presented in the Tech Report. We are also assuming that the results in the Tech Report will include an analysis of the existing uses at the Project site and that the net effect of the Project will be clearly discernable (i.e. project emissions – existing site emissions = net emissions). As discussed in Ramboll's scope of work, Ramboll will prepare a memorandum that summarizes the available BAAQMD thresholds and presents alternative GHG thresholds that respond to recent court cases and are based on local conditions. ICF will review the memorandum prepared by Ramboll and will evaluate the findings of their memo.

ICF notes that the BAAQMD's current CEQA Guidelines that include operational GHG thresholds for land use development and stationary source projects are tailored to the state's 2020 GHG reduction goal, and therefore may not be appropriate to evaluate project-level emissions generated after 2020. BAAQMD is currently working on an update to their CEQA Guidelines, which is expected to include GHG thresholds to project-level GHG emissions relative to the state's post-2020 GHG reduction targets. Because the regulatory environment for GHG emissions is evolving, the significant threshold(s) for evaluating the operational GHG impacts for the Project will be finalized at the time of analysis preparation. The ultimate threshold(s) will be selected in coordination with BAAQMD, the City, and Ramboll, and consider all applicable case law and air district and expert agency guidance. ICF will use the GHG threshold(s) to evaluate the Project's significance based on the considerations above, which may or may not be consistent with the findings of Ramboll's memorandum.

ICF expects that because the decision on the appropriate GHG threshold to be used will be developed in concert with the Project Sponsor, City, and Ramboll, all parties will ultimately be in agreement on the appropriate approach. ICF will also review the consistency table to be provided by Ramboll that outlines the Project's consistency with applicable regulations, plans, policies, etc. ICF will provide feedback on this consistency on this analysis as applicable.

The methodology write-up used to analyze Project impacts will be a high-level overview in the EIR section, and readers of the EIR will be referred to the detailed discussion of methods in the Tech Report, which will be included as an Appendix to the EIR.

In the event that the impact results of any of the components listed above would lead to significant impacts, ICF will review the mitigation recommended by Ramboll in the Tech Report. As discussed in the Ramboll scope of work, ICF will participate in discussions with Ramboll, the City, and the Project Sponsor as needed to determine appropriate mitigation. ICF also assumes that any revised analyses and/or results that would be needed for a mitigated analysis will be provided by Ramboll. If Project impacts cannot be mitigated by the recommended mitigation measures, ICF would report this conclusion in the EIR.

In addition to the tasks described above, ICF will also review the work products described in Ramboll's scope of work. We are assuming that Ramboll will submit relevant modeling files to ICF for Quality



Assurance (QA) purposes, and that the relevant files will be suitable for an air quality expert to determine the overall modeling procedures. ICF will review the Methodology Documentation and Tech Report prepared by Ramboll and will provide input on these documents as applicable.

### *Cultural and Tribal Resources*

ICF will prepare the Cultural Resources section of the EIR and will conduct the following tasks:

- Where applicable, ICF will use information presented in the ConnectMenlo EIR in the Cultural Resources analysis.
- It is ICF's understanding that an Archeology Report is being prepared by the Project Sponsor. Therefore, ICF's senior archaeologist will peer review the archaeological technical report prepared for the Project to assess whether there are any substantive data gaps or items that require additional clarification as well as assess the report for CEQA adequacy. ICF will provide comments in the form of a memorandum, and participate in up to two one-hour teleconference calls to discuss the technical report with the client and/or their archaeological consultant. ICF will also conduct a site visit to aid in the peer review. Once the Archeology Report is considered final, ICF will incorporate it into the EIR and include mitigation measures, as applicable.
- This scope of work assumes that the Archeology Report conducted by the Project Sponsor will include an updated records search at the Northwest Information Center (NWIC). As needed, ICF can conduct records searches and archival research, if not included in the Archeology Report, to identify any previously documented cultural resources and cultural resources studies that have previously occurred within the vicinity of the Project site. ICF will review historic maps, ethnographic literature, and any related documents on-file with the City.
- The Project would demolish all 21 buildings at the Project site, which includes a mix of office, research and development (R&D), and warehousing uses. Of these, five buildings are 45 years or older. Per ConnectMenlo Mitigation Measure CULT-1 and best practices for built environment resource evaluation, ICF will prepare State of California, Department of Parks and Recreation (DPR) 523 Form A and B forms for the five properties that are 45 years or older. The DPR forms will document the eligibility of the properties under California Register of Historical Resources (CRHR) and the National Register of Historic Places (NRHP) criteria. Each DPR form set will include a detailed description of the respective property, construction history, sketch map, historic context, and an evaluation of the property for listing under CRHR/NRHP criteria. Archival research and pedestrian survey will inform the documentation of current conditions of the properties and the significance evaluations in the DPR forms. This scope assumes that the buildings will be found to not be historic resources. If it is determined that these buildings are historic resources, then a revised scope of work and budget amendment will be needed to complete the work.
- ICF will contact the California Native American Heritage Commission and interested Native American Representatives to help identify any locations of concern to the local Native American community. The results of this review will be integrated into the EIR. If requested by the City, ICF





will assist with the City's outreach to Native Americans in accordance with the project's AB-52 and SB-18 obligations. Assistance will include writing correspondence on behalf of the city, tracking and compiling correspondence, and identifying critical path items that arise as a result of the correspondence, including consultation. The results of this correspondence will be integrated into the project's EIR and ICF will analyze whether the Project would cause a substantial adverse change in the significance of a tribal resource

- Pursuant to ConnectMenlo Mitigation Measure CULT-1, the Cultural Resources section of the EIR will summarize the historic context of the Project site, methods employed in the documentation and evaluation of built environment resources, and CRHR evaluations documented in the DPR form sets. If it is determined that any building within the Project site is a historical resource, ICF will prepare a scope amendment to incorporate appropriate mitigation measures in the EIR.

### *Energy Resources*

ICF will use the quantitative energy values for building energy (electricity and natural gas) and transportation fuel (construction and operational equipment/vehicles) provided by Ramboll, as part of their air quality and greenhouse gas analyses. ICF will make a determination as to whether the Project would result in the inefficient, wasteful, or unnecessary consumption of energy pursuant to Appendix G of the CEQA Guidelines. ICF will also evaluate whether the Project would conflict with or obstruct a state or local plan for renewable energy or energy efficiency. The review of Ramboll's energy resources calculations is included in the Air Quality and Greenhouse Gas scopes, above.

### *Geology/Soils*

The ConnectMenlo EIR found impacts related to geology and soils to be less than significant. ICF will use the discussion and findings in the ConnectMenlo EIR, but supplement the analysis with site-specific information. Based on the ConnectMenlo EIR technical information received for the Project site, ICF will prepare the Geology/Soils section of the EIR and will conduct the following tasks:

- Obtain the Geotechnical Report from the Project Sponsor and review.
- Evaluate the geohazard risks from development at the Project site, using the Geotechnical Report, available geologic and/or soils maps, published literature, and other information, reports, and/or plans. The main issue that will be analyzed is the seismic and geotechnical safety of the proposed buildings.
- Assess potential geohazard impacts of the Project in light of existing regulations and policies that would serve to minimize potential impacts. Pertinent regulatory requirements, as outlined in ConnectMenlo, will be identified so that the nexus between regulations and minimized impacts is apparent. In general, construction of development similar to the Project has little or no effect on the geology of an area, but is still subject to seismic ground shaking and local soil conditions, including ground oscillation and long-term and differential settlement.



- ICF will also consider impacts on paleontological resources and human remains. Standard mitigation measures, as outlined in the ConnectMenlo EIR, will be identified.

### *Hazards and Hazardous Materials*

This scope assumes that a Phase I Environmental Site Assessment (ESA) will be provided to ICF. Based on the information in the Phase I ESA, ICF will conduct the following tasks:

- Describe applicable federal, state, and local regulations and how these regulations apply to the Project and reduce the potential for impact. Information in the ConnectMenlo EIR will be used, as appropriate.
- Identify potential exposure to hazardous materials or waste during construction activities and during long-term operation at the Project site. Demolition of the existing structures could potentially result in the release of hazardous materials (asbestos or lead-based paint). ICF will consider this in the analysis.
- Evaluate potential public health risks at the site from groundwater and soil contamination from prior land uses. In addition, the analysis will focus on any potentially poor hazardous materials “housekeeping” practices at the site or from nearby uses. This information will be augmented by the Phase I ESA. The Project site is not listed as a hazardous materials site. However, according to the ConnectMenlo EIR, an open hazardous materials site listed on EnviroStor is located at 990 O’Brien Drive, to the south of the Project site. In addition, in 2017, a site at 1010 O’Brien Drive, also to the south of the Project site, was listed as an open cleanup program site on GeoTracker. ICF will consider this in the analysis.
- Include a discussion of the potential hazardous materials that could be used during the operation of the Project and any potential releases of these materials.
- Include a discussion of the potential public health risk from exposure to hazardous building components in the structures to be demolished at the Project site (e.g., asbestos, PCBs, etc.). Our scope does not assume the preparation of a quantitative health risk from hazards and hazardous materials.
- As needed, the Project will be required to comply with ConnectMenlo Mitigation Measure HAZ-4a and HAZ-4b which require a project-specific Environmental Site Management Plan and a vapor intrusion assessment, respectively. As necessary, compliance with these mitigation measures will be described in the EIR.
- Consider how the Project could interfere with an adopted emergency response plan and/or the airport land use plan for the Palo Alto Airport.

### *Hydrology/Water Quality*

Based on technical information received from the Project Sponsor (such as a hydrology/drainage report), ICF will prepare the Hydrology/Water Quality section of the EIR and will conduct the following tasks:

- Describe the existing regulatory environment at the local, state, and federal levels, including, but not limited to, the Construction General Permit, Municipal Regional Permit for stormwater



discharges (including how the project relates to C.3 requirements), the City of Menlo Park Municipal Code, and the California Building Code. ICF will incorporate information from ConnectMenlo, as applicable. These regulations require specific measures for reducing potential impacts on hydrology and water quality as well as from flooding.

- Assess potential Project hydrology and water quality impacts in light of existing regulations and policies that would serve to minimize potential impacts. Pertinent regulatory requirements will be explicitly identified so that the nexus between regulations and minimized impacts is apparent.
- Per ConnectMenlo EIR, each new development project is required, as part of the CEQA process, to demonstrate that stormwater runoff from the site would not result in an increase from pre-development flows. ICF will discuss compliance with these requirements.
- Discuss sea level rise and evaluate future flooding scenarios.

### *Land Use*

Land use and planning analysis generally considers division of an established community and consistency of a proposed project with relevant local land use policies that have been adopted with the intent to mitigate or avoid an environmental effect. With respect to land use conflicts, the magnitude of these impacts depends on how a proposed project affects the existing development pattern, development intensity, traffic circulation, noise, and visual setting in the immediately surrounding area, which are generally discussed in the respective sections. However, per the ConnectMenlo EIR (Mitigation Measure LU-2), all proposed development is required to demonstrate consistency with the applicable goals, policies, and programs in the General Plan and supporting zoning standards. Therefore, ICF will conduct the following tasks:

- The ConnectMenlo EIR considered the compatibility of the proposed land uses and zoning with current onsite and offsite development. The EIR will reiterate the findings of the ConnectMenlo EIR; it is not anticipated that further land use compatibility discussion will be needed.
- Tiering from the discussion in the Impact LU-1 in the ConnectMenlo EIR, describe the Project's potential to divide an established community highlighting any site-specific features that were not already considered in the ConnectMenlo analysis.
- For applicable plans other than the General Plan and zoning standards, a policy consistency analysis (only for policy conflicts that could result in environmental impacts) will be conducted and will focus only on those Project features that differ from what was considered in the ConnectMenlo EIR since that analysis did a comprehensive policy consistency analysis. The EIR will, however, evaluate the Project against relevant General Plan (including ConnectMenlo) policies and supporting zoning standards, in accordance with Mitigation Measure LU-2.

### *Noise*

ICF will prepare a noise and vibration impact analysis that employs standard noise and vibration modeling techniques consistent with the requirements of the City of Menlo Park General Plan Noise Element and



noise section of the City's municipal code. As appropriate, data and analyses from the General Plan Update effort as well as the ConnectMenlo EIR can be used to complete this chapter of the EIR.

Primary noise sources in the Project vicinity include local and regional roadway traffic on nearby roads, including Bayfront Expressway and Willow Road. Noise-sensitive receptors in the Project vicinity include residential uses located directly across Willow Road to the west of the Project site. Other sensitive receptors could be identified during the screening process. Due to the development intensity at the Project site, the Project would be expected to result in greater noise levels compared to existing conditions.

The discussion of construction noise and vibration impacts will rely on the analysis in the ConnectMenlo EIR, and will include applicable mitigation measures from that EIR that would be required for the Project. Therefore, construction noise (ConnectMenlo Mitigation Measure NOISE-1c), construction vibration (ConnectMenlo Mitigation Measure NOISE-2a), and potential noise impacts to future on-site land uses (ConnectMenlo Mitigation Measures NOISE-1a and NOISE-1b) will be mitigated through the application of relevant mitigation measures. If desired by the City, ICF can prepare the specific vibration analysis required by Mitigation Measures NOISE-2a and NOISE-2b and/or the acoustical study for future on-site uses required by Mitigation Measure NOISE-1a during the CEQA process for integration into the EIR. If desired, our scope and budget will be modified accordingly.

ICF will address the following key noise issues:

- Exposure of existing noise sensitive land uses to Project-related changes in traffic noise. Although the Project was considered in the ConnectMenlo EIR, the access points for vehicles have changed. In addition, the Project was not analyzed in the ConnectMenlo EIR at the Project level (only cumulative traffic noise impacts of all expected future projects were discussed). As a result, traffic noise for roadway segments in the Project vicinity will need to be analyzed based on new Project-specific traffic numbers.
- Exposure of existing noise sensitive land uses to operational noise from the Project site (mechanical equipment, parking lots, loading docks, etc.).

Although one noise measurement for the ConnectMenlo EIR is located adjacent to the Project site, additional noise measurements would help to characterize the existing noise environment in the Project area for a proposed development of this size. Existing noise levels in the Project area will be characterized based on noise monitoring to be conducted at selected locations and traffic noise modeling, as follows:

- It is anticipated that short-term (15 minutes or less) noise monitoring will be conducted at up to two locations in the Project area. Continuous long-term monitoring (24 hours or more) will be conducted at up to two locations in the Project area.
- Existing traffic noise conditions in the Project area will be modeled using the FHWA Traffic Noise Model (TNM) version 2.5 and traffic data to be provided by the Project traffic engineer.



Traffic noise will be evaluated under the conditions analyzed in the Transportation section, which should include: Existing, Near Term Conditions, Near Term + Project Conditions, and Cumulative with and without the Project. Traffic noise along as many as 10 roadway segments will be modeled. The significance of traffic noise impacts will be evaluated using significance thresholds established based on applicable City noise standards. Where significant impacts are identified, mitigation measures to reduce impacts will be identified.

Impacts on adjacent uses from noise generated by facility operation including a possible on-site co-generation plant, loading docks, parking lots, and mechanical equipment will be evaluated using standard acoustical modeling methods and operational data provided by the Project Sponsor. The significance of noise impacts will be evaluated using the significance thresholds. Where significant impacts are identified, mitigation measures to reduce impacts, as feasible, will be identified.

### *Population/Housing*

Due to the Settlement Agreement with East Palo Alto, the increase in the number of employees anticipated at the site from the ConnectMenlo EIR, and the public interest in this topic, ICF proposes to do a full analysis of potential impacts to population and housing. The Project would include office, retail, and hotel uses, which would generate new employees at the Project site. In addition, the Project would include approximately 1,735 housing units, directly increasing the population in the City consistent with growth planned in Connect Menlo. ICF will analyze the impact of the increase in employees and residents. The Population and Housing chapter of the EIR will examine the Project's effect on population and housing in the City, and to a lesser extent, the region. This analysis will focus on the increase in population and the secondary effects associated with housing needed to accommodate the increased employment that would result from the Project. ICF, with assistance from an HNA subconsultant, will undertake the following tasks:

- ICF will obtain additional information from the Project Sponsor, including the number of existing employees at the Project site and the assumptions for how many employees could also live at the proposed housing, if available.
- A Housing Needs Assessment (HNA) will be prepared by a subconsultant, which will be selected at a later date. Once the subconsultant is selected, a budget amendment will be required to include this task as part of the EIR. ICF will work closely with the subconsultant throughout the process and will peer review the HNA and incorporate the findings into the analysis.
- Discuss the housing effect resulting from the Project in the context with the Association of Bay Area Governments (ABAG) regional household forecasts and fair share housing allocations.
- ICF will evaluate the direct population impacts from the proposed housing at the Project site.
- Similar to other job intensive projects, the EIR will examine the secondary housing demands based on future residential patterns for Project employees.
- One of the key terms of the Settlement Agreement between the City of Menlo Park and the City of East Palo Alto is that an HNA will be prepared when the preparation of an EIR is required. As



required by the Settlement Agreement, the HNA prepared for the Project will include an analysis of the multiplier effect for indirect and induced employment to the extent possible.

### *Public Services and Recreation*

It is ICF's understanding that the population increases associated with the Project site as assumed in the ConnectMenlo EIR may be less than what is now anticipated. Thus, ICF proposes to not tier from the ConnectMenlo EIR and conduct a full analysis for the impacts to public services and utilities since the magnitude of impacts could be greater than what was previously disclosed. Based on information received from various service providers, ICF will prepare the Public Services section of the EIR. BAE will conduct an FIA (Attachment B) and ICF will coordinate the FIA findings with the Public Services section to ensure that we are efficient in our requests for information from the public service providers. As appropriate, ICF will utilize existing data gathered as part of the ConnectMenlo EIR. ICF will conduct the following tasks:

- As necessary, send public service questionnaires to the City's police department, community services department, library, fire district, and the school district to determine current service levels and capacity to serve increased demand. For efficiency, ICF will coordinate these questionnaires with BAE.
- Estimate Project-generated demand for public services based on existing operational standards obtained from the service providers. Other measures of demand will also be considered, such as the projected increase in the calls for service and the projected demand of recreational facilities and library services. ICF will consider the direct impacts from the residents living at the Project site and the secondary effects of adding to the residential population due to employment growth.
- In accordance with CEQA, evaluate the extent to which Project demands would trigger the need for new public facilities whose construction might result in physical environmental effects.

### *Transportation*

The scope of work for the Transportation analysis is included as Attachment A (Hexagon). Note that the appropriate standards for the transportation analysis will be identified at a later time, based on the legal requirements.

### *Utilities/Service Systems*

As appropriate, the ConnectMenlo EIR will be summarized. However, the EIR will evaluate the site-specific nature of certain utilities such as storm drain and wastewater infrastructure. The Utilities/Services Systems section of the EIR will examine the Project's effect on water supply, wastewater treatment, storm drainage, solid waste disposal, telecommunications facilities, and energy generation and transmission. Information for these analyses is expected to come from the Project Sponsor and the City. Per discussions with the Project Sponsor, ICF will assume a Code-compliant project for a conservative analysis. Based on technical information for the Project site, and information received from the utility





providers, ICF will prepare the Utilities/Service Systems section of the EIR and will conduct the following tasks:

- Discuss applicable regulations at the local, state, and federal level, using the ConnectMenlo EIR where applicable.
- Peer review utilities data prepared by the Project Sponsor for adequacy and use in the EIR.
- ICF assumes the City will require a Water Supply Assessment for the Project. ICF will peer review the WSA which will be provided by the City and incorporate the WSA into the analysis.
- Describe existing utility providers, system capacity, and improvement plans, using the ConnectMenlo EIR where applicable.
- Evaluate the net change in the demand for water, wastewater, storm drainage, solid waste, telecommunications, and energy, relative to existing and planned capacity for the utilities and using the ConnectMenlo EIR where applicable.
- Discuss whether Project impacts would require the expansion or construction of new infrastructure or facilities.
- Include a discussion of fuel and energy consumption pursuant to Appendix F of the CEQA Guidelines.

### *Deliverables*

- Five hard copies of Administrative Draft EIR
- One electronic copy of Administrative Draft EIR in MS Word
- One electronic copy of Administrative Draft EIR in Adobe PDF format

## **Task 6. Project Variants**

The Project could include additional and/or alternative access to/from the Project site, along with other onsite features than currently proposed. All potential variants to the Project will be analyzed as a separate chapter in the EIR. As needed, the analysis will be quantitative; however, this scope and budget assumes that the variants would not be analyzed at the same level of detail as the Project.

- **Increased Housing Variant.** A maximum of 2,000 dwelling units could be constructed at the Project Site, as permitted with the density bonus. The EIR will analyze the development of up to 1,735 housing units as part of the Project, but to provide development flexibility, a variant will be analyzed to include the construction and operation of up to 2,000 units.
- **Decreased Housing Variant.** A minimum of 1,500 units, as required by the development agreement for the Facebook Expansion Project, would be analyzed in order to provide development flexibility.
- **Hamilton Realignment.** Hamilton Avenue could be realigned at the intersection with Willow Road. ICF would consider the environmental impacts associated with the construction of the realignment. In addition, as a result of the realignment, an existing gas station would need to be relocated across the street. ICF would analyze the environmental impacts associated with



demolition and construction of a gas station. For purposes of this analysis, it is assumed that the replacement gas station would be the same size as existing; therefore, operational impacts would not be considered since there would be no change compared to existing conditions.

- **Willow Road/Dumbarton Rail Corridor Crossing.** A grade-separate crossing is proposed for bicycles, pedestrians, and campus trams. It is currently unknown whether this proposed crossing would be above or below grade. The EIR will analyze one of the options as part of the Project, while the other option will be analyzed in the Variants chapter.
- **Recycled Water.** It is currently unknown whether the recycled water system would be used at the Project site only, or if it should be a public utility. The onsite system will be analyzed as part of the Project, while the system as a public utility would be analyzed in the Variants chapter.
- **Others.** Other potential variants could include different programming for the proposed park and community amenities.

## Task 7. Project Alternatives and Other CEQA Considerations

The purpose of this task is to complete drafts of the remaining sections (Alternatives and Other CEQA Considerations) of the EIR for City staff review. This task involves preparation of other required sections examining particular aspects of the Project's effects and the identification and comparison of Project alternatives.

### *Other CEQA Considerations*

This task involves documenting unavoidable adverse impacts, growth-inducing effects, and cumulative effects of the Project:

- The unavoidable effects will be summarized from analyses performed in Task 6.
- Growth-inducing effects will be based on economic multipliers for the proposed uses, as well as comparisons with ABAG projections for the City. Growth inducement will be discussed in the context of population increases, utility and public services demands, infrastructure, and land use. Effects associated with increased housing demand in the City and region will be discussed.
- Cumulative effects where relevant will be addressed in Task 6 and summarized as part of this section of the EIR. The future projects in the vicinity of the Project site will be considered as they relate to potential cumulative impacts. This scope assumes the City will help develop the approach for analyzing cumulative effects, typically a combination of using the General Plan and a list of reasonably foreseeable planned projects.

### *Alternatives*

The alternatives to the Project must serve to substantially reduce impacts identified for the Project while feasibly attaining most of the Project objectives. ICF assumes that one Reduced Project Alternative will be quantitatively analyzed and will be based on a sensitivity analysis to reduce identified impacts, unless the Project Sponsor has a preferred alternative. The No Project Alternative will also be analyzed. Up to two additional alternatives could be developed by ICF, the City, and/or the Project Sponsor and evaluated



qualitatively. This scope assumes that the City/Project Sponsor will provide justification for dismissing offsite alternatives and other alternatives considered but rejected.

### *Deliverables*

- Other CEQA Considerations chapter to be submitted with Administrative Draft EIR
- Alternatives chapter to be submitted with Administrative Draft EIR

## **Task 8. Screencheck Draft**

The purpose of this task is to prepare the Screencheck Draft EIR for City staff review. ICF will prepare a Screencheck Draft EIR to respond to the City's and Project Sponsor's comments on the Administrative Draft EIR. This scope assumes that comments from multiple reviewers will be consolidated with any conflicting comments resolved, and that comments do not result in substantial revisions or additional analyses. The Screencheck Draft EIR will include an Executive Summary section, which will summarize the Project Description, impacts and mitigations, and alternatives. Impacts and mitigations will be presented in a table that identifies each impact, its significance, and proposed mitigation as well as the level of significance following adoption for the mitigation measures.

### *Deliverables*

- Five hard copies of Screencheck Draft EIR
- Electronic copies of Screencheck Draft EIR in MS Word and Adobe PDF format

## **Task 9. Public Draft EIR**

The purpose of this task is to prepare and submit the Draft EIR to the City for distribution to the public. ICF will revise the Screencheck Draft to incorporate modifications identified by the City. The revised document will be a Draft EIR, fully in compliance with State CEQA Guidelines and City guidelines, and will be circulated among the public agencies and the general public as well as specific individuals, organizations, and agencies expressing an interest in receiving the document. During this task, ICF will also compile the appendices that will be distributed with the Draft EIR and produce a version of the full document that can be uploaded onto the City's website. ICF will also prepare a Notice of Completion (NOC) to accompany the copies that must be sent to the State Clearinghouse. This scope of work and budget assumes that ICF will send the required documents to the State Clearinghouse and that the City will distribute the Draft EIRs to all other recipients.

Once the City has been notified of the intent to pursue AB 900 certification, ICF will concurrently prepare the Administrative Record. In addition, ICF will show compliance with AB 900 requirements regarding the posting on the City's website.

### *Deliverables*

- Thirty-five hard copies of the Draft EIR with appendices in CDs
- Electronic copies of the Draft EIR in MS Word and in Adobe PDF format
- Notice of Completion



- Fifteen hard copies of the Executive Summary, along with 15 electronic copies of the entire Draft EIR on CD, for the State Clearinghouse
- One electronic copy of the Draft EIR Administrative Record, pursuant to AB 900.

### *City Involvement*

Review the Notice of Completion. Prepare and file the Notice of Availability with the County Clerk. Distribute the NOA and Draft EIRs (other than to the State Clearinghouse), and handle any additional noticing (e.g., newspaper, posting at site).

## **Task 10. Public Review and Hearing**

The City will provide a 45-day review period during which the public will have an opportunity to review and comment on the Draft EIR. During the 45-day review period, the City will hold a public hearing to receive comments on the Draft EIR. ICF key team members will attend and participate as requested. This scope of work assumes the preparation of meeting materials (e.g., PowerPoint presentations and handouts) but does not assume the labor needed to provide meeting transcript/minutes.

## **Task 11. Draft Responses to Comments and Administrative Final EIR**

The purpose of this task is to prepare responses to the comments received on the Draft EIR and incorporate these responses into an Administrative Final EIR for City review. The Administrative Final EIR will include:

- Comments received on the Draft EIR, including a list of all commenters and the full comment letters and public meeting transcripts with individual comments marked and numbered;
- Responses to all comments; and
- Revisions to the Draft EIR in errata format as necessary in response to comments.

All substantive comments for each written and oral comment will be reviewed, bracketed, and coded for a response. Prior to preparing responses, ICF will meet with staff to review the comments and suggest strategies for preparing responses. This step is desirable to ensure that all substantive comments are being addressed and that the appropriate level of response will be prepared. This scope of work and budget assumes ICF will prepare responses for up to 100 substantive discrete, non-repeating comments and will coordinate integrating the responses prepared by other consultants. However, the number and content of public comments is unknown at this time. Therefore, following the close of the Draft EIR public review period and receipt of all public comments, ICF will meet with the City to revisit the budget associated with this effort to determine if additional hours are needed. Very roughly, each additional substantive discrete comment may cost an additional \$350.

Frequently raised comments of a substantive nature may be responded to in a Master Response, which allows for a comprehensive response to be presented upfront for all interested commenters. ICF will identify and recommend possible Master Responses for City consideration during the initial meeting to discuss strategies for preparing responses.



Following the strategy session, ICF will prepare Master Responses (as appropriate) and individual responses to the bracketed and coded comments. Individual responses to each comment letter will be placed immediately after the comment letter. As necessary, responses may indicate text revisions, in addition to clarifications and explanations. All text changes stemming from the responses to the comments, as well as those suggested by City staff, will be compiled into an errata included as part of the Final EIR.

Following City's review of the Administrative Final EIR, ICF will address all comments received and prepare a Screencheck Final EIR for City review to ensure that all comments on the Draft were adequately addressed.

### *Deliverables*

- Five hard copies of the Administrative Final EIR
- Electronic copies Administrative Final EIR in MS Word and in Adobe PDF format
- Five hard copies of the Screencheck Final EIR
- Electronic copies of the Screencheck Final EIR in MS Word and in Adobe PDF format

## **Task 12. Screencheck and Final EIR**

Based on comments received from City staff, the Screencheck Responses to Comments will be revised and appropriate revisions to the Draft EIR will be noted. This scope assumes that comments from multiple reviewers will be consolidated with any conflicting comments resolved, and that comments do not result in substantial revisions or additional analyses. The Final EIR will then consist of the Draft EIR and the Responses to Comments document. Revisions to the Draft EIR will be presented as a separate chapter in the Final EIR. The revised Responses to Comments document will be submitted to the City for discussion by the Planning Commission and subsequent certification by the City Council.

### *Deliverables*

- Twenty hard copies of the Final EIR with appendices in CDs
- Electronic copies of the Final EIR in MS Word and Adobe PDF format

## **Task 13. Certification Hearings, MMRP, Statement of Overriding Considerations, and Final Administrative Record**

The purpose of this task is to attend meetings to certify the EIR. Team members will attend and participate in up to two meetings to certify the EIR. If requested by City staff, ICF will present the conclusions of the EIR and a summary of the comments and responses.

As part of this task, ICF will also prepare a draft and final MMRP for the Project, as required by Section 15097 of the State CEQA Guidelines. The MMRP will be in a tabular format and include:

- The mitigation measures to be implemented
- The entity responsible for implementing a particular measure



- The entity responsible for verifying that a particular measure has been completed
- A monitoring milestone(s) or action(s) to mark implementation/completion of the mitigation measure

ICF will prepare the Statement of Overriding Considerations pursuant to Section 15093 of the CEQA Guidelines, if required based on the impacts of the Project. CEQA requires the decision-making agency to balance the economic, legal, social, and technological benefits of a proposed project against its unavoidable environmental impacts. The Statement of Overriding Considerations includes the specific reasons to support its action based on the Final EIR and other information in the record.

ICF will also compile the Administrative Record, assembling background documents as well as correspondence or telephone notes that are cited as sources in the EIR.

### *Deliverables*

- Electronic copies of the Draft MMRP in MS Word and Adobe PDF format
- Five hard copies of the Final MMRP
- Electronic copies of the Final MMRP in MS Word and Adobe PDF format
- Electronic copies of the Draft Statement of Overriding Considerations in MS Word and Adobe PDF format
- Electronic copies of the Final Statement of Overriding Considerations
- One electronic copy (on CD or DVD) of the final Administrative Record

### **C. Cost**

The cost estimate to implement Phase II of the EIR is \$992,460, as detailed in Attachment C.







# HEXAGON TRANSPORTATION CONSULTANTS, INC.

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June 26, 2019

Ms. Kirsten Chapman  
ICF  
201 Mission Street, Suite 1500  
San Francisco, CA 94105

**Re: *Proposal to Prepare a Transportation Impact Analysis for the Proposed Willow Village Project in Menlo Park, CA.***

Dear Ms. Chapman:

Hexagon Transportation Consultants, Inc. is pleased to submit this proposal to prepare a Transportation Impact Analysis (TIA) for the proposed Willow Village project in Menlo Park, CA. The approximately 59-acre project site is bounded to the north by the Dumbarton rail corridor, to the south by the Hetch Hetchy right-of-way and Mid-Peninsula High School, Willow Road to the west and existing life science complex to the east. The project proposes to demolish the existing approximately one million s.f. of industrial/office/warehouse buildings on site and build a mixed-use development including approximately 1,735 residential units, 125,000 to 200,000 s.f. of retail (non-office commercial) uses, a 200- to 250-room hotel and a 1.75 million s.f. office campus. A variant project description increasing the residential component to up to 2,000 units (as permitted with the density bonus) is being considered. Another variant where the project will include no less than 1,500 residential units (in order to comply with the Development Agreement for the Facebook Expansion Project) is also being considered.

Site access to the project site would be provided by three intersections on Willow Road (at Hamilton Avenue, and two new driveways south of Hamilton Avenue), a new intersection on O'Brien Drive at the southeast corner of the project site, and Adams Court. A variant to re-align the Hamilton Avenue intersection is also being considered.

## Scope of Services

The purpose of the traffic study is to satisfy the requirements of the City of Menlo Park and the City/County Associations of Governments (C/CAG) Congestion Management Program (CMP). The traffic analysis will include an analysis of weekday AM and PM peak-hour traffic conditions and will determine the traffic impacts of the proposed project on 49 key intersections, 20 freeway segments and 8 freeway ramps in the vicinity of the site. The study will also analyze 10 roadways segments for Average Annual Daily Traffic (AADT) analysis. All internal intersections and driveways proposed on the project site (approximately 20 intersections/driveways based on the February 8, 2019 site plan) will also be evaluated. The external intersections, freeway segments and freeway ramps that we propose to study are identified below.

## Study Intersections

1. Marsh Road & Bayfront Expressway [CMP]
2. Marsh Road & US 101 Northbound Off-Ramp
3. Marsh Road & US 101 Southbound Off-Ramp
4. Marsh Road & Scott Drive
5. Marsh Road & Bohannon Drive/Florence Street



6. Marsh Road & Bay Road
7. Marsh Road & Middlefield Road [Atherton]
8. Chrysler Drive & Bayfront Expressway
9. Chilco Street & Bayfront Expressway
10. MPK 21 Driveway (west) & Bayfront Expressway
11. MPK 20 Driveway (east) & Bayfront Expressway
12. Chrysler Drive & Constitution Drive
13. Chilco Street & Constitution Drive/MPK 22 Driveway (unsignalized)
14. Chilco Street & Hamilton Avenue (unsignalized)
15. Ravenswood Avenue & Middlefield Road
16. Ringwood Avenue & Middlefield Road
17. Willow Road & Bayfront Expressway [CMP]
18. Willow Road & Hamilton Avenue
19. Willow Road & North Street (future intersection)
20. Willow Road & Park Street (future intersection)
21. Willow Road & Ivy Drive
22. Willow Road & O'Brien Drive
23. Willow Road & Newbridge Street [East Palo Alto]
24. Willow Road & US 101 Northbound Ramps [East Palo Alto]
25. Willow Road & US 101 Southbound Ramps
26. Willow Road & Bay Road
27. Willow Road & Hospital Plaza/Durham Street
28. Willow Road & Coleman Avenue
29. Willow Road & Gilbert Avenue
30. Willow Road & Middlefield Road
31. O'Brien Drive/Loop Road & Main Street/O'Brien Drive (future intersection)
32. O'Brien Drive & Kavanaugh Drive (unsignalized)
33. Adams Drive & Adams Court (unsignalized)
34. Adams Drive & O'Brien Drive (unsignalized)
35. University Avenue & Bayfront Expressway [CMP]
36. University Avenue & Purdue Avenue (unsignalized)
37. University Avenue & Adams Drive (unsignalized) [East Palo Alto]
38. University Avenue & O'Brien Drive [East Palo Alto]
39. University Avenue & Kavanaugh Drive/Notre Dame Avenue [East Palo Alto]
40. University Avenue & Bay Road [East Palo Alto]
41. University Avenue & Runnymede Street [East Palo Alto]
42. University Avenue & Bell Street [East Palo Alto]
43. University Avenue & Donohoe Street [East Palo Alto]
44. US 101 Northbound Off-Ramp & Donohoe Street [East Palo Alto]
45. Cooley Avenue & Donohoe Street [East Palo Alto]
46. University Avenue & US 101 Southbound Ramps [East Palo Alto]
47. University Avenue & Woodland Avenue [East Palo Alto]
48. University Avenue & Middlefield Road [Palo Alto]
49. Lytton Avenue & Middlefield Road [Palo Alto]

Note: This proposal includes budget to study a few additional intersections if necessary.



## **CMP Roadway Segments**

### San Mateo County:

- SR 84 – 4 CMP segments between Alameda de las Pulgas and Alameda County Line
- US 101 – 2 CMP segments between SR 92 and Santa Clara County Line
- SR 109 – 1 CMP segment between Kavanaugh Drive and SR 84
- SR 114 – 1 CMP segment between US 101 and SR 84

### Santa Clara County:

- US 101 – 8 CMP segments between Embarcadero Road and SR 85

### Alameda County

- SR 84 – 4 CMP segments between San Mateo County Line and I-880

## **Freeway Ramps**

- US 101/Marsh Road Interchange – 2 ramps
- US 101/Willow Road Interchange – 4 ramps
- US 101/University Avenue Interchange – 2 ramps

## **Roadway Segments for AADT Analysis**

### **Minor Arterials**

1. Willow Road, north of Durham Street [Avenue – Mixed Use]
2. Willow Road, north of Blackburn Avenue [Avenue – Mixed Use]
3. Middlefield Road, west of Willow Road [Avenue – Mixed Use]
4. Middlefield Road, east of Willow Road [Avenue – Mixed Use]

### **Collectors**

5. Marsh Road, north of Bohannon Drive [Mixed Use Collector]
6. Hamilton Avenue, east of Madera Avenue [Neighborhood Collector]
7. O'Brien Drive, east of Willow Road [Mixed Use Collector]
8. O'Brien Drive, west of University Avenue [Mixed Use Collector]
9. Adams Drive, west of University Avenue [Mixed use Collector]
10. Bay Road, west of Willow Road [Neighborhood Collector]

It should be noted that Hexagon has prepared an interim proposal for this project to collect travel time data on Willow Road and conduct field observations for approximately 30 to 35 intersections. The interim proposal has a budget of \$16,000. These tasks will not be repeated in the scope below and will not be reflected in this proposal's budget or schedule breakdowns.

The tasks to be included in this proposal are:

1. **Site Reconnaissance.** The physical characteristics of the site and the surrounding roadway network will be reviewed to identify existing roadway cross-sections, intersection lane configurations, traffic control devices, and surrounding land uses.



2. **Observation of Existing Traffic Conditions in the Study Area.** Existing traffic conditions will be observed in the field in order to identify any operational deficiencies and to confirm the accuracy of calculated levels of service. This task includes conducting field observations for the remaining approximately 20 study intersections not covered by the interim proposal.
3. **Data Collection.** It is assumed that intersection counts at all study intersections and AADT counts at all 10 study roadway segments will be provided by City staff. This task does not include conducting additional counts. Freeway segment traffic counts will be obtained from the latest Congestion Management Program (CMP) monitoring report.
4. **Evaluation of Existing Conditions.** Existing traffic conditions will be evaluated based on existing traffic volumes at the study intersections. Study intersections within each jurisdiction will be evaluated using the jurisdiction's approved software and analysis methodologies. Due to the close proximity of the intersections at University Avenue and Donohoe Street, at US 101 Northbound Off-Ramp and Donohoe Street and at University Avenue and US 101 Southbound Ramps, these three intersections will be analyzed using the Synchro/SimTraffic software using the latest micro-simulation model built for the University Avenue corridor.
5. **Willow Road Simulation.** Hexagon proposes to develop a micro-simulation model of all study intersections along Willow Road north of Durham Street using the City-preferred simulation software (SimTraffic 10). The micro-simulation model will simulate travel of individual vehicles and pedestrians along the corridor and will allow us to generate a visual animation of the existing traffic operations. Separate simulation models will be developed for the AM and PM peak hours. In order to closely simulate existing conditions, it is assumed that City staff and Caltrans staff will provide detailed signal timing plans as inputs into the simulation model. Hexagon will utilize the collected travel time data (outlined in the interim proposal) and field observations to calibrate the model to closely represent existing traffic operations. The progression analysis will be run for existing conditions as well as for each fully studied scenario.

