



## REGULAR MEETING AGENDA

**Date:** 2/23/2021  
**Time:** 5:00 p.m.  
**Location:** Teleconference (Closed Session)  
 Zoom.us/join – ID# 922 5530 4268 (Regular Session)

**The regular City Council session will convene at approximately 6 p.m.**

### NOVEL CORONAVIRUS, COVID-19, EMERGENCY ADVISORY NOTICE

On March 19, 2020, the Governor ordered a statewide stay-at-home order calling on all individuals living in the State of California to stay at home or at their place of residence to slow the spread of the COVID-19 virus. Additionally, the Governor has temporarily suspended certain requirements of the Brown Act. For the duration of the shelter in place order, the following public meeting protocols will apply.

Teleconference meeting: All members of the City Council, city staff, applicants, and members of the public will be participating by teleconference. To promote social distancing while allowing essential governmental functions to continue, the Governor has temporarily waived portions of the open meetings act and rules pertaining to teleconference meetings. This meeting is conducted in compliance with the Governor Executive Order N-25-20 issued March 12, 2020, and supplemental Executive Order N-29-20 issued March 17, 2020.

- How to participate in the meeting
  - Submit a written comment online:  
[menlopark.org/publiccommentFebruary23](https://menlopark.org/publiccommentFebruary23)\*
  - Record a comment or request a call-back when an agenda topic is under consideration:  
 Dial 650-474-5071\*
  - Access the meeting real-time online at:  
[Zoom.us/join](https://zoom.us/join) – Meeting ID 922 5530 4268
  - Access the meeting real-time via telephone at:  
 (669) 900-6833  
 Meeting ID 922 5530 4268  
 Press \*9 to raise hand to speak

\*Written and recorded public comments are accepted up to 1-hour before the meeting start time. Written and recorded messages are provided to the City Council at the appropriate time in their meeting. Recorded messages may be transcribed using a voice-to-text tool.

- Watch meeting:
  - Cable television subscriber in Menlo Park, East Palo Alto, Atherton, and Palo Alto:  
 Channel 26
  - Online:  
[menlopark.org/streaming](https://menlopark.org/streaming)

Note: City Council closed sessions are not broadcast online or on television and public participation is limited to the beginning of closed session.

Subject to Change: Given the current public health emergency and the rapidly evolving federal, state, county and local orders, the format of this meeting may be altered or the meeting may be canceled. You

may check on the status of the meeting by visiting the City's website [www.menlopark.org](http://www.menlopark.org). The instructions for logging on to the webinar and/or the access code is subject to change. If you have difficulty accessing the webinar, please check the latest online edition of the posted agenda for updated information ([menlopark.org/agenda](http://menlopark.org/agenda)).

According to City Council policy, all 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.

### **Closed Session (Teleconference)**

#### **A. Call To Order**

#### **B. Roll Call**

#### **C. Closed Session**

- C1. Closed session conference with labor negotiators pursuant to Government Code §54957.6 regarding labor negotiations with the American Federation of State, County, and Municipal Employees Local 829 (AFSCME) and Confidential employees; Service Employees International Union Local 521 (SEIU); Menlo Park Police Sergeants Association (PSA); Menlo Park Police Officers' Association (POA); and unrepresented management

Attendees: City Manager Starla Jerome-Robinson, Assistant City Manager Nick Pegueros, Interim City Attorney Cara Silver, Human Resources Director Theresa DellaSanta

[Web form public comment received on item C1.](#)

**The regular City Council session will convene at approximately 6 p.m.**

### **Regular Session ([Zoom.us/join](https://zoom.us/join) – ID# 922 5530 4268)**

#### **D. Call To Order**

#### **E. Roll Call**

#### **F. Study Session**

- F1. User fee cost recovery fiscal policy (City Council Procedure #CC-10-001)  
([Staff Report #21-048-CC](#)) ([Presentation](#))

#### **G. Report from Closed Session**

#### **H. 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.

**I. Presentations and Proclamations**

- I1. Proclamation: Black History Month ([Attachment](#))
- I2. Proclamation: COVID-19 Victims and Survivors Memorial Day ([Attachment](#))

**J. Consent Calendar**

- J1. Accept the City Council meeting minutes for January 30, February 5, and February 9, 2021 ([Attachment](#))
- J2. Receive and file the general fund operations report for the quarter ended December 31, 2020 ([Staff Report #21-041-CC](#))
- J3. Adopt fiscal year 2021-22 budget principles ([Staff Report #21-040-CC](#))

**K. Regular Business**

- K1. Adopt Resolution No. 6617 to authorize a loan to HIP Housing Development Corporation up to \$5.5 million for the acquisition and conversion of existing housing units to deed restricted affordable housing units at 6 – 8 Coleman Place and authorize the city manager to execute all related agreements and loan documents ([Staff Report #21-042-CC](#)) ([Staff Presentation](#)) ([HIP-Presentation](#))

[Web form public comment received on item K1.](#)

**Recess**

**K. Regular Business – continued**

- K2. Consider modifications to the Downtown street closure and temporary outdoor use permit pilot program and adopt urgency Ordinance No. 1075 regarding travel lanes on Santa Cruz Avenue and Ryan’s Lane ([Staff Report #21-043-CC](#)) ([Presentation](#))

[Web form public comment received on item K2.](#)

- K3. Adopt Resolution No. 6616 approving an agreement between the City of Menlo Park and Burke Williams Sorenson, LLP for city attorney services, with Nira F. Doherty as designated city attorney and authorize the mayor to execute the agreement ([Staff Report #21-047-CC](#))

[Web form public comment received on item K3.](#)

- K4. Approve legal services agreement with Jorgenson, Siegel, McClure & Flegel to provide transitional services ([Staff Report #21-045-CC](#))

- K5. 2021 City Council priorities and work plan adoption ([Staff Report #21-046-CC](#))

[Web form public comment received on item K5.](#)

**L. Informational Items**

- L1. City Council agenda topics: March 2021 ([Staff Report #21-038-CC](#))
- L2. 2030 climate action plan progress on existing building electrification requirements (CAP No. 1) ([Staff Report #21-039-CC](#))
- L3. Transmittal of background information on the City's 2020-2025 capital improvement plan ([Staff Report #21-044-CC](#))

**M. City Manager's Report**

**N. City Councilmember Reports**

**O. 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 by request by emailing the city clerk at [jaherren@menlopark.org](mailto:jaherren@menlopark.org). 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: 2/18/2021)

Agenda item C1  
Soody Tronson, Resident

### C1: Re Closed Session Labor Negotiations

Residents need great transparency into the total compensation of City employees. The current 2020 table on the City's website does not provide the total cost of each position to the City and its residents. Meanwhile, the disclosed compensation for certain functions, such as the City Manager or Police Chief, does not provide the total cost.

That said, let's take one position for the sake of example: Police Officer working 2184 hours (that is 45 hours per week for 48 weeks), at the maximum Step of E, has an annual compensation of \$133,216 as shown in the table. In contrast, according to Transparent California website for 2019, the compensation for a police Sergeant ranges from \$300,000 to \$346,942. Similarly, the compensation for the Deputy City Manager on the City's website is shown at \$227,436 maximum. In contrast, Transparent California 2019 shows it at \$309,829.

Understanding the total compensation for City employees is a critical piece of information when evaluating budgeting and hiring initiatives.

For example, despite multiple requests for the City to justify the use of 1.5 multiplier (1.5 times the population) to calculate the number of active police personnel, no defensible explanation has been provided, and yet the City continues to request more police personnel.

**RECOMMENDATION:** I request that the City of Menlo Park promptly implement an overhaul of what and how it presents the data around compensation and its justification to the City Council and the residents before implementing any additional hires.



## STAFF REPORT

### City Council

Meeting Date: 2/23/2021  
Staff Report Number: 21-048-CC

Study Session: User fee cost recovery fiscal policy (City Council Procedure #CC-10-001)

### Recommendation

Staff seeks direction on what changes, if any, City Council desires to incorporate into the user fee cost recovery policy.

### Policy Issues

The City Council adopts fees to recover the cost for services to minimize the demand on general taxes for services that have an individual benefit. To guide the establishment of fees, the City Council adopted a user fee cost recovery policy, #CC-10-001, Attachment A, March 9, 2010.

### Background

The City charges fees for services for a variety of user fees to recover the City's reasonable costs to provide the service as supported by a comprehensive cost of services study. The fees are captured in the master fee schedule which the City Council reviews periodically and typically in March in order to take effect at the start of the subsequent fiscal year. The most recent cost of services study was presented to City Council in February 2018, Attachment B, and master fee schedules were adopted in April 2018 with effective dates of July 1, 2018, and July 1, 2019.

Since the initial adoption of the City's cost recovery policy in March 2010, the City has made incremental changes to the mix of services offered and fees charged. Concluding in April 2016, a wide range of community services offered by the City were reviewed to confirm that they met the target cost recovery ranges outlined in the policy. This background analysis is provided in Attachment C.

### Analysis

The City Council's cost recovery policy provides a framework for many services offered to the community and the revenues expected to be generated from those services. At its most recent review of the master fee schedule and cost recovery policy, the City Council provided direction to eliminate subsidies for a wide range of development review functions (planning, building and engineering) and to continue to provide some subsidies for programming in other areas, primarily related to community services. The cost recovery policy includes several categories of recovery expectations, including:

- Low Recovery Expectations (0 percent to 30 percent) – low to zero recovery is expected for programs in this category as the community benefits from the service. Non-resident fees if allowed may provide medium cost recovery.
  - In general, low cost programs or activities in this group provide a community wide benefit. These

programs and activities are generally youth programs or activities enhancing the health, safety and livability of the community and therefore require the removal of a cost barrier for optimum participation. Recreation programming geared toward the needs of teens, youth, seniors, persons with disabilities, and/or those with limited opportunities for recreation are included.

- Medium Recovery Expectations (30 percent to 70 percent) – recovery of most program costs incurred in the delivery of the service, but without recovery of any of the costs which would have been incurred by the department without the service. Both community and individuals benefit from these services. Non-resident fees if allowed may provide high cost recovery.
- High Recovery Expectations (70 percent to 100 percent) – present when user fees charged are sufficient to support direct program costs plus up to 100 percent of department administration and city overhead associated with the activity. Individual benefit foremost and minimal community benefit exists. Activities promote the full utilization of parks and recreation facilities.

### Potential changes

The policy serves to provide guidance on not only programming decisions, particularly for the discretionary services provided by the library and community services department (LCS), but also as an integral component in the development of the City’s annual operating budget. One result of the public health emergency prompted by the novel coronavirus is that the range of services offered by the City has been substantially curtailed since March 2020 and further review and direction is necessary to plan for future service reactivation. The guidance provided by the cost recovery policy is a critical component in this reactivation analysis. In order to prepare for reactivation and programming decisions incorporated into the fiscal year 2021-22 budget, City Council may direct a range of potential changes, including several outlined below.

### *Equity as a priority*

The City Council’s budget principles, most recently adopted for fiscal year 2020-21, include the following excerpts:

- “2. Provide City services and infrastructure that contribute to quality-of-life in Menlo Park
- “c) Strive to balance the resources and requirements of each area of the City in an equitable manner through the use of equitable tools”

This principle as written is not in conflict with the City’s cost recovery policy, though the City Council may consider incorporating a similar concept into the cost recovery policy. If directed, the cost recovery policy could be amended to explicitly prioritize equity and programming as goals for some service areas rather than target cost recovery amounts. In practice, this may follow a “pay what you can” approach to pricing services. It is recommended that this pricing approach only be utilized for a subset of programs, particularly those which relate to quality-of-life services for which there is no private-sector alternative. Such programs may include the following examples:

- Library story time, literary and cultural events
- Senior transportation
- Park and playground use
- Citywide events such as the egg hunt
- Recreational activities that promote movement and health
- Educational classes that contribute to Menlo Park residents’ quality-of-life

The existence of established nonprofit partners that accept donations for the express purpose of supporting

public-facing city programs – e.g., Friends of Menlo Park Library, Menlo Park Library Foundation – illustrate the potential of this approach.

It is recommended that any programming with a private-sector alternative not utilize this approach and instead continue high cost recovery expectations. Examples include:

- Sports leagues
- Facility rentals for private events
- Child care other than State- or Federally-sponsored programs
- Camps and clinics

The expected benefit of such an approach is that community members who are willing and able to support programming will do so, effectively providing donations to programming previously free of charge, while community members who may otherwise struggle to afford participation in a program can pay an amount lower than full cost recovery and still be involved. The risk is that program revenues may be lower than previously collected and therefore require a greater tax subsidy in order to maintain programming at comparable levels.

#### *Scholarship programs*

While not strictly related to the cost recovery policy, the City Council may consider incorporating scholarship programs into programming plans. The benefit of scholarship programs is the promotion of equity in programming as the programs lower the resource requirement for participation for community members which meet set criteria. The risks inherent with such programs include the administrative requirements for verifying which community members meet the set criteria as well as the potential discouragement of participation by community members which may be hesitant to or burdened by the requirements of proving eligibility.

#### *Library overdue fines*

Library overdue fines are not strictly related to the cost recovery policy, however it should be noted for the City Council's awareness that several library jurisdictions within San Mateo County and in the Bay Area region have eliminated library overdue fines. Studies undertaken in many of those jurisdictions have indicated that overdue fines disproportionately impact low-income residents and communities of color, and that the administrative and staffing costs of tracking and collecting overdue fines typically exceed the value of the fines collected.

#### *Separation or clarification of categories*

The current cost recovery policy reflects services as were available at the time of adoption in 2010. Some areas such as development-related services are largely unchanged, while recreation services are presently substantially different. Should City Council desire, the programming categories may be revisited with the purpose of more explicitly separating some program offerings. In addition, such direction may help staff to determine programming and services to be offered as reactivation is pursued following the eventual end of the public health emergency.

#### *Other direction*

The options presented previously are several potential changes City Council may direct, but do not represent the full range of potential alterations to the cost recovery policy. At its discretion, City Council may identify other changes as desired for incorporation into the cost recovery policy.



### *Current / no change*

The City Council is not obligated to change the cost recovery policy. If so desired, the City Council may elect not to direct any changes to the current cost recovery levels or program categories. However, in the event that there is no direction provided, staff requests additional direction in terms of program reactivation following the eventual end of the public health emergency.