Hexagon will report LOS results from Vistro for intersections along Willow Road that are being analyzed using simulation models. To ensure consistency, Vistro parameters at each intersection under each scenario will be adjusted so the Vistro results and the simulation results are consistent. Hexagon will prepare an initial technical memorandum summarizing our simulation calibration methodology and results for existing conditions. Upon receiving City approval on the existing simulation model, Hexagon will provide subsequent memorandums documenting all parameter adjustments made to the Vistro file. Separate memorandums will be provided for existing and existing project conditions, background and background project conditions, cumulative and cumulative plus project conditions, and cumulative with Dumbarton conditions (if needed). Impact discussions for each project scenario will begin only after receiving City approval on the respective technical memorandum documenting the Vistro parameter adjustments.



6. **Model Validation.** Hexagon will start with the ConnectMenlo model to be provided by the City. It is assumed that the land use data for existing conditions is relatively up to date and would not require modifications. It is assumed that the model is set up to run daily, AM and PM 4-hour trip assignments, and that it includes most of the study intersections. The model network will be updated to ensure any study intersections not included in the model are also coded. We will check the model validation for the study area, and we will make adjustments to model parameters to get a good match with traffic counts. Because the model will be running 4-hour trip assignments but traffic counts are only 2-hour counts, additional 24-hour roadway traffic counts within or near Menlo Park will be needed to validate the model and derive conversion factors for the intersection counts. Hexagon will provide a list of up to 25 street segments where daily roadway traffic counts are needed. It is assumed that City will provide Hexagon with the counts. We will expect the City to critically evaluate the land use data in the ConnectMenlo model and advise Hexagon about any necessary changes to reflect current existing conditions. Hexagon will input the land use data into the model files. Hexagon will prepare a memorandum documenting our assumptions, inputs and adjustments to the model as well as the validation results.
7. **Future Land Use Data.** Hexagon will rely on the City to provide land use data for the future scenarios, which include Background and Cumulative (2040). The Background scenario will include projects that have been approved and may be under construction but not yet occupied. For zones outside of Menlo Park, Hexagon will use the existing model data for year 2025 for Background conditions. The 2040 scenario will use the current model's 2040 land use data set, except as modified by the City in Menlo Park. This task budget includes some time for Hexagon to assist City staff with allocating development into the model's zones and land use categories.
8. **Trip Generation.** Hexagon will prepare trip generation estimates for the project using various sources. For the Office District, Hexagon will rely on data to be supplied by the project applicant based on driveway counts and in-house mode-split data. For other uses in the project (residential and retail), Hexagon will use ITE trip generation rates. Hexagon will rely on input from the City/project applicant regarding the different land use categories (for the non-residential and office components) and the amount of development in each land use category for trip generation purposes. For internal and any transit-oriented reductions, Hexagon will run the MXD model and derive appropriate trip reductions. Trips generated by existing uses on site will be credited using ITE trip generation rates.

Hexagon will run the travel demand forecasting model to determine the trip distribution pattern for the project. It is assumed that a detailed site plan including parking management plan will be provided by the applicant. This information is needed for trip assignment assumptions. Hexagon will prepare a memo with the trip generation estimates and trip assignment pattern for review and approval by City staff prior to completing the following tasks. This task will be completed for only the main project description.

9. **Background Scenarios.** Hexagon will run the travel forecasting model to produce link-level and intersection turning movement forecasts for the study intersections and freeway segments. The model will be used to produce 4-hour forecasts. Hexagon will convert the 4-hour link forecasts into forecasts of peak-hour intersection turning movements. Hexagon will produce model forecasts both with and without the project. Hexagon will also produce forecasts of vehicle miles traveled (VMT). Model forecasts for the two residential variants





- will be analyzed and documented in the same fashion. This task will be completed for only the main project description.
- 10. Cumulative (2040) Scenarios.** In the same fashion as Task 9, Hexagon will produce year 2040 forecasts with and without the project. Hexagon will work with City staff to identify the transportation network to be used in the Cumulative scenario, and potentially include a scenario that includes rail service in the Dumbarton corridor. Hexagon will work with the City to determine how to analyze a Dumbarton scenario. This task will be completed for only the main project description.
  - 11. Intersection Analysis.** For all background, cumulative and Dumbarton scenarios with and without the project, Hexagon will evaluate intersection levels of service using adjusted model forecast volumes. Intersection impacts will be identified by comparing the project scenarios to the without-project scenarios in accordance with the appropriate jurisdiction's adopted significant impact criteria. For intersections analyzed using the micro-simulation models, this task assumes adjustments to signal timing and corridor coordination under the without-project scenarios. The adjustments will be made based on several key measures of effectiveness (i.e. travel time, stops, queues, etc.) to be determined in coordination with City staff. The with-project scenarios will use the same models as the without-project models. This task will be completed for only the main project description.
  - 12. Intersection Variant Analysis.** It is our understanding that the project applicant is considering a variant scheme at the Willow Road and Hamilton Avenue intersection. This variant scheme would realign Hamilton Avenue south of the current Chevron gas station. As a result, the current signalized intersection at Willow Road and Hamilton Avenue would be moved south by about 200 feet. Under this scheme, the original Hamilton Avenue site access point will become a right-in-right-out only access point. Hexagon will conduct intersection level of service analysis under all project scenarios at these two intersections using the simulation model. The evaluation will include reassigning traffic volumes at these two intersections as necessary. This task will be completed for only the main project description.
  - 13. Freeway Analysis.** For all background and cumulative scenarios with and without the project, freeway levels of service will be evaluated using adjusted model forecast volumes. Freeway impacts will be identified by comparing the project scenarios to the without-project scenarios in accordance with the appropriate jurisdiction's adopted significant impact criteria. This task will be completed for only the main project description.
  - 14. Freeway Ramp Analysis.** The freeway ramp analysis will consist of a volume-to-capacity analysis of the study freeway ramps under all study scenarios. Hexagon will conduct field observations at existing on-ramps with ramp meters to determine the existing ramp meter rates and queuing. Queuing at the study on-ramps will be analyzed under background and background plus project scenarios assuming the same ramp meter rates. Freeway ramp analysis will be presented only for information. This task will be completed for only the main project description.
  - 15. Roadway AADT Analysis.** For all background and cumulative scenarios with and without the project, Hexagon will evaluate the project impacts on roadway AADT using adjusted model forecast volumes. Impacts will be identified by comparing the project scenarios to



the without-project scenarios in accordance with the appropriate jurisdiction's adopted significant impact criteria. This task will be completed for only the main project description.

- 16. Signal Warrant Analysis.** The need for future signalization of the unsignalized study intersections will be evaluated on the basis of the Peak Hour Warrant (Warrant 3 – Part B) in the *California Manual on Uniform Traffic Control Devices*. The warrant will be evaluated using peak-hour volumes for all study scenarios. This task will be completed for only the main project description.
- 17. Alternative Metrics.** This task provides a budget allowance for Hexagon to calculate other potential transportation metrics. These could include travel time and speed, mode split, transit ridership, or others. This task could also be used to test different mitigation strategies such as congestion pricing, trip caps, parking charges, or others. This task will be completed for only the main project description.
- 18. Project Alternatives.** Hexagon will estimate the trip generation of project alternatives for reporting in the EIR. Estimates will be done using ITE trip rates and the MXD model. This task does not include running the travel forecasting model for the project alternatives. Hexagon will qualitatively discuss whether the potential project impacts would differ as a result of the different land use alternatives. This discussion will be based off only the impact conclusions of the main project description. This task assumes analyzing up to four project alternatives. Two of the project alternatives will be the increased residential variant (up to 2,000 units) and the decreased residential variant (no less than 1,500 units). It is envisioned that the two residential variants will be analyzed in greater detail than the other two project alternatives budgeted in this task, but the level of analysis required for the two residential variants is unknown at this time. Therefore, this task assumes up to 80 hours of Hexagon staff time.
- 19. Sensitivity Analysis.** Hexagon will conduct a qualitative sensitivity analysis to determine the extent to which the project would need to be modified to eliminate all significant intersection and freeway impacts. This task will be completed for only the main project description.
- 20. Phasing Analysis.** It is our understanding that the project is anticipated to be completed in three phases. Hexagon will conduct a trip generation analysis to estimate the project trips after completion of each phase. Hexagon will provide a qualitative discussion of the intersection and freeway impacts expected during the two interim phases. This task will be completed for only the main project description.





**21. Internal Intersection Analysis.** Hexagon will conduct an operations analysis of the proposed internal roadway network. This task will be completed for only the main project description. This analysis will include intersection levels of service analysis using the Vistro software. Intersection controls will be assumed as proposed. For proposed unsignalized intersections, a signal warrant analysis will be conducted in accordance with Task 16. A queueing analysis will also be conducted to determine the need, and if so length of turn pockets, as well as to identify any potential spillback issues.

For the variant scheme, it is expected that traffic operations at the four internal intersection on West Street and on Main Street at Hamilton Avenue and at North Street will be affected. The intersection levels of service analysis, queueing analysis and potential signal warrant analysis will be evaluated just for these four intersections under the variant scheme.

**22. Site Plan Review.** A review of the project site plan will be performed to determine the overall adequacy of the site access and on-site circulation in accordance with generally accepted traffic engineering standards and to identify and access or circulation issues that should be improved.

Hexagon will also review any proposed bus/shuttle routes on site for site access and site circulation. Proposed bus/shuttle stops will be reviewed to determine potential circulation issues. This task will be completed for only the main project description.

**23. Parking and Peer Review of Shared Parking Analysis.** Parking will be evaluated relative to the City of Menlo Park parking requirements. It is our understanding that a shared parking analysis will be prepared by the project applicant. This task includes two rounds of peer review of the shared parking analysis (one round of review for the draft and one round of review for the final report). This task will be completed for only the main project description.

**24. Evaluation of Vehicle Queuing.** For selected locations where the project would add a significant number of left-turning vehicles, the adequacy of existing/planned storage at turn pockets will be assessed by means of comparison with expected maximum vehicle queues. Vehicle queues will be estimated using a Poisson probability distribution. This task will be completed for only the main project description.

**25. Bicycle, Pedestrian, and Transit Facilities.** A qualitative analysis of the project's effect on transit service in the area and on bicycle and pedestrian circulation in the study area will be included in the traffic report. This includes sidewalks, bicycle lanes, and amenities to promote the safe use of alternate modes of transportation, and connections to the existing bicycle and pedestrian network. The analysis will consider the project's proposed elements with respect to the City's currently adopted Bicycle Plan and Sidewalk Master Plan as well as the Transportation Master Plan currently in development. This task will be completed for only the main project description.



- 26. Peer Review of TDM Plan.** Hexagon will conduct a comprehensive peer review of the applicant-provided Transportation Demand Management (TDM) Plan. Hexagon will summarize our comments in a draft memorandum and will respond to one round of comments from City of Menlo Park and ICF and prepare a final memorandum. This task also includes a peer review of the Final TDM Plan. This task will be completed for only the main project description.
- 27. Description of Impacts and Recommendations.** Based on the results of the level of service calculations, impacts of the site-generated traffic will be identified and described. Recommendations will be formulated that identify the locations and types of improvements or modifications necessary to mitigate significant near-term or long-range project impacts. Potential secondary impacts associated with any proposed improvements will be discussed as well. Hexagon will also determine whether the requirement of specific TDM measures could mitigate project impacts. This task will be completed for only the main project description.
- 28. C/CAG Checklist.** For developments generating over 100 net peak hour trips, the San Mateo County CMP require the completion of a C/CAG checklist. Hexagon will prepare the required C/CAG checklist based on the final TDM Plan provided by the project applicant. This task will be completed for only the main project description.
- 29. Meetings.** The fee estimate includes Hexagon staff attendance at ten meeting in connection with the project. It also includes Hexagon staff attendance at four public hearings in connection with the project.
- 30. Reports.** Hexagon will prepare the Transportation chapter of the EIR as well as a stand-alone TIA report. The TIA report will include all analysis included in the Transportation chapter of the EIR and will include other non-CEQA related analysis. The TIA report will serve as the technical appendix to the Transportation chapter of the EIR This task includes preparation of two rounds of the Administrative Draft and one round of the Draft Transportation Chapter and TIA. Hexagon will respond to editorial comments on each round of the reports from both City staff and ICF. It is assumed that ICF will provide the outline of the format to be used for the EIR Transportation Chapter.
- 31. Final EIR.** Hexagon will respond in writing to comments received on the Draft EIR Transportation Chapter. As it is unknown at this time the level of effort required in responding to these comments, this task assumes up to 80 hours of Hexagon staff time.

### **Additional Services**

Any work not specified in the above Scope of Work Tasks 1-31 – for example analyzing a different project description, reviewing a different site plan, analyzing additional intersections, or conducting progression analysis for other corridors – shall be considered additional services. Additional services will require additional budget and additional time and will be conducted upon receipt of authorization to proceed.



## Time of Performance

Barring any unforeseen delays, an administrative Transportation Chapter and the technical appendix will be submitted approximately 30 weeks after: (1) authorization to proceed, (2) receipt of all required data (such as new count data, model's land use input assumptions, and project related information), and (3) field observations. It should be noted that the field observations included in this proposal cannot be conducted until school resumes in September. Upon receiving budget authorization, Hexagon will provide a detailed schedule outlining a list of milestones needed to maintain the 32-week schedule.

## Cost of Services

The fee for the scope of services will be based on time and expenses up to a maximum budget of \$367,000.

We appreciate your consideration of Hexagon Transportation Consultants for this assignment. If you have any questions, please do not hesitate to call.

Sincerely,

**HEXAGON TRANSPORTATION CONSULTANTS, INC.**

A handwritten signature in black ink, appearing to read "Gary K. Black".

Gary K. Black  
President

A handwritten signature in black ink, appearing to read "Ollie Zhou".

Ollie Zhou, T.E.  
Senior Associate



**Table 1**  
**Budget Breakdown**

Project:	Willow Village EIR						Multiplier:	1.00
<b>COST ESTIMATE</b>								
Number	Item	Labor Hours					Expenses	Labor Costs
		Black	Van Den Hout	Zhou	Engineer	Admin/Graphics		
	Rate	\$ 280	\$ 240	\$ 210	\$ 125	\$ 105		
1	Site Reconnaissance			4				\$ 840
2	Field Observations				40		\$ 100	\$ 5,000
3	Data Collection				8			\$ 1,000
4	Evaluation of Existing Conditions			20	40			\$ 9,200
5	Willow Road Simulation	8		100	100			\$ 35,740
6	Model Validation		40	100				\$ 30,600
7	Future Land Use Data			40				\$ 8,400
8	Trip Generation	8	8	32				\$ 10,880
9	Background (2025)		16	40				\$ 12,240
10	Cumulative (2040)	8	32	80				\$ 26,720
11	Intersection Analysis			60	60			\$ 20,100
12	Intersection Variant Analysis			10	20			\$ 4,600
13	Freeway Analysis				40			\$ 5,000
14	Freeway Ramp Analysis				40		\$ 200	\$ 5,000
15	Roadway AADT Analysis				20			\$ 2,500
16	Signal Warrant Analysis				20			\$ 2,500
17	Alternative Metrics	16	24	60				\$ 22,840
18	Project Alternatives	20		60				\$ 18,200
19	Sensitivity Analysis			20	20			\$ 6,700
20	Phasing Analysis			10	20			\$ 4,600
21	Internal Intersection Analysis			20	40			\$ 9,200
22	Site Plan Review			10	20		\$ 100	\$ 4,600
23	Parking and Shared Parking Peer Review	2		10	40			\$ 7,660
24	Queuing				20		\$ 200	\$ 2,500
25	Bicycle, Pedestrian and Transit			20	20			\$ 6,700
26	Peer Review of TDM Plan			20	40			\$ 9,200
27	Impact and Recommendations	8		20	20			\$ 8,940
28	C/CAG Checklist				10			\$ 1,250
29	Meetings	84					\$ 450	\$ 23,520
30	Reports	16	16	80	100	20		\$ 39,720
31	Final EIR	40		40				\$ 19,600
<b>Totals</b>		<b>210</b>	<b>136</b>	<b>856</b>	<b>738</b>	<b>20</b>	<b>\$ 1,050</b>	<b>\$ 365,550</b>
<b>Total Contract Cost:</b>		\$ 366,600.00						

# bae urban economics

July 2, 2019

Kirsten Chapman  
 Project Manager  
 ICF  
 201 Mission Street, Suite 1500  
 San Francisco, CA 94105

Dear Ms. Chapman:

We appreciate the opportunity to submit this proposal to prepare a Fiscal Impact Analysis for the Willow Village Master Plan in the Bayfront Area of Menlo Park (“Project”). Our understanding is that the Base Project would consist of a 59-acre mixed-use neighborhood with 1,735 housing units, 125,000 to 200,000 square feet of retail that would include a grocery store and pharmacy (and possibly entertainment uses), a 200- to 250-room hotel and ancillary uses, a 1.75 million square foot office campus with ancillary uses, and public parks and open space. A 10,000 square foot community center is planned adjacent to the public park. The City of Menlo Park (“client”) requires a Fiscal Impact Analysis study that will address impacts to the City’s General Fund, as well as Special Districts, including the Menlo Park Fire Protection District. In addition to an analysis of the fiscal impacts of the Base Project described above, the City of Menlo Park is requesting an analysis of two potential “Variants” of the Project: Variant 1, which would include up to 2,000 housing units, and Variant 2, which would include no less than 1,500 units.

BAE is an award-winning real estate economics and development advisory firm with a distinguished record of achievement over its 30+-year history. Headquartered in Berkeley, CA, BAE also has branch offices in Los Angeles, Sacramento, New York City, and Washington DC, enabling our 18 staff to contribute to and learn from best practices in urban sustainable development around the U.S. Our practice spans national and state policy studies to local strategic plans and public-private development projects. BAE has extensive experience assessing the fiscal impacts and economic impacts of proposed new development, including our previous work for the City of Menlo Park, as well as assisting local governments to negotiate for community benefits from proposed new development.

The following pages detail our proposed work program, schedule, and budget. This proposal remains effective for 90 days from the date of submittal of this letter. Please feel free to

#### San Francisco

2600 10<sup>th</sup> St., Suite 300  
 Berkeley, CA 94710  
 510.547.9380

#### Sacramento

803 2<sup>nd</sup> St., Suite A  
 Davis, CA 95616  
 530.750.2195

#### Los Angeles

448 South Hill St., Suite 701  
 Los Angeles, CA 90013  
 213.471.2666

#### Washington DC

700 Pennsylvania Ave. SE, 2<sup>nd</sup> Floor  
 Washington, DC 20003  
 202.588.8945

#### New York City

234 5<sup>th</sup> Ave.  
 New York, NY 10001  
 212.683.4486

contact me at [stephaniehagar@bae1.com](mailto:stephaniehagar@bae1.com) or 510.547.9380 if you have any questions or would like to further discuss this proposal.

Sincerely,

A handwritten signature in black ink, appearing to read 'Stephanie Hagar', with a stylized flourish at the end.

Stephanie Hagar  
Vice President



## SCOPE OF SERVICES

This section outlines BAE's proposed work program, including deliverables.

### ***Task 1: Meet with City Staff and Review Background Materials***

**Task 1A: Meet with City Staff and Tour Project Site.** BAE will meet with City staff to review the scope of services, proposed schedule, and deliverables. BAE will also tour the site and area.

**Task 1B: Review Key Financial, Planning, and Environmental Documents.** This task will include a review of relevant documents and plans pertaining to the proposed project including the Willow Village Project Description and Plans, the City's General Plan and Zoning Ordinance, the project Environmental Impact Report (if applicable), and City staff reports. BAE will also review the City budget, the Comprehensive Annual Financial Report, City fee ordinances, and other financial documents from the City and affected special districts including fire and school districts.

### ***Task 2: Analyze Fiscal Impacts***

This analysis will consider revenue and cost implications of the Project, up to three Project Alternatives, and two Project Variants for the City, Menlo Park Fire Protection District, and affected special districts and school districts. BAE understands that the Project Variants analyzed under this task will be the Variants that includes up to 2,000 dwelling units and the Variant that includes no less than 1,500 dwelling units. BAE has included a contingency budget in this proposal, which would enable additional analysis of the fiscal impacts of Project Variants if determined necessary. BAE will utilize and update prior FIA models prepared for the City of Menlo Park to conduct this analysis.

BAE will estimate annual General Fund revenue sources, including sales tax, property tax, transient occupancy tax, business license revenue, franchise fees, and any other applicable taxes. BAE will also estimate one-time revenue sources including impact fees and property transfer tax. For key revenues, (e.g., transient occupancy taxes) BAE will estimate revenues within an expected low to high range as appropriate.

BAE will estimate annual General Fund expense items, including police, public works, recreation and library services, and general government services, as well as services provided by special districts. The cost analysis will, whenever feasible, study the marginal cost of providing additional service. As part of this process, BAE will contact local public service providers including the police department and Fire Protection District to assess existing service capacity and the potential impact of the proposed project. For police, BAE will work with the local department to examine the current beat structure and discuss how this may need to be altered to serve the new development. Any new patrol officers and/or equipment

would also be analyzed on a marginal basis. For fire, BAE will study existing capacity at the station that would serve the proposed project and assess any additional labor or equipment costs that the station would incur. Cost impacts for other city departments and school districts will also be analyzed.

Fiscal impacts will be presented in current dollars on a net annual and cumulative basis over a 20-year period presented in constant 2019 dollars. To determine an appropriate absorption rate for the various proposed land uses, BAE will review the project applicant's anticipated absorption schedule.

During the preparation of the FIA, all communication with the project sponsor will be with or through City staff.

***Task 3: Prepare Fiscal and Economic Impact Report***

**Task 3A: Prepare Administrative Draft Fiscal and Economic Impact Analysis Report.** BAE will prepare and submit an Administrative Draft Fiscal Impact Analysis report to City staff. The report will include a concise and highly-accessible executive summary, including a summary of the methodology and key findings from Tasks 1 and 2.

**Task 3B: Prepare Public Review and Final Draft Report.** Staff will provide written a single set of consolidated comments to BAE regarding the Administrative Draft. At the discretion of City Staff, BAE will also review any comments from the Project Applicant. BAE will address all comments with City staff and make modifications as needed. BAE will then submit a draft Public Review Draft for staff to review. Staff will note any minor corrections and BAE will submit a Public Review Draft.

**Task 3C: Prepare Presentation, Attend Two Meetings.** This task includes preparation of a PowerPoint presentation for use by staff, BAE, and posting to the City's website. BAE will discuss comments with City staff and make changes as necessary. BAE will then submit a Final report. BAE will attend up to two meetings to present its findings, anticipated to be one Planning Commission meeting and one City Council meeting.

***Task 4: Project Coordination***

BAE will coordinate this assignment and participate in team conference calls with ICF, as necessary.

## DATA NEEDS

In order to complete this analysis BAE will require access to various City and special district staff to conduct brief interviews and confirm methodologies and assumptions. In particular, BAE would intend to speak with most department/district heads, or their designees, as well as the City finance director. BAE would work with the finance department to obtain electronic copies of relevant budget files if any of the files needed for this analysis are not publicly available on the City's website.

BAE will acquire market, demographic, and other data from data vendors and publicly-accessible data sources. A budget for all data that BAE will purchase to undertake the above scope of work is included below.

From the project sponsor, BAE will request market studies and marketing plans, including pricing assumptions. If the project sponsor provides these studies and plans, BAE will use this information to supplement data from data vendors and publicly-accessible data sources to inform assumptions related to assessed property values as well as other revenue and cost assumptions, as appropriate. If the project sponsor does not provide market studies or marketing plans, BAE will rely on more general information provided by data vendors and publicly-available sources.

## BUDGET AND FEES

BAE will complete the work described above for a fixed-fee budget of \$35,800, or \$39,050 including the proposed contingency budget, as shown in the budget provided below. BAE believes that it is prudent to include a contingency budget for this project given that there is little information currently available related to the Project Variants, and that it may be determined that analysis of the fiscal impacts of additional Project Variants is necessary as these Variants are defined over time. In no event shall BAE perform work under the contingency budget without prior written approval from City staff.

The budget shown below will include all consultant costs, including personnel, overhead, and miscellaneous reimbursable expenses. Miscellaneous expenses such as data purchase and travel are passed through to the client with no markup. This budget includes two public meetings as part of Task 3. Please note that attendance at additional public meetings/hearings is calculated at the rate of \$1,500 for preparation, travel and up to three hours of meeting time, with hourly rates for all meeting time over three hours, as well as additional meetings beyond those set forth in the scope. In no event shall the total project cost exceed the fixed-fee budget, unless the client requests work beyond the agreed-upon scope.

	Hours by Staff			Budget	
	Principal	Vice President			
	Shiver	Hagar	Associate		
	<i>Hourly Rate</i>	\$300	\$210	\$140	
Task 1: Start-up Meeting & Review of Background Materials	4	8	6	\$3,720	
Task 2: Conduct Fiscal Impact Analysis	6	31	66	\$17,550	
Task 3: Prepare Draft & Final FIA Reports (incl. 2 mtgs)	6	30	25	\$11,600	
Task 4: Project Coordination	<u>1</u>	<u>3</u>	<u>0</u>	<u>\$930</u>	
<b>Subtotal Labor</b>	17	72	97	<b>\$33,800</b>	
Expenses (a)				\$2,000	
<b>Total (Labor + Expenses) before contingency</b>				<b>\$35,800</b>	
Contingency (b)				\$3,250	
<b>Total with Contingency</b>				<b>\$39,050</b>	
<b>Optional Task: BAE Attendance at Additional Public Meetings/Hearings - Each</b>				<b>\$1,500</b>	

Notes:

(a) Includes purchase of Smith Travel Research data for hotel market trends, other data expenses, and mileage for meetings.

(b) Contingency budget will cover any unanticipated additions to BAE's scope of work, which could include analysis of additional Project Variants. BAE will use the contingency budget only if authorized by City staff for specific additions to BAE's scope of work.

Costs for any additional work authorized by the client will be billed on an hourly time-and-materials basis, in accordance with BAE's standard hourly billing rates:

Principal	\$300/hour
Senior Advisor	\$300/hour
Director	\$235/hour
Vice President	\$210/hour
Senior Associate	\$185/hour
Associate	\$140/hour
Sr. Analyst	\$110/hour
Analyst	\$95/hour

These rates are subject to revision on or after January 1, 2020.

## PROJECT SCHEDULE

Assuming that BAE receives all requested data within the first two weeks following project start up, BAE will complete the Administrative Draft within eight weeks following project start up. BAE will prepare a Public Review Draft within two weeks of receiving a single set of combined written comments on the Administrative Draft. BAE will prepare a Final report within two weeks of receiving a single set of combined written comments on the Public Review Draft.



	<b>Project Total</b>
<b>Budget</b>	<b>\$992,459</b>

Jump to:

	1	Project Initiation	2	EIR Project Description	3	EIR Scope Definition	4	Project Management and Meetings	5	Administrative Draft EIR	6	Project Variants	7	Project Alternatives and Other CEQA
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Labor				1		2		3		4		5		6		7	
Project Role	Last Name	First Name	Rate	Hours	Dollars	Hours	Dollars	Hours	Dollars	Hours	Dollars	Hours	Dollars	Hours	Dollars	Hours	Dollars
Senior Advisor	Walter	Richard		2	\$585.16	0	\$0.00	0	\$0.00	6	\$1,781.81	8	\$2,340.64	1	\$301.36	0	\$0.00
Project Director	Efner	Erin		8	\$2,120.48	4	\$1,060.24	10	\$2,650.60	83	\$22,294.20	70	\$18,554.20	12	\$3,276.14	8	\$2,184.09
Project Manager	Chapman	Kirsten		16	\$2,649.60	16	\$2,649.60	24	\$3,974.40	140	\$23,482.08	160	\$26,496.00	22	\$3,752.50	16	\$2,729.09
Deputy Project Manager	Mena	Leo		16	\$2,084.32	24	\$3,126.48	12	\$1,563.24	142	\$18,771.91	154	\$20,061.58	32	\$4,293.70	32	\$4,293.70
Analyst	Andersen	Jennifer		0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	100	\$13,933.00	12	\$1,722.12	4	\$574.04
Analyst	Winslow	Anne		0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	24	\$3,720.96	6	\$958.15	4	\$638.76
Analyst	Vurlumis	Caroline		0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	84	\$9,228.24	14	\$1,584.18	12	\$1,357.87
Hydro	Sukola	Katrina		0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	45	\$4,845.60	2	\$221.82	4	\$443.64
Geo/Haz	Roberts	Diana		0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	100	\$13,360.00	6	\$825.65	6	\$825.65
AQ/GHG	Hartley	William		0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	80	\$10,515.20	4	\$541.53	4	\$541.53
AQ/GHG/ Energy	Yoon	Laura		0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	28	\$5,184.20	6	\$1,144.23	4	\$762.82
AQ/GHG/ Energy	Matsui	Cory		0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	234	\$28,192.32	10	\$1,240.94	8	\$992.76
Historic	Boyce	Gretchen		0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	16	\$3,452.48	1	\$222.25	2	\$444.51
Archeo	Elder	James		0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	50	\$8,381.00	2	\$345.30	2	\$345.30
Historic	Rusch	Jonathon		0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	140	\$17,889.20	1	\$131.61	2	\$263.23
Noise	Foley	Elizabeth		0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	110	\$13,249.50	12	\$1,488.76	8	\$992.51
Noise	Buehler	David		0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	8	\$2,177.28	2	\$560.65	1	\$280.32
Bio	Ricketts	Matthew		0	\$0.00	0	\$0.00	0	\$0.00	0	\$0.00	80	\$12,093.60	4	\$622.82	2	\$311.41
Graphics	Messick	Timothy		0	\$0.00	8	\$1,226.48	1	\$153.31	0	\$0.00	16	\$2,452.96	4	\$631.64	1	\$157.91
Editor	Mathias	John		0	\$0.00	8	\$938.24	1	\$117.28	0	\$0.00	72	\$8,444.16	16	\$1,932.77	8	\$966.39
<b>Total - Labor</b>				<b>42</b>	<b>\$7,439.56</b>	<b>60</b>	<b>\$9,001.04</b>	<b>48</b>	<b>\$8,458.83</b>	<b>371</b>	<b>\$66,330.00</b>	<b>1,579</b>	<b>\$224,572.12</b>	<b>169</b>	<b>\$25,798.12</b>	<b>128</b>	<b>\$19,105.52</b>
Other Direct Costs (ODCs)				Rate		Dollars		Dollars		Dollars		Dollars		Dollars		Dollars	
Category				Rate		Dollars		Dollars		Dollars		Dollars		Dollars		Dollars	
Subtotal - ODCs						\$1,200.00		\$0.00		\$0.00		\$1,000.00		\$500.00		\$0.00	
G & A Markup				10.00%		\$120.00		\$0.00		\$0.00		\$100.00		\$50.00		\$0.00	
<b>Total - ODCs</b>						<b>\$1,320.00</b>		<b>\$0.00</b>		<b>\$0.00</b>		<b>\$1,100.00</b>		<b>\$550.00</b>		<b>\$0.00</b>	
Subcontractors				Rate		Hours		Dollars		Hours		Dollars		Hours		Dollars	
Firm				Name		Rate		Hours		Dollars		Hours		Dollars		Hours	
Hexagon						0		\$0.00		0		\$0.00		0		\$367,000.00	
BAE						0		\$0.00		0		\$0.00		0		\$39,050.00	
						<b>0</b>		<b>\$0.00</b>		<b>0</b>		<b>\$0.00</b>		<b>0</b>		<b>\$406,050.00</b>	
<b>Subcontractors - Markup</b>				<b>10.00%</b>		<b>\$0.00</b>		<b>\$0.00</b>		<b>\$0.00</b>		<b>\$0.00</b>		<b>\$40,605.00</b>		<b>\$0.00</b>	
<b>Total Proposed Price</b>				<b>42</b>	<b>\$8,759.56</b>	<b>60</b>	<b>\$9,001.04</b>	<b>48</b>	<b>\$8,458.83</b>	<b>371</b>	<b>\$67,430.00</b>	<b>1,579</b>	<b>\$671,777.12</b>	<b>169</b>	<b>\$25,798.12</b>	<b>128</b>	<b>\$19,105.52</b>



**Total**

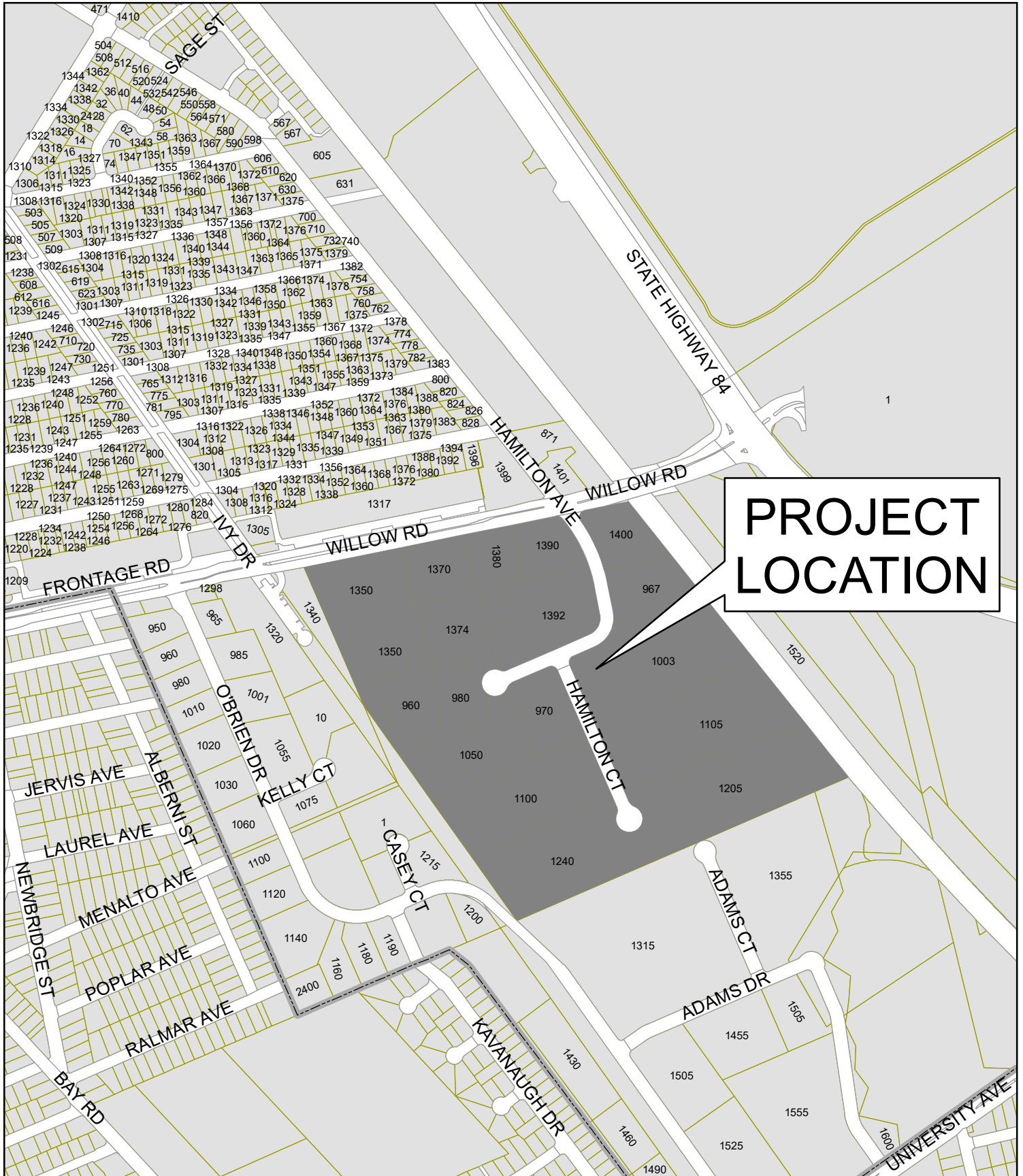
	<b>Project Total</b>
<b>Budget</b>	<b>\$992,459</b>

Jump to:

8	Screencheck Draft EIR	9	Public Draft EIR	10	Public Review and Hearing	11	Draft Responses to Comments and Admin Final	12	Screencheck and Final EIR	13	Certification, MMRP, SOC, Admin Record	TOTAL	
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Labor				8		9		10		11		12		13		TOTAL				
Project Role	Last Name	First Name	Rate	Hours	Dollars	Hours	Dollars	Hours	Dollars	Hours	Dollars	Hours	Dollars	Hours	Dollars	Hours	Dollars			
Senior Advisor	Walter	Richard		2	\$602.71	0	\$0.00	0	\$0.00	4	\$1,205.43	0	\$0.00	0	\$0.00	23	\$6,817.11			
Project Director	Efner	Erin		24	\$6,552.28	10	\$2,730.12	8	\$2,184.09	32	\$8,736.38	16	\$4,368.19	16	\$4,368.19	301	\$81,079.20			
Project Manager	Chapman	Kirsten		60	\$10,234.08	24	\$4,093.63	16	\$2,729.09	60	\$10,234.08	28	\$4,775.90	32	\$5,458.18	614	\$103,258.22			
Deputy Project Manager	Mena	Leo		80	\$10,734.25	40	\$5,367.12	12	\$1,610.14	100	\$13,417.81	44	\$5,903.84	54	\$7,245.62	742	\$98,473.70			
Analyst	Andersen	Jennifer		20	\$2,870.20	4	\$574.04	0	\$0.00	24	\$3,444.24	10	\$1,435.10	0	\$0.00	174	\$24,552.73			
Analyst	Winslow	Anne		4	\$638.76	2	\$319.38	0	\$0.00	6	\$958.15	2	\$319.38	0	\$0.00	48	\$7,553.55			
Analyst	Vurlumis	Caroline		40	\$4,526.23	6	\$678.93	0	\$0.00	24	\$2,715.74	6	\$678.93	0	\$0.00	186	\$20,770.13			
Hydro	Sukola	Katrina		6	\$665.46	2	\$221.82	0	\$0.00	8	\$887.28	2	\$221.82	0	\$0.00	69	\$7,507.45			
Geo/Haz	Roberts	Diana		10	\$1,376.08	4	\$550.43	0	\$0.00	8	\$1,100.86	2	\$275.22	0	\$0.00	136	\$18,313.89			
AQ/GHG	Hartley	William		2	\$270.77	1	\$135.38	0	\$0.00	4	\$541.53	2	\$270.77	0	\$0.00	97	\$12,816.71			
AQ/GHG/ Energy	Yoon	Laura		2	\$381.41	1	\$190.70	0	\$0.00	8	\$1,525.64	1	\$190.70	0	\$0.00	50	\$9,379.70			
AQ/GHG/ Energy	Matsui	Cory		4	\$496.38	10	\$1,240.94	0	\$0.00	40	\$4,963.78	8	\$992.76	0	\$0.00	314	\$38,119.87			
Historic	Boyce	Gretchen		1	\$222.25	0	\$0.00	0	\$0.00	1	\$222.25	0	\$0.00	0	\$0.00	21	\$4,563.75			
Archeo	Elder	James		6	\$1,035.89	2	\$345.30	0	\$0.00	8	\$1,381.19	2	\$345.30	0	\$0.00	72	\$12,179.27			
Historic	Rusch	Jonathon		4	\$526.45	1	\$131.61	0	\$0.00	2	\$263.23	0	\$0.00	0	\$0.00	150	\$19,205.33			
Noise	Foley	Elizabeth		30	\$3,721.91	4	\$496.25	0	\$0.00	16	\$1,985.02	4	\$496.25	0	\$0.00	184	\$22,430.20			
Noise	Buehler	David		1	\$280.32	0	\$0.00	0	\$0.00	4	\$1,121.30	0	\$0.00	0	\$0.00	16	\$4,419.88			
Bio	Ricketts	Matthew		6	\$934.23	2	\$311.41	0	\$0.00	8	\$1,245.64	2	\$311.41	0	\$0.00	104	\$15,830.52			
Graphics	Messick	Timothy		2	\$315.82	0	\$0.00	0	\$0.00	8	\$1,263.27	0	\$0.00	0	\$0.00	40	\$6,201.39			
Editor	Mathias	John		24	\$2,899.16	20	\$2,415.97	0	\$0.00	40	\$4,831.94	16	\$1,932.77	4	\$483.19	209	\$24,961.88			
<b>Total - Labor</b>				<b>328</b>	<b>\$49,284.66</b>	<b>133</b>	<b>\$19,803.06</b>	<b>36</b>	<b>\$6,523.32</b>	<b>405</b>	<b>\$62,044.75</b>	<b>145</b>	<b>\$22,518.34</b>	<b>106</b>	<b>\$17,555.18</b>	<b>3,550</b>	<b>\$538,434.49</b>			
Other Direct Costs (ODCs)				Dollars		Dollars		Dollars		Dollars		Dollars		Dollars		Dollars				
Category			Rate	Dollars		Dollars		Dollars		Dollars		Dollars		Dollars		Dollars				
Subtotal - ODCs				\$500.00		\$2,000.00		\$0.00		\$500.00		\$1,000.00		\$0.00		\$6,700.00				
G & A Markup			10.00%	\$50.00		\$200.00		\$0.00		\$50.00		\$100.00		\$0.00		\$670.00				
<b>Total - ODCs</b>					<b>\$550.00</b>	<b>\$2,200.00</b>	<b>\$0.00</b>	<b>\$550.00</b>	<b>\$1,100.00</b>	<b>\$0.00</b>	<b>\$7,370.00</b>									
Subcontractors				Hours		Dollars		Hours		Dollars		Hours		Dollars		Hours		Dollars		
Firm			Name	Rate	Hours		Dollars		Hours		Dollars		Hours		Dollars		Hours		Dollars	
Hexagon					0		\$0.00		0		\$0.00		0		\$0.00		0		\$367,000.00	
BAE					0		\$0.00		0		\$0.00		0		\$0.00		0		\$39,050.00	
				<b>0</b>	<b>\$0.00</b>	<b>0</b>	<b>\$0.00</b>	<b>0</b>	<b>\$0.00</b>	<b>0</b>	<b>\$0.00</b>	<b>0</b>	<b>\$0.00</b>	<b>0</b>	<b>\$0.00</b>	<b>0</b>	<b>\$406,050.00</b>			
<b>Subcontractors - Markup</b>			<b>10.00%</b>	<b>\$0.00</b>		<b>\$0.00</b>		<b>\$0.00</b>		<b>\$0.00</b>		<b>\$0.00</b>		<b>\$0.00</b>		<b>\$40,605.00</b>				
<b>Total Proposed Price</b>				<b>328</b>	<b>\$49,834.66</b>	<b>133</b>	<b>\$22,003.06</b>	<b>36</b>	<b>\$6,523.32</b>	<b>405</b>	<b>\$62,594.75</b>	<b>145</b>	<b>\$23,618.34</b>	<b>106</b>	<b>\$17,555.18</b>	<b>3,550</b>	<b>\$992,459.49</b>			