### Next steps

1. Cost recovery policy update – March 9, 2021. Staff will incorporate direction received at the study session to update the cost recovery policy and formalize changes.
2. Master fee schedule public hearing – April 13, 2021. Staff will incorporate any cost recovery policy changes into the master fee schedule and hold a public hearing for adoption of new fees effective July 1, 2021.

### **Impact on City Resources**

Programming decisions and revenue expectations are incorporated into the city manager's proposed budget and will guide the development of the operating budget for fiscal year 2021-22. Staff capacity to receive direction and incorporate changes to the cost recovery policy and master fee schedule are included in the amended fiscal year 2020-21 budget.

### **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. User fee cost recovery policy, City Council Procedure #CC-10-001
- B. Hyperlink – City Council Staff Report #18-042-CC: [menlopark.org/DocumentCenter/View/16647/E1---Cost-of-services-study?bidId=](https://menlopark.org/DocumentCenter/View/16647/E1---Cost-of-services-study?bidId=)
- C. Hyperlink – City Council Staff Report #16-011-PRC: [menlopark.org/DocumentCenter/View/10078/G1-Staff-Report-regarding-Cost-Recovery-Analysis?bidId=](https://menlopark.org/DocumentCenter/View/10078/G1-Staff-Report-regarding-Cost-Recovery-Analysis?bidId=)

Report prepared by:

Dan Jacobson, Assistant Administrative Services Director  
Sean Reinhart, Library and Community Services Director

# User Fee Cost Recovery

City Council  
701 Laurel St., Menlo Park, CA 94025  
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<p><b>Purpose</b></p>
<p>A clear User Fee Cost Recovery Policy will allow the City of Menlo Park to provide an ongoing, sound basis for setting fees that allows charges and fees to be periodically reviewed and updated based on predetermined, researched and supportable criteria that can be made available to the public.</p>
<p><b>Background</b></p>
<p>In 2005 the <i>Your City/Your Decision</i> community driven budget process provided community direction and initial information on approaches to cost recovery of services. In 2007, the Cost Allocation Plan provided further basis for development of a standardized allocation system by providing a methodology for data-based distribution of administrative and other overhead charges to programs and services. The Cost of Services Study completed in 2008 allowed the determination of the full cost of providing each service for which a fee is charged and laid the final groundwork needed for development of a values-based and data-driven User Fee Cost Recovery Policy. A draft User Fee Cost Recovery Policy was presented for consideration by the Council at a Study Session on February 10, 2009. Comments and direction from the Study Session were used to prepare this Fiscal Policy.</p>
<p><b>Policy</b></p>
<p>The policy has three main components:</p> <ol style="list-style-type: none"> <li>1. Provision for ongoing review</li> <li>2. Process of establishing cost recovery levels <ul style="list-style-type: none"> <li>• Factors to be Considered</li> </ul> </li> <li>3. Target Cost Recovery Levels <ul style="list-style-type: none"> <li>• Social Services and Recreation Programs</li> <li>• Development Review Programs</li> <li>• Public Works</li> <li>• Police</li> <li>• Library</li> <li>• Administrative Services</li> </ul> </li> </ol>
<p><b>Provision for ongoing review</b></p>
<p>Fees will be reviewed at least annually in order to keep pace with changes in the cost of living and methods or levels of service delivery. In order to facilitate a fact-based approach to this review, a comprehensive analysis of the city's costs and fees should be made at least every five years. In the interim, fees will be adjusted by annual cost factors reflected in the appropriate program's operating budget.</p>
<p><b>Process of establishing service fee cost recovery levels</b></p>
<p>The following factors will be considered when setting service fees and cost recovery levels</p> <ol style="list-style-type: none"> <li>1. Community-wide vs. special benefit <ul style="list-style-type: none"> <li>• The use of general purpose revenue is appropriate for community-wide services while user fees are appropriate for services that are of special benefit to individuals or groups. Full cost recovery is not always appropriate.</li> </ul> </li> <li>2. Service Recipient Versus Service Driver <ul style="list-style-type: none"> <li>• Particularly for services associated with regulated activities (development review, code enforcement), from which the community primarily benefits, cost recovery from the "driver" of the need for the service (applicant, violator) is appropriate.</li> </ul> </li> <li>3. Consistency with City public policies and objectives <ul style="list-style-type: none"> <li>• City policies and Council goals focused on long term improvements to community quality of life may also impact desired fee levels as fees can be used to change community behaviors, promote certain activities or provide funding for pursuit of specific community goals, for example: health and wellness, environmental stewardship.</li> </ul> </li> <li>4. Impact on demand (elasticity) <ul style="list-style-type: none"> <li>• Pricing of services can significantly impact demand. At full cost recovery, for example, the City is providing services for which there is a genuine market not over-stimulated by artificially low prices. Conversely, high cost recovery may negatively impact lower income groups and this can work against public policy outcomes if the services are specifically designed to serve particular groups.</li> </ul> </li> <li>5. Discounted Rates and Surcharges</li> </ol>

- Rates may be discounted to accommodate lower income groups or groups who are the target of the service, such as senior citizens or residents.
  - Higher rates are considered appropriate for non-residents to further reduce general fund subsidization of services.
6. Feasibility of Collection
- It may be impractical or too costly to establish a system to appropriately identify and charge each user for the specific services received. The method of assessing and collecting fees should be as simple as possible in order to reduce the administrative cost of collection.

**Target cost recovery levels**

1. Low cost recovery levels (0%-30%) are appropriate if:
    - There is no intended relationship between the amount paid and the benefit received
    - Collecting fees is not cost-effective
    - There is no intent to limit use of the service
    - The service is non-recurring
    - Collecting fees would discourage compliance with regulatory requirements
    - The public at large benefits even if they are not the direct users of the service
  2. High cost recovery levels (70%-100%) are appropriate if:
    - The individual user or participant receives the benefit of the service
    - Other private or public sector alternatives could or do provide the service
    - For equity or demand management purposes, it is intended that there be a direct relationship between the amount paid and the level and cost of the service received
    - The use of the service is specifically discouraged
    - The service is regulatory in nature
  3. Services having factors associated with both cost recovery levels would be subsidized at a mid-level of cost recovery (30% - 70%).
- General categories of services tend to fall logically into the three levels of cost recovery above and can be classified according to the factors favoring those classifications for consistent and appropriate fees. Primary categories of services include:
- Social Services and Recreation Programs
  - Development Review Programs – Planning, and Building
  - Public Works Department – Engineering, Transportation, and Maintenance
  - Public Safety

**Social Services and Recreation Programs**

Master Fee Schedule Page #'s	General categorization of programs, Services, Activity, and facilities	Low cost recovery (0-30%)	Mid cost recovery (30-70%)	High cost recovery (70-100%)
<b>Parks</b>				
Page 9	Dog Parks	X		
Page 9	Skate Parks	X		
Page 9	Open Space/ Parks	X		
Page 9	Playgrounds	X		
<b>Social Services</b>				
	Senior Transportation	X		
Page 7	Senior Classes/ Events	X		
Page 11	Belle Haven School Age – Title 22		X	
Page 10	Menlo Children's Center – Title 22			X