**PROJECT  
LOCATION**

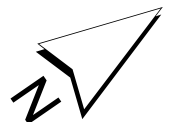


CITY OF  
MENLO PARK

# CITY OF MENLO PARK

## LOCATION MAP FACEBOOK WILLOW VILLAGE PROJECT

DRAWN: KTP CHECKED: KTR DATE: 2/21/18 SCALE: 1" = 300' SHEET: 1

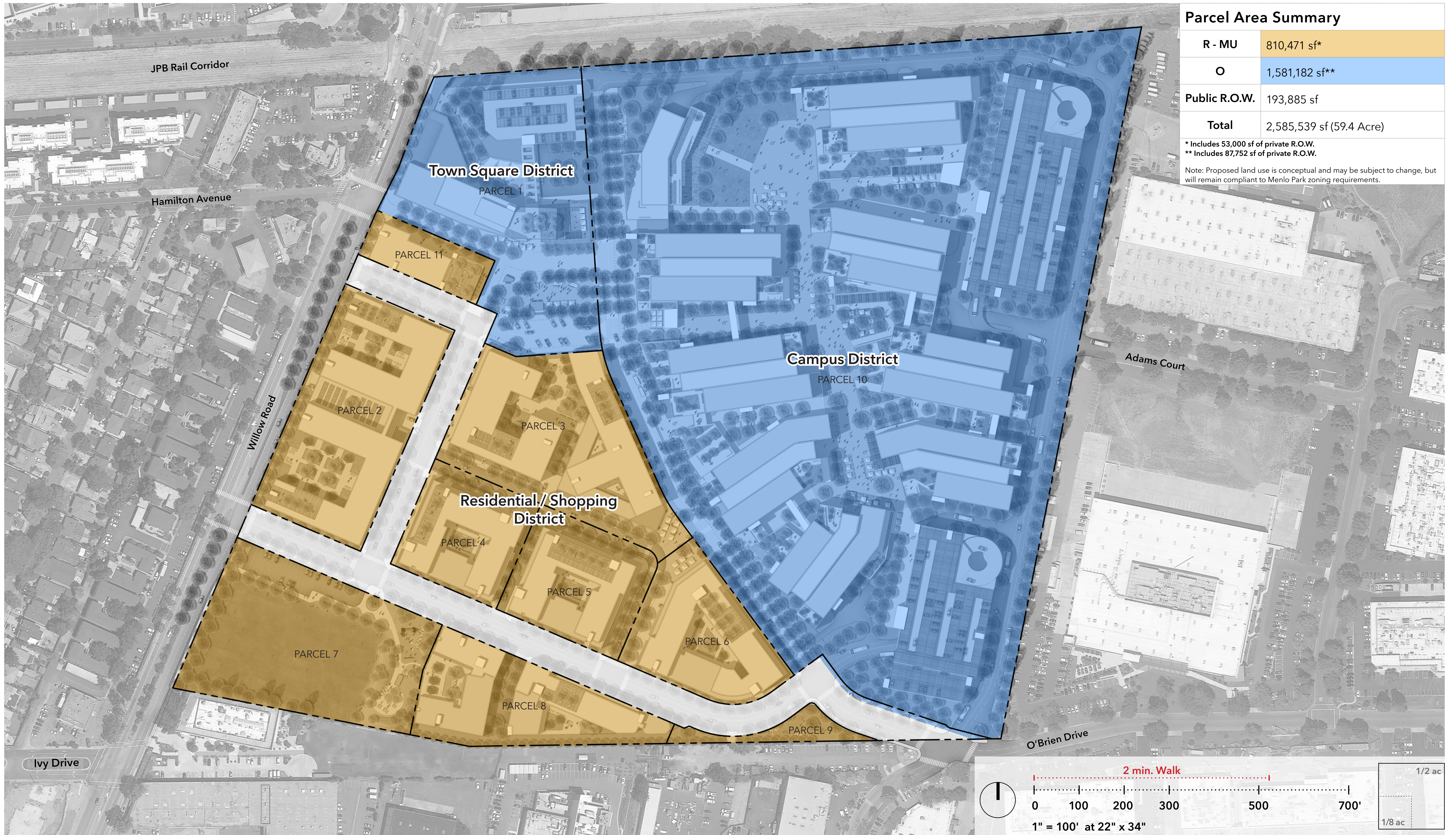






LEGEND	
1	Town Square
2	Grocery Store on Ground Level
3	Pharmacy on Ground Level
4	Public Park
5	Dog Park
6	Grade Separated Willow Road Crossing
7	Campus Visitor Parking Garage
8	Hotel
9	Mixed-Use Block
10	Residential Block
11	Office Campus
12	Parking Garage with Transit Center on Ground Level
13	Community Center on Ground Level





**Parcel Area Summary**

R - MU	810,471 sf*
O	1,581,182 sf**
Public R.O.W.	193,885 sf
<b>Total</b>	<b>2,585,539 sf (59.4 Acre)</b>

\* Includes 53,000 sf of private R.O.W.  
 \*\* Includes 87,752 sf of private R.O.W.  
 Note: Proposed land use is conceptual and may be subject to change, but will remain compliant to Menlo Park zoning requirements.





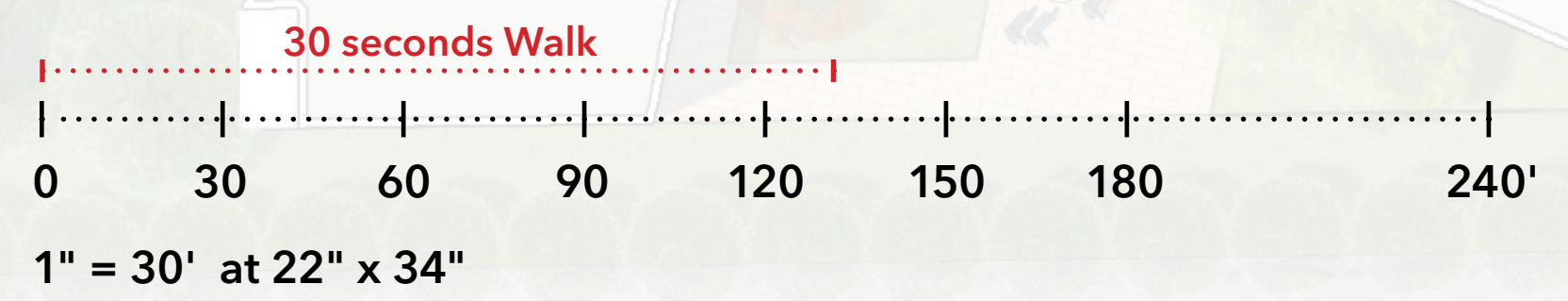




LEGEND	
1	Public Parking
2	Open Field
3	Playground
4	Public Restroom
5	Picnic Area
6	Community Center on Ground Level
7	Residential Block
8	Mixed-Use Block



Mid-Peninsula High School











LEGEND	
1	Hotel Plaza
2	Town Square
3	Public Park
4	Neighborhood Plaza
5	Off-Street Bike and Pedestrian Path
6	Dog Park





**LEGEND**

- Open Space (Publicly Accessible)
- Open Space (No Public Access)
- Roof Top Open Space (No Public Access)

**Parcel Area Summary**

R - MU	810,471 sf*
O	1,581,182 sf**
<b>Public R.O.W.</b>	193,885 sf
<b>Total</b>	2,585,539 sf (59.4 Acre)

\* Includes 53,000 sf of private R.O.W.  
 \*\* Includes 87,752 sf of private R.O.W.

**Open Space Requirement**

Land Use	Open Space	Publicly Accessible
R - MU	202,618 sf (25%)	50,654 sf (25%)
O	474,355 sf (30%)	237,177 sf (50%)
<b>Total</b>	676,972 sf	287,832 sf

**Proposed Open Space\*\*\***

Land Use	Open Space	Publicly Accessible
R - MU	360,774 sf	174,395 sf
O	801,093 sf	264,945 sf
<b>Total</b>	1,161,867 sf	439,341 sf

\*\*\* Complies with open space requirements.  
 Note: Proposed open spaces are conceptual and may be subject to change, but will remain compliant to Menlo Park zoning requirements.  
 Excerpt from the Menlo Park Municipal Code:  
 The purpose of a master planned project is to provide flexibility for creative design, more orderly development, and optimal use of open space, while maintaining and achieving the general plan vision for the Bayfront Area. Master planned projects for sites with the same zoning designation (O, LS, or R-MU) in close proximity or for contiguous sites that have a mix of zoning designations (O or R-MU) that exceed fifteen (15) acres in size and that are held in common ownership (or held by wholly owned affiliated entities) and are proposed for development as a single project or single phased development project are permitted as a conditional use; provided, that sites with mixed zoning are required to obtain a conditional development permit and enter into a development agreement. For master planned projects meeting these criteria, residential density, FAR and open space requirements and residential density, FAR, and open space requirements at the bonus level, if applicable, may be calculated in the aggregate across the site provided the overall development proposed does not exceed what would be permitted if the site were developed in accordance with the zoning designation applicable to each portion of the site and the proposed project complies with all other design standards identified for the applicable zoning districts.







Bldg#	Footprint (sf)	Total
MU1	116,700	Mixed-Use 454,990 sf
MU2	106,500	
MU3	44,730	
MU4	44,730	
MU5	56,220	
MU6	32,080	
MU7	34,030	
MU8	20,000	
O1	42,840	Office 685,360 sf
O2	47,870	
O3	52,320	
O4	54,810	
O5	67,970	
O6	44,320	
O7	59,800	
O8	46,670	
O9	29,390	
NG	93,460	
SG	69,900	
VG	31,690	
H1	43,140	
TS1	700	
TS2	300	

Note: Proposed building coverage is conceptual and may be subject to change, but will remain compliant to Menlo Park zoning requirements.





Zone	Bldg#	Permitted Ht. (ft)		Proposed Ht. (ft)	
		Max.	Avg.	Max.	Avg.
R-MU	MU1	70*	52.5*	62	56
	MU2			80	71
	MU3			79	67
	MU4			79	67
	MU5			79	65
	MU6			57	43
	MU7			68	58
	MU8			72	72
O	O1	110*	67.5*, except hotels	80	72
	O2			80	72
	O3			80	73
	O4			80	75
	O5			80	64
	O6			80	77
	O7			80	67
	O8			80	74
	O9			55	44
	NG			65	66
	SG			75	75
	VG			51	48
	H1			94	63
	TS1			21	21
TS2	21	21			

\* Properties within the flood zone or subject to flooding and sea level rise area allowed a 10 ft increase in height and maximum height.  
 Note: Proposed building heights are conceptual and may be subject to change, but will remain compliant to Menlo Park zoning requirements.







### Parcel Area Summary

R - MU	810,471 sf*
O	1,581,182 sf**
Public R.O.W.	193,885 sf
<b>Total</b>	<b>2,585,539 sf (59.4 Acre)</b>

\* Includes 53,000 sf of private R.O.W.  
 \*\* Includes 87,752 sf of private R.O.W.

### Office

O (FAR 100%)	1,581,182 sf
R - MU (FAR 25%)	202,618 sf
<b>Total Permitted</b>	<b>1,783,800 sf***</b>
<b>Proposed</b>	<b>1,750,000 sf</b>

\*\*\* Includes the "non-residential" GFA permitted under the R-MU zoning which allows for office uses.

### Retail

Permitted	
O (FAR 25%)	395,296 sf
<b>Proposed</b>	<b>175,000 sf</b>

### Residential

Permitted	
R - MU (FAR 225%)	1,823,560 sf
<b>Proposed</b>	<b>1,462,713 sf</b>

### Hotel

Permitted	
O (FAR 175%)	369,552 sf
<b>Proposed</b>	<b>175,000 sf****</b>

\*\*\*\* Includes an estimate of 175,000 sf of hotel (250 keys @700gsf each).

Note: Proposed FAR is conceptual and may be subject to change, but will remain compliant to Menlo Park zoning requirements.







# WILLOW VILLAGE

Menlo Park, CA





## STAFF REPORT

**City Council**  
**Meeting Date:** 7/16/2019  
**Staff Report Number:** 19-148-CC

**Regular Business:** **Review the Heritage Tree Task Force recommendations and direct staff to prepare necessary amendments to the heritage tree ordinance**

### Recommendation

Staff recommends the City Council review the Heritage Tree Task Force's recommendations and direct staff to prepare necessary amendments to the heritage tree ordinance as follows:

1. Review and direct the city attorney to incorporate the Heritage Tree Task Force recommendations into a draft ordinance for public review
2. Maintain the Environmental Quality Commission as the decision making body for appeals or other City Council appointed body
3. Direct staff to limit further community engagement to only the Planning Commission and Environmental Quality Commission

### Policy Issues

The heritage tree ordinance governs trees of a certain size on private property. The Heritage Tree Ordinance update was included in the 2017, 2018, and 2019 City Council work plan and is currently priority No.4 in the 2019 City Council work plan.

### Background

The main goal of the Heritage Tree Ordinance (Attachment A) is to sustain a significant and thriving tree population in Menlo Park. The ordinance preserves heritage trees by administering a permitting process to regulate pruning, removal of certain sized trees, allowing appeals of the permit decision, and penalizing unpermitted removals or practices.

The Heritage Tree Ordinance was adopted in 1979. Five amendments have been made with the latest occurring in 2006. Over the last several years, concerns from the community arose with development-related appeals, unpermitted removals and inadequate enforcement of tree replacements. The City Council, Planning Commission and Environmental Quality Commission have also expressed that there is room for improvement. As a result, the City Council included updating the Heritage Tree Ordinance as part of their 2017, 2018, and 2019 work plans. This project is identified in the City Council's top five priorities for 2019.

### Heritage Tree Task Force

In August 2018, the City Council appointed a Heritage Tree Task Force (Task Force) to partner with staff throughout the review and update of the ordinance, and was tasked with providing recommendations to the City Council by May 2019. The Task Force was able to finalize their recommendations to City Council at the end of June.

The Task Force is made up of 10 various stakeholders that include property owners, developers, realtors, former Environmental Quality Commissioner Scott Marshall, City Councilmember Drew Combs (former Planning Commissioner), tree advocates, and past heritage tree permit applicants and appellants. The Task Force worked collaboratively with the city staff team that included the city arborist, assistant city attorney, principal planner and sustainability manager. HortScience | Bartlett Consulting was hired to collect/analyze data and provide a thorough analysis of possible options for updating the ordinance. Based on the diversity of the Task Force and sensitivity of regulating trees on private property, Peninsula Conflict Resolution Center was also hired to facilitate Task Force meetings.

Between August 2018 and June 2019, this project involved the ongoing time and resources of 17 individuals, 10 Task Force meetings, and receiving about 20 public comments. Some Task Force members engaged, informed, and received feedback from other community members to ensure that balance between community values around trees and property enjoyment were being reflected in the ordinance update.

#### Scope of the Heritage Tree Ordinance Update

In May 2018, the City Council approved a scope of work for the Heritage Tree Ordinance review and update.

This provided direction for staff and the Task Force on specific areas for review, which included:

- Definition of a heritage tree
- Appeals process (particularly related to development)
- Mitigation and tree replacement requirements
- Specification of penalties for violation and enforcement mechanisms
- Permit procedure for protection, heavy pruning and removal

Through the analysis process, it was found that conflicts and issues related to appeals were due to unclear criteria for removing trees. Since this was addressing a problem related to appeals, it was also included for improvements. In addition, there were also areas of the ordinance where the City Attorney and staff recommended additions, clarifications, or removals in order to reduce risk of litigation or improve process efficiencies.

The Task Force also proposed other modifications beyond the scope to increase effectiveness and clarity. This included:

- Modifying the intent and purpose to reflect current and future community values about trees and their benefits
- Establishing new notification requirements

The City Council also established that the desired outcome of the ordinance update is to ensure a significant and thriving population of large healthy trees in Menlo Park for public enjoyment and environmental sustainability while balancing property rights and implementation efficiency. All recommended options needed to reflect this desired outcome.

#### Task Force recommendations and City Council action needed

There are 12 recommendations for City Council to consider from the Task Force and staff as described in the analysis section of this report (Table 1). Staff and the Task Force achieved consensus on all the recommendations except for which decision-making body should make decisions on appeals. If the recommendations are approved, additional resources would be needed to implement the changes, which could cost between \$185,000 and \$200,000 per year.



It is important to note that the diversity of the Task Force and staff members meant that everyone had to find middle ground on finalizing recommendations to the City Council. The Task Force also made a group agreement that a super majority (2/3 vote) be required for all final recommendations to City Council. Some Task Force members still have concerns or have offered further ideas for improving the ordinance that are beyond the original scope. Increasing the scope or exploring further options is not recommended as the budget for the project has been expended and would delay other city priorities and projects.

There are two meetings left for the Task Force in September and October, and are intended to gather ideas on implementation, review draft ordinance language and review community feedback, if applicable. The Task Force is anticipated to disband in October.

The City Council can take action by directing the city attorney to incorporate the Heritage Tree Task Force recommendations into a draft ordinance for public review. The proposed recommendations and alternative City Council actions are described in Table 1. The only area where staff and the Task Force recommendation differ is in which decision making body hears appeals. Staff recommends modifying status quo to keep the Environmental Quality Commission as the decision making body for appeals or other City Council appointed body.

In addition, significant community engagement has occurred as a result of forming the Heritage Tree Task Force. Staff recommends that further community engagement be limited to the Planning Commission and the Environmental Quality Commission before returning to City Council for final ordinance adoption in October.

Due to the process, resource/budget, and procedure changes, implementing changes to the ordinance would likely begin July 1, 2020.

## Analysis

The Heritage Tree Ordinance update was separated into two policy analysis phases:

- Phase I (August 2018 to February 2019): The Task Force worked collaboratively with the consultant and staff to identify high level policy options for improving areas identified in the project scope. The Task Force typically selected one to several ideas to explore for each area of the ordinance.
- Phase II (December 2018 through April 2019): This phase explored the options identified in Phase I in more depth to determine benefits and impacts. This included evidence gathering for each option and evaluation of potential benefits, risks, impacts, implementation logistics, potential cost or cost savings to applicants, appellants and the City.

A key step in policy analysis is selecting evaluation criteria to introduce community values and philosophy to compare, critique, and judge the value of each policy option's anticipated result. This also helps focus discussion on which option is of highest community importance over personal desire. The Task Force selected and weighted the following criteria for determining which option would emerge as preferred from the policy analysis:

- Clarity (20 percent) - Increases certainty for permit applicants through clear parameters. This does not necessarily mean permit approval, but will provide clear boundaries, processes, timelines, etc. for both the community and permit applicant.
- Canopy (60 percent) – Maintains and/or increases canopy that is significant, thriving and sustainable.
- Effectiveness (20 percent) - Improved enforcement, improved implementation, less community conflicts and sufficient staff capacity, expertise and budget to ensure effectiveness.

As a result of Phase II, 26 options were explored with 16 emerging as preferred options. A policy analysis report was presented to the Task Force and discussed over three meetings (Attachment B). The preferred options were refined by the Task Force and staff, and resulted in 12 proposed recommendations in the table below for the Heritage Tree Ordinance update.

Each of the items listed below received a super majority vote by the Task Force. An alternative staff recommendation is noted in those cases where the staff recommendation varied from the Task Force recommendation.

These recommendations are framed as policy level decisions and in most cases do not represent actual ordinance language. The actual ordinance language will be drafted following the City Council approval. Also, staff plans on drafting administrative guidelines to expand upon and assist in the implementation of the updated ordinance.

**Table 1 Task Force and staff Heritage Tree Ordinance update recommendations**

Area of the heritage tree ordinance	Task Force and Staff Recommendation
Intent and purpose	<p>This chapter is adopted with the intent and purpose of promoting the preservation and development of a healthy, diverse tree canopy in Menlo Park, which is highly valued by our community and is vital to the character and health of our city.</p> <p>Trees are valued for their many contributions to the environment, public health and quality of life of the Menlo Park community. Examples of those benefits include:</p> <ul style="list-style-type: none"> <li>• provide shade</li> <li>• enhance resilience to climate change</li> <li>• improve air quality</li> <li>• provide shelter from wind</li> <li>• prevent erosion and landslides</li> <li>• protect against flood hazards</li> <li>• add to the city’s scenic beauty and character</li> <li>• recognize historical significance to our city</li> <li>• create natural gathering places</li> <li>• reduce noise pollution</li> <li>• enhance privacy</li> <li>• enhance neighborhood property values</li> <li>• provide habitat for wildlife</li> </ul> <p>This chapter establishes regulations for the removal and replacement of trees, promotion of additional tree planting, and public education about the planting, maintenance and preservation of healthy trees following industry best management practices, consistent with the intent and purpose of this chapter, the reasonable economic enjoyment of public and private property, and in alignment with the general plan.</p>

<p>Definition of a heritage tree</p>	<p>Change the of the definition order to emphasize protection of heritage and native trees first. Currently the first definition defines a heritage tree as City Council designated, which is rarely used. The second and third definitions specify protected tree by size (over 15 inches in diameter for nonnative and 10 inches in diameter for native oak trees).</p> <p>Change how multitrunk trees are measured due to implementation challenges. New language to state that multitrunk trees will be measured at the diameter below the main union of all multitrunk trees unless the union occurs below grade, in which case each stem is measured as a standalone tree.</p>
<p>Decision making criterion for tree removal</p>	<p>The proposed decision making criteria is closely tied to industry standards and requires the provision of evidence to demonstrate a heritage tree is: dead, dying or poses a significant risk, significantly restricts economic enjoyment of the property, or interferes with utilities.</p> <p><u>Proposed decision making criterion for removing a tree</u>          Before the issuance of a heritage tree removal permit, the City arborist shall review the request and make a decision. The determination in granting or denying a permit shall be based on the following criteria. Each criterion, design guidelines, qualifications, certifications and methodologies to be used are outlined in an administrative rules/requirements document.</p> <p>A tree removal permit can be granted if the decision maker is able to make one of the following findings:</p> <ol style="list-style-type: none"> <li>1. The tree has died or condition of the tree poses a high/extreme risk due to structural defects or poor condition, and the structural defects or poor health condition cannot be reasonably abated with sound arboricultural treatments. Evidence to support this finding may include, but is not limited to:             <ul style="list-style-type: none"> <li>• The tree risk rating cannot be reduced to low, as reported by a Qualified Tree Risk Assessor</li> <li>• A Certified Arborist has determined that the tree is dying or has a severe disease or pest infestation and that pruning or other treatments will not restore tree to good health based on current arboricultural standards and/or the tree is likely to die within a year</li> </ul> </li> <li>2. The tree interferes with proposed development, repair, alteration or improvement of a site or habitable building (excluding amenities, such as pools and fire pits) or is causing structural damage to a habitable building(s) <u>and</u> there is no financially feasible and reasonable design alternative that would permit preservation of the tree while achieving the applicant’s development objectives or economic enjoyment of the property. To support this finding, the following can be required from the permit applicant and considered in making the decision about the tree(s) removal:             <ul style="list-style-type: none"> <li>• Providing schematic diagrams that demonstrate the feasibility/livability of alternative design(s) including utilizing zoning ordinance variances to preserve the tree, providing the cost of alternative design(s) and total project value in relation to the appraised value of tree(s) (outlined in City administrative rules for appraising trees-most recent addition to the Guide for Plant Appraisal).</li> </ul> </li> <li>3. The removal is requested by a utility, public transportation agency, or other governmental agency due a health or safety risk resulting from the tree’s interference with existing or planned public infrastructure. To support this finding the City may request the information specified in Section 2a.</li> <li>4. Tree has grown into the solar envelope of the collector <u>and</u> there is no other feasible and reasonable way to mitigate the condition, such as pruning. The solar collector must have been installed before planting of the tree(s), consistent with Section 25982 of Public Resources Code (Attachment C). To support this finding the City may request the information specified in Section 2a.</li> </ol>



	<p>5. The tree(s) have a diminishing value based on pest infestation; disease; a condition that cannot be reasonably abated; species desirability; intolerance to adverse site conditions such as soil or water salinity, exposure to sun or wind, increasingly high temperatures.</p> <p>6. The tree is a member of a species that has been designated as invasive by the City.</p>
<p>Appeal Filing Standards</p>	<p><u>Appeals based on proposed tree removal criteria No. 1 (tree risk)</u>                  It is recommended that appeals for proposed tree removal criteria No.1 will be limited to the permit applicant only. If a qualified tree risk assessor rates a tree as having a moderate, high or extreme risk of failure with no feasible option to lower risk rating to low and the city arborist agrees, the application will be approved with no appeal period. If the city arborist disagrees with the risk rating, making a decision to keep/preserve the tree, then the permit applicant may appeal the decision to the city manager or their designee.</p> <p><u>Appeals based on proposed tree removal criteria No. 2-5 (development, utility, solar access and long-term value related)</u>                  It is recommended that community members and permit applicants have the ability to appeal staff decisions to an appointed City Council commission or board. For permit applicants, appeals can only be accepted based on findings and evidence required for removal criteria. For community members, appeals will be processed if appellants can identify concepts/ideas that can be explored by the City that align with the proposed removal criteria.</p> <p><u>The appeal timing and appellant requirements would be</u>                  Heritage tree is noticed for removal or a permit applicant is notified of the City’s decision. Within 15 working days of posting or notification, an appellant would contact the City through an appeal intent form (to be created), requesting review of the application and supporting documents:</p> <ul style="list-style-type: none"> <li>● For community member appeals, an additional (15) working days after the appeal is filed will be used for the city, permit applicant, and appellant to review the application, enter into a mediation process, and gather one to five reasonable and feasible alternatives for the permit applicant/city to consider and/or explore.                         <ul style="list-style-type: none"> <li>● Conceptual reasonable and feasible alternatives will need to be provided within the 15 working day period to be explored by the city and the permit applicant. If the applicant/appellant plans to provide third-party expert evidence, the City can extend the review period. No additional evidence or concepts will be accepted after the review period provided in writing by the City to the appellants. This will allow appeals to be processed in an appropriate, meaningful, and efficient manner to respect both permit applicant time and other city priorities.</li> </ul> </li> </ul> <p>Tree removal Criteria No.6 would be exempt from appeals.</p>
<p>Appeal decision making body</p>	<p>Currently, the Environmental Quality Commission hears all heritage tree appeals.</p> <p><u>Preferred option from policy analysis report (Attachment B)</u>                  The preferred option resulting from the policy analysis report is to establish a new hearing body (Heritage Tree Board) whose members have a mix of urban forest and planning expertise (or related subject matter) to hear all heritage tree removal appeals. The subject matter experts would be residents in the community and advocates of preserving trees. The benefits of this board make up include reducing perceived bias and would provide added value through receiving a second professional opinion to make decisions about tree removals related largely to development.</p> <p>The Environmental Quality Commission has also generally expressed the conflicts and time to process appeals can make it difficult to address other pressing matters, such as the Climate Action Plan.</p>

	<p><u>Task Force recommendation</u>                  The Task Force was in agreement with establishing a new board, but without subject matter experts. The Task Force identified the importance of maintaining a democratic and representative process for hearing appeals.</p> <p>The Task Force recommends a new board made up of five (5) members from established city commissions (excluding Planning Commission) to populate the Heritage Tree Board. However, this would add administrative cost to city operations for a similar outcome to the Environmental Quality Commission. It requires special scheduling and posting. There could also be an added burden to commissioners by being required to attend a meeting outside of their normally scheduled meetings.</p> <p><u>Staff recommendation</u>                  Staff recommends that appeals be heard by the Environmental Quality Commission or City Council appointed body. This would provide flexibility to change the appeal hearing body at a later time. This would not require additional scheduling or special meetings outside of regular commission meetings.</p> <p>Alternatively, the City Council could consider a rotating heritage tree board where each year a different existing city commission can hear heritage tree appeals. The selected rotating commissions would need to (in general) have monthly meetings to ensure timely review and decisions on appeal during their regular meetings. This can meet the values identified by the Task Force, allow more representative diversity, assist with Environmental Quality Commission workload, and still be efficient by using existing regular commission meetings.</p>
<p>Development related appeal process</p>	<p>To resolve the Planning Commission approvals that involve heritage trees before the appeal process, it is recommended that:</p> <ul style="list-style-type: none"> <li>● The appeal period is initiated before Planning Commission approval. If an appeal were filed, it would be heard by the City Council appointed body.</li> <li>● If an appeal is filed by a community member, offer community conflict resolution.</li> <li>● If the City Council appointed body decides to allow the tree removal, the removal would be subject to the Planning Commission approving the project. Once the Planning Commission rules on the overall project that includes the tree removal, both the Planning Commission and the appointed appeal body decision could be appealed to City Council.</li> <li>● If the appointed appeal body decides to preserve the trees, the decision may be appealed to the City Council before being heard by the Planning Commission as the project would need to be redesigned before it goes to the Planning Commission.</li> </ul>
<p>Appeals and using conflict resolution</p>	<p>City can offer conflict resolution for community member appeals before/at the start of the formal appeal process. Adding mediation as part of an appeals process could help maintain, preserve, and build good community relations while resolving concerns and disagreements regarding heritage trees. In many circumstances, conflict resolution mediated by a third party would help to educate or offer a different perspective to potential appellants that might affect the appellant's decision about filing an appeal.</p> <p>To implement this option, the City would engage and pay for a mediator for the applicant and appellant. Note any agreement is not legally binding and the appellant would still have the ability to file the appeal.</p>



<p>Mitigation and tree replacement requirements</p>	<p>For <u>development related removals</u>, adopt the appraised tree value method to determine tree replacements. This uses an industry tree appraising standard, such as the most recent edition of the Guide to Plant Appraisal (Attachment D), to determine the value of the tree being removed. The development applicant would be required to replace the value of the tree on-site. For example, if a tree removed is valued at \$5,000, the cost to replace the removed tree with new plantings must be at least \$5,000. If the appraised value exceeds amount of tree replacements that can be made on the property, applicant shall pay difference in value to the City tree fund. This captures the value of a healthy tree being removed as a result of the development and also incentivizes building applicants to preserve trees that are of high value.</p> <p>Appraised tree value will be required for all tree removals (and protected trees) for a development project. The City will identify an approved list of tree appraisers to reduce conflicts between city arborist and applicant's arborist.</p> <p>For <u>non-development related removals</u>, adopt a replacement matrix based on trunk diameter developed by the City Arborist that will set the required replacement plantings. This would reduce the burden of potentially overpaying for a dead or tree in poor health. On sites that are fully planted, the applicant would pay the cost of the replacement tree set by City Council into the city tree fund.</p>
<p>Establishment of a tree fund</p>	<p>Direct violations or other heritage tree related fees to an existing tree fund to plant more trees or assist with implementation of the Heritage Tree Ordinance. Consider engaging with community nonprofit to plant trees on private property.</p>
<p>Tree replacement enforcement</p>	<p>For enforcement of replacement trees, require two inspections. One to verify tree has been planted, and a second at two years to ensure tree is thriving. This would require extra staffing resources to implement.</p>
<p>Violations</p>	<p>Charge violators the assessed value of the tree or, in cases where there is not enough of the tree left to appraise, the violator would be charged a flat fee fine which will be increased from \$5,000 to \$10,000. Punitive or administrative penalty fines can be assessed in addition to the assessed value or flat fine violations for the following:</p> <ul style="list-style-type: none"> <li>• Total tree removal</li> <li>• Pruning that impacts tree health</li> <li>• Not planting or maintaining replacement trees</li> <li>• Damage during construction</li> <li>• Repeated offenses resulting in escalating fine amounts</li> </ul> <p>Punitive or administrative penalties will be established by City Council through a resolution, which can be amended from time to time. The Task Force strongly advises that the City Council set these penalties high enough to deter violations that they have witnessed regularly or to avoid the permitting process that would create difficulties in developing their property.</p> <p>Remove building moratorium penalty. It is currently not used in practice and the City Attorney advises against using this practice for violations.</p>
<p>Notification Requirements</p>	<p>Use existing language in the municipal code 16.84 Public Hearings and 16.85 Notices for Single Family Residential Development for notification except all heritage tree removals would be noticed to property owners within 300 feet of the exterior boundary of the property involved. This would be instead of notifying contiguous neighbors. This noticing would be required for permits filed under proposed tree removal criteria two to five.</p> <p>In addition, require to the extent permitted by law, open access and communitywide opt-in notice of all heritage tree removal applications, permits and appeals. This would allow community</p>



	members to subscribe to a list serve and be notified of when a heritage tree removal permit is filed or appealed.
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If the City Council approves the recommendations, it will cost the City an extra \$185,000 to \$200,000 annually to implement the changes. This is largely due to the inspection of replacement tree requirement and enforcement needs. This would likely be recovered through increasing tree removal permitting costs and using a portion of the proposed tree replacement funds to implement. The General Fund would also be evaluated for funding the implementation costs.

The recommended action is to:

1. Direct the city attorney to incorporate the Heritage Tree Task Force recommendations into a draft ordinance for public review and maintain the Environmental Quality Commission or other City Council appointed body to make decisions on appeals.

Based on the policy analysis and Task Force findings, the proposed recommendations will increase clarity of the ordinance, increase/maintain the urban forest canopy, and increase the effectiveness of the ordinance. If approved, the Heritage Tree Ordinance Update could be adopted as early as October, depending on amount of further community engagement. An implementation and education plan would then be developed before the effective date of the ordinance on July 1, 2020.

Alternative actions to consider are:

2. Direct the City Attorney to incorporate some of the recommendations for adoption, and delay other recommendations based on City Council priorities, such as the Climate Action Plan and zero waste implementation.
3. Make modifications to the recommendations. This may require additional analysis and budget to examine the impacts to City operations and permit applicants for more informed decision-making.
4. Direct the staff and/or the Task Force to work on issues not originally identified in the project scope. This would require additional budget and resource allocation, and would delay other projects and/or priorities.

Additional community engagement direction

The community engagement to date has been extensive through the establishment of the Heritage Tree Task Force that is a Brown Act Body. All meetings of the Task Force were publically noticed. In addition, some of the Task Force members engaged, informed and received feedback from their neighbors or community members to help inform their decisions.

Between August 2018 and June 2019, the Task Force and staff participated in 10 public meetings that evaluated best practices (and effectiveness) of other communities, current practice in Menlo Park, and used policy analysis to determine preferred options based on evaluation criteria that increased clarity, maintained canopy, and increased the effectiveness of the ordinance.

The process involved the ongoing support and critique of 17 individuals made up of 10 Task Force members, four city staff and three consultants. This resulted in intensive dialogue to find middle ground solutions and recommendations. On average, the Task Force could find resolution on two topics per meeting.

During the duration of the Task Force from August 2018 to June 2019, close to 20 public comments were received in writing or at the meetings. This helped inform the Task Force and staff about issues experienced in the community that could be addressed in the ordinance update. In addition, the consulting and staff team surveyed past permit applicants and appellants to gather data and ideas on improvement. These results were presented to the Task Force.



Staff is seeking guidance from the City Council on the amount of further community engagement desired before bringing an updated ordinance for adoption.

The recommended action is to:

1. At minimum present a draft ordinance to the Planning Commission and the Environmental Quality Commission as their work can be impacted by the changes. This can also serve as an opportunity for community feedback on the draft language.

Alternative/additional actions to consider are:

2. Use the two remaining Task Force meetings scheduled in September and October as a forum for community engagement on the final recommendations. The three Task Force meetings that occurred in May and June did provide a forum for community engagement that included discussion of the proposed recommendations. This could risk the Task Force not being able to address ideas for implementation due to lack of time in the meeting.
3. Conduct communitywide engagement to inform and solicit feedback from the wider community about the final proposed changes before bringing the ordinance back to City Council for adoption. This would involve mailers, additional meetings and marketing.

### **Impact on City Resources**

If the above policy changes are made to the ordinance, it will increase costs for implementation. It is estimated that the costs will increase the heritage tree program budget between \$185,000 and \$200,000 annually and will require additional staff or a mix of staff and consulting services. This would likely be recovered through increasing tree removal permitting costs and using a portion of the proposed tree replacement funds to implement. The general fund would also be evaluated for funding the implementation.

Further analysis of new recommendations/options or additional Task Force meetings would require additional budget appropriations and delay upcoming projects related to the climate action plan and zero waste implementation.

### **Environmental Review**

An analysis of impacts under the California Environmental Quality Act will be performed before adoption of the final ordinance. As the purpose of the Heritage Tree Task Force was to continue the level of tree canopy protection existing in the current ordinance while providing more clarity and better enforcement, staff anticipates the ordinance will be exempt from further CEQA review.

### **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. Current Heritage Tree Ordinance – Hyperlink:  
<https://www.codepublishing.com/CA/MenloPark/?MenloPark13/MenloPark1324.html&?f>
- B. Policy Options Analysis Report from June 26 Task Force Meeting – Hyperlink:  
<https://menlopark.org/DocumentCenter/View/22096/Policy-Analysis-Report>

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- C. Section 25982 of Public Resources Code – Hyperlink:  
[https://leginfo.legislature.ca.gov/faces/codes\\_displaySection.xhtml?lawCode=PRC&sectionNum=25982](https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=PRC&sectionNum=25982).
- D. Recent edition of the Guide to Plant Appraisal – Hyperlink:  
<https://www.isa-arbor.com/Portals/0/Assets/PDF/News/2016-09-14-ctla-10th-guide-overview.pdf>

Report prepared by:  
Rebecca L. Lucky, Sustainability Manager

Reviewed by:  
Cara Silver, Assistant City Attorney



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## STAFF REPORT

### City Council

Meeting Date:

7/16/2019

Staff Report Number:

19-146-CC

### Regular Business:

**Authorize staff to develop amendments to the 2019 California Building Standards Code to require new buildings be electrically heated and require solar production on new nonresidential buildings, and apply for a \$10,000 reach code grant**

### Recommendation

Staff recommends that the City Council direct staff to develop amendments to the 2019 California Building Standards Code that would require new buildings to be electrically heated buildings (water and space area heating) to reduce natural gas usage and require a minimum amount of solar production for new nonresidential buildings. In addition, staff recommends the City Council authorize the city manager to submit a letter of intent to Peninsula Clean Energy to apply for and receive a \$10,000 grant should the City Council adopt a reach code this year.

### Policy Issues

Exploring the adoption of reach codes is in the City Council 2019 work plan. Adopting local energy codes that reduce fossil fuel (natural gas) use aligns with the City's climate action plan to reduce greenhouse gas emissions (GHG) and the climate and sustainability resolution (Resolution No. 6493) signed this year by the mayor on Earth Day, which specifies working toward zero carbon buildings. The adoption of local building standards code requires City Council and state approval.

### Background

#### California Building Standards Code

Each local government is required by law to adopt new changes to the California Building Standards Code every three years (code cycle) proposed by the State. The next code cycle will take effect January 1, 2020.

This creates an opportunity to simultaneously adopt local building code amendments (reach codes) that exceed state code standards. Reach codes are optional local amendments to the California Building Standards Code. Historically, cities/counties adopt amendments to the Energy and California Green Building Standards (CALGreen) chapters of the State code to increase environmental building standards that meet community environmental goals or aspirations. It is also important to note that the State tends to increase environmental building standards with each new code cycle. One of the major changes in this upcoming code cycle is new low-rise residential developments (defined as three or fewer stories and including single family homes) must install rooftop solar panels.

If reach codes involve energy requirements, cities/counties need to file an application to the California Energy Commission (CEC) to prove that any local amendments related to the energy code are cost effective and more energy efficient than those required by the state.

The County of San Mateo, Peninsula Clean Energy (PCE) and TRC Advanced Energy (consultant) have partnered to offer cities in San Mateo County technical assistance in using the statewide reach code cost effectiveness study to draft language for adopting specific reach codes in their respective communities. The County and PCE have also been engaging with the development community about the proposed reach codes by posting information on their websites and through public meetings.

The City Council included exploring potential reach codes in their 2019 work plan. They referred the matter to the Environmental Quality Commission (EQC) to study and provide a recommendation.

The EQC discussed the reach codes at their February, May and June 2019 meetings. In June, they unanimously recommended the City Council adopt the preferred option presented in this report, which is to require new buildings to be electrically heated. This means water and space area heating would not use natural gas. Natural gas is a fossil fuel that creates greenhouse gas emissions and contributes to climate change. This option still allows building occupants to use natural gas for cooking, fireplaces or other uses. This option was found to be cost effective for both construction and building operation.

In addition, the EQC recommends the City Council adopt the County's proposed language requiring a minimum amount of on-site solar production for new nonresidential buildings. This compliments the new state requirement for residential solar, assists in future energy grid resilience and helps to further reduce building operation cost.

In order to meet the timeline to adopt reach codes with 2020 state building codes, the City Council needs to formally adopt reach codes in August/September 2019. If the City Council authorizes staff to proceed with the proposed reach code option, staff will schedule a public hearing for the first reading of the ordinance in August.

In addition, PCE is providing communities in San Mateo County a \$10,000 grant to evaluate and consider adopting reach codes by January 2020 (the new State code cycle).

## **Analysis**

There is a significant opportunity to reduce a community's greenhouse gas emissions through building electrification that would rely less on natural gas. Many communities already have clean and renewable electricity available, and the State is requiring that power providers achieve 100 percent greenhouse gas (carbon) free electricity by 2045 (SB 100).

For many communities, building electrification and/or preparation have been the focus for adopting reach codes. The reach codes proposed, position the City to meet or exceed its greenhouse gas reduction goal even with increased development. In addition, adoption of the proposed reach code would make Menlo Park a leader in the region in transitioning toward all electric buildings.

### Maximizing renewable energy available in the community

Residents and business owners are automatically enrolled in PCE's ECOplus program, which means 50 percent of their electricity comes from clean and renewable energy. PCE also has a goal to be 100 percent greenhouse gas free by 2021, which would mean new electric buildings in Menlo Park would be GHG free by 2021. This would maximize the use of clean and renewable energy both currently available and in the future. PCE does not provide natural gas, which creates greenhouse gas emissions that contribute to climate change.



Menlo Park development forecast

Staff has analyzed potential future development projects that could occur in the next 3-year code cycle. If all projects are approved, it would result in:

- 100 new single-family residential buildings (based on building permits in the last code cycle 2017-2019)
- 21 new buildings that include multifamily, office, retail and hotel (based on planning permits in the queue that [if approved] would receive building permits in the next code cycle 2020-2023)

If these buildings use natural gas, an estimated increase of 212,876 tons of greenhouse gas emissions would result over the expected life of the buildings (30 years for residential and 50 years for commercial). This equates to about 5,000 to 6,000 tons of greenhouse gas emissions a year.

It is also important to note as the State and region quickly move toward renewable energy, future regulation will require electrification of buildings, particularly through retrofit requirements. Addressing electrification now for heating new buildings avoids hardships and costs for building owners in the future.

Preferred reach code option

The County has prepared reach code options for cities to adopt. The options can be tailored to meet the community’s environmental goals and expected development.

Staff presented four options to the EQC (Attachment B). The preferred option was determined by using the following criteria:

- Significant greenhouse gas reductions
- Ease of implementation and efficiency
- Community acceptance

All options presented were found to be cost effective both in terms of building construction costs and operational costs. All options presented to the EQC only applied to newly constructed buildings (not additions or remodels).

Based on the evaluation criteria and the cost effectiveness study, the preferred option is to:

1. Require new buildings to be electrically heated (excludes cooking, fireplaces and other uses)
2. Require new nonresidential buildings to have a minimum amount of on-site solar production (Table 2 below)

Table 2: Solar panel requirements for New Buildings Only	
Square footage of building	Size of panel
Less than 10,000 sq. ft.	Minimum of 3-kilowatt PV systems
Greater than or equal to 10,000 sq. ft.	Minimum of 5-kilowatt PV systems
EXCEPTION: As an alternative to a solar PV system, the building type may provide a solar hot water system (solar thermal) with a minimum collector area of 40 square feet.	

This is simple for permit applicants to understand and for the City to implement with current staff resources. It values strong consumer/building occupant preference for cooking with natural gas to continue. It also guarantees significant greenhouse gas reductions by discontinuing natural gas usage for heating a building’s space area and water, which is the main source of energy consumption/greenhouse gas emissions. This is an achievable standard to implement by the start of the code cycle in January 2020.

Other communities’ approach

Staff contacted the California Energy Commission, and was informed that over 50 cities in California are



adopting a wide variety of reach codes based on their needs, current circumstances and goals. To date, Brisbane, Burlingame, San Mateo and Portola Valley have adopted a reach code. Others that are actively engaged include: Colma, Hillsborough, Pacifica, Redwood City, Woodside and unincorporated San Mateo County.

Cities in Santa Clara County have exhibited the most commitment and include: Campbell, Cupertino, Gilroy, Los Altos, Los Altos Hills, Milpitas, Morgan Hill, Mountain View, San Jose and Sunnyvale. Palo Alto has already adopted many of the reach code standards being proposed in the last code cycle, and is waiting for information before making a decision on 2020 reach codes.

The City of Berkeley is currently in the process of prohibiting natural gas infrastructure in new buildings, which would mandate all-electric buildings as a result.

Some communities have expressed concern that an all-electric or an electrically heated requirement could raise a federal preemption issue. Federal law expressly preempts local laws requiring that certain appliances be more efficient than federal standards (Energy Policy and Conservation Act, 42 U.S.C. Section 6295 et seq.) For example, an energy efficiency standard prescribed or established under federal law supersedes any State or local regulation concerning the energy efficiency or energy use of such a product (Section 6316(b)(2)(A)).

Since neither the City's electric heating proposal or Berkeley's all-electric appliance proposal are designed to regulate the energy efficiency or amount of energy used by any particular appliance, it does not create a penalty or legal compulsion to use higher efficiency products. In short, these types of regulations do not raise preemption concerns.

The preferred option for Menlo Park is more advanced and leading than other cities in San Mateo County and Santa Clara County. Many other cities are incentivizing building electrification by requiring higher energy efficiency requirements for new buildings that use natural gas in hopes that it will motivate building permit applicants to choose an all-electric building option due to cost savings.

However, County stakeholder meetings with building officials revealed reservations with requiring higher energy efficiency requirements that are difficult to implement and concern whether they would even be achievable. The new changes to the state building code already have more stringent energy efficiency requirements than this current code cycle. No challenges were expressed with requiring all electric or electrically heated buildings.

Based on past experiences with incentive based regulations/standards, cost savings is not always a motivating factor compared to consumer preferences. Many consumers/building occupants still prefer to use natural gas for cooking, which then leads to using natural gas for other building uses, such as heating. Incentive based regulations also require significant resources to educate, market and promote often with less results than requiring cost effective measures that achieve the desired result of reducing greenhouse gas emissions. In addition, there can be unintended outcomes if permit applicants are able to find a work around the higher efficiency requirements, or other unknown barriers exist. This has occurred in past attempts of incentivizing building electrification.

Given the amount of development that could occur in the next code cycle for Menlo Park, it would be a high risk to rely on a building electrification incentive regulation as a way to reduce greenhouse gas emissions for new buildings.

The proposed preferred option recognizes strong consumer/building occupant preference for cooking with

natural gas and only requires electrification of space area heating and water heating, which is the majority of a building's energy consumption and production of greenhouse gas emissions. Typically, consumers/building occupants are not as concerned with how a building space or water is heated. An electrically heated requirement for new buildings is a moderate approach until consumers become more comfortable with an all-electric building requirement and cultural norms shift away from using natural gas for cooking.

It is also important to note that some cities will not be experiencing the same level of development as Menlo Park. The predicted level of development can impact the ease of adoption, the requirement approach, and urgency to reduce GHG emissions in future buildings.

### Next steps

If the City Council directs staff to progress the proposed Menlo Park reach codes for adoption, staff recommends authorizing the city manager to sign and submit a Letter of Intent to the PCE (Attachment A). PCE is providing communities in San Mateo County a \$10,000 grant to evaluate and consider adoption of reach codes by the start of the new state code cycle in January 2020. The Letter of Intent acts as an invoice to release the \$10,000 funding for supplementing staff time or other activities related to the Reach Codes.

If the City Council directs staff to proceed with the preferred option, the next steps are to:

- Prepare the reach code ordinance and building code language
- Schedule a public hearing in August for reach code ordinance adoption by City Council. If adopted, a second reading of the ordinance will be scheduled for early September
- Inform and invite feedback from the development community about the proposed reach codes to the extent possible with current staff resources, City Council priorities and the July/August timeframe to synchronize with state code cycle
- After adoption by the City Council, submit the proposed reach codes to the California Building Standards Commission and the California Energy Commission for approval. Approval can take up to 60 days by the state (October-November)
- Develop an implementation plan for city operations and community education before the start of implementation January 1, 2020

### Alternative actions include

- Not adopting reach codes for this code cycle
- Providing staff and the EQC with a different direction. A different direction is unlikely to meet the timelines to implement reach codes by the start of the new state building code cycle. Reach codes can be adopted at any time, but since the state typically increases requirements with each new code cycle, this may be inefficient in terms of city resources and clarity for permit applicants

### **Impact on City Resources**

Exploring adoption of reach codes is in the City Council 2019 work plan. It involves staff resources from the City Attorney's Office, Sustainability and Community Development. This work plan item has been prioritized over other routine tasks and projects identified in the climate action plan and Zero Waste Plan. As a result, it has delayed some projects and tasks, such as the climate action plan update, greenhouse gas inventory update, and electric vehicle charging infrastructure policy and program analysis.

The proposed reach codes will be administered by the building division. The simplicity of the electrically heated requirement would not require additional resources and may save time in reviewing plans and on-site inspections due to less natural gas infrastructure. The solar requirement for nonresidential buildings



would also not require additional resources to review and inspect.

### **Environmental Review**

This action is not a project within the meaning of the California Environmental Quality Act (CEQA) Guidelines § 15061(b)(3) because it can be seen with certainty that there is no possibility that the amendments herein adopted will have a significant effect on 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. Letter of Intent to receive PCE \$10,000 reach code grant
- B. Environmental Quality Commission staff report, June 19, 2019 – Hyperlink:  
<https://menlopark.org/DocumentCenter/View/21893/D2-20190619-reach-codes-EQC?bidId=>
- C. Residential cost effectiveness study – Hyperlink:  
<https://peninsulareachcodes.org/wp-content/uploads/2019/06/2019-ResNewCon-Cost-Eff-PublicDraft.pdf>
- D. Nonresidential cost effectiveness study – Hyperlink:  
<https://peninsulareachcodes.org/wp-content/uploads/2019/06/2019-NRNC-Reach-Codes.pdf>

Report prepared by:  
Rebecca L. Lucky, Sustainability Manager

Reviewed by:  
Chuck Andrews, Assistant Community Development Director  
Deanna Chow, Assistant Community Development Director  
Cara Silver, City Attorney



Dear City Manager,

Peninsula Clean Energy (PCE) will provide San Mateo County jurisdictions a \$10,000 grant to evaluate and consider the adoption of building and electric vehicle Reach Codes that would enable adoption concurrently with the state-required adoption of the 2019 building code, which takes effect January 1, 2020. The Reach Codes are an opportunity to advance homes that are safer, healthier and more affordable.

In addition to the \$10,000, PCE is offering support to local governments in the form of technical assistance from TRC Engineers and DNV-GL for the development of model Reach Codes, facilitation support by the County Office of Sustainability, as well as implementation and adoption support such as consultant participation at Commissions and Council meetings, model staff reports, staff trainings, check lists or other support needs that you may identify.

We invite your input on the model codes and your support needs at any and all stages of the process.

Please find attached a draft letter of intent (LOI) which provides further clarification of the efforts to support our shared goals to both reduce greenhouse gas emissions and strengthen our local economy. We invite your submission of the LOI which also acts as an invoice to release the \$10,000 in funding.

Two versions of the LOI are attached, a letter and a resolution (if Council action is deemed necessary), which you may adapt as you deem appropriate. Please submit to me at [rreyes@peninsulacleanenergy.com](mailto:rreyes@peninsulacleanenergy.com) with a W-9 and preferred method of payment (ACH or check by mail).

We look forward to your participation in the building reach code process.

Sincerely,

A handwritten signature in blue ink that reads "Rafael Reyes".

Rafael Reyes  
Director of Energy Programs



**DRAFT**

July 16, 2019

Rafael Reyes  
Peninsula Clean Energy  
2075 Woodside Road  
Redwood City, CA 94061

**RE: Letter of intent for reach code grant**

Dear PCE Staff,

The City of Menlo Park understands that Peninsula Clean Energy (PCE) was established as the community choice aggregator and primary provider of clean electricity in San Mateo County, and that it intends to provide 100% renewable electricity for all its customers in San Mateo County by 2025. We recognize that the benefits of the greenhouse gas free electricity can be amplified by electrification of new and existing buildings and electrification of transportation vehicles in our city which can deliver economic benefits, result in safer and healthier homes and further reduce climate pollution.

We also understand that PCE is coordinating regionally with Silicon Valley Clean Energy, County of San Mateo, and with the California Energy Commission (CEC) to develop building and transportation electrification reach codes and that PCE is offering extensive technical assistance and a \$10,000 grant for cities and towns in San Mateo County to develop and potentially adopt these new reach codes.

As Menlo Park adopts the new CEC-established building codes as part of the statewide three-year code adoption cycle by December 31, 2019 for all cities, which will take effect January 1, 2020, we believe that it is most efficient for Menlo Park staff to coordinate adoption of reach codes with the adoption of new building codes.

Therefore, we are providing this letter of intent to let you know that the City of Menlo Park commits to participating in the model reach code development process led by PCE. As qualification for the \$10,000 grant, we commit to modest staff time to develop reach codes with the intent to present findings to our City Council for consideration of adoption.

Sincerely,

Starla Jerome-Robinson  
City Manager

Attachment: W9





**STAFF REPORT**

**City Council Meeting Date:** 7/16/2019  
**Staff Report Number:** 19-151-CC

**Regular Business:** **Approve the terms of a successor agreement between the City of Menlo Park and the Menlo Park Police Sergeants Association; and amend the citywide salary schedule effective July 21, 2019**

**Recommendation**

Staff recommends that the City Council approve the terms of a collective bargaining agreement between the City of Menlo Park and the Menlo Park Police Sergeants Association (PSA), and authorize the city manager to execute a Memorandum of Understanding (MOU) with a term of July 17, 2019, through June 30, 2022; and amend the citywide salary schedule effective July 21.

**Policy Issues**

This report is prepared in accordance with City Council policy and procedure CC-11-001, public input and outreach regarding labor negotiations. Staff's recommendation aligns with the City's goals of balancing continued fiscal prudence in planning for potential impacts of employee retirement benefits, while also continuing to align the City as a competitive employer.

**Background**

On February 26, in accordance with City Council's public input and outreach regarding labor negotiations policy, a staff report was placed on the City Council agenda providing an opportunity for public comment before the commencement of labor negotiations with the Menlo Park PSA for a successor MOU expiring June 30. The staff report provided background information related to labor negotiations, a summary of bargaining unit information, cost information for salaries and benefits, and key issues facing the City on labor relation matters such as employee pension cost increases and medical premiums. At that meeting, there was one public comment.

The PSA represents nine employees in the sworn classifications of police sergeant. The City and PSA negotiating teams commenced negotiations in March 2019, and after six meetings, reached a tentative agreement (TA) June 28 within the authority and direction provided by City Council in closed session.

Upon reaching agreement, PSA notified the City that the TA was ratified by the membership June 28. In compliance with the intent and spirit of the City Council's public input and outreach regarding labor negotiations policy, the City is publicly making available the staff report, at least fifteen calendar days prior to the City Council consideration of the tentative agreement. This staff report includes full details and costing associated with the recommended action.

**Analysis**

Attachment A is a copy of the current MOU with changes reflecting the terms of the TA reached by the City and PSA negotiating teams. The table below provides a summary of the key provisions and/or changes.

Table 1: Key Provisions and/or changes		
Item	Description	Fully burdened cost/(savings)
Term MOU Article 1 Page 1	Three years beginning with City Council ratification and ending June 30, 2022. Given that negotiation of a successor agreement is not required for three fiscal years, the City is estimated to save approximately \$30,000 per year which reflects legal costs and internal staff time required to support negotiations.	(\$90,000)
Pay rates MOU Article 2 Page 2	<ul style="list-style-type: none"> <li>• Increase differential with the Police Officers Association (POA) base pay from 12.15% to 13.5% effective first full pay period after City Council adoption.</li> <li>• Increase base pay differential with the POA from 13.5% to 14.5% effective first full pay period in July 2020.</li> <li>• Increase base pay differential with the POA from 14.5% to 15.0% effective first full pay period in July 2021.</li> </ul> There is no retroactivity of these adjustments.	\$204,500
On-call Pay MOU Article 2 Page 5	Changes the compensation from the rate of fifty dollars (\$50.00) per twenty-four (24) hour period to one hour of base pay per day for detectives on-call	\$26,300
Benefit programs MOU Article 6 Page 11	Increases the City’s contribution to the cafeteria plan by 2% in 2020 and 3% in 2021	\$9,000
Educational leave and tuition reimbursement MOU Article 6 Page 11	The City shall contribute Eight Thousand Dollars (\$8,000) annually on July 1 of each year to the PSA educational leave and tuition reimbursement fund.	\$24,000

The economic package outlined above is responsive to the City’s bargaining principles, as outlined in the February 26 report to the City Council announcing the City’s intent to negotiate a successor agreement with the PSA. Specifically:

Service to the community

Service to the community requires a skilled workforce that is committed to providing the level of customer service and responsiveness expected by the City Council, residents, businesses, and other community sectors in Menlo Park. The PSA are the front line supervisors for police officers, police corporals and certain non-sworn police personnel. Four of the nine sergeants are assigned to the patrol division, leading day-to-day 24/7 operations. Patrol sergeants ensure appropriate staffing levels, customer relations, and law enforcement activities for crime prevention, problem-solving and crime suppression. Five sergeants are assigned to units requiring specialized training and skills. The TA provides three years of stability for



affected PSA represented classifications in the area of compensation.

### Fiscal sustainability

One measure of fiscal sustainability is the relationship between the TA's economic package and inflation as measured by the Consumers Price Index, All Urban Consumers (CPI-U), for the San Francisco – Oakland – Hayward region. For budgeting purposes, the City measures CPI-U based on the annual change measured in February of each year. From February 2018 to February 2019, the CPI-U recorded an increase of 3.5 percent. The most recent measures of the year-over-year change in CPI-U was measured from April 2018 to April 2019, changing 4.0 percent. Existing practice continued in the proposed successor MOU includes general salary increases at the same pace of the POA, to keep the salary differential between the PSA and POA the same. This resulted in a 2.91 percent July 7, 2019 and will include a 3.5 percent increase in July 2020. The increase in the differential of 2.85 percent over the three year term of the proposed successor MOU is to align the salary differential of a first line supervisor and direct report to industry standards and best practices.

Another measure of fiscal sustainability is the cumulative fiscal impact of the TA and the relationship of that impact to the fiscal year 2019-20 budget and most recent 10-year forecast. The amount available for salary increases takes into consideration increasing costs for employee pension and inflationary assumptions for non-salary items. In addition to falling within the assumptions of the City's long-term fiscal forecast, the salary increases also cumulatively fall within assumptions made by CalPERS in its payroll growth assumptions that are used in actuarial analysis of pension liabilities.

### Recruitment and retention

The terms of the successor agreement are an important component of recruiting and retaining quality employees. All nine of the current police sergeants were promoted from within the City of Menlo Park. They represent 130 years of service to the City of Menlo Park as law enforcement officers, 58 of those years as police sergeants. Competition for top talent is significant. Providing a compensation package that maintains the City's market position and provides incentive for promoting within the City supports retention of our highly qualified and experienced staff.

### **Impact on City Resources**

The TA results in a fiscal impact of approximately \$173,800 through June 30, 2022, net of savings realized as a result of the multiyear agreement. The TA fiscal impact is within the most recent 10-year fiscal forecast.

### **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. Track changes copy of Memorandum of Understanding between the Menlo Park Police Sergeants Association and the City of Menlo Park expiring June 30, 2022
- B. Track changes copy of the citywide salary schedule
- C. Resolution No. 6514 to amend the citywide salary schedule

Report prepared by:  
Theresa DellaSanta, Human Resources Manager

Report reviewed by:  
Lenka Diaz, Administrative Services Director

**MEMORANDUM OF UNDERSTANDING**  
**BETWEEN**  
**THE MENLO PARK POLICE SERGEANTS**  
**ASSOCIATION**  
**AND**  
**THE CITY OF MENLO PARK**



**July 17, 2019 to June 30, 2022**

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## PREAMBLE

This Memorandum of Understanding is reached between the City of Menlo Park (“City”) and the Menlo Park Police Sergeants’ Association (“PSA”), representing the classification of Sergeant within the City’s Police Department. The parties have reached this Memorandum of Understanding following meeting and conferring in good faith as required under Government Code Sections, 3500, et seq. Existing practices and/or benefits which are not referenced in this Memorandum and which are subject to the meet and confer process shall continue without change unless modified subject to the meet and confer process.

The parties agree as follows:

## ARTICLE 1: TERM

The term of this Memorandum shall be July 17, 2019 to June 30, 2022.

## ARTICLE 2: PAY RATES AND PRACTICES

### 2.1 Salary Schedule

The salary schedule for employees in the representation unit shall be as set forth in Appendix “A” to this Agreement.

Effective the first full pay period following approval of this agreement by City Council, the City shall increase the differential between POA and PSA classifications’ base pay (“base pay” does not include premiums or other assignment-based pays, longevity pay, deferred compensation, uniform allowance, and POST incentive), from 12.15% to 13.5%.

Effective the first full pay period in July 2020, the City shall increase the differential between POA and PSA classifications’ base pay from 13.5% to 14.5%.

Effective the first full pay period in July 2021, the City shall increase the differential between POA and PSA classifications’ base pay from 14.5% to 15.0%.

### 2.2 POST Incentive

Unit members who possess a Peace Officer Standards and Training (POST) intermediate certificate shall receive a five percent (5%) premium in accordance with the current practice.

Unit members who possess a Peace Officer Standards and Training (POST) advanced certificate shall receive a ten percent (10%) premium in accordance with the current practice.

### 2.3 Overtime

Officers on a forty (40) hour assignment shall be paid overtime at the rate of time and one-half (1 -1/2) their regular rate of pay for all hours worked in excess of forty (40) hours in a single workweek. Officers who work a patrol schedule under a 7(k) work period as allowed under the Fair Labor Standards Act shall receive overtime for all hours worked in excess of one hundred and sixty-eight (168) hours in a twenty-eight (28) day work period. Hours worked shall include all hours for which the officer is in a paid status including paid leave time. Overtime is paid on a biweekly basis.

### 2.4 Call Back Pay

Employees who are called back after leaving work at the end of a normal shift shall be entitled to a minimum of four (4) hours pay at the rate of time and one-half (1-1/2); exception: court pay is three (3) hours minimum.

### 2.5 Uniform Allowance

All unit members shall receive the sum of One Thousand Forty Dollars (\$1,040.00) per year to be used for the purchase and maintenance of uniforms. Payment shall be made in the amount of Forty Dollars (\$40.00) per biweekly pay period. If an eligible employee is on unpaid leave for a period of one (1) full pay period or more, the employee will not receive uniform allowance pay for that period. The City will pay the initial cost of a class A uniform for all unit members.

### 2.6 General Leave Cashout

An employee may cash out General Leave in accordance with the General Leave Cashout Policy.

### 2.7 Compensatory Time

Compensatory time accrued in a different classification may not be carried over upon promotion. All compensatory time accrued prior to promotion to Sergeant will be cashed out at the time of promotion at the employee's hourly rate immediately preceding promotion.

An employee may accumulate a maximum of three hundred (300) hours of compensatory time. Once an employee has reached the limits of compensatory time in this section he/she shall receive cash at the overtime rate for all overtime worked.



Any employee who reaches the limit of three hundred (300) hours of compensatory time on the books will not be allowed to accrue further compensatory time until the balance falls below the three hundred (300) hours maximum.

With the last full payroll period each December, all unused compensatory time shall be cashed out at the employee's rate of pay.

Upon termination, all unused compensatory time shall be paid out at the employee's final rate of pay.

## 2.8 Continuing Benefits

The City will pay the increased cost of existing benefits, except as specifically provided herein.

## 2.9 Bilingual Differential

2.9.1 Any position assigned to job duties requiring bilingual skills are eligible to receive Seventy-Five (\$75.00) each pay period for the use of bilingual skills in job duties arising during the normal course of work.

2.9.2 The Human Resources Department, on the basis of a proficiency test developed and administered by the City, shall determine eligibility for the bilingual pay differential.

2.9.3 Bilingual skills shall not be a condition of employment except for employees who are hired specifically with that requirement. If an employee is hired under this provision, that requirement shall be included in the initial employment letter.

2.9.4 The City retains the right to discontinue the bilingual differential, provided the City gives the exclusive representative ten (10) days written notice prior to such revocation, in order to allow the opportunity for the parties to meet and confer.

2.9.5 No employee shall be required to use bilingual skills that is not compensated under this section.

Any employee who is reassigned to another position within this bargaining unit, and was receiving the bilingual differential at the time of appointment, shall have their need for bilingual skills reviewed by the Chief of Police. If the Chief of Police determines that bilingual skills in the position are required, the differential shall continue, otherwise, the bilingual differential will be discontinued.

## 2.10 On-Call Pay

Sergeants assigned to the detective unit who are placed in an on-call status shall be compensated one (1) hour of pay at the member's regular rate of pay for each day. Sergeants assigned to the detective unit who are on-call and fail to respond when called may be subject to disciplinary action.

2.11 Vehicle Allowance

Sergeants assigned to the detective unit, who are assigned to use their personally owned vehicle for City use, shall receive a monthly automobile allowance of five hundred dollars (\$500.00). The automobile allowance shall cover all costs of operating the vehicle for City use, including but not limited to, maintenance, insurance and fuel.

2.12 Night Shift Differential

For employees assigned to patrol, the City shall pay a shift differential of two percent (2.00%) for regular assignment to night shift. The shift differential shall not be paid on any regularly assigned schedule worked which includes day or swing shift.

Shift differential shall only be paid to employees assigned to a night shift, and shall not apply to employees filling open shifts or otherwise assigned to nights on a temporary basis. For the purposes of this section, a temporary assignment shall be defined as one consecutive pay period or less.

2.13 Longevity Pay

Employees who have achieved levels of continuous service in a full time sworn police position with the City of Menlo Park, and who have received annual performance reviews with overall ratings of "meets standards" or above shall be eligible to receive the following:

2.13.1 The first pay period after completing seven (7) years of service: two percent (2.00%) calculated upon base pay.

2.13.2 The first pay period after completing eleven (11) years of service: four percent (4.00%) calculated upon base pay.

2.13.3 The first pay period after completing fifteen (15) years of service: six percent (6.00%) calculated upon base pay.

2.13.4 The first pay period after completing twenty (20) years of service: eight percent (8.00%) calculated upon base pay.

The maximum longevity pay that may be received by an employee is eight percent (8.00%).

## 2.14 Working Out of Classification

Upon specific written assignment by the Police Chief or his/her designated representative, an employee may be required to perform the duties of a position in a higher classification. Such assignments shall be made to existing authorized positions that are not actively occupied due to the temporary absence of the regularly appointed employee. Any Sergeant working out of classification shall be paid five percent (5%) above their current rate of pay. Such pay shall be paid for the hours the duties are actually assigned and performed in the higher classification.

## ARTICLE 3: LEAVE PROVISIONS

### 3.1 Leave of Absence Without Pay

3.1.1 Leaves of absence without pay may be granted in cases of personal emergency or when such absences would not be contrary to the best interests of the City. Leaves denied in the best interests of the City shall be taken as soon as possible after the interests of the City are met. The member shall be notified of the effective date of the rescheduled leave.

3.1.2 Requests for leave of absence without pay must be submitted to the Police Chief using the Human Resources Division's form . The Chief may recommend approval of a leave of absence without pay for a period not less than four weeks nor more than one (1) year, during which time no benefits and no seniority will accrue. The Chief's recommendation shall be forwarded to the Human Resources Division for approval.

3.1.3 Upon expiration of a regularly approved leave, or within five (5) working days after notice to return to duty, the employee shall be reinstated in the same or an equivalent position to that held at the time the leave was granted. Failure on the part of an employee to report promptly at the expiration of the leave, or within five (5) working days after notice to report for duty shall be treated as an automatic resignation from City service unless the Chief determines that extenuating circumstances exist to excuse that absence. However, any unapproved absence may be cause for disciplinary action.

3.1.5 Merit pay raises and performance review dates shall be extended by the amount of the leave without pay taken.

### 3.2 Long Term Disability



3.2.1 Should any non-work related illness or injury extend beyond ( ) forty-five (45) consecutive days, the City will ensure continued payment to the worker up to a maximum of 66.67 percent of salary, as provided in the long term disability policy. The amounts paid shall be less any payments received from either workers' compensation or retirement. During the first year of disability and so long as no retirement determination has been made by the City, the worker will be entitled to continued City paid health insurance, AD&D, and dental and life insurance benefits. At the end of 365 calendar days from the date of illness or injury or unless previously retired, should the worker not be able to return to work, the worker will be permitted to continue to participate in City paid health insurance, AD&D, and dental and life insurance benefits. However, the employee will be required to pay 100% of any premiums.

### 3.3 Jury Duty and Subpoenas - Not Related to Official Duties

3.3.1 An employee required to report for jury duty or to answer a subpoena as a witness, provided the witness has no financial interest in the outcome of the case, shall be granted leave with pay from his/her assigned duties until released by the court, provided the employee remits to the City all fees received from such duties other than mileage or subsistence allowances within thirty (30) days from the termination of jury service.

3.3.2 When an employee returns to complete a regular shift following time served on jury duty or as a witness, such time falling within work shift shall be considered as time worked for purposes of shift completion and overtime computation. In determining whether or not an employee shall return to his/her regular shift following performance of the duties above, reasonable consideration shall be given to such factors as travel time and a period of rest.

### 3.4 Military Leave

3.4.1 Military leave of absence shall be granted and compensated in accordance with Military and Veterans Code Sections 389 and 395 et seq. Employees entitled to military leave shall give the appointing power an opportunity, within the limits of military regulations, to determine when such leave shall be taken.

### 3.5 Bereavement Leave

3.5.1 An employee shall be allowed leave with pay for not more than three (3) working days when absent because a death has occurred in the immediate family. For purpose of bereavement leave, members of the immediate family shall be limited to mother, father, child, sibling, mother-in-law, father-in-law, brother-in-law, sister-in-law, grandchild, grandmother, grandfather, spouse, domestic partner, or dependent of the employee. Employees may use General Leave for bereavement

purposes for relations not included above provided such leave is approved in advance by the Chief of Police.

3.6 Workers' Compensation

3.6.1 Sworn personnel shall be granted leave with pay for a disability caused by illness or injury arising out of and in the course of his/her employment, in accordance with Section 4850 of the Labor Code of the State of California.

3.7 Training Offset Hours

3.7.1 Sergeants who work a patrol shift as part of a 4/12 work schedule shall be provided with a bank of twenty-four (24) hours for training offset, credited pay period one (1) of each payroll calendar year. The hours shall be used to fill in for the remainder of a shift where voluntary training was provided (e.g., if an employee attends an eight (8) hour day of training, the employee may use four (4) hours of training offset time to complete their twelve (12) hour shift. Eight (8) hours training plus four (4) hours training offset = twelve (12) hour shift).

These hours may only be used in conjunction with supplementing time off for voluntary training.

3.7.2 Training Offset Hours do not accrue. Any Training Offset Hours not used by the date of separation for employees separating during the year, or by the end of the last pay period in the payroll calendar year for other employees, shall not be paid out nor carried over to subsequent years. Training offset hours may not be cashed out or used for any purpose other than stated above.

ARTICLE 4: GENERAL LEAVE PROGRAM

4.1 General Leave Program

Accrual of General Leave is as follows:

1 - 5 years	216 hours
6 - 10 years	230 hours
11 - 15 years	256 hours
16 - 20 years	280 hours
20 + years	296 hours

Actual accrual is biweekly prorated from the above table. The maximum number of hours which may be accrued is One Thousand Four Hundred (1,400) hours of general leave.

- 4.1.1 Upon separation from City service accrued general leave up to the maximum may be converted to cash. The amount shall be calculated on the base hourly rate of the employee multiplied by the number of hours converted. Upon retirement from City employment an employee hired on or before June 30, 2004 may convert any accrued general leave not converted to cash to retirement health insurance credits at the rate of one (1) unit for every eight (8) hours of accumulated general leave with any remainder being rounded to the next higher credit.

Qualified employees hired on or before June 30, 2004 who have at least twenty (20) years of service with the City may elect to have their accrued general leave balance converted to retirement health credits at the rate of one (1) unit for every six (6) hours of accumulated sick leave with any remainder being rounded to the next higher credit. If this election is made, the retirement health credit calculated shall not exceed the highest HMO health plan premium as may be in effect at such time such credit is applied. Election shall be made at the time of retirement.

Reimbursement of premiums to retirees shall be in the same manner as currently done since 1990. The method of reimbursement is detailed in Appendix B.

- 4.1.2 Double Coverage. Workers who qualify for the retirement health credit conversion may elect double coverage at the rate of two (2) units for every month of paid health insurance.
- 4.1.3 Family Coverage. Workers who qualify for the retirement health credit conversion may elect family coverage at the rate of three (3) units for every month of paid health insurance.

#### 4.2 Transfer of Leave for Catastrophic Illness

Transfer of leave for catastrophic illness is designed to assist employees who have exhausted leave due to a catastrophic illness, injury or condition of the worker. This policy allows other workers to make voluntary grants of time to that worker so that he/she can remain in a paid status for a longer period of time, thus partially ameliorating the financial impact of the illness, injury or condition.

A catastrophic illness is defined as an illness which has been diagnosed by a competent physician, requiring an extended period of treatment or recuperation, and which has a significant risk to life or life expectancy. Confirmation of the condition and prognosis by a health care provider chosen by the City may be required.

The Human Resources Department will discuss with the PSA or their designated representative an appropriate method of soliciting contributions from coworkers. The contributions shall be submitted to the Human Resources Department and Human the



Resources Department will process the contribution list in the order established. Any officer shall be allowed to contribute a maximum of eighty (80) hours of leave from their accrued management leave balance to another full-time or permanent part-time worker in the City who is suffering from a catastrophic illness and has exhausted his or her own sick leave, provided, however, they have maintained a positive management leave balance of forty (40) hours or more following the donation. Once the contribution is made it cannot be rescinded.

Upon return to work, an employee may bank any remaining hours that have been contributed up to a maximum of forty (40) hours. If the contribution list has not been exhausted, the contributing workers will be notified that their contribution was not required and the balance restored.

#### 4.3 Transition to General Leave

Employees who promote into the PSA bargaining unit from a unit which accrues both sick leave and vacation will have their vacation balances converted to General Leave. Any remaining sick leave balance will be frozen and the employee may use sick leave for their own illness and injury or to care for an immediate family member who is ill or injured, as provided under state law and the City's Personnel Rules.

The City shall have the right and obligation to monitor the operation of sick leave and take appropriate action to insure that benefits are paid only for actual illness and injury.

### ARTICLE 5: NO SMOKING AREAS

City owned vehicles used by unit members shall be considered offices and designated as no smoking areas.

### ARTICLE 6: BENEFIT PROGRAMS

#### 6.1 Cafeteria Plan

6.1.1 Each active employee and retiree shall receive a City contribution equal to the minimum employer contribution for agencies participating in the Public Employees Medical and Hospital Care Act (PEMHCA).

6.1.2 The City shall continue to make a non-elective employer contribution to the flexible benefits plan on behalf of each active employee in an amount which together with the minimum PEMHCA contribution in 6.1.1 equals the following:

\$2,128 per month	Employee plus 2/more dependents
\$1,647 per month	Employee plus 1 dependent

\$845 per month                      Employee only

The active employee will be responsible for any remaining premium in excess of the allocated amount.

[EXAMPLE: If the PEMHCA minimum contribution is \$122, then the City shall make a flexible benefits plan contribution of \$2006 per month for family coverage.]

Employees who waive coverage will be entitled to \$391 per month.

6.1.3 Effective January 1, 2020, the City shall make a non-elective employer contribution to the flexible benefits plan on behalf of each active employee in an amount which, together with the minimum PEMHCA contribution in 6.1.1 equals the following:

\$2,171 per month	Employee plus 2/more dependents
\$1,680 per month	Employee plus 1 dependent
\$862 per month	Employee only

The active employee will be responsible for any remaining premium in excess of the allocated amount.

[EXAMPLE: If the PEMHCA minimum contribution is \$122, then the City shall make a flexible benefits plan contribution of \$2,049 per month for family coverage.]

Employees who waive coverage will be entitled to \$391 per month.

6.1.4 Effective January 1, 2021, the City shall make a non-elective employer contribution to the flexible benefits plan on behalf of each active employee in an amount which, together with the minimum PEMHCA contribution in 6.1.1 equals the following:

\$2,236 per month	Employee plus 2/more dependents
\$1,730 per month	Employee plus 1 dependent
\$888 per month	Employee only

The active employee will be responsible for any remaining premium in excess of the allocated amount.