Master Fee Schedule Page #'s	General categorization of programs, Services, Activity, and facilities	Low cost recovery (0-30%)	Mid cost recovery (30-70%)	High cost recovery (70-100%)
<b>Social Services – continued</b>				
Page 11	Preschool ~ Title 22			X
Page 11	Preschool – Title 5		X	
Page 7	Second Harvest	X		
Page 7	Congregate Nutrition		X	
Page 11	Belle Haven Community School		X	
<b>Events/Celebrations</b>				
	City Sponsored	X		
	City-Wide	X		
	Youth & Teen Targeted	X		
	Cultural	X		
	Concerts	X		
<b>Facility Usage</b>				
	City Functions (e.g. commissions)	X		
	Co-Sponsored Organizations	X		
Page 5,6,7	Non-Profit	X		
Page 9	Fields - Youth (non-profit)		X	
Page 9	Fields – Adult (non-profit)		X	
Page 9	Tennis Courts		X	
Page 10	Picnic Rentals – Private Party			X
Page 5,6,7	Private Rentals			X
Page 9	Fields – for-profit			X
Page 5,6,7,8,9,10	Contracted Venues – for-profit			X
<b>Fee Assisted Programs</b>				
Page 8	Recreational Swim	X		
Page 8	Swimming Classes	X		
Page 8	Lap Swimming	X		
Page 7	Recreation Classes	X		
Page 11	Open Gym Activities	X		

Master Fee Schedule Page #'s	General categorization of programs, Services, Activity, and facilities	Low cost recovery (0-30%)	Mid cost recovery (30-70%)	High cost recovery (70-100%)
<b>Recreation Programs</b>				
Page 11	Drop-In Activities		X	
Page 10,11	Camps & Clinics			X
Page 9	Youth Leagues			X
Page 10	Youth Special Interest			X
Page 10	Adult Special Interest			X
Page 12	Gymnastics			X
Page 6,12	Birthday Parties			X
Page 11	Adult League			X
<b>Low Recovery Expectations</b>				
<p>Low to zero recovery is expected for programs in this category as the community benefits from the service. Non-resident fees if allowed may provide medium cost recovery.</p> <p>In general, low cost programs or activities in this group provide a community wide benefit. These programs and activities are generally youth programs or activities enhancing the health, safety and livability of the community and therefore require the removal of a cost barrier for optimum participation. Recreation programming geared toward the needs of teens, youth, seniors, persons with disabilities, and/or those with limited opportunities for recreation are included. For example:</p> <ul style="list-style-type: none"> <li>• Parks – As long as collecting fees at City parks is not cost-effective, there should be no fees collected for general use of parks and playgrounds. Costs associated with maintaining the City's parks represent a large cost for which there is no significant opportunity for recovery – these facilities are public domains and are an essential service of City government.</li> <li>• Social Services – There is no intended relationship between the amount paid and the benefit received for social service programs. Some programs are designed and delivered in coordination/partnership with other providers in Menlo Park.</li> <li>• Senior Transportation – Transportation is classified as a low cost recovery program because there is no fee charged for the program and the majority of the seniors served cannot afford the actual cost of the service. Donations are solicited, but they are minimal. No fee should be established for this service, as it would threaten ridership and County reimbursements would be withdrawn.</li> <li>• Senior Classes/Events – The primary purpose of senior classes and events is to encourage participation. The seniors served in these classes do not have the means of paying for the classes and are classified as "scholarship" recipients due to their low income levels. The classes should continue to be offered in collaboration with outside agencies which can offer them for free through state subsidies.</li> <li>• Second Harvest – Monthly food distributions provide free food to needy families and so contribute a broad community benefit. The coordination and operation of the program is through the Onetta Harris Center staff with volunteers assisting with the distribution of food, to keep costs as low as possible.</li> <li>• Events/Celebrations – Community Services events provide opportunities for neighborhoods to come together as a community and integrate people of various ages, economic and cultural backgrounds. Events also foster pride in the community and provide opportunities for volunteers to give back. As such, the benefits are community-wide. In addition, collection of fees isn't always cost effective.</li> <li>• Facility Usage – Safe and secure facilities for neighborhood problem-solving and provision of other general services support an engaged community and should be encouraged with low or no fees.</li> <li>• Fee Assisted Recreation Programs – Activities with fee assistance or sliding scales make the programs affordable to all economic levels in the community. Organized activities, classes, and drop-in programs are designed to encourage active living, teach essential life and safety skills and promote life-long learning for broad community benefit.</li> </ul>				
<b>Medium Recovery Expectation</b>				

Recovery of most program costs incurred in the delivery of the service, but without recovery of any of the costs which would have been incurred by the department without the service. Both community and individuals benefit from these services. Non-resident fees if allowed may provide high cost recovery.

- Belle Haven School Age – Title 22 - Licensed Child Care Program – Services to participants in this program are not readily available elsewhere in the community at low cost. The program provides broad community benefit in the form of a safety net for children in the community. Organized activities and programs teach basic skills, constructive use of time, boundaries and expectations, commitment to learning and social competency. Resident fees charged based on San Mateo County Pilot program for full day care that sets fees at no more than 10% of the family's gross income.
- Preschool Title 5 – The Preschool Program is supported primarily by reimbursement of federal and state grants for low income children. Tuition and reimbursement rates are regulatory.
- Senior Lunches – Congregate Nutrition is classified as a medium cost recovery fee as it asks a donation coupled with a per meal reimbursement from OAA & State funds.
- Belle Haven School Community School – The Community School partners with various non-profit and community-based agencies to provide much needed services to the community – high quality instruction, youth enrichment services, after-school programs, early learning and a family center. Services are open to Belle Haven students, their families and residents of the surrounding neighborhood.
- Field Rentals and Tennis Courts – Costs should be kept low for local non-profit organizations providing sports leagues open to residents and children in the Menlo Park Schools that encourage healthy lifestyles and lifelong fitness. Opportunities exist to collect a reasonable fee for use to defray citywide expenses for tennis facilities and fields.
- Programs – Drop-in programs can be accessed by the widest cross section of the population and therefore have the potential for broad-base participation. Recreation drop-in programs have minimal supervision while providing healthy outlets for youth, teens and adults

### High Recovery Expectations

Present when user fees charged are sufficient to support direct program costs plus up to 100% of department administration and city overhead associated with the activity. Individual benefit foremost and minimal community benefit exists. Activities promote the full utilization of parks and recreation facilities.

- Menlo Children's Center School Age and Pre-school – Title 22 – Participation benefits the individual user.
- Picnic Areas – Picnic rental reservations benefit the individual but help defray the cost of maintaining parks benefiting the entire community.
- Facility Usage – Facility use is set at a higher rate for the private use of the public facility for meetings, parties, and programs charging fees for services and celebrations.
- Programs – Activities in this area benefit the individual user. Programs, classes, and sports leagues are often offered to keep pace with current recreational trends and provide the opportunity to learn new skills, improve health, and develop social competency. The services are made available to maximize the use of the facilities, increase the variety of offerings to the community as a whole and spread department administration and city-wide overhead costs to many activities. In some instances, offering these activities helps defray expenses of services with no viable means of collecting revenue e.g. parks, playgrounds, etc.
- Contracted Venues – (for profit) – Long term arrangements where a facility is rented or contracted out to reduce general funding expense in order to provide specialized services to residents.