[EXAMPLE: If the PEMHCA minimum contribution is \$122, then the City shall make a flexible benefits plan contribution of \$2,114 per month for family coverage.]

Employees who waive coverage will be entitled to \$391 per month.

- 6.1.5 Each active employee may use his/her allocated amount for any benefits permitted by law and provided for in the FSA plan document. The FSA plan document will be amended to eliminate cash distributions.
- 6.1.6 Each employee must enroll in an available PEMHCA health insurance plan or demonstrate that he/she has health insurance coverage equivalent to the PEMHCA plan in order to receive the amount identified as “no coverage.”
- 6.1.7 Effective January 1, 2018, Cash-in-Lieu of Medical Coverage amounts will be included in the calculation of regular rate for overtime purposes. In the event that a court issues a final decision holding that Cash-in-Lieu of Medical Coverage payments do not need to be included in the regular rate, the City will cease including Cash-in-Lieu in the regular rate.



## 6.2 Dental Insurance

The City shall provide dental insurance to employees and eligible dependents the month following an employee's date of hire or promotion in accordance with the City's Evidence of Coverage document.

## 6.3 Vision

The City shall pay the full cost for fully insured Vision Insurance provided by VSP, or an equivalent insurance provider, providing vision benefits as described in the summary plan description.

## 6.4 Retiree Medical Trust

The PSA shall endeavor to join the PORAC Retiree Medical Trust (RMT), or some other RMT, during the term of this MOU. The sole purpose of the RMT will be to provide funding for medical expenses and health insurance costs for eligible retirees, or qualified family members of eligible retirees as established by the RMT. Participation in the RMT shall be the complete and sole responsibility of PSA. The City shall not have any involvement in the RMT's design, its administration or in the benefits paid, nor shall the City have any responsibility for any actions of the RMT or its trustees or of PSA with respect to the RMT. PSA will indemnify, defend and hold harmless the City, its agencies, officers, and employees, against any and all claims or legal proceedings regarding the operation of the RMT.

## 6.5 Educational Leave and Tuition Reimbursement

The City shall contribute Eight Thousand Dollars (\$8,000) annually on July 1<sup>st</sup> of each year to the PSA educational leave and tuition reimbursement fund. For FY 2019-20, the City shall make the \$8,000 contribution July 17, 2019. The City will reimburse expenses for tuition, books, lab fees and equipment, and curriculum fees incurred by an employee, for classes completed in accredited institutions of learning or approved specialized training groups leading to an academic degree or improved job related skills. Parking fees or health fees related to enrollment will not be included. Programs must be approved in advance. Reimbursement will be provided upon successful completion of approved courses. Employees must attach a final grade of "C" or better for both undergraduate and graduate work. The employees may not elect to take a "pass-fail" grade if the letter system of grading is offered. Courses providing a "pass/fail" must achieve a "pass" to qualify for reimbursement. Funds expended on tuition reimbursement will be subject to appropriate IRS regulations. Employees wishing to engage in educational programs involving work time may be granted rescheduled time if departmental operations permit.

All employees assigned by the City to attend meetings, workshops or conventions shall have their dues and reasonable expenses paid by the City and shall be allowed to attend such workshops, meetings and conventions on paid City time. Such required educational functions

shall be reimbursed from departmental training funds and shall not be counted against the employee's allowance or the annual tuition reimbursement.

Employee may under tuition reimbursement fund request reimbursement for trade publications, technical books, and printed materials related to the employee's employment.

Claims for qualified expenditures shall first be reimbursed to an individual maximum of fourteen hundred dollars (\$1,400) per fiscal year. After payment of all such claims, on June 30, should there be unused funds remaining in this fund, qualified expenses in excess of fourteen hundred dollars (\$1,400) already paid, and received no later than July 15 of that year, shall be reimbursed on a pro-rata basis not to exceed a total annual individual reimbursement of Five Thousand Dollars (\$5,000).

## ARTICLE 7: HOLIDAYS

7.1 Except as otherwise provided, employees within the representation unit shall have the following fixed holidays with pay:

New Year's Day	January 1
Martin Luther King Day	Third Monday in January
Lincoln's Birthday	February 12
Washington's Birthday	Third Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Admission Day	September 9
Veterans Day	November 11
Thanksgiving Day	Fourth Thursday in November
Day after Thanksgiving	Fourth Friday in November
Christmas Day	December 25

One full day either December 24 or December 31

7.1.1 Designation of which one full day on either December 24 or December 31 is a fixed holiday shall be made by the Police Chief, considering the needs of the service and the officer's desires.

7.1.2 Holidays on an Employee's Regular Day Off

a. Patrol. Fixed Holiday on a Regular Day Off. If a fixed holiday falls on an employee's regularly scheduled day off for an employee who is filling a Patrol assignment, and the employee is not required to work that day, the employee shall receive eight (8) hours of holiday pay at their straight time hourly rate.

- b. Non-patrol. When a holiday falls on the regular day off for an employee who is filling a non-Patrol assignment, and the employee is not required to work that day, that employee will normally flex his or her regular day off to account for the holiday (i.e., will use the 8 hours of holiday time to take time off on another day during the same workweek). However, with the approval of their supervisor, and subject to the operational needs of the Department, employees on a non-Patrol assignment may work their full workweek and receive an additional eight (8) hours of pay for the holiday (i.e., 40 hours for time worked plus 8 hours for the holiday).

7.1.3 An employee who is scheduled to work on a fixed holiday, and who does not work, including absences due to illness or injury for which they would otherwise be eligible for sick leave, shall be entitled to eight (8) hours of holiday pay and shall use general leave, or other appropriate paid/unpaid leave to make up any difference between the holiday and his or her regularly scheduled shift. An employee will not be paid for more than his or her regular day's pay for any holiday when he or she does not work.

7.1.4 Work on a Fixed Holiday (Non-Patrol)

- a. Holidays on Employee's Regular Workday. Any employee required to work a Non-Patrol assignment on a fixed holiday which falls on his or her regular workday shall be paid time and one-half for such work in addition to eight (8) hours of holiday pay. [For Example, if an employee has a regular work schedule of Monday through Thursday and works a full Non-Patrol shift on a holiday which falls on a Monday (his or her regular workday), he or she would be paid a total of 23 hours (8 hours holiday pay plus 10 hours at time and one half).]
- b. Holidays on an Employees' Regular Day Off. Any employee required to work a Non-Patrol assignment on a fixed holiday which falls on his or her regular day off shall be paid double time for such work in addition to eight (8) hours of holiday pay. [For Example, if an employee has a regular work schedule of Tuesday through Friday and works a Non-Patrol shift on a holiday which falls on a Monday (his or her regular workday), he or she would be paid a total of 28 hours (8 hours holiday pay plus 10 hours at double time).]

7.1.5 Work on a Fixed Holiday (Patrol)

- a. Holidays on Employee's Regular Workday. Any Employee required to work Patrol on a fixed holiday which falls on his or her regular workday shall be paid time and one-half for such work in addition to his or her regular pay. Employees who work their regular shift for a fixed holiday shall not receive additional holiday pay. [For Example, if an employee has a regular work schedule of Monday through Wednesday and works a full Patrol shift on a holiday which falls on a Monday (his or her regular workday), he or she would be paid a total of 30 hours (12 hours plus 12 hours at time and one half).]



- b. Holidays on an Employee's Regular Day Off. Any employee required to work Patrol on a fixed holiday on his or her regular day off shall be paid double time for such work in addition to eight (8) hours of holiday pay pursuant to section 7.1.2. [For Example, if an employee has a regular work schedule of Wednesday through Saturday and works a full Patrol shift on a holiday which falls on a Monday (his or her regular day off), he or she would be paid a total of 32 hours (8 hours holiday pay plus 12 hours at double time.)

7.1.6 Pay for holidays may not be taken as compensatory time off.

## ARTICLE 8: RETIREMENT PROGRAMS

### 8.1 Retirement Plan

Retirement benefits for employees hired prior to November 20, 2011 shall be those established by the Public Employees' Retirement System (PERS) for Local Safety Members 3% at age 50 Formula, highest single year.

For employees hired on or after November 20, 2011, who are not new members as defined by PERS, retirement benefits shall be those established by the Public Employees' Retirement System (PERS) for Local Safety Members 3% at age 55 formula, highest three years.

For new employees, as defined by the Public Employees' Retirement System (PERS), hired on or after January 1, 2013, retirement benefits shall be those established by the Public Employees' Retirement System (PERS) for Local Safety Members 2.7% at age 57 formula, highest three years.

## 8.2 Optional Provisions

- 8.2.1 1959 Survivor Allowance as set forth in Section 6 of Chapter 9 of the Public Employees' Retirement Law, commencing with Section 21570 of the Government Code, shall be provided.
- 8.2.2 Third Level of 1959 Survivor Benefits, as provided under Government Code Section 21573, shall be included.

## 8.3 City's Contribution to Retirement

- 8.3.1 The City shall pay the rate prescribed by the Public Employees' Retirement System for employer contributions to the Public Employees' Retirement System in accordance with the rules and regulations governing such employer contributions.
- 8.3.2 Classic employees shall contribute three percent (3.00%) toward the employer's contribution to the Public Employees' Retirement System (Employee Paid City Contribution).
- 8.3.3 To the extent permitted by law, the Employee Paid City Contribution shall be taken as a pre-tax deduction from the employees' paycheck each payroll period. The City and PSA agree that the three percent (3%) will continue past the expiration of the MOU. If for any reason the City is precluded from making the Employee Paid City Contribution deduction or the deduction cannot be made on a pre-tax basis, the parties agree to meet and confer regarding ways to cure the defect.
- 8.3.4 The parties understand that the Employee Paid City Contribution is a payment towards the Normal Cost of Retirement Benefits pursuant to Government Code Section 20516.5.

## 8.4 Employee's Contribution to Retirement System

- 8.4.1 The full employees' contribution shall be deducted from the unit member's pay by the City and forwarded to the Public Employees' Retirement System in accordance with the rules and regulations governing such contributions.
- 8.4.2 New employees, as defined by the Public Employees' Retirement System (PERS), hired on or after January 1, 2013, shall make a member contribution of 50% of the Normal Cost of the benefit as a pre-tax deduction from the employees' paycheck each payroll period.

The City has implemented Employer Pick-up, Internal Revenue Code 414 (h) (2) on the employee's contribution to the Public Employees' Retirement System.

8.4.3. As soon as practicable, the City will modify its contract with CalPERS to provide for a 3.0% additional Member Contribution over and above Normal Contribution for classic members. This means that classic members will make an additional 3.0% contribution into their member account and will cease making the contribution in 8.3.2. The total member contribution for classic employees will be 12%.

8.4.4 Each employee designated by CalPERS as a "new member" (PEPRA member) in accordance with applicable laws shall contribute the greater of half of the normal cost or twelve percent (12%).

8.4.4.1 In the event that half of the normal cost is less than twelve percent (12%), PEPRA members will contribute an amount equal to the difference between half of the normal cost and twelve percent (12%) toward employer's contribution to the Public Employees' Retirement System. For example, if half of the normal cost is 11.5%, PEPRA members will contribute an additional 0.5% for a total of 12%.

8.4.4.2 Any additional employer contribution paid by PEPRA member shall be taken as a pre-tax deduction from the employees' paycheck each payroll period.

## 8.5 Honorary Retirement

8.5.1 Upon separation, an employee who leaves the service of the Menlo Park Police Department shall be considered retired provided the unit member has fifteen (15) years of service with the department and is in good standing at the time of departure.

8.5.2 An employee shall be given a retirement badge and identification card.

8.5.3 The same requirements for a concealed weapons permit shall apply as for any other applicant. A concealed weapons permit shall not be automatically approved.

8.5.4 Retirement under this section shall be honorary and shall not involve any payment or benefit to the unit member or liability on the part of the City.

## ARTICLE 9: WORKING CONDITIONS

### 9.1 Work Schedules

The Chief of Police shall determine the appropriate regular or alternative work schedules of the Department and the various divisions, sections and details based upon the



feasibility or operational needs. The Chief of Police may modify schedules to drop an alternative work schedule and revert to a regular eight (8) hour schedule except that any resulting schedule different from a five (5) days on, two (2) days off will be subject to the meet and confer process.

Alternative work schedules may be administered under the 7(k) work period provisions of the Fair Labor Standards Act.

9.1.1 4/10 Work Schedule

A 4/10 work schedule is defined as ten (10) hours per day worked, four (4) days per calendar week.

9.1.2 4/12 Work Schedule

A 4/12 work schedule is defined as a series of twelve (12) hours per day worked in four consecutive days followed by four consecutive days off. The maximum assignment may total 168 hours in a twenty-eight (28) day cycle. If utilized, the schedule is subject to the following:

9.1.2.1 The 4/12 schedule shall apply to police sergeants assigned to general patrol and shall not apply to special assignments without the approval of the Chief of Police.

9.1.3 In the event the City elects to change the scheduling of days off or starting times for the shifts, the City shall provide at least thirty (30) days' notice and an opportunity for the P.S.A. to meet and confer on such proposed changes.

9.1.4 The parties agree that provisions in the Personnel Rules and other City rules and regulations may be modified, expressly or implicitly, as they apply to those represented employees working the 4/10 or 4/12 schedule.

9.1.5 Nothing herein shall prevent the City from making temporary changes to address bona fide non-staffing emergencies that may arise during the term of this Agreement.

9.2 Adjustment to Schedule

Unit members regularly assigned to midnight shift may request an adjustment to their schedule provided the employee is required to conduct authorized department business following the employee's shift; there is no cost to the City; and permission is obtained in advance from the employee's supervisor.

9.3 Layoffs

Layoffs shall be made in reverse order of seniority. The employee with the least length of service shall be laid off first. For purposes of this Section, length of service shall include all time served in the Sergeant classification or any other classification equivalent to or higher than the rank of Sergeant.

9.4 Training

Officers who are normally assigned to an alternative work schedule shall revert to a five day, eight hour shift for any training that requires attendance at class for a consecutive five day period.

9.5 Donning and Doffing of Uniforms

It is acknowledged and understood by the City and the PSA that the donning and doffing of uniforms and related safety equipment may be performed at home or other locations outside of the Police Department.

ARTICLE 10: GRIEVANCE PROCEDURE

10.1 Definitions

10.1.1 A “grievance” is an alleged violation, misinterpretation or misapplication of the provisions of this Memorandum of Understanding or policy and/or procedure manuals affecting the working conditions of the unit members covered by this Agreement

10.1.2 A “Disciplinary appeal” is an appeal from a disciplinary action of a Letter of Reprimand or higher, against a unit member covered by this Memorandum of Understanding.

10.1.3 A “grievant” is any unit member adversely affected by an alleged violation of the specific provision of this Memorandum, or the Union.

10.1.4 A “day” is any day in which the administrative offices of the City of Menlo Park are open for regularly scheduled business.

10.2 General Provisions

10.2.1 Until final disposition of a grievance, the grievant shall comply with the directions of the grievant's immediate supervisor.

10.2.2 All documents dealing with the processing of a grievance shall be filed separately from the personnel files of the participants.

10.2.4 Time limits for appeal provided at any level of this procedure shall begin the first day following receipt of the written decision by the grievant and/or the PSA.

Failure of the grievant to adhere to the time deadlines shall mean that the grievant is satisfied with the previous decision and waives the right to further appeal. The grievant and the City may extend any time deadline by mutual agreement.

10.2.5 Every effort will be made to schedule meetings for the processing of grievances at time which will not interfere with the regular work schedule of the participants. If any grievance meeting or hearing must be scheduled during duty hours, any employee required by either party to participate as a witness or grievant in such meeting or hearing shall be released from regular duties without loss of pay for a reasonable amount of time.

10.2.6 Any employee may at any time present grievances to the City and have such grievances adjusted without the intervention of PSA, as long as the adjustment is reached prior to arbitration and the adjustment is not inconsistent with the terms of the Memorandum: provided that the City shall not agree to the resolution of the grievance until the Association has received a copy of the grievance and the proposed resolution and has been given the opportunity to file a response. Upon request of the grievant, the grievant may be represented at any stage of the grievance procedure by a representative of PSA.

10.2.7 As an alternative to the formal grievance procedure, the City and the PSA may mutually agree to meet and attempt to informally resolve issues involving contract interpretations and other matters affecting the relationship between the City and the PSA. A grievance must be presented within the timelines set forth in Article 10.3. However, once the parties mutually agree to informally resolve problems, the formal grievance timelines are tolled pending the informal resolution process. If, in an attempt to informally resolve issues, the parties discuss matters that are not otherwise subject to the grievance procedure, such matters shall not be eligible to be grieved under the grievance provisions of this MOU. Either party may terminate the informal process at any time and the parties will revert to the formal grievance procedure.

### 10.3 Grievance Procedure (for grievances as defined in 10.1.1)

#### 10.3.1 Level I - Immediate Supervisor

10.3.1.1 Any employee who believes he/she has a grievance which is an alleged violation of the specific provisions of this Memorandum of Understanding shall present the grievance orally to the immediate



supervisor within ten (10) days after the grievant knew, or reasonably should have known, of the circumstances which form the basis for the grievance. Failure to do so will render the grievance null and void. The immediate supervisor shall hold discussions and attempt to resolve the matter within ten (10) days after the presentation of the grievance. It is the intent of this informal meeting that at least one personal conference be held between the aggrieved unit member and the immediate supervisor.

### 10.3.2 Level II - Chief of Police

10.3.2.1 If the grievance is not resolved at Level I and the grievant wishes to press the matter, the grievant shall present the grievance in writing on the appropriate form to the Chief of Police within ten (10) days after the oral decision of the immediate supervisor. The written information shall include: (a) A description of the specific grounds of the grievance, including names, dates, and places necessary for a complete understanding of the grievance; (b) A listing of the provisions of this agreement which are alleged to have been violated; (c) A listing of the reasons why the immediate supervisor's proposed resolution of the problem is unacceptable; and (d) A listing of specific actions requested of the City which will remedy the grievance.

10.3.2.2 The Chief of Police or designee shall communicate the decision to the grievant in writing within ten (10) days after receiving the grievance. If the Chief of Police or designee does not respond within the time limits, the grievant may appeal to the next level.

10.3.2.3 Within the above time limits either party may request a personal conference.

### 10.3.3 Level III - Appeal to City Manager

10.3.3.1 If the grievant is not satisfied with the decision at Level II, the grievant may within ten (10) days of the receipt of the decision at Level II appeal the decision on the appropriate form to the City Manager. This statement shall include a clear, concise statement of the reasons for the appeal. Evidence offered in support of a disciplinary grievance filed pursuant to Article 10.2.3 of this Agreement shall be submitted in the form of written declarations executed under penalty of perjury.

10.3.3.2 The City Manager or designee shall communicate the decision in writing to the grievant within ten (10) days. If the City Manager or designee does not respond within the time limits provided, the grievant may appeal to the next level.

#### 10.3.4 Level IV - Binding Arbitration

- 10.3.4.1 If the grievant is not satisfied with the decision at Level III, the grievant may within ten (10) days of the receipt of the decision submit a request in writing to the PSA for arbitration of the dispute. Within twenty (20) days of the grievant's receipt of the decision at Level III, the PSA shall inform the City of its intent as to whether or not the grievance will be arbitrated. The PSA and the City shall attempt to agree upon an arbitrator. If no agreement can be reached, they shall request that the State Mediation and Conciliation Service supply a panel of five names of persons experienced in hearing grievances in cities and who are members of the National Academy of Arbitrators (NAA). Each party shall alternately strike a name until only one remains. The remaining panel member shall be the arbitrator. The order of the striking shall be determined by lot.
- 10.3.4.2 If either the City or the PSA so requests, a separate arbitrator shall be selected to hear the merits of any issues raised regarding the arbitrability of a grievance. No hearing on the merits of the grievance will be conducted until the issue of arbitrability has been decided. The process to be used in selecting an arbitrator shall be as set forth in 10.3.4.1.
- 10.3.4.3 The arbitrator shall conduct and complete the hearing on the grievance, within sixty (60) days of the date of PSA's request for arbitration. The parties may mutually agree to extend that timeline. The parties shall file their post-hearing briefs within thirty (30) days of the close of the hearing and the arbitrator shall render a decision on the issue or issues submitted within thirty (30) days of the submission of the briefs. If the parties cannot agree upon a submission agreement, the arbitrator shall determine the issues by referring to the written grievance and the answers thereto at each step.
- 10.3.4.4 The City and PSA agree that the jurisdiction and authority of the arbitrator so selected and the opinions the arbitrator expresses will be confined exclusively to the interpretation of the express provision or provisions of this Agreement at issue between the parties. The arbitrator shall have no authority to add to, subtract from, alter, amend, or modify any provisions of this Agreement or the written ordinances, resolutions, rules, regulations and procedures of the City, nor shall he/she impose any limitations or obligations not specifically provided for under the terms of this Agreement. The Arbitrator shall be without power of authority to make any decision that requires the City or management to do an act prohibited by law.

10.3.4.5 The award of the arbitrator shall be final and binding.

10.3.4.6 The fees and expenses of the arbitrator (including the cost of any list of arbitrators requested pursuant to Section 10.3.4.1) shall be shared equally by the City and PSA.

All other expenses shall be borne by the party incurring them, and neither party shall be responsible for the expense of witnesses called by the other. Either party may request a certified court reporter to record the entire arbitration hearing. By mutual agreement, the cost of the services of such court reporter shall be shared equally by the parties. However, each party shall be responsible for the cost of transcripts that they order.

10.3.4.7 By filing a grievance and processing it beyond Level III, the grievant expressly waives any right to statutory remedies or to the exercise of any legal process other than as provided by this grievance/arbitration procedure. The processing of a grievance beyond Level III shall constitute an express election on the part of the grievant that the grievance/arbitration procedure is the chosen forum for resolving the issues contained in the grievance, and that the grievant will not resort to any other forum or procedure for resolution or review of the issues. The parties do not intend by the provisions of this paragraph to preclude the enforcement of any arbitration award in any court of competent jurisdiction.

#### 10.4 Disciplinary Appeals

10.4.1 This procedure shall be the sole and exclusive procedure for processing appeals to disciplinary actions and shall satisfy all administrative appeal rights afforded by the Public Safety Officers Procedural Bill of Rights Act, Government Code Sections 3300, et seq.

10.4.2 A “disciplinary appeal” is a formal written appeal of a Notice of Disciplinary Action (post-Skelly) of any punitive disciplinary action including dismissal, demotion, suspension, reduction in salary, letters of reprimand, or transfer for purposes of punishment. However, letters of reprimand are not subject to the arbitration provisions of this procedure. This procedure also shall not apply to the rejection or termination of at will employees, including those in probationary status. Any reduction in pay for change in assignment which occurs in the course of regular rotation and is not punitive shall not be subject to this procedure.

10.4.3 Persons on probationary status (entry-level or promotional) may not appeal under this agreement rejection on probation.



- 10.4.4 Letters of Reprimand may be appealed under this section only to the City Manager level (Section 10.4.6.)
- 10.4.5 Any appeal to any punitive disciplinary action (as defined in Section 10.1.2) shall be presented in writing to the City Manager within ten (10) days after receipt of the Notice of Disciplinary Action. Failure to do so will be deemed a waiver of any appeal. The City Manager or designee shall hold a meeting to hear the appeal within ten (10) days after the presentation of the appeal and shall issue a decision on the appeal within ten (10) days after the presentation of the appeal. For letters of reprimand, the City Manager's decision shall be final. However the employee may write a response and have that response included in his or her personnel file.
- 10.4.6 For appeals from dismissal, demotion, suspension, reduction in salary, or transfers for purposes of punishment, if the employee is not satisfied with the decision of the City Manager, the employee may, within ten (10) days of the receipt of the decision, submit a request in writing to the PSA for arbitration of the dispute. Within twenty (20) days of the City Manager's decision, the PSA shall inform the City of its intent as to whether or not the disciplinary matter will be arbitrated. The PSA must be the party taking the matter to arbitration.
- 10.4.7 The parties shall attempt to agree to the selection of an arbitrator and may agree to strike names from a list provided by an outside agency such as the State Mediation and Conciliation Service or JAMS. However, in the event that the City and the PSA cannot agree upon the selection of an arbitrator within twenty one (21) days from the date that the PSA has notified the City of its intent to proceed to Arbitration, either party may request the Superior Court of the County of San Mateo to appoint an arbitrator who shall be a retired judge of the Superior Court.
- 10.4.8 The City and PSA agree that the arbitrator shall prepare a written decision containing findings of fact, determinations of issues and a disposition either affirming, modifying or overruling the disciplinary action being appealed. The parties expressly agree that the arbitrator may only order as remedies those personnel actions which the City may lawfully impose.
- 10.4.9 The fees and expenses of the arbitrator (including the cost of any list of arbitrators) shall be shared equally by the City and PSA. All other expenses shall be borne by the party incurring them, and neither party shall be responsible for the expense of witnesses called by the other. Either party may request a certified court reporter to record the entire

arbitration hearing. By mutual agreement, the cost of the services of such court reporter shall be shared equally by the parties. However, each party shall be responsible for the cost of transcripts that they order.

10.4.10 Nothing herein constitutes a waiver of City or employee rights otherwise granted by law.

#### ARTICLE 11: RECOGNITION

The Menlo Park Police Sergeant's Association (PSA) is the exclusive recognized organization representing employees in the classification of Police Sergeant in their employer-employee relations with the City of Menlo Park, and PSA has been certified by the City of Menlo Park as the duly recognized employee organization of said employees. PSA requires proper and advance notification on all matters that fall into the meet and confer process.

#### ARTICLE 12: FULL UNDERSTANDING MODIFICATION AND WAIVER

- 12.1 This Memorandum of Understanding sets forth a full and entire understanding of the parties regarding the matters set forth herein, and any and all prior or existing Memoranda of Understanding, understandings and agreements regarding the matters set forth herein, whether formal or informal, are hereby superseded and terminated in their entirety.
- 12.2 No practice or benefit provided by this Memorandum of Understanding shall be modified without the mutual agreement of the City and PSA.

#### ARTICLE 13: SEPARABILITY

- 13.1 If a court of competent jurisdiction finally determines that any provisions of this Memorandum is invalid and unenforceable, such provisions shall be separable, and the remaining provisions of the Memorandum shall remain in full force and effect.

#### ARTICLE 14: LABOR MANAGEMENT COMMITTEE

Effective for the term of this agreement, The City and PSA agree to the establishment of a Labor Management Committee (LMC) to serve as an advisory committee and to facilitate employee education and involvement in issues regarding CalPERS retirement benefits, including but not limited to, potential future costs increases and the impacts of said cost increases to the financial stability of the City.

The City and the PSA shall each select their own representatives and in equal number, with no more than three (3) on each side. Each side is encouraged to propose issues for discussion, and the committee will jointly set priorities. Decision making within this forum will be by consensus. The LMC will set up regular meetings to occur not less than once per quarter and a means for calling additional meetings to handle issues on an ad hoc basis.

The LMC is not authorized to meet and confer or create contractual obligations nor are they to change the MOU to authorize any practice in conflict with existing contracts or rules.

ARTICLE 15: EFFECT OF AGREEMENT

This Memorandum of Understanding sets forth the full and complete understanding between the parties hereto with respect to all subject matters addressed herein.

Dated \_\_\_\_\_

City of Menlo Park

Menlo Park Police Sergeants Association

\_\_\_\_\_

\_\_\_\_\_



Appendix A

Salary Schedule for Classified Police Sergeants (2080 hours)  
Effective: July 21, 2019 to July 4, 2020

Step	Annual	Monthly	Bi-Weekly	Hourly
A	\$123,191	\$10,265	\$4,738	\$59.2264
B	\$129,350	\$10,779	\$4,974	\$62.1875
C	\$135,818	\$11,318	\$5,223	\$65.2971
D	\$142,609	\$11,884	\$5,484	\$68.5620
E	\$149,739	\$12,478	\$5,759	\$71.9899

## Appendix B

### Administration of Retirement Health Credits for Retirees

Nothing herein shall be deemed a change to the current practice of reimbursing retirees for retiree health premiums. This Appendix is intended to detail the existing practice.

The intent of the retiree health insurance credit program is to reimburse employees for the cost of retiree health premiums up to the amount to which they are entitled. It is not to provide an additional cash benefit to retirees over and above the cost of the premium. Should the current procedures that are administered through PEMHCA health and the Public Employees' Retirement System change, the intent shall remain as stated above.

#### Current Practice

Upon retirement, eligible employees may choose to convert all or any portion of their general leave balance up to the maximum to retirement health insurance credits at the rate they are eligible to receive as specified in Section 4.1. Retirees may elect single coverage, double coverage or family coverage in accordance with Sections 4.1.2 and 4.1.3.

PERS will deduct the premium for the health insurance plan selected by the retiree through PEMHCA health from their monthly pension warrant, less the minimum employer contribution, which is billed separately to the City.

The City will reimburse the retiree for the amount they are eligible to receive. The amount they are eligible to receive does not include the minimum employer contribution because it is not deducted from the retiree's pension warrant. In no event will the amount reimbursed exceed the cost of the premium to the retiree less the minimum employer contribution.

All reimbursements made to the retiree are subject to Federal and State taxes and shall be reported as income as required by law.

Classification Title	Annual Salaries based on 2080 hours per year					
	Minimum (Step A)	Step B	Step C	Step D	Maximum (Step E)	
Accountant I	\$ 82,778	\$ 86,918	\$ 91,264	\$ 95,827	\$ 100,619	
Accountant II	\$ 90,666	\$ 94,952	\$ 99,432	\$ 104,213	\$ 109,180	
Accounting Assistant I	\$ 58,702	\$ 61,484	\$ 64,323	\$ 67,328	\$ 70,443	
Accounting Assistant II	\$ 64,323	\$ 67,328	\$ 70,443	\$ 73,736	\$ 77,196	
Administrative Assistant	\$ 64,516	\$ 67,530	\$ 70,655	\$ 73,958	\$ 77,428	
Administrative Services Director	\$ 160,531		Open Range		\$ 227,436	
Assistant Administrative Services Director	\$ 126,578		Open Range		\$ 181,949	
Assistant City Manager	\$ 169,530		Open Range		\$ 250,180	
Assistant Community Development Director	\$ 126,578		Open Range		\$ 181,949	
Assistant Community Services Director	\$ 129,495		Open Range		\$ 181,949	
Assistant Engineer	\$ 99,840	\$ 104,597	\$ 109,598	\$ 114,831	\$ 120,301	
Assistant Library Services Director	\$ 129,495		Open Range		\$ 181,949	
Assistant Planner	\$ 90,459	\$ 94,713	\$ 99,253	\$ 103,983	\$ 108,950	
Assistant Public Works Director	\$ 140,650		Open Range		\$ 181,949	
Assistant to the City Manager	\$ 121,835		Open Range		\$ 159,205	
Associate Civil Engineer	\$ 112,028	\$ 117,391	\$ 122,987	\$ 128,929	\$ 135,174	
Associate Engineer	\$ 105,867	\$ 110,935	\$ 116,223	\$ 121,838	\$ 127,740	
Associate Planner	\$ 99,253	\$ 103,983	\$ 108,950	\$ 114,163	\$ 119,627	
Associate Transportation Engineer	\$ 117,391	\$ 122,987	\$ 128,929	\$ 135,174	\$ 141,724	
Asst. Public Works Director - Engineering	\$ 140,650		Open Range		\$ 181,949	
Asst. Public Works Director - Maintenance	\$ 140,650		Open Range		\$ 181,949	
Asst. Public Works Director - Transportation	\$ 140,650		Open Range		\$ 181,949	
Building Custodian	\$ 58,643	\$ 61,423	\$ 64,259	\$ 67,261	\$ 70,373	
Building Inspector	\$ 96,166	\$ 100,790	\$ 105,594	\$ 110,642	\$ 115,925	
Business Manager	\$ 99,250	\$ 104,023	\$ 108,981	\$ 114,192	\$ 119,643	
Child Care Teacher I	\$ 52,473	\$ 54,852	\$ 57,337	\$ 59,949	\$ 62,785	
Child Care Teacher II	\$ 58,643	\$ 61,423	\$ 64,259	\$ 67,261	\$ 70,373	
Child Care Teacher's Aide	\$ 39,369	\$ 41,150	\$ 43,012	\$ 44,938	\$ 46,922	
City Attorney	n/a		Set by contract		\$ 132,000	
City Clerk	\$ 121,835		Open Range		\$ 159,205	
City Manager	\$ 197,605		Open Range		\$ 272,924	
Code Enforcement Officer	\$ 82,725	\$ 86,635	\$ 90,722	\$ 95,086	\$ 99,617	
Communications and Records Manager	\$ 114,941	\$ 120,520	\$ 126,308	\$ 132,399	\$ 138,766	
Communications Dispatcher	\$ 83,883	\$ 87,848	\$ 91,993	\$ 96,416	\$ 101,012	
Communications Training Dispatcher	\$ 87,848	\$ 91,993	\$ 96,416	\$ 101,012	\$ 105,841	
Community Development Director	\$ 160,316		Open Range		\$ 227,436	
Community Development Technician	\$ 70,355	\$ 73,612	\$ 77,052	\$ 80,667	\$ 84,457	
Community Service Officer	\$ 68,789	\$ 72,024	\$ 75,359	\$ 78,936	\$ 82,725	
Community Services Director	\$ 162,509		Open Range		\$ 227,436	
Construction Inspector	\$ 90,722	\$ 95,086	\$ 99,617	\$ 104,380	\$ 109,363	
Contracts Specialist	\$ 72,641	\$ 76,057	\$ 79,579	\$ 83,356	\$ 87,357	
Custodial Services Supervisor	\$ 67,478	\$ 70,601	\$ 73,900	\$ 77,368	\$ 81,003	
Deputy City Clerk	\$ 75,350	\$ 78,936	\$ 82,725	\$ 86,635	\$ 90,722	
Deputy City Manager	\$ 164,671		Open Range		\$ 227,436	
Deputy Comm. Dev. Director - Housing	\$ 126,553		Open Range		\$ 170,578	
Economic Development Manager	\$ 121,835		Open Range		\$ 159,205	
Engineering Services Manager/City Engineer	\$ 140,650		Open Range		\$ 181,949	
Engineering Technician I	\$ 75,624	\$ 79,126	\$ 82,883	\$ 86,860	\$ 90,967	
Engineering Technician II	\$ 84,779	\$ 88,768	\$ 92,942	\$ 97,398	\$ 102,039	
Enterprise Applications Support Specialist I	\$ 89,483	\$ 93,957	\$ 98,655	\$ 103,587	\$ 108,767	
Enterprise Applications Support Specialist II	\$ 99,250	\$ 104,023	\$ 108,981	\$ 114,192	\$ 119,643	
Equipment Mechanic	\$ 75,350	\$ 78,936	\$ 82,725	\$ 86,635	\$ 90,722	
Executive Assistant	\$ 73,663	\$ 77,119	\$ 80,742	\$ 84,540	\$ 88,516	
Executive Assistant to the City Mgr	\$ 78,474	\$ 82,398	\$ 86,518	\$ 90,844	\$ 95,385	
Facilities Maintenance Technician I	\$ 62,785	\$ 65,676	\$ 68,789	\$ 72,024	\$ 75,359	
Facilities Maintenance Technician II	\$ 68,789	\$ 72,024	\$ 75,359	\$ 78,936	\$ 82,725	
Finance and Budget Manager	\$ 126,553		Open Range		\$ 170,578	
GIS Coordinator I	\$ 86,844	\$ 91,186	\$ 95,746	\$ 100,534	\$ 105,561	
GIS Coordinator II	\$ 99,250	\$ 104,023	\$ 108,981	\$ 114,192	\$ 119,643	
Gymnastics Instructor	\$ 42,010	\$ 43,910	\$ 45,893	\$ 47,941	\$ 50,146	
Housing & Economic Development Manager	\$ 121,835		Open Range		\$ 159,205	
Housing Manager	\$ 121,835		Open Range		\$ 159,205	
Human Resources Director	\$ 160,531		Open Range		\$ 227,436	
Human Resources Manager	\$ 126,553		Open Range		\$ 170,578	
Human Resources Technician	\$ 68,162	\$ 71,387	\$ 74,574	\$ 78,213	\$ 81,891	
Information Technology Manager	\$ 126,553		Open Range		\$ 170,578	
Information Technology Specialist I	\$ 73,419	\$ 77,091	\$ 80,946	\$ 84,994	\$ 89,245	
Information Technology Specialist II	\$ 81,576	\$ 85,410	\$ 89,427	\$ 93,632	\$ 98,122	
Information Technology Supervisor	\$ 100,584	\$ 105,613	\$ 111,171	\$ 117,023	\$ 123,181	
Internal Services Manager	\$ 126,553		Open Range		\$ 170,578	
Junior Engineer	\$ 80,540	\$ 84,567	\$ 88,796	\$ 93,236	\$ 97,898	
Librarian I	\$ 70,373	\$ 73,663	\$ 77,119	\$ 80,742	\$ 84,540	



City of Menlo Park  
**PROPOSED** Salary Schedule - Effective 7/21/2019

Classification Title	Annual Salaries based on 2080 hours per year					
	Minimum (Step A)	Step B	Step C	Step D	Maximum (Step E)	
Librarian II	\$ 78,936	\$ 82,725	\$ 86,635	\$ 90,722	\$ 95,086	
Library Assistant I	\$ 54,852	\$ 57,337	\$ 59,949	\$ 62,785	\$ 65,676	
Library Assistant II	\$ 59,949	\$ 62,785	\$ 65,588	\$ 68,789	\$ 72,024	
Library Assistant III	\$ 65,588	\$ 68,789	\$ 72,024	\$ 75,359	\$ 78,856	
Library Services Director	\$ 156,348		Open Range			\$ 227,436
Library Services Manager	\$ 126,553		Open Range			\$ 170,578
Literacy Program Manager	\$ 81,003	\$ 84,813	\$ 88,801	\$ 93,058	\$ 97,493	
Maintenance Worker I	\$ 59,949	\$ 62,785	\$ 65,588	\$ 68,789	\$ 72,024	
Maintenance Worker II	\$ 65,588	\$ 68,789	\$ 72,024	\$ 75,359	\$ 78,936	
Management Analyst I	\$ 86,844	\$ 91,186	\$ 95,746	\$ 100,534	\$ 105,561	
Management Analyst II	\$ 99,250	\$ 104,023	\$ 108,981	\$ 114,192	\$ 119,643	
Office Assistant	\$ 53,872	\$ 56,329	\$ 58,878	\$ 61,668	\$ 64,516	
Parking Enforcement Officer	\$ 59,949	\$ 62,785	\$ 65,588	\$ 68,789	\$ 72,024	
Permit Manager	\$ 112,897	\$ 118,298	\$ 123,961	\$ 129,869	\$ 136,144	
Permit Technician	\$ 70,355	\$ 73,611	\$ 77,052	\$ 80,667	\$ 84,456	
Plan Check Engineer	\$ 113,095	\$ 118,509	\$ 124,158	\$ 130,156	\$ 136,461	
Planning Technician	\$ 80,667	\$ 84,456	\$ 88,430	\$ 92,588	\$ 97,027	
Police Chief	\$ 173,217		Open Range			\$ 250,180
Police Commander	\$ 155,896		Open Range			\$ 227,436
Police Corporal (2080 hours)	\$ 108,538	\$ 113,965	\$ 119,663	\$ 125,647	\$ 131,929	
Police Corporal (2184 hours)	\$ 113,965	\$ 119,664	\$ 125,647	\$ 131,929	\$ 138,525	
Police Officer (2080 hours)	\$ 100,848	\$ 105,890	\$ 111,185	\$ 116,744	\$ 122,582	
Police Officer (2184 hours)	\$ 105,891	\$ 111,185	\$ 116,744	\$ 122,581	\$ 128,711	
Police Records Specialist	\$ 65,588	\$ 68,789	\$ 72,024	\$ 75,359	\$ 78,936	
Police Recruit	n/a		Hourly Rate			\$ 81,687
Police Sergeant (2080 hours)	<del>\$ 121,613</del>	<del>\$ 127,694</del>	<del>\$ 134,079</del>	<del>\$ 140,783</del>	<del>\$ 147,822</del>	
Police Sergeant (2080 hours)	\$ 123,191	\$ 129,350	\$ 135,818	\$ 142,609	\$ 149,739	
Police Sergeant (2184 hours)	<del>\$ 127,694</del>	<del>\$ 134,079</del>	<del>\$ 140,783</del>	<del>\$ 147,822</del>	<del>\$ 155,213</del>	
Police Sergeant (2184 hours)	\$ 129,350	\$ 135,818	\$ 142,609	\$ 149,739	\$ 157,226	
Principal Planner	\$ 119,845	\$ 127,349	\$ 133,443	\$ 139,804	\$ 144,522	
Program Aide/Driver	\$ 37,665	\$ 39,369	\$ 41,150	\$ 43,012	\$ 44,938	
Program Assistant	\$ 53,658	\$ 56,104	\$ 58,643	\$ 61,423	\$ 64,259	
Project Manager	\$ 105,867	\$ 110,935	\$ 116,223	\$ 121,838	\$ 127,740	
Property and Court Specialist	\$ 68,789	\$ 72,024	\$ 75,359	\$ 78,936	\$ 82,725	
Public Engagement Manager	\$ 126,553		Open Range			\$ 170,578
Public Works Director	\$ 164,671		Open Range			\$ 227,436
Public Works Superintendent	\$ 124,351		Open Range			\$ 170,578
Public Works Supervisor - City Arborist	\$ 99,813	\$ 104,598	\$ 109,582	\$ 114,817	\$ 120,311	
Public Works Supervisor - Facilities	\$ 100,523	\$ 105,342	\$ 110,361	\$ 115,635	\$ 121,167	
Public Works Supervisor - Fleet	\$ 104,675	\$ 109,693	\$ 114,920	\$ 120,410	\$ 126,171	
Public Works Supervisor - Park	\$ 95,018	\$ 99,572	\$ 104,318	\$ 109,301	\$ 114,531	
Public Works Supervisor - Streets	\$ 95,018	\$ 99,572	\$ 104,318	\$ 109,301	\$ 114,531	
Recreation Coordinator	\$ 70,601	\$ 73,900	\$ 77,368	\$ 81,003	\$ 84,813	
Recreation Supervisor	\$ 86,915	\$ 91,015	\$ 95,392	\$ 99,937	\$ 104,716	
Revenue and Claims Manager	\$ 99,250	\$ 104,023	\$ 108,981	\$ 114,192	\$ 119,643	
Senior Accountant	\$ 104,267	\$ 109,196	\$ 114,347	\$ 119,846	\$ 125,558	
Senior Accounting Assistant	\$ 70,755	\$ 74,061	\$ 77,488	\$ 81,109	\$ 84,915	
Senior Building Inspector	\$ 107,932	\$ 113,095	\$ 118,509	\$ 124,158	\$ 130,156	
Senior Civil Engineer	\$ 123,383	\$ 129,344	\$ 135,610	\$ 142,181	\$ 149,109	
Senior Communications Dispatcher	\$ 91,993	\$ 96,416	\$ 101,012	\$ 105,841	\$ 110,894	
Senior Engineering Technician	\$ 90,967	\$ 95,259	\$ 99,840	\$ 104,597	\$ 109,598	
Senior Equipment Mechanic	\$ 82,905	\$ 86,949	\$ 91,039	\$ 95,255	\$ 99,775	
Senior Facilities Maintenance Technician	\$ 75,350	\$ 78,936	\$ 82,725	\$ 86,635	\$ 90,722	
Senior Information Technology Specialist	\$ 88,798	\$ 93,238	\$ 97,900	\$ 102,795	\$ 107,934	
Senior Librarian	\$ 91,015	\$ 95,392	\$ 99,937	\$ 104,716	\$ 109,716	
Senior Library Assistant	\$ 72,147	\$ 75,668	\$ 79,226	\$ 82,895	\$ 86,742	
Senior Maintenance Worker	\$ 75,350	\$ 78,936	\$ 82,725	\$ 86,635	\$ 90,722	
Senior Management Analyst	\$ 111,656	\$ 116,959	\$ 122,515	\$ 128,396	\$ 134,599	
Senior Office Assistant	\$ 58,878	\$ 61,668	\$ 64,516	\$ 67,530	\$ 70,655	
Senior Planner	\$ 108,950	\$ 114,163	\$ 119,627	\$ 125,329	\$ 131,384	
Senior Police Records Specialist	\$ 68,789	\$ 72,024	\$ 75,359	\$ 78,936	\$ 82,725	
Senior Program Assistant	\$ 65,165	\$ 68,210	\$ 71,411	\$ 74,766	\$ 78,284	
Senior Project Manager	\$ 116,454	\$ 122,028	\$ 127,846	\$ 134,022	\$ 140,514	
Senior Sustainability Specialist	\$ 81,721	\$ 85,631	\$ 89,729	\$ 94,007	\$ 98,548	
Senior Transportation Engineer	\$ 123,383	\$ 129,344	\$ 135,610	\$ 142,181	\$ 149,109	
Senior Water System Operator	\$ 77,316	\$ 80,895	\$ 84,675	\$ 88,648	\$ 92,813	
Sustainability Manager	\$ 121,835		Open Range			\$ 159,205
Sustainability Specialist	\$ 70,373	\$ 73,663	\$ 77,119	\$ 80,742	\$ 84,540	
Transportation Demand Management Coord.	\$ 92,760	\$ 97,179	\$ 101,822	\$ 106,694	\$ 111,801	
Transportation Director	\$ 164,671		Open Range			\$ 227,436
Transportation Manager	\$ 126,553		Open Range			\$ 170,578

City of Menlo Park  
**PROPOSED** Salary Schedule - Effective 7/21/2019

Classification Title	Annual Salaries based on 2080 hours per year					
	Minimum (Step A)	Step B	Step C	Step D	Maximum (Step E)	
Water Quality Specialist	\$ 80,742	\$ 84,540	\$ 88,516	\$ 92,760	\$ 97,179	
Water System Operator I	\$ 64,244	\$ 67,122	\$ 70,099	\$ 73,563	\$ 76,987	
Water System Operator II	\$ 70,287	\$ 73,541	\$ 76,977	\$ 80,589	\$ 84,375	
Water System Supervisor	\$ 96,222	\$ 100,808	\$ 105,624	\$ 110,678	\$ 115,975	

**RESOLUTION NO. 6514**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK  
ADOPTING THE SALARY SCHEDULE EFFECTIVE JULY 21, 2019**

WHEREAS, pursuant to the Personnel System Rules, the city manager prepared a compensation plan; and

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 establish the following compensation provisions in accordance with the City's personnel system rules.

BE IT FURTHER RESOLVED that any previous enacted compensation provisions contained in Resolution No.6506 and subsequent amendments, shall be superseded by this Resolution.

BE IT FURTHER RESOLVED that the changes contained herein shall be effective as noted on each amended salary schedule.

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 sixteenth day of July, 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 sixteenth day of July, 2019.

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Judi A. Herren, City Clerk



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**STAFF REPORT**

**City Council Meeting Date:** 7/16/2019  
**Staff Report Number:** 19-142-CC

**Regular Business:** Authorize the city manager to enter into a contract with LSA Associates, Inc. to prepare an environmental impact report for the proposed Menlo Uptown project with 483 multifamily dwelling units and 2,000 square feet of commercial uses at 141 Jefferson Drive and 180-186 Constitution Drive for the amount of \$197,574 and future augments as may be necessary to complete the environmental review for the proposed project

**Recommendation**

Staff recommends that City Council authorize the city manager to approve a contract with LSA Associates, Inc. (LSA) for the amount of \$197,574 and future augments as may be necessary to complete the environmental review for the Menlo Uptown Project, located at 141 Jefferson Drive and 180-186 Constitution 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 City Council retains discretion for all agreements exceeding the award authority delegated to city manager.

Approval of the environmental review contract does not imply an endorsement of a project. The proposed Menlo Uptown project will ultimately require the Planning Commission and City Council 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 City Council to consider as part of its review of the requested land use entitlements for the project. Authorizing the city manager to enter into a contract with LSA would allow the City to conduct the environmental and fiscal reviews, which are necessary for the overall entitlement review of the project proposal. 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.

**Background**

The project applicant, Greystar, is proposing to demolish the existing buildings and site improvements and construct two seven-story buildings with a total of 441 rental units and six three-story buildings with 42 townhome-style condominium units, for a total of 483 new dwelling units and 2,000 square feet of commercial space. The proposed floor area ratio (FAR) would be approximately 225 percent, which is the maximum permitted FAR for a development with a density of 100 dwelling units per acre. The proposal includes a request for an increase in height, density, and FAR under the bonus level development

allowance, subject to obtaining a use permit and providing one or more community amenities. The anticipated entitlements for the project include a use permit, architectural control, lot line adjustment, major subdivision and environmental review. The City Council would be the final decision-making body on the proposed project. Select plan sheets from the project plans associated with the February 2019 study session are included in Attachment B and plans identifying preliminary modifications to the massing and landscaping/open space in response to the Planning Commission's feedback are included in Attachment C. A comprehensive resubmittal of the project plans is anticipated for July 3.

The project site consists of three contiguous R-MU-B (Residential Mixed Use, Bonus) zoned parcels with a total area of approximately 4.83 acres, and currently contains three single-story buildings with a mix of office and industrial uses. The project site is bounded by Constitution Drive to the north and Jefferson Drive to the south. The parcels to the north of the site are located in the O-B (Office, Bonus) district and contain a mix of office, light industrial, and research and development (R&D) uses. The parcel directly south of the project site is zoned PF (Public Facilities) and is the site of the TIDE Academy high school, anticipated to begin operations in the 2019-2020 school year. Parcels immediately adjacent to the east and west of the project site are zoned R-MU-B and contain a mix of office, light industrial and R&D uses. A location map is provided as Attachment D.

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. In October 2018, the City received an application to commence the formal review process for redevelopment of the site. The proposal was reviewed by the Planning Commission at a study session in February 2019. Following the study session, the applicant team further evaluated the proposed project and modified the site layout and uses (including the addition of 2,000 square feet of commercial space, reorientation of the apartment buildings, and changes to the open space and circulation on the project site). Staff is in the process of evaluating the proposed project for consistency with ConnectMenlo and the zoning ordinance. However, the project could be required to comply with any applicable changes to the R-MU-B zoning regulations and/or ConnectMenlo in effect before project approval, based on review of the general plan and zoning ordinance by the City Council.

## Analysis

The proposed project requires the preparation of an environmental impact report (EIR) to evaluate the environment impacts of the proposed project. 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.

The project level transportation impact analysis (TIA) will use level of service (LOS) as the threshold of significance for potential transportation impacts resulting from the project. LOS is still the threshold of significance for potential impacts under CEQA (until July 1, 2020) as identified in the City's general plan circulation element and transportation impact analysis guidelines. As such, the analysis will use the appropriate impact threshold based on the current CEQA guidelines in effect at the time of the analysis. However, the TIA will also report the vehicle miles traveled (VMT) associated with the project. While not



required to be analyzed as an impact until July 1, 2020 under requirements of Senate Bill 743, the project analysis will disclose VMT for informational purposes. The transportation analysis will use the data in the City's Circulation System Assessment (CSA) and the City's travel demand model developed in 2016 for the project. The City's transportation division will be updating its TIA Guidelines to include VMT and updates to the CSA to be compliant with CEQA by July 1, 2020.

Following authorization of the contract, 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. City staff is evaluating additional outreach options for the notice of preparation and EIR scoping period to allow for increased public participation in the EIR scoping process, which could include an expanded mailed noticing radius, city website and project page posting, and the City's weekly digest. 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.

### **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 fiscal 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
- B. Project plans (select sheets from study session)
- C. Preliminary updates to project plans (modifications to massing and landscaping)
- D. Location map

Report prepared by:  
Tom Smith, Senior Planner

Report reviewed by:  
Mark Muenzer, Community Development Director  
Deanna Chow, Assistant Community Development Director



July 2, 2019

Tom Smith, Senior Planner  
City of Menlo Park  
701 Laurel Street  
Menlo Park, CA 94025

Subject: REVISED - Proposal to Prepare the Environmental Review Documentation for the  
141 Jefferson Drive Project

Dear Mr. Smith:

LSA is pleased to submit this proposal for the preparation of the environmental review documentation for the proposed 141 Jefferson Drive Project (project), pursuant to the California Environmental Quality Act (CEQA). Per discussions with you, further consideration and review of the project materials, and our familiarity with the project area and the City's General Plan (ConnectMenlo) and the certified ConnectMenlo Final Environmental Impact Report (ConnectMenlo Final EIR) we believe that preparation of an Initial Study and Focused 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 one provided to you on June 7, 2019.

Preparation of the environmental review documentation will be staffed by the same team that is currently preparing the Initial Study and Focused EIR for the 111 Independence Drive Project, located just a few blocks from the 141 Jefferson Drive project site. **Theresa Wallace, AICP**, will serve as **Principal in Charge and Project Manager** and **Matthew Wiswell, Planner** 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. 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 February 11, 2019 Staff Report to the Planning Commission regarding the proposed project and the project application materials dated April 16, 2019. The proposed project, also referred to as the Menlo Uptown project, would include the redevelopment of an approximately 4.83-acre site consisting of three contiguous parcels located at 141 Jefferson Drive/172 Constitution Drive, 180 Constitution Drive, and 186 Constitution Drive in the City of Menlo Park. The site is located south of Bayfront Expressway (State Route 84 or SR-84) and east of Chrysler Drive and within the City's Bayfront Area. The site is located within the City's Residential Mixed Use-Bonus (R-MU-B) zoning district.

The proposed project would result in the demolition of three existing office and industrial buildings and construction of two seven-story buildings with a total of approximately 441 residential

apartment units and six three-story buildings with 42 townhome-style condominium units, for a total of 483 new dwelling units, as well as associated improvements.

The proposed project includes a request for an increase in height, density, and floor area ratio under the bonus level development allowance subject to a use permit in exchange for community amenities. The three existing legal parcels would be maintained. Additional actions and entitlements may also be required (e.g., lot line adjustment, major subdivision).

## **B. WORK PROGRAM APPROACH**

The approach to environmental review of the 141 Jefferson 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 ConnectMenlo, pursuant to CEQA Guidelines sections 15152 and 15168.

The Initial Study will fully document the finding that topics not addressed in detail in the EIR would not be associated with any new or more severe significant environmental impacts that were not already identified in the certified ConnectMenlo Final EIR. 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; energy; geology and soils; hazards and hazardous materials; hydrology and water quality; land use and planning; mineral resources; noise (construction period); parks and recreation; public services; tribal cultural resources; utilities and service systems; and wildfire would be less than significant. Mitigation measures identified in the ConnectMenlo Final EIR that are applicable to the proposed project will be identified to support the conclusions in the Initial Study. The Initial Study will be circulated for public comment along with the Notice of Preparation indicating that a Focused EIR will be prepared.

LSA believes that a Focused EIR addressing the topics of population and housing; transportation; air quality, greenhouse gas emissions; and noise (operation period) would likely prove necessary to fulfill the requirements of CEQA and to satisfy the terms of the City's 2017 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 Final 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. 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 ConnectMenlo and its Final 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**

<p><b>TASK A. PROJECT INITIATION</b></p> <ol style="list-style-type: none"> <li>1. Start-Up Meeting/Site Visit</li> <li>2. Data Gathering and Review</li> <li>3. Notice of Preparation/Scoping Session</li> <li>4. Project Description</li> <li>5. Work Program Refinement</li> </ol> <p><b>TASK B. INITIAL STUDY</b></p> <ol style="list-style-type: none"> <li>1. Administrative Draft Initial Study</li> <li>2. Screencheck Draft Initial Study</li> <li>3. Public Review Draft Initial Study</li> </ol> <p><b>TASK C. ENVIRONMENTAL IMPACT REPORT</b></p> <ol style="list-style-type: none"> <li>1. Setting and Impacts               <ol style="list-style-type: none"> <li>a. Population and Housing</li> <li>b. Transportation and Circulation</li> <li>c. Air Quality</li> <li>d. Greenhouse Gas Emissions</li> <li>e. Noise</li> </ol> </li> <li>2. Alternatives Analysis</li> <li>3. Other CEQA Considerations</li> <li>4. Administrative Draft EIR</li> <li>5. Screencheck Draft EIR</li> <li>6. Public Review Draft EIR</li> </ol> <p><b>TASK D. RESPONSE TO COMMENTS DOCUMENT</b></p> <ol style="list-style-type: none"> <li>1. Administrative Draft RTC Document</li> <li>2. Screencheck Draft RTC Document</li> <li>3. Final RTC Document</li> <li>4. Mitigation Monitoring and Reporting Program</li> <li>5. Administrative Record</li> </ol> <p><b>TASK E. PUBLIC HEARINGS AND MEETINGS</b></p> <p><b>TASK F. PROJECT MANAGEMENT</b></p>
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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 to 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 will tier off of the analysis included in the ConnectMenlo Final EIR and will include a brief project description documenting existing conditions, project impacts for the checklist topics, resulting level of significance for each of

the checklist topics, and applicable mitigation measures identified in the ConnectMenlo Final EIR or standard City conditions of approval.

Based on LSA's review of the ConnectMenlo Final 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 three single-story buildings containing a mix of office and industrial uses and construction of eight three- to seven-story apartment and townhomes buildings in historically 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.** The proposed project would not 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. It is anticipated that the project applicant would provide documentation related to the presence or absence of heritage trees on or within the immediate vicinity of the site that could be



affected by the proposed development. LSA will provide brief responses to the checklist questions for this topic and reference the conclusions and analysis in the ConnectMenlo Final EIR.

**d. Cultural Resources.** The three existing single-story buildings on the site were constructed in approximately the early 1960s and are over 50 years of age. However, the buildings do not appear to represent a distinctive association with important events or architectural trends. This scope is based on the assumption that the buildings would be demolished and would not warrant additional study because based on the appearance, form, and construction history the buildings do not reasonably have the potential to qualify as historical resources under CEQA. LSA will reference the City-required historical resources evaluation to be provided by the applicant, any additional information provided by City staff, and the ConnectMenlo EIR to confirm this assumption. In the event that this information is not available, LSA can conduct a historical resources evaluation for each individual building under a scope and budget adjustment.

LSA will provide brief responses to the checklist questions related to impacts on historical resources, archaeological resources, and human remains. Applicable mitigation measures identified in the ConnectMenlo Final EIR that address the potential for accidental discovery of previously unidentified resources will be referenced to support the conclusion that impacts to cultural resources would be less than significant.

**e. Energy.** LSA will evaluate the project's impacts related to energy use in response to the checklist questions. This discussion will address the project's compliance with applicable energy efficiency standards and will cross reference the discussion provided in the ConnectMenlo Final EIR. Energy data using the California Emissions Estimator Model (CalEEMod) will be reported.

**f. 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. Potential impacts to paleontological resources or unique geologic features will also be addressed. Project compliance with standard geotechnical design measures and preparation of a design-level site-specific geotechnical report as identified in the ConnectMenlo Final EIR will be discussed.

**g. 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. Project compliance with standard regulations and General Plan policies as identified in the ConnectMenlo Final EIR will be discussed.

**h. 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), and discussions with City staff. Project compliance with standard regulations governing hydrology and water quality as identified in the ConnectMenlo Final EIR will be discussed.

**i. Land Use and Planning.** The proposed project would redevelop the site from an office/industrial 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.

**j. 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.

**k. Noise (Construction Period).** The ConnectMenlo Final EIR determined that all impacts related to construction noise could be reduced to a less-than-significant level through the implementation of mitigation measures. Therefore, construction-period noise and vibration will be qualitatively evaluated in the Initial Study. The project site is not located within the vicinity of any private or public airports, and this topic will also be briefly addressed.

**l. Public Services.** The proposed project is anticipated to be consistent with the development assumptions presented in the ConnectMenlo Final EIR and it is not expected that the proposed project would create increased demand for public services including fire service, police service, schools, libraries, and recreation, such that physical environmental impacts would occur. LSA will provide brief responses to the checklist questions for this topic and reference the conclusions and analysis presented in the ConnectMenlo Final EIR, including any applicable impact fees that may be required.

**m. Recreation.** The proposed project is anticipated to be consistent with the development assumptions presented in the ConnectMenlo Final EIR and it is not expected that the proposed project would create increased demand for park and recreational services. LSA will provide brief responses to the checklist questions for this topic and reference the conclusions and analysis presented in the ConnectMenlo Final EIR. This section will also include a discussion of the open space and recreational facilities to be provided on site in compliance with City requirements.

**n. Tribal Cultural Resources.** To comply with Assembly Bill 52 requirements, LSA will prepare a draft Tribal Notification for the project, which includes the Notification Regarding Tribal Cultural Resources and CEQA letter and full project description. The City will be responsible for distributing the notice and project description to the tribal distribution list. Assembly Bill 52 provides a period of 30 calendar days in which to request consultation. 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. The results of the consultation process will be summarized in the Initial Study checklist for this topic.

**o. 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 Final EIR, as appropriate.

**p. Wildfire.** The project site is located in an urban area. Impacts associated with wildfire hazards and implementation of emergency response/evacuation plans are not anticipated; therefore, LSA will provide brief responses to the checklist questions for this topic.

## **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 the City's 2017 Settlement Agreement with the City of East Palo Alto and LSA's review of the ConnectMenlo Final 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; 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 Final 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) Plan 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 conclusions and analysis presented in the ConnectMenlo Final EIR and the Housing Needs Assessment.

**b. Transportation and Circulation.** Per the terms of the Settlement Agreement with the City of East Palo Alto, this topic will be addressed in the EIR. 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. The analysis will compare impacts of the proposed project to those identified in the ConnectMenlo Final EIR and identify whether there would be any new or more severe impacts. Mitigation measures will be recommended, if necessary. 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 activities. LSA will conduct an air quality analysis 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 compare the impacts of the project to those identified in the ConnectMenlo Final EIR and discuss whether or not any new or more severe impacts would occur. The analysis 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, including a health risk assessment (HRA), consistent with the requirements of Mitigation Measure AQ-3b; and, (4) 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. Potential impacts associated with other emission sources, including odors, will be scoped out of the analysis in the Initial Study.

- d. Greenhouse Gas Emissions.** The transportation evaluation that will be prepared for the proposed project could indicate that more significant impacts related to transportation, and therefore GHGs, could occur with implementation of the proposed project, as compared to the impacts identified in the ConnectMenlo Final EIR. Therefore, 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 (Operation-Period).** The transportation evaluation that will be prepared for the proposed project could indicate that more significant impacts related to transportation, and therefore transportation-related noise, could occur with implementation of the proposed project, as compared to the impacts identified in the ConnectMenlo Final EIR. Therefore, 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 operation; 4) noise compatibility assessment based on the location of the project in relation to roadway noise based on the noise monitoring results; and 5) 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. 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; however, it is assumed that quantitative analysis for the topics of transportation, air quality, greenhouse gas emissions, and noise would be undertaken to compare the impacts of each alternative to those identified for the proposed project. 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 conclusions regarding the alternatives. Based on this analysis, the Environmentally Superior Alternative will be identified (as required by CEQA).

## **3. Other CEQA Considerations**

LSA will prepare the appropriate conclusions to fulfill CEQA requirements by providing an assessment of several mandatory impact categories, based on the conclusions and analysis presented in the ConnectMenlo Final EIR and Tasks B and C.1 as discussed above, 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.

#### **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).

Electronic versions of the Administrative Draft EIR (with appendices) in 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.

Electronic versions of the Administrative Draft will be provided for review by City staff to verify that all requested changes have been made. LSA will also provide a compare version 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. An electronic version of the document in PDF format will be prepared for City distribution and posting on the City website. 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.

Electronic versions of the Administrative Draft RTC Document 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. Digital files of the clean and compare versions of the Screencheck Draft 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 an electronic version 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 in electronic format to the City as part of the Final EIR.

**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 August 1, 2019. The Administrative Draft EIR will be submitted to the City within 3 weeks of completion of the transportation impact analysis inputs by Kittelson & Associates and regional housing needs assessment prepared by KMA. It is assumed that the transportation impact analysis will commence when the NOP is published, per standard City practice.

**Table 2: Proposed Preliminary Schedule**

Milestone	Responsible Party	Duration	Dates
Authorization to Proceed	City	--	Aug 1, 2019
Draft Project Description and Initiation Tasks	LSA	2 weeks	Aug 15, 2019
Review Project Description/Provide Requested Info Needs	City/Applicant	2 weeks	Aug 29, 2019
Prepare Administrative Draft Initial Study	LSA	6 weeks	Sept 12, 2019
Review Administrative Draft Initial Study	City	3 weeks	Oct 3, 2019
Prepare Screencheck Draft Initial Study/ Draft NOP	LSA	1 week	Oct 10, 2019
Review Screencheck Draft Initial Study/Draft NOP	City	1 week	Oct 17, 2019
Prepare and Publish Notice of Preparation/Initial Study	City/LSA	1 week	Oct 24, 2019
<i>NOP Scoping Meeting</i>	<i>City/LSA</i>	--	<i>TBD</i>
Close of Notice of Preparation Comment Period	--	30 days	Nov 22, 2019
Prepare Draft Housing Needs Assessment	KMA	12 weeks	Jan 2, 2020
Prepare Admin Draft Transportation Analysis EIR Inputs	K&A	12 weeks	Jan 2, 2020
Prepare Administrative Draft EIR	LSA	3 weeks	Jan 23, 2020
Review Administrative Draft EIR	City	3 weeks	Feb 13, 2020
Prepare Screencheck Draft EIR	LSA	2 weeks	Feb 27, 2020
Review Screencheck Draft EIR	City	2 weeks	Mar 12, 2020
Prepare and Publish Draft EIR	LSA	1 week	Mar 19, 2020
<i>DEIR Public Comment Meeting</i>	<i>City</i>	--	<i>TBD</i>
Close of Public Review Period	--	45 days	May 4, 2020
Prepare Administrative RTC Document	LSA	2 weeks	May 18, 2020
Review Administrative RTC Document	City	2 weeks	Jun 1, 2020
Prepare Screencheck RTC Document and MMRP	LSA	1 week	Jun 8, 2020
Review Screencheck RTC Document and MMRP	City	2 weeks	Jun 22, 2020
Prepare and Reproduce Final RTC Document and MMRP	LSA	1 week	Jun 29, 2020
<i>Final EIR Certification Hearing</i>	<i>City/LSA</i>	<i>&gt;10 days</i>	<i>TBD</i>

## E. COST ESTIMATE

For completion of the scope of work set forth in this proposal and accomplished according to the preliminary proposed schedule outlined above, which assumes an approximately one year project duration, LSA proposes a total budget of \$188,174. We have included a 5 percent contingency amount of \$9,400, which would not be used without written authorization from the City. With the contingency amount, the total budget would be \$197,574. A detailed breakdown of the budget is included in Table 3. This scope of work and cost estimate is valid for 60 days.



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](mailto:theresa.wallace@lsa.net).

Sincerely,

**LSA ASSOCIATES, INC.**



Theresa Wallace, AICP  
Principal

- Attachment 1: Kittelson & Associates, Inc. Scope of Work
- Attachment 2: Keyser Marston Associates Scope of Work
- Attachment 3: Standard Contract Provisions and Billing Rates

**Table 3: Cost Estimate for the Proposed 141 Jefferson 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/Noise Specialist (Staff)	Air Quality/Noise Planner (Carlucci)	Document Management (Staff)	Graphics and Production (Staff)	
Hourly Rate:	\$195	\$115	\$220	\$140	\$115	\$115	\$120	
<b>Task A. Project Initiation</b>								
(1) Start-Up Meeting/Site Visit	5	8						\$1,895
(2) Data Gathering and Review	1	4						\$655
(3) Notice of Preparation/Scoping Session	4	8					1	\$1,820
(4) Project Description	4	16				2	4	\$3,330
(5) Work Program Refinement	2	1						\$505
<b>Subtotal for Task A</b>	<b>16</b>	<b>37</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>5</b>	<b>\$8,205</b>
<b>Task B. Initial Study</b>								
(1) Administrative Draft Initial Study	12	6				6	4	\$4,200
(a) Aesthetics		2						\$230
(b) Agricultural and Forestry Resources		1						\$115
(c) Biological Resources		1						\$115
(d) Cultural Resources		2						\$230
(e) Energy			1		8			\$1,140
(f) Geology and Soils		4						\$460
(g) Hazards and Hazardous Materials		4						\$460
(h) Hydrology and Water Quality		4						\$460
(i) Land Use and Planning		4						\$460
(j) Mineral Resources		1						\$115
(k) Noise		1						\$115
(l) Public Services		2						\$230
(m) Recreation		2						\$230
(n) Tribal Cultural Resources		4						\$460
(o) Utilities and Service Systems		4						\$460
(p) Wildfire		1						\$115
(q) Mandatory Findings		1						\$115
(2) Screencheck Draft Initial Study	4	8				2	2	\$2,170
(3) Public Review Draft Initial Study	2	6				2	2	\$1,550
<b>Subtotal for Task B</b>	<b>18</b>	<b>58</b>	<b>1</b>	<b>0</b>	<b>8</b>	<b>10</b>	<b>8</b>	<b>\$13,430</b>
<b>Task C. Environmental Impact Report</b>								
(1) Setting and Impacts	1	2				1		\$540
(a) Population and Housing	4	14				2		\$2,620
(b) Transportation and Circulation	6	8				6	2	\$3,020
(c) Air Quality	2	4	4	20	30	2		\$8,210
(d) Greenhouse Gas Emissions	2	4	2		24	2		\$4,280
(e) Noise	2	4	4	6	24	2	1	\$5,680
(2) Alternatives Analysis	4	12	4	2	4	1		\$3,895
(3) Other CEQA Considerations		6						\$690
(4) Administrative Draft EIR	12	6				4	4	\$3,970
(5) Screencheck Draft EIR	8	8	4	2	4	4	2	\$4,800
(6) Public Review Draft EIR	4	6	2	1	1	4	8	\$3,585
<b>Subtotal for Task C</b>	<b>45</b>	<b>74</b>	<b>20</b>	<b>31</b>	<b>87</b>	<b>28</b>	<b>17</b>	<b>\$41,290</b>
<b>Task D. Response to Comments Document</b>								
(1) Administrative Draft RTC Document	8	12	2			4	4	\$4,320
(2) Screencheck Draft RTC Document	4	6	1			2	2	\$2,160
(3) Final RTC Document	2	4				2	4	\$1,560
(4) Mitigation Monitoring and Reporting Program	1	1				2		\$540
(5) Administrative Record		2					1	\$350
<b>Subtotal for Task D</b>	<b>15</b>	<b>25</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>11</b>	<b>\$8,930</b>
<b>Task E. Public Hearings and Meetings</b>								
<b>Subtotal for Task E</b>	<b>16</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$4,500</b>
<b>Task F. Project Management</b>								
<b>Subtotal for Task F</b>	<b>20</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$5,280</b>
<b>TOTAL LABOR</b>	<b>130</b>	<b>218</b>	<b>24</b>	<b>31</b>	<b>95</b>	<b>50</b>	<b>41</b>	<b>\$81,635</b>
<b>DIRECT COSTS</b>								
(1) Travel, Deliveries, Communication, Equipment, Noise Monitoring Fee								\$870
(2) Printing and Graphic Reproduction								\$150
(3) Kittelson & Associates, Inc. - Traffic Impact Study								\$74,994
(4) Keyser Marston Associates - Housing Needs Assessment								\$25,500
(5) Subconsultant Markup Fee of 5 Percent								\$5,025
<b>TOTAL DIRECT COSTS</b>								<b>\$106,539</b>
<b>TOTAL LSA TEAM BUDGET</b>								
<b>TOTAL LSA TEAM BUDGET (WITHOUT CONTINGENCY)</b>								<b>\$188,174</b>
<b>CONTINGENCY FUNDS</b>								
<b>CONTINGENCY AT 5 PERCENT</b>								<b>\$9,400</b>
<b>TOTAL LSA TEAM BUDGET WITH CONTINGENCY</b>								
<b>TOTAL LSA TEAM BUDGET (WITH CONTINGENCY)</b>								<b>\$197,574</b>

**ATTACHMENT 1**

**Kittelson & Associates, Inc.  
Scope of Work**



July 2, 2019

Project #: 23971

Kyle Perata  
Principal Planner  
701 Laurel St – City Hall 1<sup>st</sup> Floor  
Menlo Park, CA 94025  
(650) 330-6721

**RE: Menlo Park Uptown Project at 141 Jefferson Drive - 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 Uptown Project at 141 Jefferson Drive in the City of Menlo Park. This analysis will be based 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 based on the Connect Menlo Program Level EIR. CEQA tasks will be conducted by a firm to be selected by the City.

This scope was developed based on our discussions with City staff, a review of the staff report from February 11, 2019, our understanding of the preliminary proposed development plan, our familiarity with the City, and our current work on the nearby Commonwealth EIR and Independence 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 \$74,994. 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 510-433-8083.

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 of 42 for-sale condominiums and 441 rental units located at 141 Jefferson Drive & 180-186 Constitution Drive. The area is zoned as R-MU-B (Residential-Mixed Use-Bonus). Figure 1 below provides a location map of the project site. Figure 2 and 3 show the site plan, dated February 11, 2019. Kittelson & Associates, Inc. (KAI) understands this may not be current so we will check with the City for the final site plan 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.

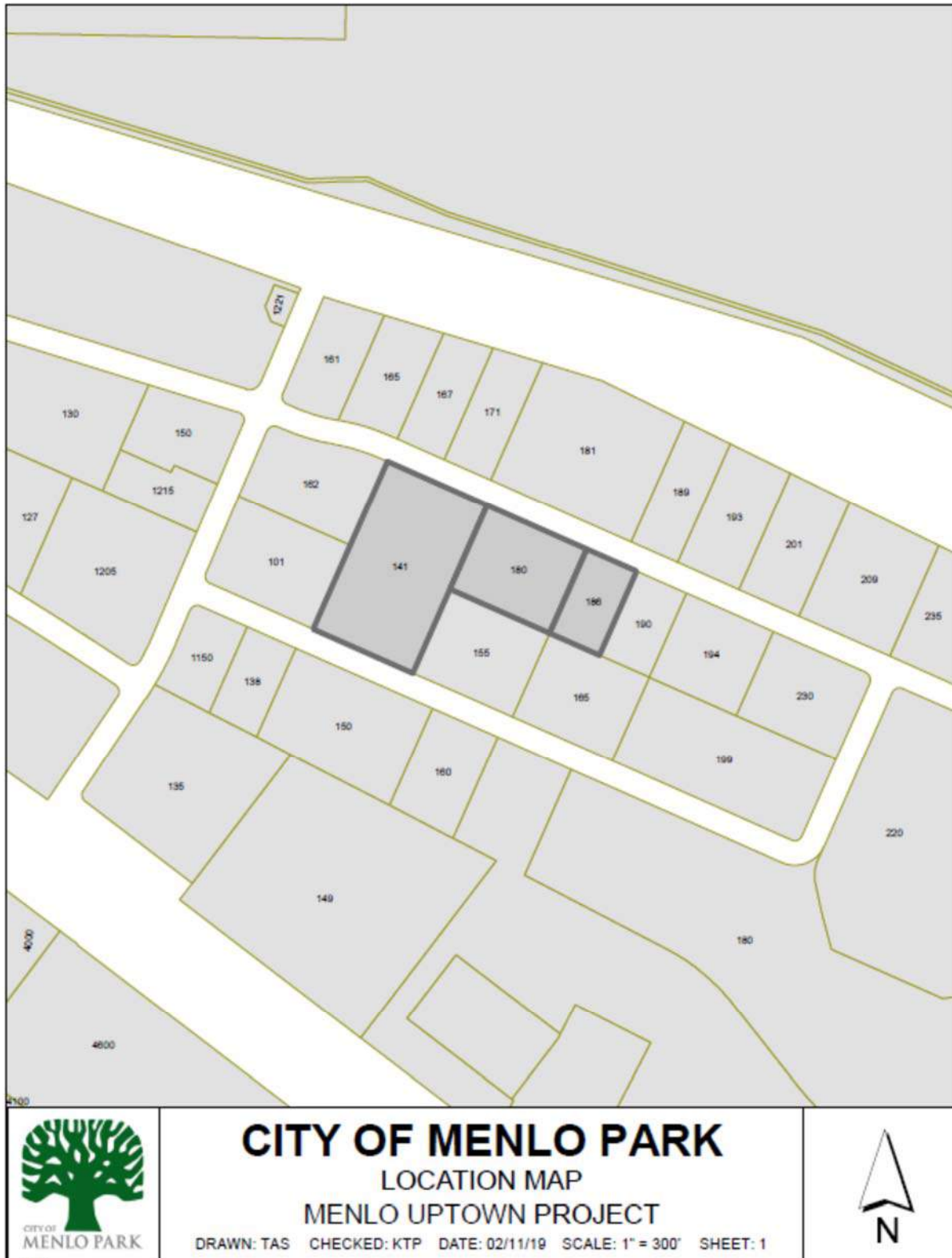
In addition to the No Project, there will be one Project Alternative analyzed at a more qualitative level:

- 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).