**Development Review Services**

1. Planning (planned development permits, tentative tract and parcel maps, re-zonings, general plan amendments, variances, use permits)
2. Building and safety (building permits, structural plan checks, inspections)

Master's Fee Schedule Page #'s	General categorization of programs, Services, Activity, and facilities	Low cost recovery (0-30%)	Mid cost recovery (30-70%)	High cost recovery (70-100%)
<b>Planning</b>				
Page 24	Appeals of Staff Decisions	X		
Page 24	Appeals of Planning Commission Decisions by Residents	X		
	Subsequent Appeals			X
Page 24	Temporary Sign Permits	X		
Page 23	Use Permits – Non-Profits	X		
Page 24	Administrative Reviews – Fences		X	
	Appeals of Planning Commission Decisions by Non-Residents			X
Page 23	Administrative Reviews – Other			X
Page 23	Architectural Control			X
Page 23	Development Permits			X
Page 23	Environmental Reviews			X
Page 23	General Plan Amendments			X
Page 24	Tentative Maps			X
Page 24	Miscellaneous – not listed elsewhere			X
	Reviews by Community Development Director of Planning Commission			X
Page 23	Special Events Permitting			X
Page 23	Study Sessions			X

Master's Fee Schedule Page #'s	General categorization of programs, Services, Activity, and facilities	Low cost recovery (0-30%)	Mid cost recovery (30-70%)	High cost recovery (70-100%)
<b>Planning – continued</b>				
Page 24	Zoning Compliance Letters			X
Page 23	Signs and Awnings			X
Page 23	Use Permits – other			X
Page 23	Variances			X
Page 23	Zoning Map Ordinance Amendments			X
<b>Building and safety</b>				
Page 28-48	Solar Installations		X	
	Building Permits			X
	Mechanical Permits			X
	Electrical Permits			X
	Plumbing Permits			X
	Consultant Review			X
<b>Low Recovery Expectations</b>				
<p>Low to zero recovery is expected for services in this category to maintain open and accessible government processes for the public, encourage environmental sustainability and encourage compliance with regulatory requirements. Example of Low Recovery items:</p> <ul style="list-style-type: none"> <li>• Planning – The fees for applicants who wish to appeal a Staff Decision or for a Menlo Park resident or neighbor from an immediately adjacent jurisdiction who wishes to appeal a decision of the Planning Commission is purposefully low to allow for accessibility to government processes.</li> <li>• Planning – Temporary sign permit fees are low so as to encourage compliance.</li> <li>• Building – The elimination or reduction of building permits for solar array installations is consistent with California Government Code Section 65850.5, which calls on local agencies to encourage the installation of solar energy systems by removing obstacles to, and minimizing costs of, permitting for such systems.</li> </ul>				
<b>Mid-level Recovery Expectations</b>				
<p>Recovery in the range of 30% to 70% of the costs incurred in the delivery of the service reflects the private benefit that is received while not discouraging compliance with the regulation requirements.</p> <ul style="list-style-type: none"> <li>• Planning – Administrative permits for fences that exceed the height requirements along Santa Cruz Avenue are set at mid-level to encourage compliance.</li> </ul>				



### High Recovery Expectations

Cost recovery for most development review services should generally be high. In most instances, the City's cost recovery goal should be 100%.

- Planning – Subsequent Appeals - The fees for applicants who are dissatisfied with the results of a previous appeal of an administrative permit or a decision of the Planning Commission should be at 100% cost recovery.
- Planning – Most of the Planning fees charged are based on a “time and materials” basis, with the applicant/customer being billed for staff time (at a rate that includes overhead cost allocations) and the cost of actual materials or external services utilized in the delivery of the service.
- Building – Building fees use a cost-basis, not a valuation basis, and are flat fees based on the size and quantities of the project.

### Public Works Department – Engineering Transportation, and Maintenance

1. Engineering and Transportation (public improvement plan checks, inspections, subdivision requirements, encroachments)
2. Transportation (red curb installation, truck route permits, traffic signal repairs from accidents)
3. Maintenance (street barricades, banners, trees, special event set-up, damaged city property)

Master Fee Schedule Page #'s	General categorization of programs, Services, Activity, and facilities	Low cost recovery (0-30%)	Mid cost recovery (30-70%)	High cost recovery (70-100%)
<b>Engineering</b>				
Page 25	Heritage Tree	X		
Page 25	Appeals to Environmental	X		
	Appeals to Environmental Quality Commission and City Council	X		
	Bid Packages	X		
Page 19	Plotter Prints		X	
Page 19	Encroachment Permits for City-mandated repair work (non-temporary)		X	
Page 25	Heritage Tree Removal Permits 1-3 trees		X	
Page 19	City Standard Details		X	
Page 20	Improvement Plan			X
Page 20	Plan Revisions			
Page 21	Construction Inspections			X
Page 20	Maps/ Subdivisions			X
	Real Property			X
Page 19	Abandonments			X
Page 19	Annexations			X
Page 21	Certificates of Compliance			X

Master Fee Schedule Page #'s	General categorization of programs, Services, Activity, and facilities	Low cost recovery (0-30%)	Mid cost recovery (30-70%)	High cost recovery (70-100%)
<b>Engineering – continued</b>				
Page 20	Easement Dedications			X
Page 20	Lot Line Adjust/Merger			X
Page 19	Encroachment Permits			X
Page 19	Completion Bond			X
	Processing Fee			X
Page 25	Heritage Tree Permits after first 3 trees			X
Page 16	Downtown Parking Permits			X
<b>Transportation</b>				
Page 22	Red Curb Installation	X		
Page 22	Truck Route Permits	X		
Page 22	Traffic Signal Accident			X
Page 22	Aerial Photos			X
<b>Maintenance</b>				
Page 22	Tree Planting	X		
Page 22	Banners – Santa Cruz Avenue			X
Page 22	Barricade replacement			X
Page 22	Weed Abatement			X
Page 22	Special Event set-up – for-profit use			X
Page 22	Special Event set-up – for non-profits use		X	
Page 22	Damaged City property			X

### Low Recovery Expectations

Low to zero recovery is expected for services in this category as the community benefits from the service. In general, low cost services in this group provide a community-wide benefit. These services generally are intended to enhance or maintain the livability of the community and therefore require the removal of a cost barrier to encourage use. However, in some instances the maximum fee that can be charged is regulated at the State or Federal level and therefore the City fee is not determined by City costs (truck route permits, copies of documents). Examples of Low Recovery items:

- Maintenance – Tree Plantings is classified as a low cost recovery fee to replacement of trees removed due to poor health and to encourage new tree plantings.
- Transportation – Red Curb Installation is classified as a low cost recovery fee for support traffic/parking mitigation requests to address safety concerns of residents and businesses.
- Transportation – Truck Route Permits Fees – maximum fee set by State Law.
- Engineering – Heritage Tree Appeals is classified as a low cost recovery fee to insure that legitimate grievances are not suppressed by high fees.
- Engineering – Bid Packages are provided at a low cost to encourage bid submissions thereby insuring that the City receives sufficient bids to obtain the best value for the project to be undertaken.

### Medium Recovery Expectations

Recovery in the range of 30% to 70% of the costs incurred in the delivery of the service. Typically, both the community and individuals benefit from these services.

- Engineering – Encroachment Permits for City-mandated repairs are classified as a medium cost recovery. Since the property owner is paying for the cost of construction but is required by ordinance to perform it promptly, a discounted fee for the permit is appropriate.

### High Recovery Expectations

Recovery in the range of 70% to 100% when user fees charged are sufficient to fully recover costs of providing the service. Individual benefit is foremost and minimal community benefit exists. Most services provided by the Public Works Department fall in this area.

- Engineering – Encroachment Permits where the public right of way is used or impacted on a temporary or permanent basis for the benefit of the permittee. Debris Boxes are such an example
- Transportation – Traffic Signal Accident repair cost is the responsibility of the driver/insurer.
- Maintenance – Weed Abatement performed by Public Works staff to address ongoing code violation.
- Maintenance – Banners on Santa Cruz Avenue and El Camino Real.

**Public Safety – Police Services**

(Case Copies, False Alarms, Parking Permits, Abatements, Emergency Response, Background Investigations, Tow Contract)

Master Fee Schedule Page #'s	General categorization of programs, Services, Activity, and facilities	Low cost recovery (0-30%)	Mid cost recovery (30-70%)	High cost recovery (70-100%)
Page 14	Case Copies	X		
Page 15	Citation Sign Off - Residents	X		
Page 1,15	Document Copies	X		
Page 14	Bicycle Licenses	X		
Page 16	Overnight Parking Permits			X
Page 16	Residential Parking Permits	X		
Page 15	Property Inspection – Code Enforcement	X		
Page 15	Real Estate Sign Retrieval	X		
Page 14	False Alarm – Low Risk		X	
Page 15	Rotation Tow Service Contract		X	
Page 15	Repossession Fee		X	
Page 14	False Alarm – High Risk			X
Page 14	Good Conduct Letter			X
Page 14	Preparation Fees			X
Page 14	Research Fee			X
Page 14	Civil Subpoena Appearance			X
Page 14	Finger Printing Documents			X
Page 15	Background Investigations			X
Page 14	Notary Services			X
Page 14	Vehicle Releases			X
Page 14	DUI – Emergency Response			X
Page 15	Intoximeter Rental			X
Page 15	Street Closure			X
Page 15	Unruly Gatherings			X
Page 18	Abatement			X

<b>Low Recovery Expectations</b>
Low to zero recovery is expected for services in this category as the community generally benefits from the regulation of the activity. The regulation of these activities is intended to enhance or maintain the livability of the community. However, in some instances the maximum fee that can be charged is regulated at the State or Federal level and therefore the City fee is not determined by City costs (copies of documents).
<b>Medium Recovery Expectations</b>
Recovery in the range of 30% to 70% of the costs of providing the service. Both community and individuals benefit from these services. <ul style="list-style-type: none"> <li>False Alarm – primarily residential and low cash volume retail. Alarm response provide a disincentive to crime activity. However excessive false alarms negatively impact the ability of prompt police response to legitimate alarms.</li> </ul>
<b>High Recovery Expectations</b>
Recovery in the range of 70% to 100% when user fees charged are sufficient to recover costs of the service provided. Individual benefit is foremost and minimal community benefit exists. Items such as False Alarm, DUI Emergency Response, Vehicle Releases, Unruly Gathering, and Abatements are punitive in nature and the costs should not be funded by the community. Items such as Good Conduct Letter, Preparation Fees, Research Fee, Finger Printing, Background Investigations, and Notary Service primarily benefit the individual. 100% of the cost for services in these areas is typical. <ul style="list-style-type: none"> <li>Overnight Parking Permits – the fee charged for One Night Parking Permits fall into Low Cost Recovery, however when combined with the fees collected from the issuance of Annual Permits the result is the program should achieve High Cost Recovery.</li> <li>Street Closure – primarily residential for activities within a defined area. This service is provided for public safety and therefore is provided at a rate below 100% cost recovery.</li> </ul>
<b>Library</b>
(Library Cards, Overdue Fines, etc.) – fees are primarily established by the Peninsula Library Service.
<b>Administrative Services</b>
(Copying Charges, Postage, etc.) – fees are primarily set by regulations and are generally high cost recovery of pass-thru charges.



# USER FEE COST RECOVERY POLICY

Study Session – February 23, 2021



## REQUESTED DIRECTION

- Staff seeks direction on desired changes to the user fee cost recovery policy (City Council Procedure #CC-10-001) and associated programmatic direction
  - Equity as a priority
  - User fees / scholarship programs
  - Library overdue fines
  - Separation or clarification of categories
  - Other direction
  - Current / no change



## COST RECOVERY POLICY

- Established in 2010 to identify where tax dollars should subsidize programming and services
- Multiple factors considered when setting fees
  - Community-wide vs special benefit
  - Service recipient vs service driver
  - Consistency with City public policies and objectives
  - Demand, discounted rates, feasibility of collection
- Three target cost recovery categories
  - Low recovery (0 to 30 percent)
  - High recovery (70 to 100 percent)
  - Medium recovery (30 to 70 percent)





## SERVICE CATEGORIES

- Social services and recreation programs
- Development review services
- Public Works Department – engineering, transportation, and maintenance
- Public safety



## POTENTIAL CHANGES

- Equity as a priority for quality-of-life programming
  - Incorporation could mirror budget principles (previously adopted for fiscal year 2020-21)
    - 2. Provide City services and infrastructure that contribute to quality of life in Menlo Park
    - c) Strive to balance the resources and requirements of each area of the City in an equitable manner through the use of equitable tools
  - May be implemented as a “pay what you can” approach to pricing for non-competitive services
  - Existing nonprofit partners -- Friends of Menlo Park Library, Menlo Park Library Foundation – illustrate the potential of this approach
  - No change to services with private sector equivalent



## POTENTIAL CHANGES

- Quality-of-life services
  - Library storytime, literary and cultural events
  - Senior transportation
  - Park and playground use
  - Citywide events such as the egg hunt
  - Recreational activities that promote movement and health for all residents
  - Educational classes that contribute to Menlo Park residents' quality-of-life



## POTENTIAL CHANGES

- Services that are comparable to private-sector alternatives
  - Sports leagues
  - Facility rentals for private events
  - Childcare other than State-or Federally-sponsored programs
  - Camps and clinics



## POTENTIAL CHANGES

- Scholarship programs
  - Not a change to the cost recovery policy
  - Direction to staff to incorporate in budget preparation
  - Requires identification of which programs and qualification criteria
  - Potential barriers to participation: hesitancy, stigma, burden of proving eligibility



## POTENTIAL CHANGES

- Separation or clarification of categories
  - Examples include social services and recreation programs
  - Direction on desired programming component of budget preparation



## POTENTIAL CHANGES

- Other changes
  - Requires direction from City Council
- Current / no change
  - No changes to policy
  - May be applied to particular sections, e.g. development review, public safety



## REQUESTED DIRECTION

- Staff seeks direction on desired changes to the user fee cost recovery policy (City Council Procedure #CC-10-001) and associated programmatic direction
  - Equity as a priority
  - User fees / scholarship programs
  - Library overdue fines
  - Separation or clarification of categories
  - Other direction
  - Current / no change



# PROCLAMATION

## BLACK HISTORY MONTH FEBRUARY 2021

**WHEREAS**, the month of February is officially celebrated as a national event honoring Black History and recognizing the heritage and achievements of African Americans; and