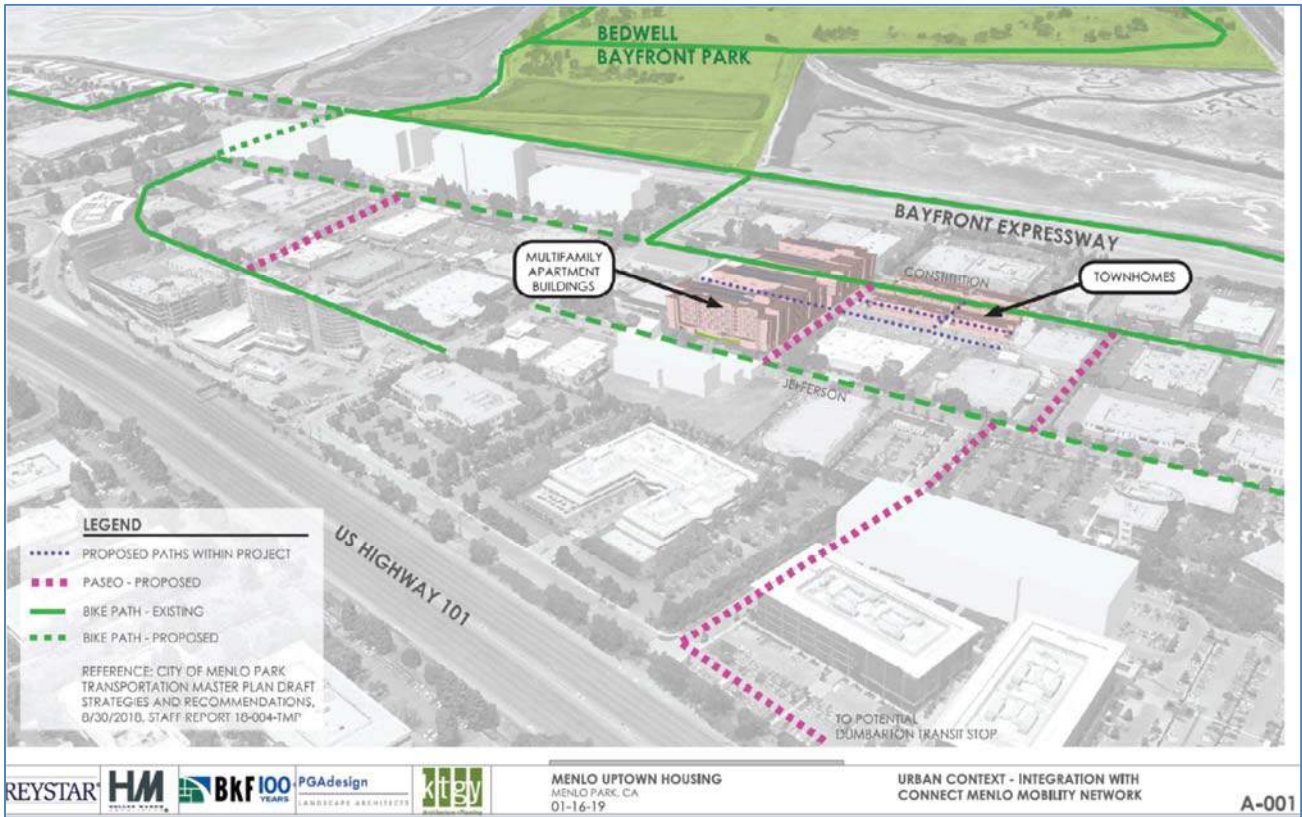


Figure 1: Uptown Project at 141 Jefferson Drive - Location Map



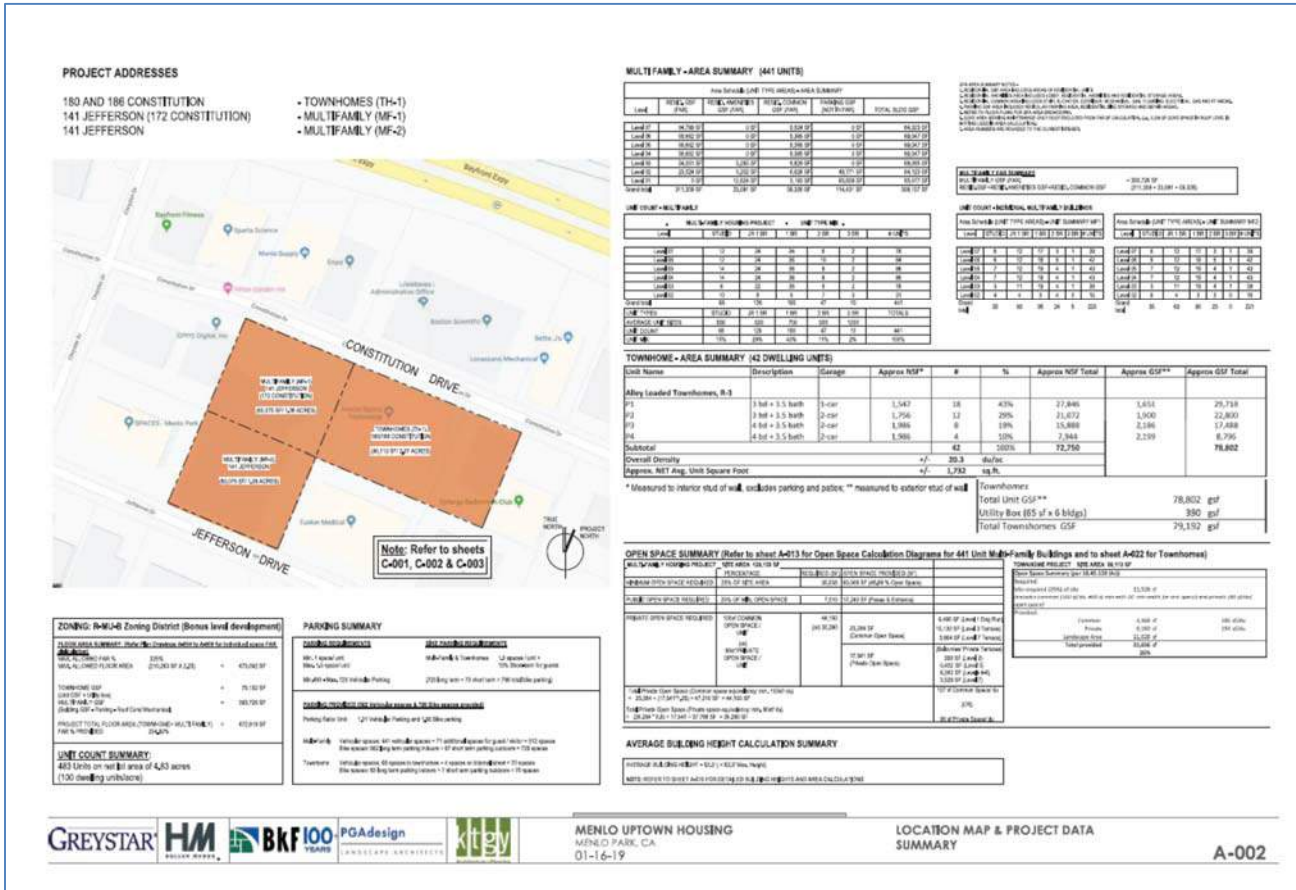
Source: City of Menlo Park Staff Report – Location of 141 Jefferson Drive, 2/11/2019

Figure 2: Uptown Project at 141 Jefferson Drive - Site Plan



Source: KTG Architecture – 141 Jefferson Drive, 1/16/2019

Figure 3: Uptown Project at 141 Jefferson Drive - Site Plan



Source: KTG Architecture – 141 Jefferson Drive, 1/16/2019

## 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 (received from City in June 2019)
- Travel demand model from the General Plan (received already)
- Recent General Plan and EIR 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 of 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 Building 3 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 29 intersections. (note: these have been paired down in coordination with City staff). All locations are similar to the nearby Commonwealth Building 3 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. Chrysler Drive and Bayfront Expressway (State)
8. Chrysler Drive and Constitution Drive (Menlo Park)
9. Chrysler Drive and Jefferson Drive (Menlo Park)
10. Chrysler Drive and Independence Drive (Menlo Park)

11. Chilco Street and Bayfront Expressway (State)
12. Chilco Street and Constitution Drive (Menlo Park)
13. Willow Road and Bayfront Expressway (State)
14. Willow Road and Hamilton Avenue (State)
15. Willow Road and Ivy Drive (State)
16. Willow Road and O'Brien Drive (State)
17. Willow Road and Newbridge Street (State)
18. Willow Road and Bay Road (State)
19. Willow Road and Durham Street (Menlo Park)
20. Willow Road and Coleman Avenue (Menlo Park)
21. Willow Road and Gilbert Avenue (Menlo Park)
22. Willow Road and Middlefield Road (Menlo Park)
23. University and Bayfront Expressway (State)
24. Middlefield Road and Ravenswood Avenue (Menlo Park)
25. Middlefield Road and Ringwood Avenue (Menlo Park)
26. Marsh Road and Florence Street-Bohannon Drive (Menlo Park)
27. Willow Road and US-101 NB Ramps (State)
28. Willow Road and US-101 SB Ramps (State)
29. Bay Road and Ringwood Avenue (Menlo Park)

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 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 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 29 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 in the ConnectMenlo EIR and other recent nearby EIRs, including the *Commonwealth Corporate Center EIR* from February 2014 to develop trip generation. 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 10<sup>th</sup> 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, and pass-by 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 and use in the air quality and GHG analyses to be conducted by the CEQA firm.

### *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 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 ConnectMenlo EIR, 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*

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 provide a CMP analysis of key roadways.



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### *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.

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### *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.

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 more qualitative analysis for a reduced development Project Alternative to identify if it would add or reduce any project identified impacts. This more qualitative analysis relies on scaling the traffic results from the Project based on the relative difference in trip generation between the Project and reduced Project alternative.

## **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 \$74,994. Direct costs are estimated at \$194.00 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 (received)
- 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**

LABOR ESTIMATE - Menlo Park 141 Jefferson Drive EIR									
Task	Notes	Staff	Stefanakis, Damian	Sehmi, Michael	Engineer/ Planner	Analyst	Sommerville, Jon	SUBTASK/ TASK HOURS	SUBTASK/ TASK COST
			DXS	MZS	SL2	SL1	JKS		
<b>001 Project Initiation and Scoping</b>									
Project Initiation/Scoping			4	2				6	\$1,260
Project Management			4	4				8	\$1,560
Reimbursable Expense									\$0
Task #001 - Subtotal			8	6	0	0	0	14	\$2,820
<b>002 Project Description</b>									
Project Description			1	2		4		7	\$1,040
Reimbursable Expense									\$0
Task #002 - Subtotal			1	2	0	4	0	7	\$1,040
<b>003 Data Collection</b>									
Compile Existing Intersection Counts			1	1		4		6	\$890
Existing CMP and Freeway/On-Ramp/Off-ramp Counts				1		2		3	\$400
Reimbursable Expense									\$0
Task #003 - Subtotal			1	2	0	6	0	9	\$1,290
<b>004 Existing Conditions</b>									
Roadway, Transit, Bicycle, Pedestrian				2		4		6	\$800
Fieldwork				6				6	\$900
Intersection LOS				3	2	6		11	\$1,480
CMP Routes Analyses				2		4		6	\$800
Reimbursable Expense									\$44
Task #004 - Subtotal			0	13	2	14	0	29	\$4,024
<b>005 Near Term (Existing Plus Approved) Conditions</b>									
Roadway, Transit, Bicycle, Pedestrian						4		4	\$500
Intersection LOS			2	8	2	16		28	\$3,960
CMP Routes Analyses				4		8		12	\$1,600
Reimbursable Expense									\$0
Task #005 - Subtotal			2	12	2	28	0	44	\$6,060
<b>006 Cumulative No Project Conditions</b>									
Roadway, Transit, Bicycle, Pedestrian						4	4	8	\$1,100
Intersection LOS			2	8	2	12		24	\$3,460
CMP Routes Analyses			2	4		4		10	\$1,580
Reimbursable Expense									\$0
Task #006 - Subtotal			4	12	2	20	4	42	\$6,140
<b>007 Trip Generation</b>									
ITE Trip Generation			1	2		4		7	\$1,040
Trip Generation Memo			2	2		4		8	\$1,280
Reimbursable Expense								0	\$0
Task #007 - Subtotal			3	4	0	8	0	15	\$2,320
<b>008 Trip Distribution and Assignment</b>									
Trip Distribution			4	1		2	2	9	\$1,660
Trip Assignment			1	2		2	2	7	\$1,090
Reimbursable Expense									\$0
Task #008 - Subtotal			5	3	0	4	4	16	\$2,750
<b>009 Impact Analysis</b>									
Background plus Project Intersection/Freeway LOS			1	12		12		25	\$3,540
Cumulative plus Project Intersection/Freeway LOS			1	12		12		25	\$3,540
Provide VMT and other data for Air/Noise/GHG			2	4		8		14	\$2,080
Reimbursable Expense									\$0
Task #009 - Subtotal			4	28	0	32	0	64	\$9,160
<b>010 Other Topics</b>									
C/CAG Transportation Demand Management Requirement			4	16		16		36	\$5,360
Reimbursable Expense									\$0
Task #010 - Subtotal			4	27	0	34	0	65	\$9,260
<b>011 Develop Mitigation Measures</b>									
Near Term plus Project			2	8		14		24	\$3,430
Cumulative plus Project			2	8		14		24	\$3,430
Reimbursable Expense									\$0
Task #011 - Subtotal			4	16	0	28	0	48	\$6,860
<b>012 Project Alternatives</b>									
Alternative 1 -				1		4		5	\$650
Reimbursable Expense									\$0
Task #012 - Subtotal			0	1	0	4	0	5	\$650
<b>013 Prepare Traffic Impact Analysis Report</b>									
Admin Draft			4	24	1	32	20	81	\$11,700
Draft			4	10	1	12	4	31	\$4,700
Final DEIR			4	5	1	4	4	18	\$2,950
Reimbursable Expense									\$0
Task #013 - Subtotal			12	39	3	48	28	130	\$19,350
<b>014 Meeting</b>									
Attend Meetings			8	8				16	\$3,120
Reimbursable Expense									\$151
Task #014 - Subtotal			8	8	0	0	0	16	\$3,271
TOTAL HOURS			56	173	9	230	36		
LABOR RATE			\$240.00	\$150.00	\$140.00	\$125.00	\$150.00	TOTAL HOURS	TOTAL LABOR
LABOR COST			\$13,440	\$25,950	\$1,260	\$28,750	\$5,400	504	\$74,800
								<b>TOTAL REIMBURSABLES</b>	
								\$194	
								<b>TOTAL KAI FEES</b>	
								\$74,994	





**ATTACHMENT 2**

**Keyser Marston Associates  
Scope of Work**



KEYSER MARSTON ASSOCIATES™  
ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

June 3, 2019

ADVISORS IN:  
REAL ESTATE  
AFFORDABLE HOUSING  
ECONOMIC DEVELOPMENT

SAN FRANCISCO

A. JERRY KEYSER  
TIMOTHY C. KELLY  
DEBBIE M. KERN  
DAVID DOEZEMA  
KEVIN FEENEY

LOS ANGELES

KATHLEEN H. HEAD  
JAMES A. RABE  
GREGORY D. SOO-HOO  
KEVIN E. ENGSTROM  
JULIE L. ROMNEY  
TIM BRETZ

SAN DIEGO

PAUL C. MARRA

Theresa Wallace  
Principal

LSA Associates  
157 Park Place

Point Richmond, CA 94801

Re: Proposed Scope of Services to Prepare a Housing Needs Assessment for the Menlo Uptown Project

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 Menlo Uptown Project located at 141 Jefferson Drive and 180-186 Constitution Drive ("Project"). The Project includes construction of 441 rental units and 42 for-sale townhomes, replacing existing office/industrial buildings on the project site.

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 two additional HNAs, for a proposed 94-unit residential project and a proposed 249,000 square foot office project. This prior work provides a foundation for the analysis of the Project 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 / industrial uses;
- 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 offset or counteract, to some degree, conditions that contribute 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 scope of services, enclosed as Attachment A, is designed to provide the analyses contemplated by the settlement agreement.

Thank you for the opportunity to submit this proposal and please contact me with any questions or comments.

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)**

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The following scope of services is for preparation of a Housing Needs Assessment (HNA) addressing the proposed 483-unit Menlo Uptown residential development project at 141 Jefferson Drive and 180-186 Constitution Drive (“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/industrial buildings; 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 could counteract, to some degree, conditions that contribute 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.*

**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 483 multi-family units to be added to the housing supply by the Project will be summarized based on the income level applicable to the below market rate affordable units and the estimated income level applicable to market rate apartments and for-sale townhomes. The income level for market rate units will utilize rent and sales price estimates provided by the applicant or will be estimated by KMA based on an analysis of comparable rental and sales data.
- b. *Reduction in Worker Housing Demand* – The reduction in worker housing demand associated with removal of existing office / industrial 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. In addition, 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 and remove existing employment space. 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, which would potentially somewhat alleviate 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 on a time and materials basis for an amount not to exceed \$25,500 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.

<b>Task</b>	<b>Budget Estimate</b>
Task 1 - Project Initiation and Data Collection	\$2,000
Task 2 – Net Housing Supply / Demand Effect by Income	\$12,000
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
<b>Total</b>	<b>\$25,500</b>

**KEYSER MARSTON ASSOCIATES, INC.  
PUBLIC SECTOR HOURLY RATES**

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	<u><b>2018/2019</b></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.

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\* Rates for individuals in these categories will be increased by 50% for time spent in court testimony.



**ATTACHMENT 3**

**Standard Contract Provisions and Billing Rates**

## SCHEDULE OF STANDARD CONTRACT PROVISIONS AND BILLING RATES

### FEES FOR PROFESSIONAL SERVICES

#### Fixed-Fee Contracts

If a fixed-fee proposal, the professional services described in the Scope of Services Section of the attached proposal shall be provided for the fixed fee noted in the proposal. Invoices will be generated on a monthly basis based on the percentage of work completed and/or an agreed-upon schedule of values. The fixed fee includes all labor and expenses required to complete the defined scope of work. Any changes in the scope of work, significant delays or additional tasks will be considered extra services. Extra services shall be provided on a time and expenses basis at the same rates specified for hourly contracts, unless other arrangements are made in advance.

#### Hourly Contracts

If an hourly plus expenses proposal, the professional services described in the Scope of Services Section of the attached proposal shall be provided on a time and materials basis at current hourly rates. These rates are as shown on a Rate Schedule that is attached, or can be made available. Hourly rates are subject to review at least annually on or about June 1 of each year, and may be adjusted to reflect changing labor costs, at our discretion, at that time. (A schedule can be made available upon request.)

Direct costs (including cost of subconsultants) shall be reimbursed at cost plus 10 percent, unless other arrangements are made in advance, and are not included in the hourly fee for professional services.

The total estimated amount of time and expenses noted in the proposal will serve as a control on the services to be provided. The specified amount will not be exceeded without prior approval of the client.

### EXTRA SERVICES

Services provided by LSA under this Agreement are defined in the Scope of Services Section of the attached proposal. The Scope of Services was created with the intent of executing the specific tasks and level of service requested by the client. Any additions, changes to the Scope or substantial delays to the schedule as defined in the Scope will be considered extra services. Extra services shall be provided on a time-and-expense basis at the hourly rates in effect when the extra service is provided, unless other arrangements are made in advance. Extra services will be communicated to and authorized by the client prior to commencing work. Should an alteration to the Scope include removing tasks or reducing the scope of the level of service, LSA shall invoice for the work performed prior to receiving written notice of the change.

### INVOICING

Monthly invoices shall be submitted for progress payment based on work completed to date. LSA will invoice the client using our standard invoicing format and will submit the invoice to the client via electronic mail. Clients requesting changes to LSA's standard invoice or process for submittal may be billed additional time to develop the invoice and monthly administration of the billing.

## **PAYMENT OF ACCOUNTS**

Terms are net 30 days. A service charge of 1.5 percent of the invoice amount (18 percent annual rate) may be applied to all accounts not paid within 30 days of invoice date. Any attorney's fees or other costs incurred in collecting any delinquent amount shall be paid by the client.

## **STANDARD OF CARE**

Services provided by LSA under this Agreement will be performed in a manner consistent with the degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances. LSA will endeavor to maintain consistent staff on the project; however, unforeseen issues outside of our control such as employee illness, relocation, injury or departure can occur. From time to time, unforeseen circumstances require us to replace project staff or project managers with other equally qualified staff in order to meet our commitments. The terms of this proposal are not contingent upon work being performed by named staff. LSA reserves the right to substitute equally qualified staff when necessary.

## **PROJECT DELAYS**

The terms of this Proposal are based on the anticipated project schedule. In the event of unanticipated project delays, the scope of services may be subject to amendment, change, or substitution.

## **INDEMNIFICATION**

Client and consultant each agree to indemnify and hold the other harmless and their respective officers, employees, agents, and representatives from and against liability for all claims, losses, damages, and expenses, including reasonable attorneys' fees, to the extent such claims, losses, damages, and expenses are caused by the indemnifying party's negligent acts, errors, or omissions.

## **ELECTRONIC FILE DATA CHANGES**

Copies of documents that may be relied upon by client are limited to the printed copies (also known as hard copies) that are signed or sealed by LSA. Files in electronic media format or text, data, graphic, or other types that are furnished by LSA to client are only for convenience of client. Any conclusion or information obtained or derived from such electronic files will be at the user's sole risk. When transferring documents in electronic media format, LSA makes no representations as to long-term compatibility, usability, or readability of documents resulting from the use of software application packages, operating systems, or computer hardware differing from those of LSA at the beginning of the assignment.

## **FORCE MAJEURE**

Neither party shall be deemed in default of this Agreement to the extent that any delay in performance of its obligation results from any cause beyond its reasonable control and without its negligence.

## **LITIGATION**

In the event that either party brings action under the proposal for the breach or enforcement thereof, the prevailing party in such action shall be entitled to its reasonable attorneys' fees and costs whether or not such action is prosecuted to judgment.

## NOTICES

Any notice or demand desired or required to be given hereunder shall be in writing, and shall be deemed given when personally delivered or deposited in the mail, postage prepaid, sent certified or registered, and addressed to the parties as set forth in the proposal or to such other address as either party shall have previously designated by such notice. Any notice so delivered personally shall be deemed to be received on the date of delivery, and any notice mailed shall be deemed to be received 5 days after the date on which it was mailed.

## TERMINATION OF CONTRACT

Client may terminate this agreement with 7 days prior notice to LSA for convenience or cause. Consultant may terminate this Agreement for convenience or cause with seven days prior written notice to client. Failure of client to make payments when due shall be cause for suspension of services, or ultimately termination of the contract, unless and until LSA has been paid in full all amounts due for services, expenses, and other related charges.

If this Schedule of Standard Contract Provisions is attached to a proposal, said proposal shall be considered revoked if acceptance is not received within 90 days of the date thereof, unless otherwise specified in the proposal.



### HOURLY BILLING RATES EFFECTIVE JUNE 2019

Job Classification							Hourly Rate Range <sup>1,2</sup>
Planning	Environmental	Transportation	Air/Noise	Cultural/ Paleontological Resources	Biology	GIS	
Principal	Principal	Principal	Principal	Principal	Principal	Principal	\$175–390
Associate	Associate	Associate	Associate	Associate	Associate	Associate	\$125–245
Senior Planner	Senior Environmental Planner	Senior Transportation Planner/Engineer	Senior Air Quality/Noise Specialist	Senior Cultural Resources Manager/Paleontologist	Senior Biologist/Botanist/Wildlife Biologist/Ecologist/Soil Scientist/Herpetologist/Arborist	Senior GIS Specialist	\$115–220
Planner	Environmental Planner	Transportation Planner/Engineer	Air Quality/Noise Specialist/Climate Change Specialist	Cultural Resources Manager Archaeologist/Architectural Historian/Paleontologist	Biologist/Botanist/Wildlife Biologist/Ecologist/Soil Scientist/Herpetologist/Arborist	GIS Specialist	\$85–150
Assistant Planner	Assistant Environmental Planner	Assistant Transportation Planner/Engineer	Air Quality/Noise Analyst	Cultural Resources Analyst	Assistant Biologist/Botanist/Wildlife Biologist/Ecologist/Soil Scientist/Herpetologist/Arborist	Assistant GIS Specialist	\$85–100
<b>Field Services</b>							
Senior Field Crew/Field Crew							\$80–100
<b>Office Services</b>							
Graphics							\$115–150
Marketing							\$75–125
Office Assistant							\$65–115
Project Assistant							\$70–145
Research Assistant/Intern							\$50–80
Word Processing/Technical Editing							\$95–125

<sup>1</sup> The hourly rate for work involving actual expenses in court (e.g., giving depositions or similar expert testimony) will be billed at \$400 per hour regardless of job classifications.

<sup>2</sup> Hourly rates are subject to review at least annually, on or about June 1 of each year, and may be adjusted to reflect changing labor costs at LSA’s discretion at that time.

### LSA IN-HOUSE DIRECT COSTS EFFECTIVE JUNE 2019<sup>1</sup>

Description	Unit Cost	Description	Unit Cost
Reproduction (8.5 x 11) B/W	\$0.07 per page	GPS Unit	\$75.00 per day
Reproduction (8.5 x 11) Color	\$0.40 per page	Total Station Surveying Instrument	\$50.00 per day
Reproduction (11 x 17) B/W	\$0.10 per page	Level (Laser or Optical)	\$25.00 per day
Reproduction (11 x 17) Color	\$0.75 per page	Laser Rangefinder	\$25.00 per day
CD Production	\$5.00 per CD	Sound Meter	\$75.00 per day
USB Flash Drive	\$5.00 per drive	Sound Meter with Velocity Transducer	\$85.00 per day
Plotting	\$3.75 per sq ft	Aerial Photo	Cost
Aerial Drone	\$200.00 per day	Boat Rental	\$125.00 per day
Mileage On-Road	Current federal rate	Water Quality Meter	\$25.00 per day
Mileage Off-Road	Current federal rate	Night Vision Goggles	\$50.00 per unit per night

<sup>1</sup> Direct costs shall be reimbursed at cost plus 10 percent.



# MENLO UPTOWN

## MULTI-FAMILY HOUSING & TOWNHOMES

### MENLO PARK, CA

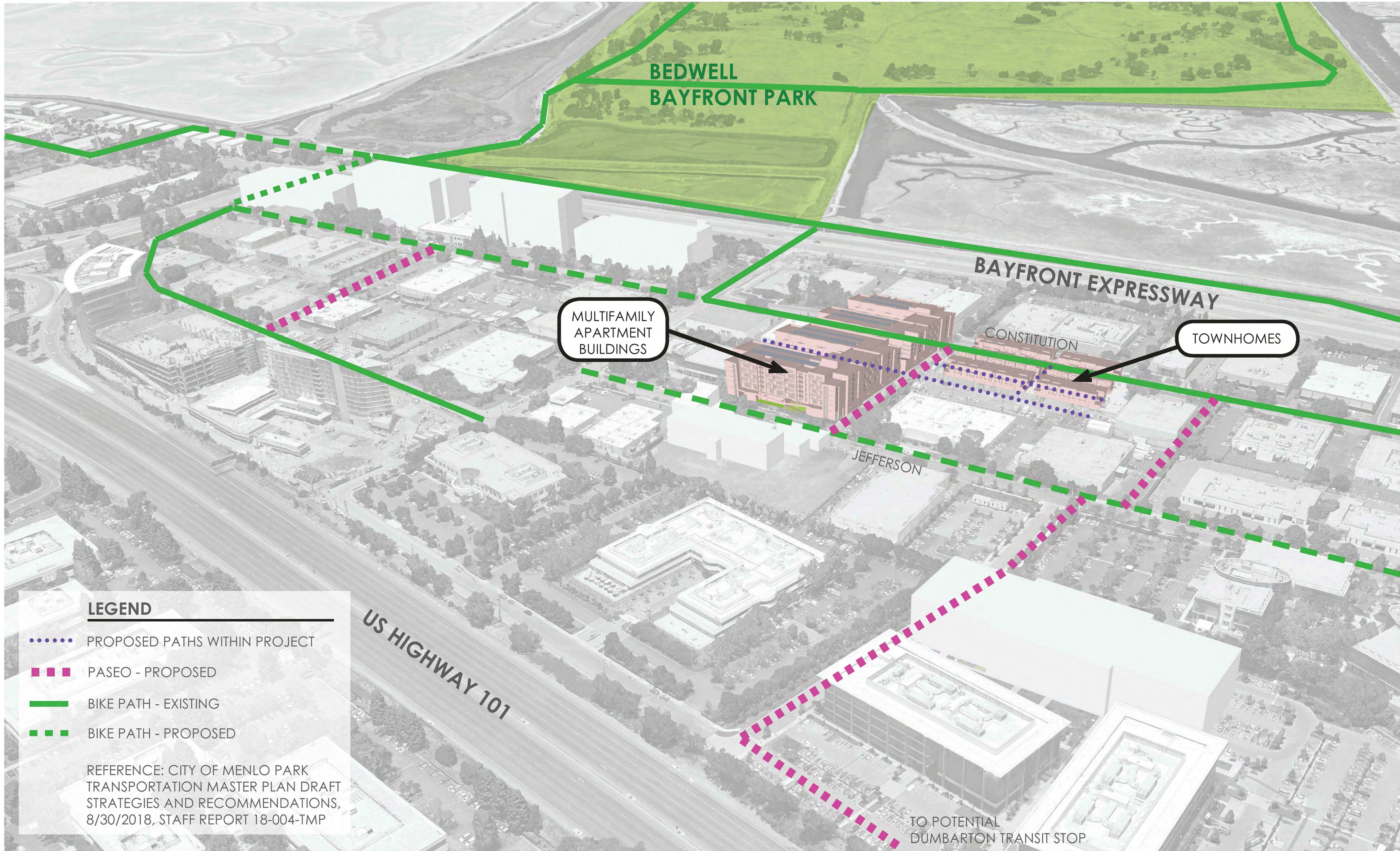
STUDY SESSION REVIEW SUBMITTAL TO THE CITY OF MENLO PARK  
JANUARY 17, 2019



MENLO UPTOWN HOUSING  
MENLO PARK, CA  
01-17-19

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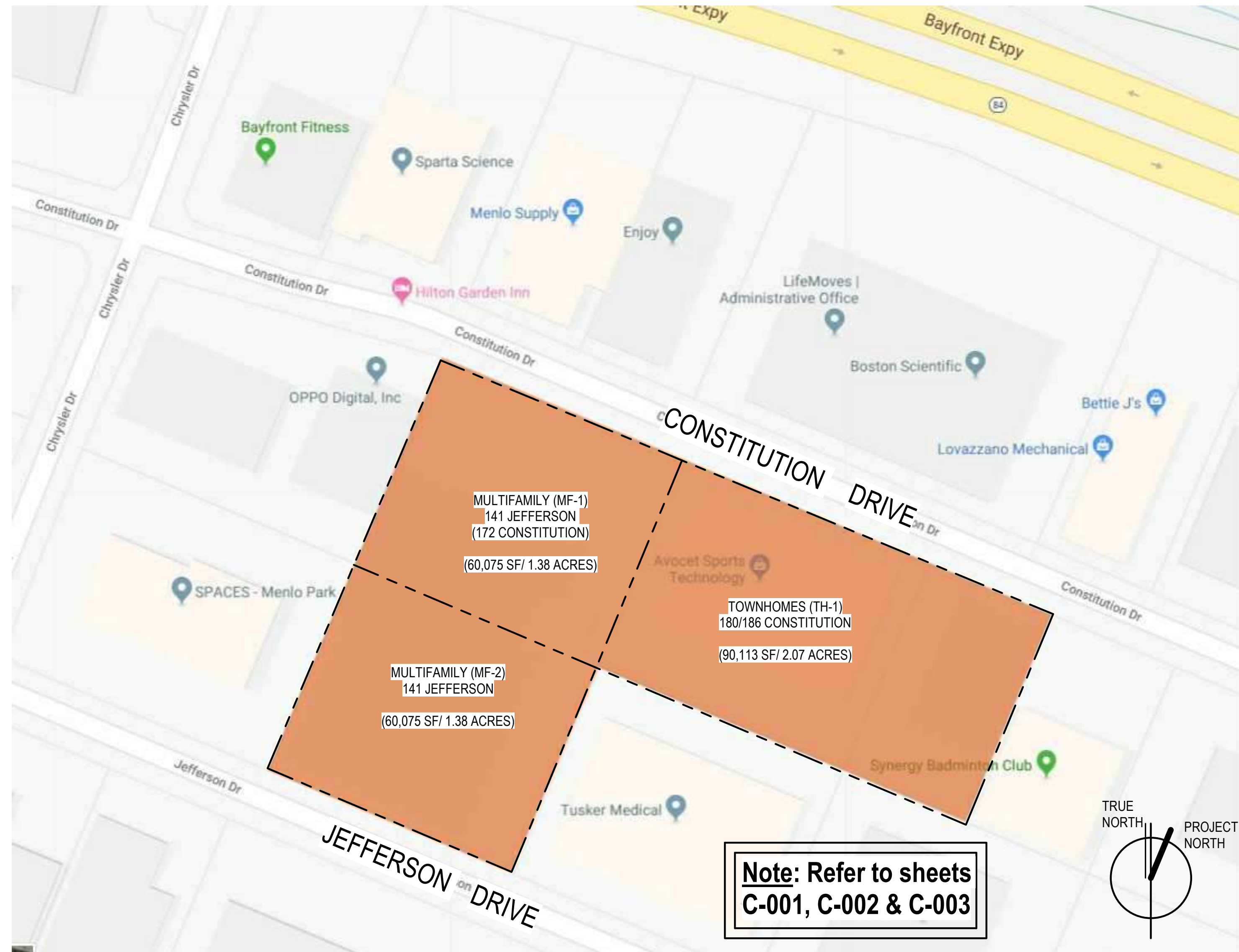




**PROJECT ADDRESSES**

180 AND 186 CONSTITUTION  
 141 JEFFERSON (172 CONSTITUTION)  
 141 JEFFERSON

- TOWNHOMES (TH-1)  
 - MULTIFAMILY (MF-1)  
 - MULTIFAMILY (MF-2)



**MULTI FAMILY - AREA SUMMARY (441 UNITS)**

Area Schedule (UNIT TYPE AREAS) - AREA SUMMARY					
Level	RESID. GSF (FAR)	RESID. AMENITIES GSF (FAR)	RESID. COMMON GSF (FAR)	PARKING GSF (NOT IN FAR)	TOTAL BLDG GSF
Level 07	54,799 SF	0 SF	9,524 SF	0 SF	64,323 SF
Level 06	59,662 SF	0 SF	9,385 SF	0 SF	69,047 SF
Level 05	59,662 SF	0 SF	9,385 SF	0 SF	69,047 SF
Level 04	59,662 SF	0 SF	9,385 SF	0 SF	69,047 SF
Level 03	54,001 SF	5,265 SF	9,829 SF	0 SF	69,095 SF
Level 02	23,524 SF	5,202 SF	6,626 SF	48,771 SF	84,123 SF
Level 01	0 SF	12,624 SF	5,193 SF	65,659 SF	83,477 SF
Grand total	311,309 SF	23,091 SF	59,326 SF	114,431 SF	508,157 SF

**UNIT COUNT - MULTIFAMILY**

MULTI-FAMILY HOUSING PROJECT - UNIT TYPE MIX						
Level	STUDIO	JR 1 BR	1 BR	2 BR	3 BR	# UNITS
Level 07	12	24	34	6	2	78
Level 06	12	24	36	10	2	84
Level 05	14	24	38	8	2	86
Level 04	14	24	38	8	2	86
Level 03	6	22	38	8	2	76
Level 02	10	8	6	7	0	31
Grand total	68	126	190	47	10	441
UNIT TYPES	STUDIO	JR 1 BR	1 BR	2 BR	3 BR	TOTALS
AVERAGE UNIT SIZES	550	630	700	900	1200	
UNIT COUNT	68	126	190	47	10	441
UNIT MIX	15%	29%	43%	11%	2%	100%

**TOWNHOME - AREA SUMMARY (42 DWELLING UNITS)**

Unit Name	Description	Garage	Approx NSF*	#	%	Approx NSF Total	Approx GSF**	Approx GSF Total
<b>Alley Loaded Townhomes, R-3</b>								
P1	3 bd + 3.5 bath	1-car	1,547	18	43%	27,846	1,651	29,718
P2	3 bd + 3.5 bath	2-car	1,756	12	29%	21,072	1,900	22,800
P3	4 bd + 3.5 bath	2-car	1,986	8	19%	15,888	2,186	17,488
P4	4 bd + 3.5 bath	2-car	1,986	4	10%	7,944	2,199	8,796
<b>Subtotal</b>				<b>42</b>	<b>100%</b>	<b>72,750</b>		<b>78,802</b>
<b>Overall Density</b>			<b>+/-</b>	<b>20.3</b>	<b>du/ac</b>			
<b>Approx. NET Avg. Unit Square Foot</b>			<b>+/-</b>	<b>1,732</b>	<b>sq.ft.</b>			

\* Measured to interior stud of wall, excludes parking and patios; \*\* measured to exterior stud of wall

Townhomes	
Total Unit GSF**	78,802 gsf
Utility Box (65 sf x 6 bldgs)	390 gsf
<b>Total Townhomes GSF</b>	<b>79,192 gsf</b>

**OPEN SPACE SUMMARY (Refer to sheet A-013 for Open Space Calculation Diagrams for 441 Unit Multi-Family Buildings and to sheet A-022 for Townhomes)**

MULTI-FAMILY HOUSING PROJECT	SITE AREA 120,150 SF		PERCENTAGE	REQUIRED (SF)	OPEN SPACE PROVIDED (SF)
MINIMUM OPEN SPACE REQUIRED	25% OF SITE AREA	30,038	60,068 SF (49.99 % Open Space)		
PUBLIC OPEN SPACE REQUIRED	25% OF MIN. OPEN SPACE	7,510	17,243 SF (Paseo & Entrance)		
PRIVATE OPEN SPACE REQUIRED	100sf COMMON OPEN SPACE / UNIT (or) 80sf PRIVATE OPEN SPACE / UNIT	44,100 (or) 35,280	25,284 SF (Common Open Space)	6,490 SF (Level 1 Dog Run) 15,130 SF (Level 3 Terrace) 3,664 SF (Level 7 Terrace)	(Balconies/ Private Terraces) 338 SF (Level 2) 5,432 SF (Level 3) 8,242 SF (Levels 4-6) 3,529 SF (Level 7)
Total Private Open Space (Common space equivalency: min. 100sf/ du) = 25,284 + (17,541*1.25) = 47,210 SF > 44,100 SF					107 sf Common Space/ du
Total Private Open Space (Private space equivalency: min. 80sf/ du) = (25,284 * 0.8) + 17,541 = 37,768 SF > 35,280 SF					(OR) 85 sf Private Space/ du

TOWNHOME PROJECT	SITE AREA 90,113 SF	
<b>Open Space Summary (per 16.45.120 (4c))</b>		
Required:		
Min required (25%) of site		22,528 sf
<i>(Includes common [100 sf/du, 400 sf min with 20' min width for one space] and private [80 sf/du] open space)</i>		
Provided:		
Common	4,468 sf	106 sf/du
Private	8,160 sf	194 sf/du
Landscape Area	11,028 sf	
<b>Total provided</b>	<b>23,656 sf</b>	<b>26%</b>

**ZONING: R-MU-B Zoning District (Bonus level development)**

FLOOR AREA SUMMARY: (Refer Plan Drawings A-004 to A-009 for individual space FAR calculation)		
MAX. ALLOWED FAR %	225%	= 473,092 SF
MAX. ALLOWED FLOOR AREA	(210,263 SF X 2.25)	
TOWNHOME GSF (Unit GSF + Utility box)		= 79,192 SF
MULTIFAMILY GSF (Building GSF - Parking - Roof Core/ Mechanical)		= 393,726 SF
PROJECT TOTAL FLOOR AREA (TOWNHOME + MULTI FAMILY)		= 472,918 SF
FAR % PROVIDED	224.92%	

**UNIT COUNT SUMMARY:**

483 Units on net lot area of 4.83 acres  
 (100 dwelling units/acre)

**PARKING SUMMARY**

PARKING REQUIREMENTS	BIKE PARKING REQUIREMENTS
Min. 1 space/ unit Max. 1.5 space/ unit  Min.483 - Max. 725 Vehicular Parking	Multi-Family & Townhomes 1.5 spaces / unit + 10% Short-term for guests  (725 long term + 73 short term = 798 total bike parking)
<b>PARKING PROVIDED (582 Vehicular spaces &amp; 799 Bike spaces provided)</b>	
Parking Ratio/ Unit : 1.21 Vehicular Parking and 1.65 Bike parking	
Multi-Family	Vehicular spaces: 441 vehicular spaces + 71 additional spaces for guest / visitor = 512 spaces Bike spaces: 662 long term parking indoors + 67 short term parking outdoors = 729 spaces
Townhome	Vehicular spaces: 66 spaces in townhomes + 4 spaces on internal street = 70 spaces Bike spaces: 63 long term parking indoors + 7 short term parking outdoors = 70 spaces

**AVERAGE BUILDING HEIGHT CALCULATION SUMMARY**

AVERAGE BUILDING HEIGHT = 62.3' (< 62.5' Max. Height)