**WHEREAS**, African Americans have played a central role in our nation's history and the contributions African Americans have made and continue to make are an integral part of our society; and

**WHEREAS**, Black History Month can be traced back to 1926 when the writer and scholar Dr. Carter G. Woodson, the "Father of Black History Month" began the annual observance to help rectify the omission of African Americans from history books; and

**WHEREAS**, in 1976, as America observed its bicentennial, the week-long commemoration was expanded to one month and is celebrated today as Black History Month; and

**WHEREAS**, President Jimmy Carter said the celebration "provides for all Americans a chance to rejoice and express pride in a heritage that adds so much to our way of life"; and

**WHEREAS**, African Americans residing in Menlo Park have contributed to the betterment of our community through their activism, volunteerism, civic pride and involvement; and

**WHEREAS**, Black History Month reminds us to continue to fight for justice and equality and should be a unifying call to our nation to continue to work for a more diverse, supportive, inclusive, and protective union; and

**WHEREAS**, Menlo Park Senior Center celebrates Black History Month by celebrating the many achievements and contributions made by African Americans, including our local heroes; and

**WHEREAS**, 2021 coincides with 151<sup>st</sup> anniversary of 15th Amendment which gave African American men the right to vote; and

**NOW, THEREFORE, BE IT PROCLAIMED** I, Drew Combs, Mayor of the City of Menlo Park, hereby proclaim and celebrate February 2021 as Black History Month in Menlo Park.

DocuSigned by:

*Drew Combs*

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Drew Combs, Mayor  
February 23, 2021

# PROCLAMATION

## COVID-19 VICTIMS AND SURVIVORS MEMORIAL DAY

**WHEREAS**, the first Monday in March has been designated as COVID-19 Victims and Survivors Memorial Day; and

**WHEREAS**, COVID-19 (SARS-CoV-2) is an illness caused by a virus that can transmit from person to person and has spread across the world, creating a global pandemic that is having catastrophic effects on human life, our community, and our economy; and

**WHEREAS**, local and state governments, health departments, and public servants have taken bold actions to protect residents, support struggling local economies, and find innovative ways to provide services; and

**WHEREAS**, in response to rapid spread of COVID-19 and stay-at-home orders, essential workers have stepped up to provide critical services to help our communities and save lives, sacrificing their own health and safety; and

**WHEREAS**, COVID-19 has had a disproportionate impact on low-income communities and communities of color, exacerbating inequities already prevalent in our systems that we must address as a nation; and

**WHEREAS**, public health guidance and policies targeted at prevention, such as social distancing, wearing masks in public, and staying home help mitigate the spread of COVID-19, prevent illness, and lessen the burden on individuals and society; and

**WHEREAS**, the symptoms and severity of COVID-19 can vary dramatically by individual and the long-term health implications for survivors is largely unknown, as many survivors suffer with lingering side-effects of the disease long after they no longer test positive; and

**WHEREAS**, more than 2.36 million people worldwide and 475,000 people in the United States have lost their lives due to COVID-19; and

**WHEREAS**, each life lost to COVID-19 mattered and leaves a hole in the hearts of loved ones, family members, and surrounding community; and

**NOW, THEREFORE, BE IT RESOLVED** that I, Drew Combs, Mayor of the City of Menlo Park, on behalf of the City Council and City, do hereby proclaim the first Monday in March as "COVID-19 Memorial Day," in remembrance of those who have lost their lives and in honor of those who are forever marked by COVID-19 and continue to suffer from the impact of this virus.

DocuSigned by:

*Drew Combs*

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Drew Combs, Mayor  
February 23, 2021



**SPECIAL MEETING MINUTES – DRAFT**

**Date:** 1/30/2021  
**Time:** 10:00 a.m.  
**Location:** Zoom.us/join – ID# 947 1320 5683

**Special Session (Zoom.us/join – ID# 947 1320 5683)**

**A. Call To Order**

Mayor Combs called the meeting to order at 10:08 a.m.

**B. Roll Call**

Present: Combs, Mueller, Nash, Taylor, Wolosin  
Absent: None  
Staff: City Manager Starla Jerome-Robinson, Interim City Attorney Cara Silver, City Clerk Judi A. Herren

**C. Regular Business**

**C1. Provide direction to City staff on City Council 2021 priorities and work plan (Staff Report #21-022-CC)**

Web form public comment received on item C1.

Mayor Combs provided details on the schedule of the meeting.

City Manager Starla Jerome-Robinson introduced the item.

- Atherton City Councilmember Rick DeGolia spoke in support of a quiet zone along the Caltrain corridor.
- Justin Liu spoke in support of a quiet zone along the Caltrain corridor.
- Maria Amundson spoke in support of a quiet zone along the Caltrain corridor.
- Diana Holiday spoke in support of a quiet zone along the Caltrain corridor.
- Edmond Farrell spoke in support of a quiet zone along the Caltrain corridor.
- Adam Tobin spoke in support of a quiet zone along the Caltrain corridor.
- Adina Levis spoke in support of grade separation.
- Lynne Bramlett spoke in support of analyzing staff time and funding the Menlo Park community center project.
- Karen Grove spoke in support of the housing element.
- Danielle Pickham spoke in support of a quiet zone along the Caltrain corridor.
- Max Palmer spoke in support to alternatives for community policing.
- Kevin Gallagher spoke in support of racial equity and the reallocation of Facebook's policing fund.
- Radu Mihaescu spoke in support of a quiet zone along the Caltrain corridor.
- Marcy Abramowitz spoke in support of a quiet zone along the Caltrain corridor.
- Diane Bailey spoke in support of the climate action plan.

- Katie Behroozi spoke in support of safe routes.
- Amy Lupo spoke in support of banning gas powered leaf blowers.
- Caleb Zurger spoke in support of the reallocation of Facebook’s policing fund.
- Susannah Ragab spoke in support of a quiet zone along the Caltrain corridor.
- Kim Novello spoke in support of a healthy Menlo Park, both mentally and physically.
- Chelsea Nguyen spoke in support of additional housing and Downtown parking.
- Martin Mazner spoke in support of a quiet zone along the Caltrain corridor.
- Pam Jones spoke in support of a redistricting commission and retaining demographer.
- Daniel Hom soke in support for traffic calming measures on Willow Road.
- Peter Edmonds spoke in support of the heritage tree ordinance enforcement and analyzing the city arborist position.
- Jordan Payne spoke in support of the reallocation of Facebook’s policing fund.
- Judy Rocchio spoke in support of the Willow Road and Highway 101 interchange tree planting.
- Tom Kabat spoke in support of climate preservation.
- Ezio Alviti spoke in support of a quiet zone along the Caltrain corridor.

The City Council discussed priorities and goals.

The City Council took a recess at 11:29 a.m.

The City Council reconvened at 11:38 a.m.

The City Council discussed and received clarification on the approach to goal and priority setting and work plan.

The City Council took a recess at 12:04 p.m.

The City Council reconvened at 12:38 p.m.

The individual City Councilmembers delivered their top 10 priorities.