NOTE: REFER TO SHEET A-010 FOR DETAILED BUILDING HEIGHTS AND AREA CALCULATIONS

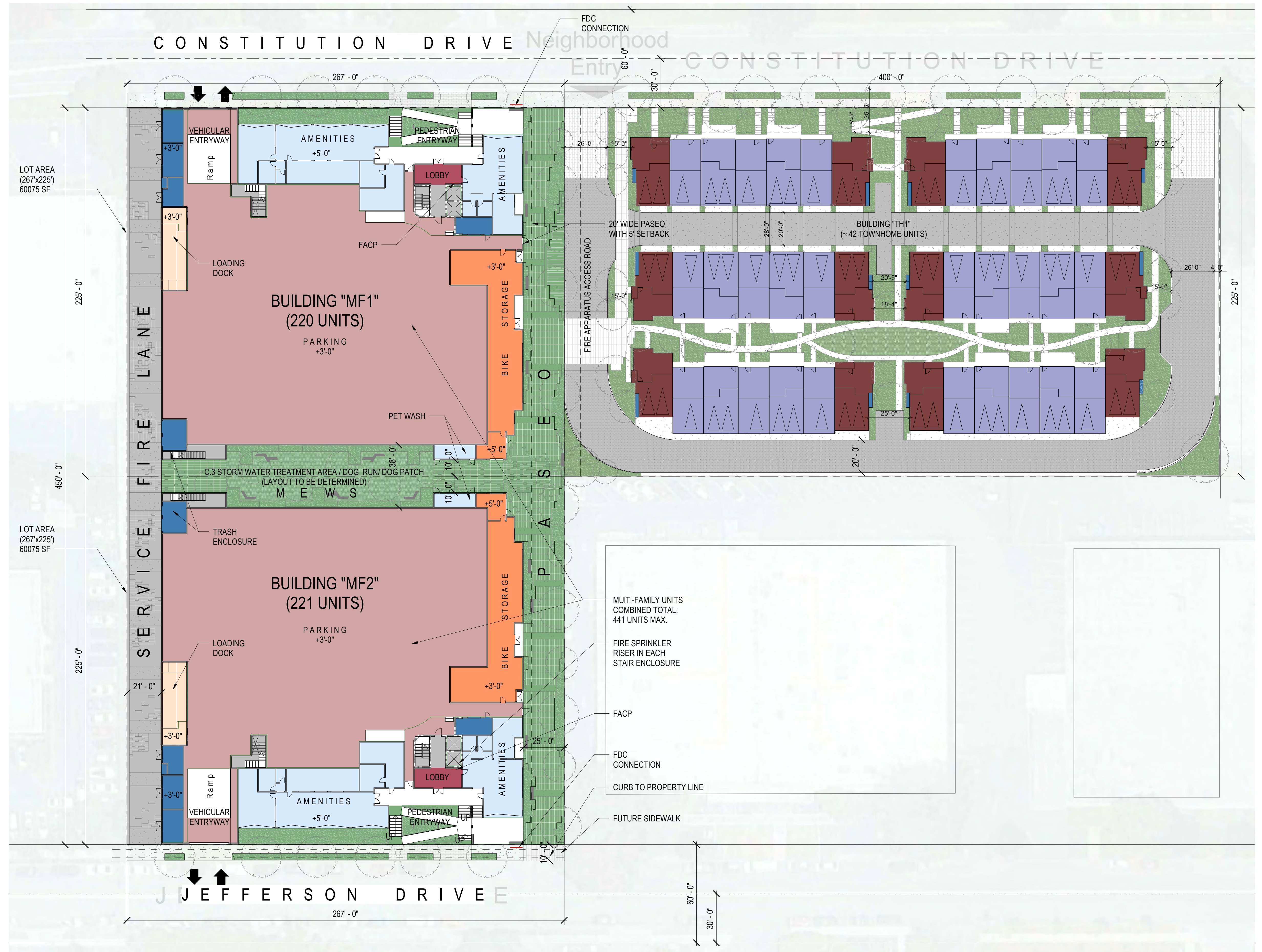


**MENLO UPTOWN HOUSING**  
 MENLO PARK, CA  
 01-16-19

**LOCATION MAP & PROJECT DATA SUMMARY**

**A-002**

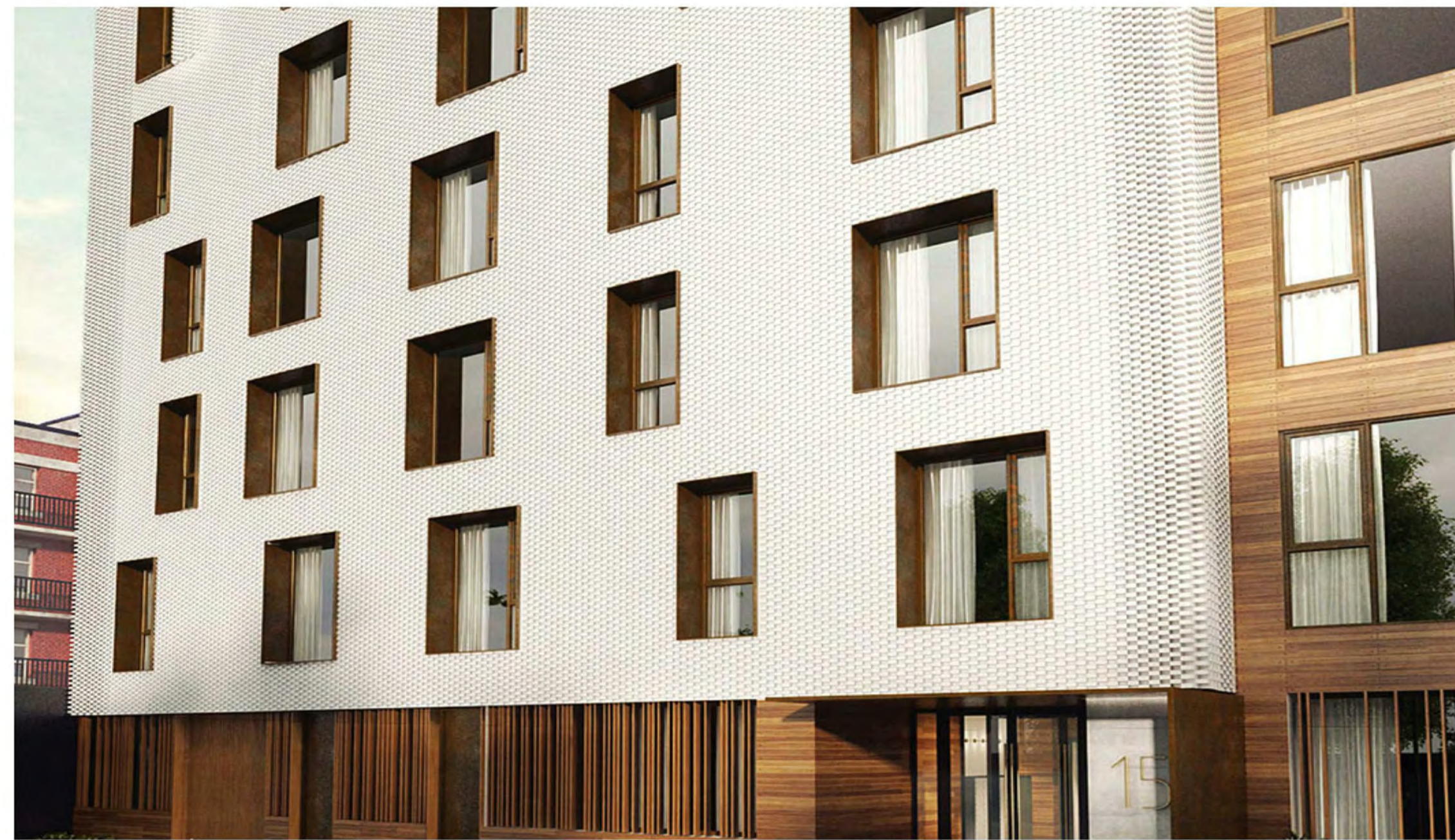
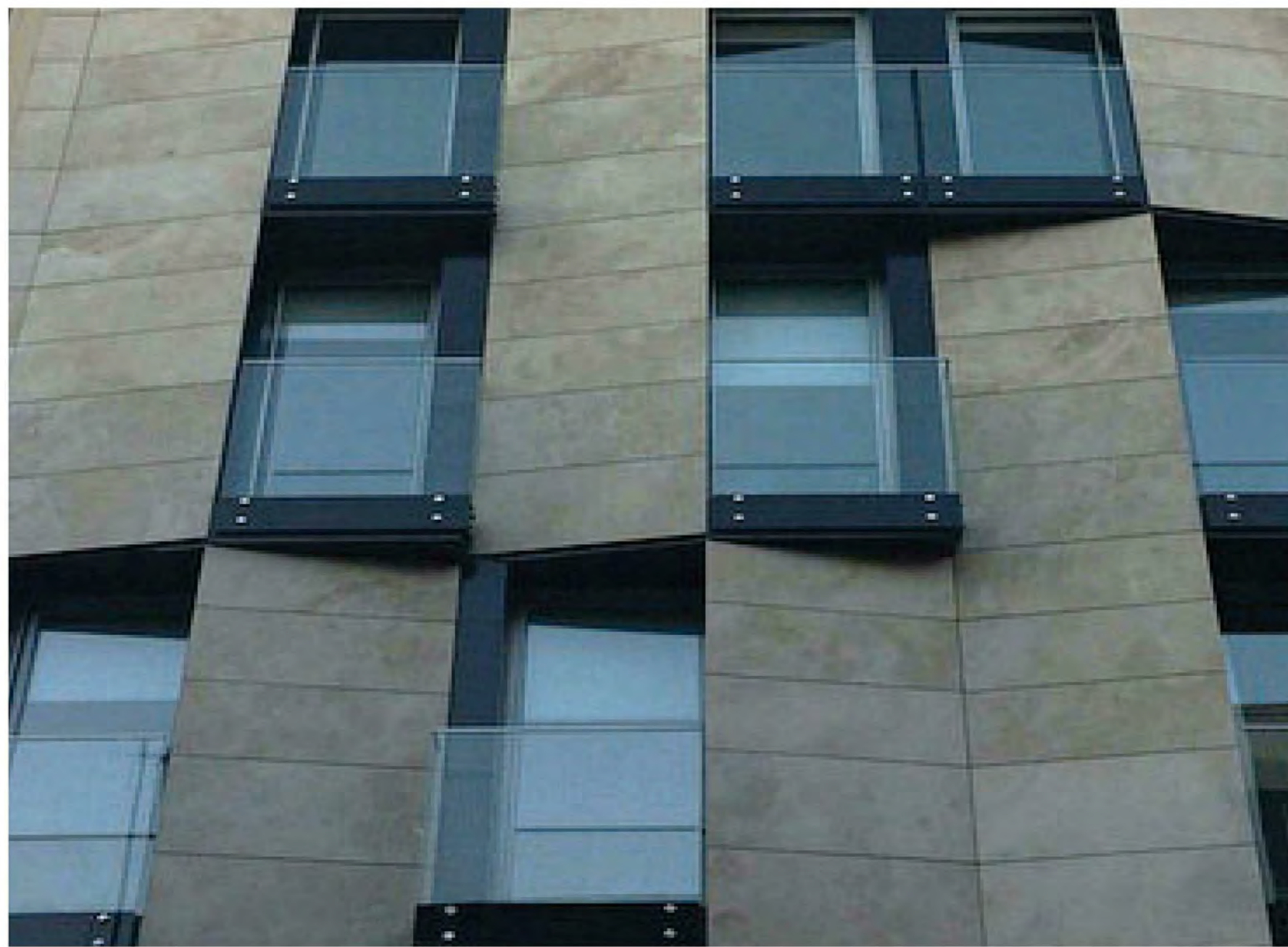
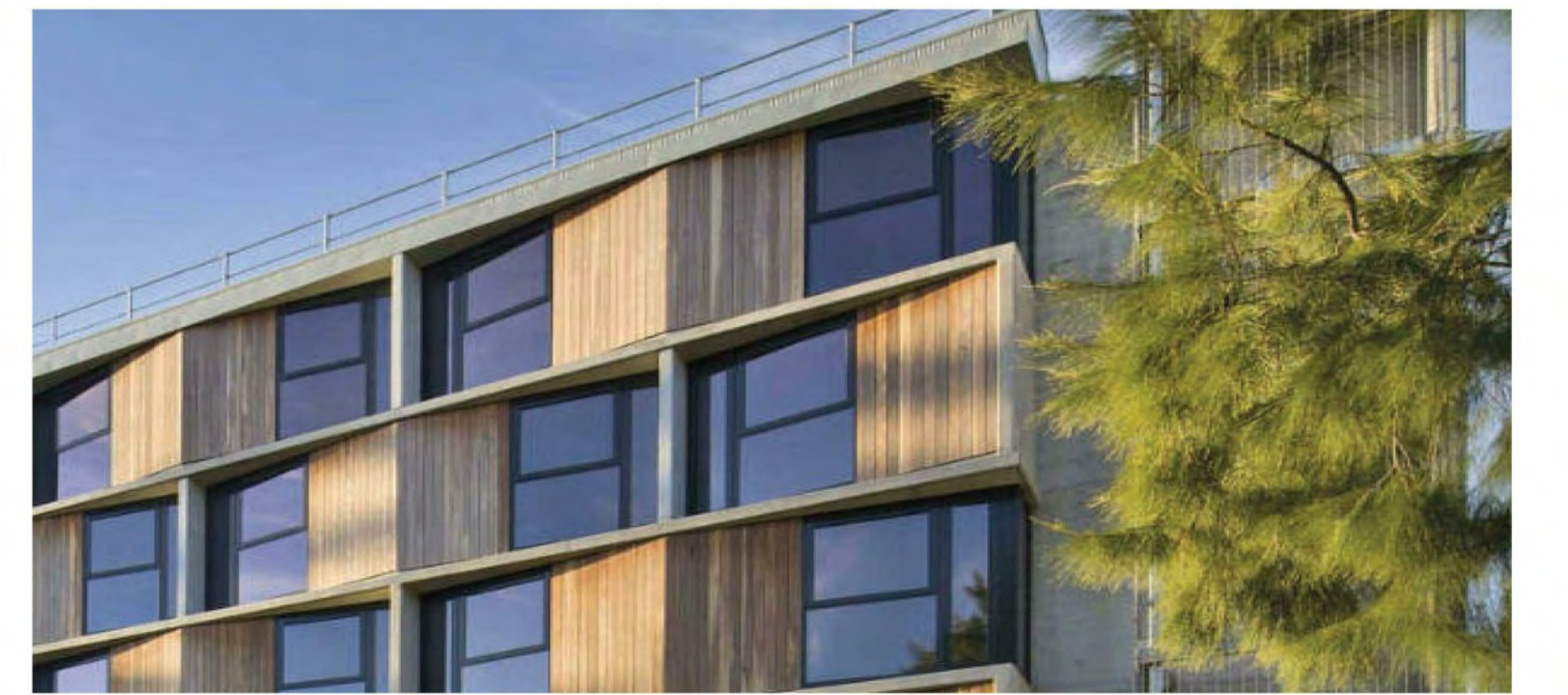
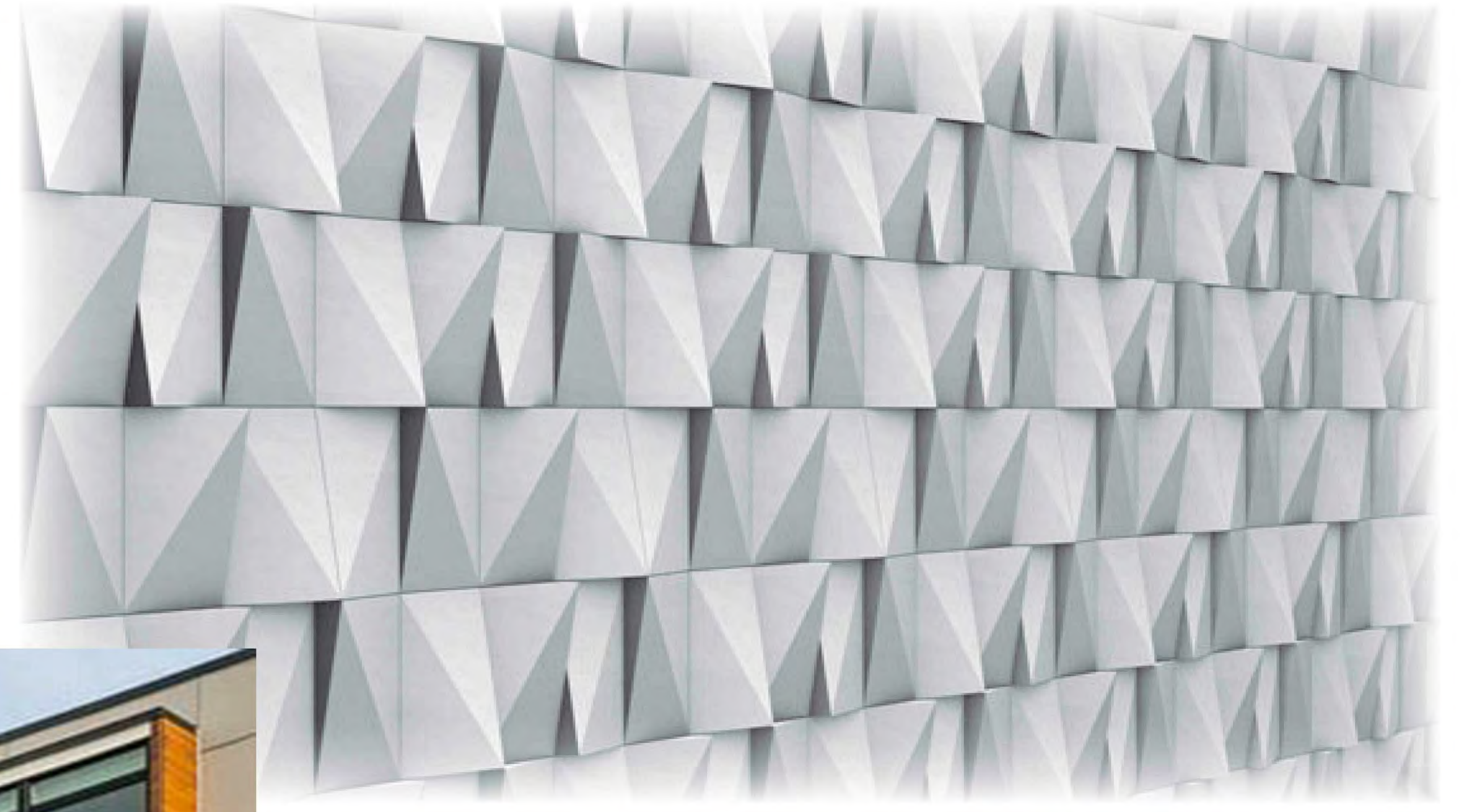




**PLAN LEGEND**

	0 Studio (FAR)
	1 Junior Bedroom (FAR)
	1 Bedroom (FAR)
	2 Bedroom (FAR)
	3 Bedroom (FAR)
	4 Bedroom (FAR)









Townhouse Inspiration image 3.



Townhouse Inspiration image 2.



Townhouse Inspiration image 5.



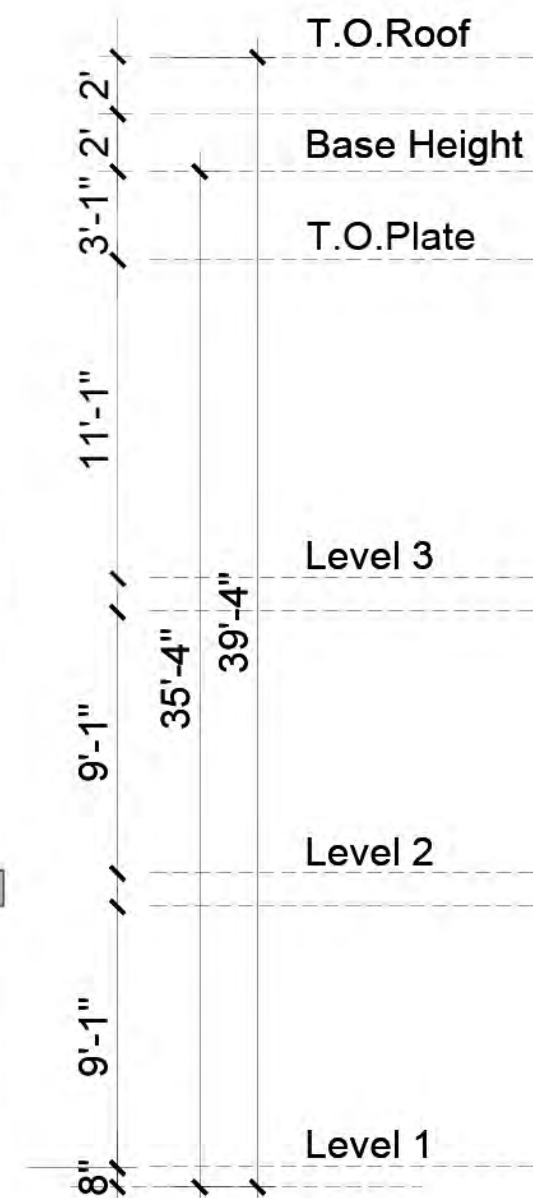
Townhouse Inspiration image 4.



Townhouse Inspiration image 1.



45' base height (per 16.45.120 (2A))



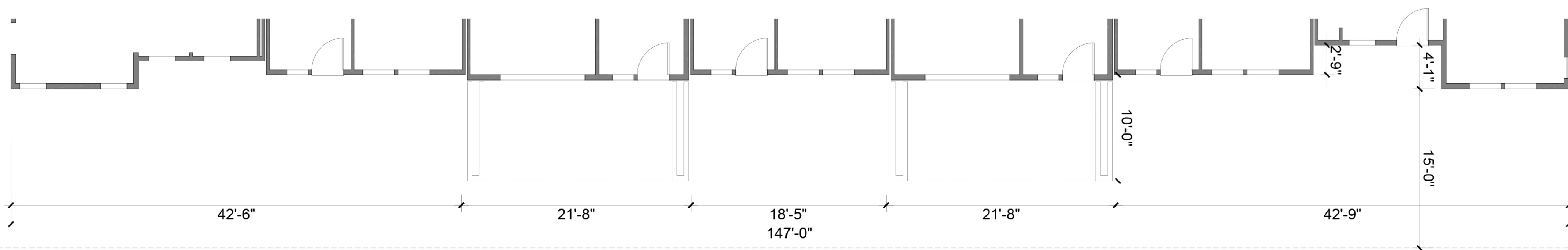
Typical Front Elevation

**Municipal Code 16.45.120 (2)**  
**Minimum Stepback above the base height of 45 ft:**  
 10 % for a minimum of 75% of the building face along public streets for buildings upper stories

✓ **Project Compliance:**  
 Building is below the 45' base height stepback definition; standard does not apply

**Municipal Code 16.45.120 (2)**  
**Building Projections:**  
 Maximum 6' from the required stepback

✓ **Project Compliance:**  
 All building projections are within 6' from required stepback



Typical Partial Building Plan









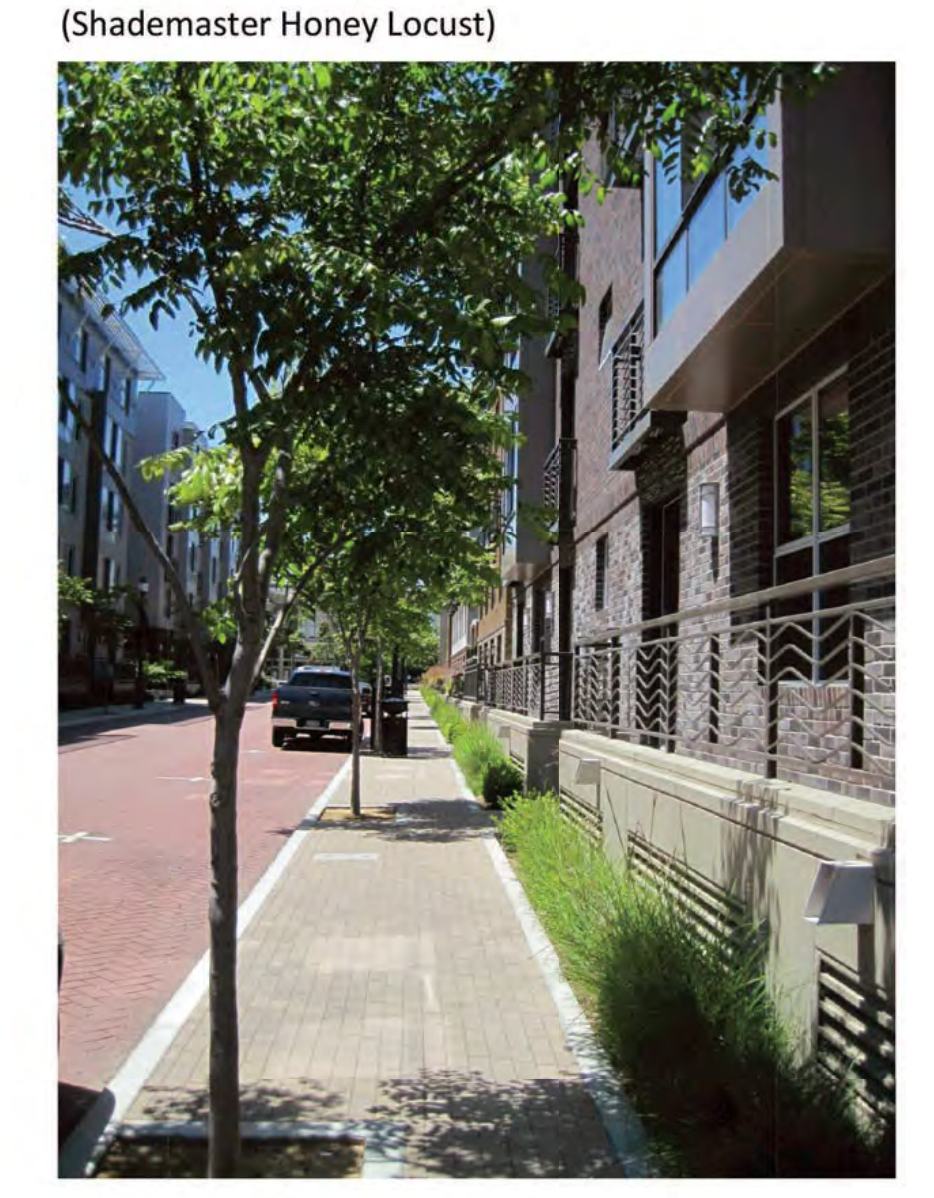




**STREET TREE AT JEFFERSON ST**



**STREET TREE AT CONSTITUTION ST**



**DOG RUN TREES**

*Ginkgo biloba* "Princeton Sentry" (Ginkgo)



**PASEO TREES**

*Acer rubrum* (Red Maple)



*Quercus virginiana* (Southern Live Oak)

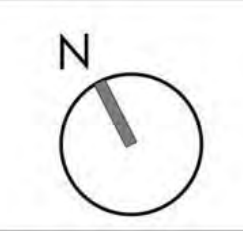


**PLANTING - UNDERSTORY**



**MENLO UPTOWN HOUSING**  
 MENLO PARK, CA  
 01-16-19

**LANDSCAPE PLAN STREET LEVEL - OVERALL**

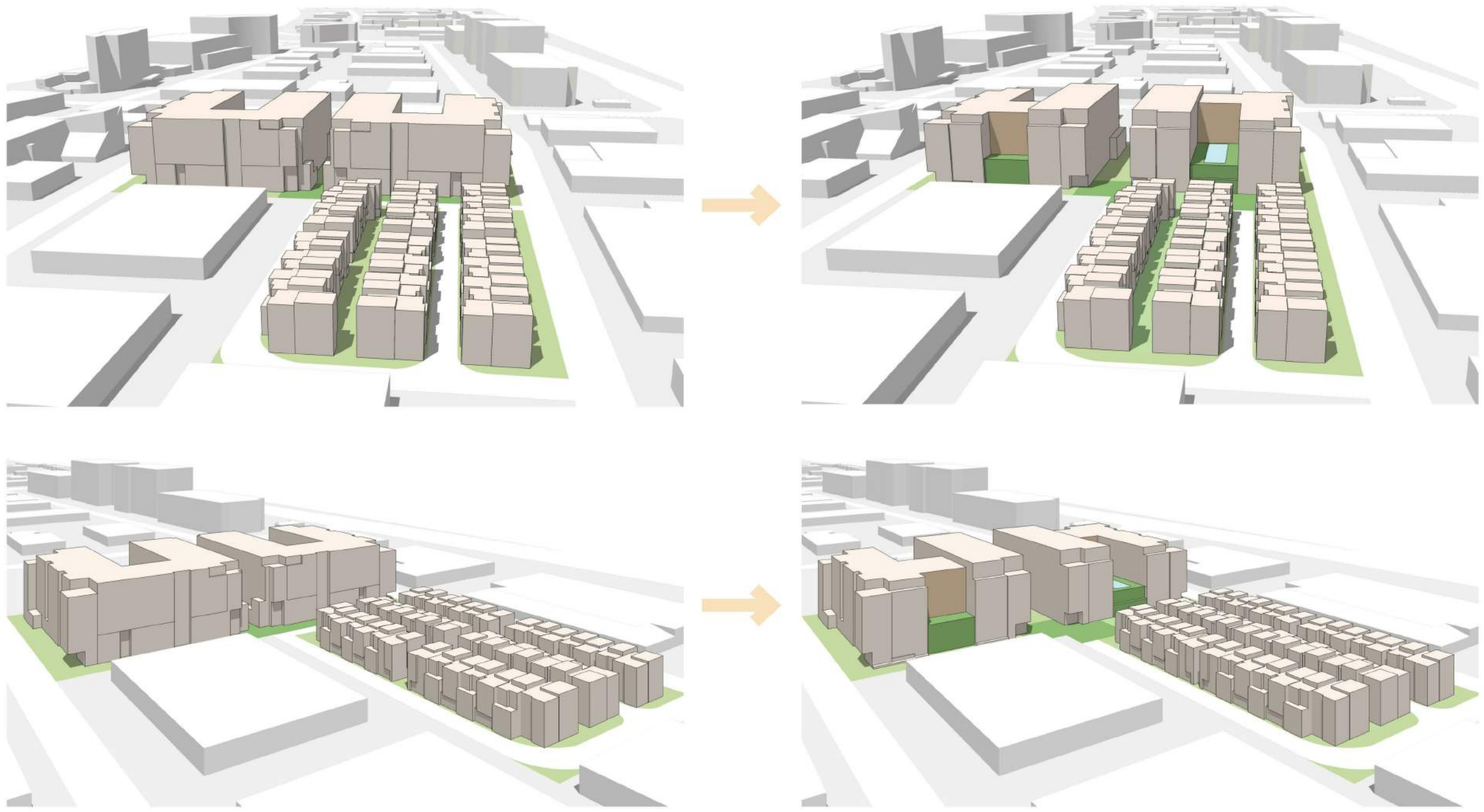


0 15' 30'  
**L-001**



**ORIGINAL MASSING**

**REVISED MASSING**



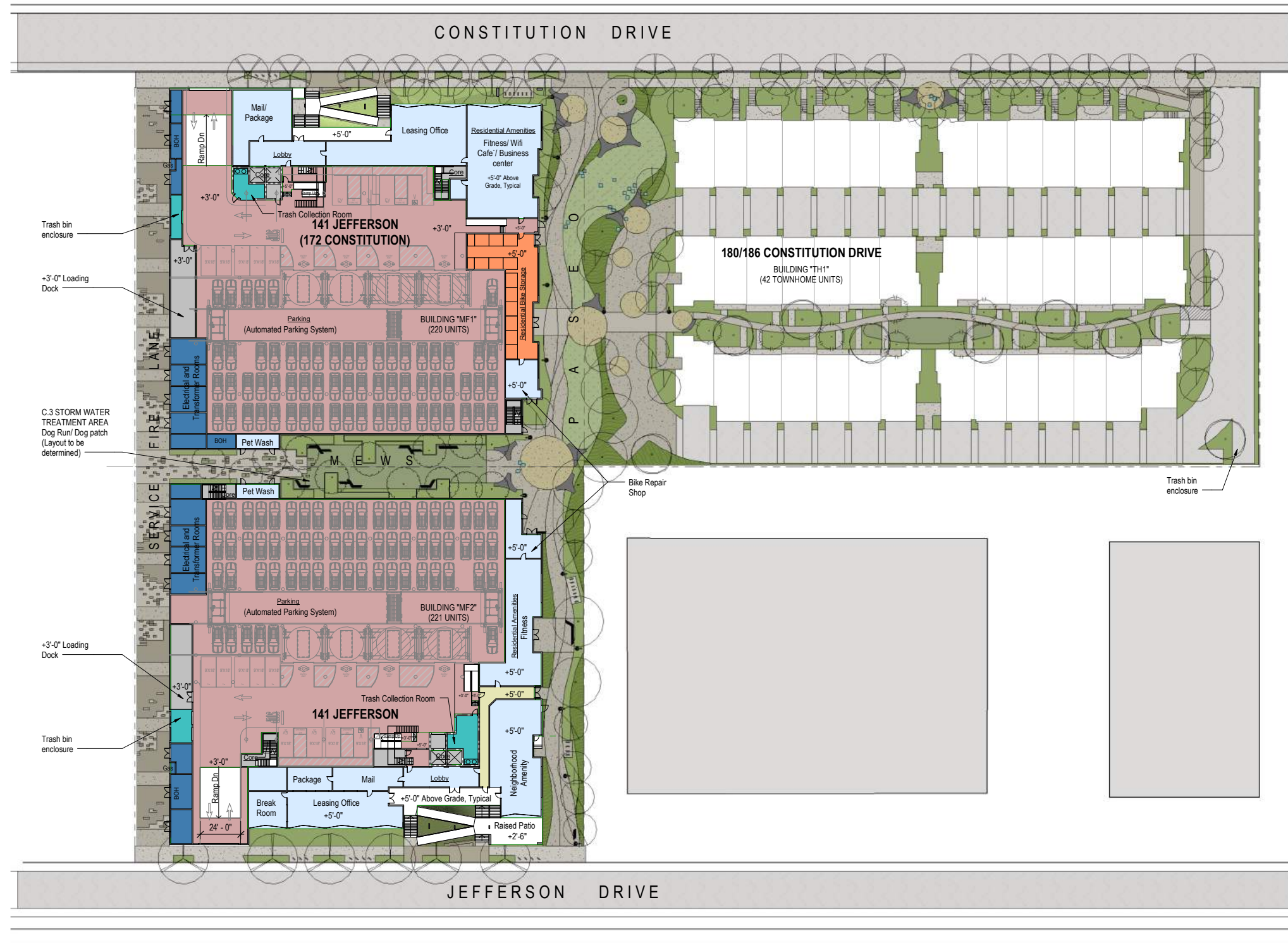


## ORIGINAL LANDSCAPE PLAN



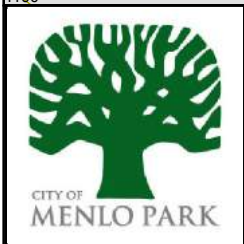
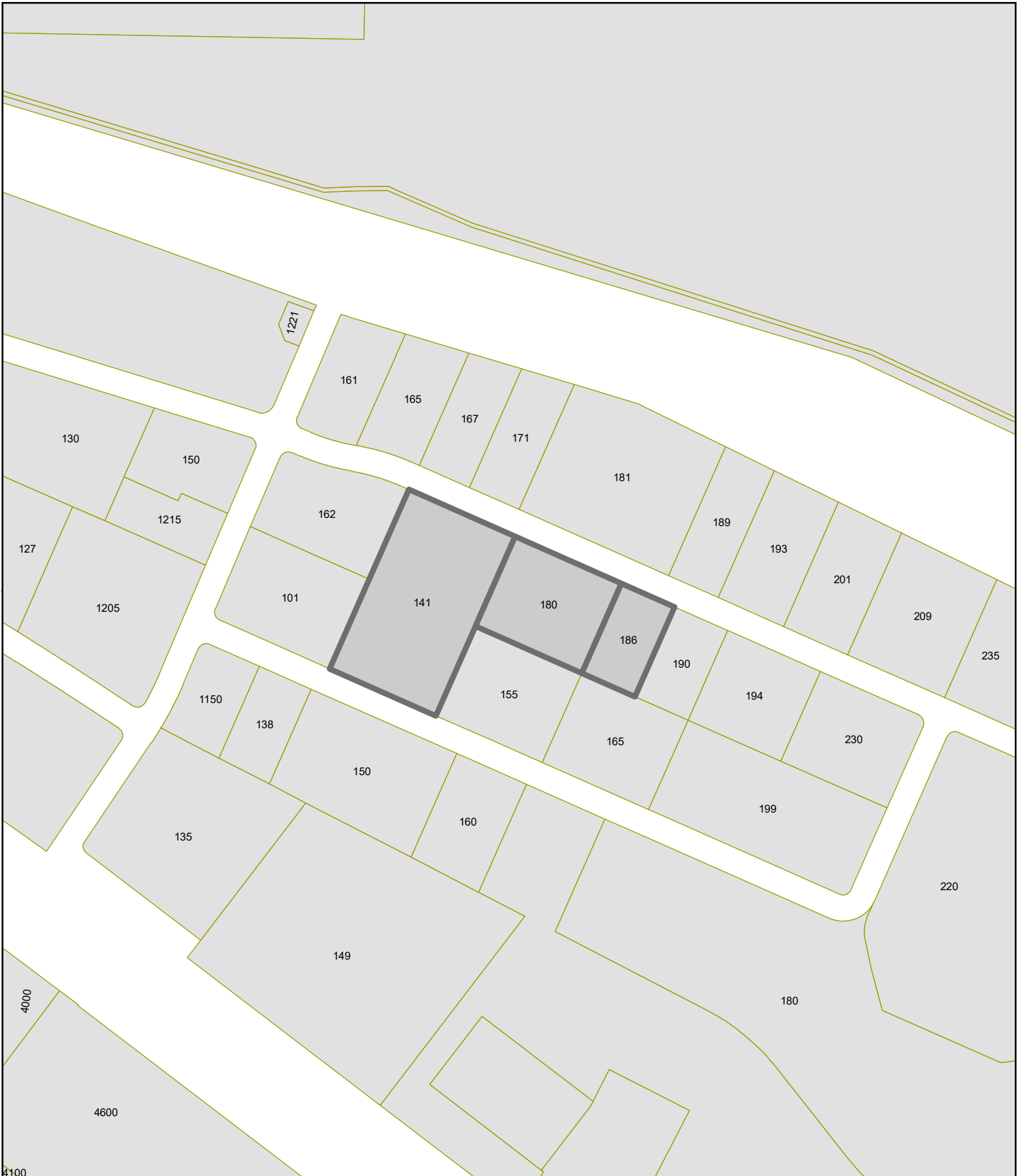
## REVISED LANDSCAPE PLAN











# CITY OF MENLO PARK

## LOCATION MAP MENLO UPTOWN PROJECT

DRAWN: TAS CHECKED: DMC DATE: 07/16/19 SCALE: 1" = 300' SHEET: 1





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**STAFF REPORT**

**City Council**  
**Meeting Date:** 7/16/2019  
**Staff Report Number:** 19-127-CC

**Informational Item:** City Council agenda topics: August to October 2019

**Recommendation**

The purpose of this informational item is to provide the City Council and members of the public access to the anticipated agenda items that will be presented to the City Council. The mayor and city manager set the City Council agenda so there is no action required of the City Council as a result of this informational item.

**Policy Issues**

In accordance with the City Council procedures manual, the mayor and city manager set the agenda for City Council meetings.

**Analysis**

In an effort to provide greater access to the City Council's future agenda items, staff has compiled a listing of anticipated agenda items, Attachment A, through October 15. The topics are arranged by department to help identify the work group most impacted by the agenda item.

Specific dates are not provided in the attachment due to a number of factors that influence the City Council agenda preparation process. In their agenda management, the mayor and city manager strive to compile an agenda that is most responsive to the City Council's adopted priorities and work plan while also balancing the business needs of the organization. Certain agenda items, such as appeals or State mandated reporting, must be scheduled by a certain date to ensure compliance. In addition, the meeting agendas are managed to allow the greatest opportunity for public input while also allowing the meeting to conclude around 11 p.m. Every effort is made to avoid scheduling two matters that may be contentious to allow the City Council sufficient time to fully discuss the matter before the City Council.

**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 agenda topics: August to October 2019

Report prepared by:  
Judi A. Herren, City Clerk

**City Council, city attorney, city manager**

Receive and file communication plan presentation

Commission reports: Sister City Committee and Parks and Recreation Commissions

Confirm voting delegate for the League of California Cities Annual Conference

Records destruction

Creation of public amenities fund

Second reading and adoption of local minimum wage ordinance

Update on climate action plan and zero waste plan progress

**Administrative services**

Fourth quarter preliminary close

Community development

Commercial cannabis ordinance

Community services

Receive Park and Recreation commission recommendations on facility master plan

Library



**Police**

Safe City update

**Public works**

Annexation procedure/policies/applications/West Menlo Triangle/Menlo Oaks annexation

Award of a contract for Bedwell Bayfront Park Ranger Services

Belle Haven transportation master plan implementation schedule

Select preferred alternative for the Middle Avenue pedestrian and bicycle rail crossing

Adopt updated City rail policy and position statement

Review draft transportation impact fee