The City Council discussed:

- COVID-19 response and recovery
- Strategic verse operational priorities
- Partnering with neighboring jurisdictions
- Quiet zone crossing and Caltrain collaboration
- Gas and electric powered leaf blowers
- Police reform
- Willow Road and Highway 101 enhancements
- Housing element process
- Sidewalks
- Transportation projects (short and long term)
- Valparaiso Avenue safety
- Redistricting
- Climate action plan
- Use of commissions and volunteers
- Community amenities list

The City Council directed staff to research a demographer for redistricting.

**D. Adjournment**

Mayor Combs adjourned the meeting at 3:19 p.m.

Judi A. Herren, City Clerk

## NOVEL CORONAVIRUS, COVID-19, EMERGENCY ADVISORY NOTICE

On March 19, 2020, the Governor ordered a statewide stay-at-home order calling on all individuals living in the State of California to stay at home or at their place of residence to slow the spread of the COVID-19 virus. Additionally, the Governor has temporarily suspended certain requirements of the Brown Act. For the duration of the shelter in place order, the following public meeting protocols will apply.

Teleconference meeting: All members of the City Council, city staff, applicants, and members of the public will be participating by teleconference. To promote social distancing while allowing essential governmental functions to continue, the Governor has temporarily waived portions of the open meetings act and rules pertaining to teleconference meetings. This meeting is conducted in compliance with the Governor Executive Order N-25-20 issued March 12, 2020, and supplemental Executive Order N-29-20 issued March 17, 2020.

- How to participate in the meeting
  - Submit a written comment online:  
[menlopark.org/publiccommentJanuary30\\*](http://menlopark.org/publiccommentJanuary30*)
  - Access the meeting real-time online at: [Zoom.us/join](https://zoom.us/join)  
Special Meeting ID# 947 1320 5683
  - Access the special meeting real-time via telephone at:  
(669) 900-6833 Regular Meeting ID# 947 1320 5683  
Press \*9 to raise hand to speak  
Written and recorded public comments are accepted up to 1-hour before the meeting start time.
- Watch regular meeting:
  - Cable television subscribers in Menlo Park, East Palo Alto, Atherton, and Palo Alto:  
Channel 26
  - Online:  
[menlopark.org/streaming](http://menlopark.org/streaming)

Subject to Change: Given the current public health emergency and the rapidly evolving federal, state, county and local orders, the format of this meeting may be altered or the meeting may be canceled. You may check on the status of the meeting by visiting the City's website [www.menlopark.org](http://www.menlopark.org). The instructions for logging on to the webinar and/or the access code is subject to change. If you have difficulty accessing the webinar, please check the latest online edition of the posted agenda for updated information ([menlopark.org/agenda](http://menlopark.org/agenda)).

According to City Council policy, all 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.



**SPECIAL MEETING MINUTES – DRAFT**

**Date:** 2/5/2021  
**Time:** 3:00 p.m.  
**Location:** Teleconference

**Closed Session (Teleconference)**

**A. Call To Order**

Mayor Combs called the meeting to order at 3:00 p.m.

**B. Roll Call**

Present: Combs, Mueller, Nash, Taylor, Wolosin  
Absent: None  
Staff: City Manager Starla Jerome-Robinson, Interim City Attorney Cara Silver, Assistant City Manager Nick Pegueros, Interim Police Chief Dave Spiller

**C. Roll Call**

**D. Closed Session**

- C1. Conference with Legal Counsel – Potential Litigation: Significant exposure to litigation pursuant to § 54956.9(b) Number of cases – 1

Mayor Combs was recused and exited the meeting.

No reportable actions.

The City Council took a recess at 3:13 p.m.

The City Council reconvened at 3:15 p.m.

Mayor Combs rejoined the meeting.

- C2. Public employment (Gov. Code section 54957) city attorney recruitment

**ACTION:** Motion and second (Nash/ Wolosin), to approve a city attorney contract with Burke, Williams, & Sorensen, LLP, passed 3-2 (Combs and Mueller dissenting).

- C3. Government Code Section 54957(b)

Public Employee Performance Check-In

Title: City Manager

**ACTION:** Motion and second (Mueller/Combs), to extend City Manager Starla Jerome-Robinson’s contract for an additional year, passed unanimously.

**E. Adjournment**

Mayor Combs adjourned the meeting at 5:09 p.m.

Judi A. Herren, City Clerk



## NOVEL CORONAVIRUS, COVID-19, EMERGENCY ADVISORY NOTICE

On March 19, 2020, the Governor ordered a statewide stay-at-home order calling on all individuals living in the State of California to stay at home or at their place of residence to slow the spread of the COVID-19 virus. Additionally, the Governor has temporarily suspended certain requirements of the Brown Act. For the duration of the shelter in place order, the following public meeting protocols will apply.

Teleconference meeting: All members of the City Council, city staff, applicants, and members of the public will be participating by teleconference. To promote social distancing while allowing essential governmental functions to continue, the Governor has temporarily waived portions of the open meetings act and rules pertaining to teleconference meetings. This meeting is conducted in compliance with the Governor Executive Order N-25-20 issued March 12, 2020, and supplemental Executive Order N-29-20 issued March 17, 2020.

- How to participate in the meeting
    - Submit a written comment online:  
[menlopark.org/publiccommentFebruary5](http://menlopark.org/publiccommentFebruary5)\*
    - Record a comment or request a call-back when an agenda topic is under consideration:  
Dial 650-474-5071\*
- \*Written and recorded public comments and call-back requests are accepted up to 1-hour before the meeting start time. Written and recorded messages are provided to the City Council at the appropriate time in their meeting. Recorded messages may be transcribed using a voice-to-text tool.

Note: City Council closed sessions are not broadcast online or on television and public participation is limited to the beginning of closed session.

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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.

**SPECIAL AND REGULAR MEETING MINUTES – DRAFT**

**Date:** 2/9/2021  
**Time:** 4:00 p.m.  
**Location:** Joinwebinar.com – ID# 740-236-091

**Special Session (Joinwebinar.com – ID# 740-236-091)****A. Call To Order**

Mayor Combs called the meeting to order at 4:06 p.m.

**B. Roll Call**

**Present:** Combs, Mueller, Nash, Taylor, Wolosin  
**Absent:** None  
**Staff:** City Manager Starla Jerome-Robinson, Interim City Attorney Cara Silver, City Clerk Judi A. Herren

**C. Study Session**

- C1. Provide direction on water rates and receive an update on Menlo Park Municipal Water operations including revenues, expenses and billing services (Staff Report #21-037-CC)

Assistant Public Works Director Chris Lamm made the presentation (Attachment).

The City Council received clarification on public notice recipients, average Menlo Park customer consumption, neighboring agencies rate structures, multi-family residential usage, and access to customer usage.

The City Council discussed tiered rates for residential and commercial, capital improvement surcharge, and a detail customer bill breakdown.

The City Council directed staff to retain the two tier rate structure, transition of tiers at the existing six units of water threshold, incorporate the capital surcharge into the tiered rates and provide information on water bills about inclusion of capital work in the rate structure.

- C2. Pension liabilities presentation with actuarial consultant (Staff Report #21-035-CC) (Presentation)

Assistant Administrative Services Director Dan Jacobson and GovInvest representative Nina Pileggi made the presentation (Attachment).

The City Council received clarification on impacts to the ability to acquire bonds and loans, impacts of staffing levels on pension liability, ERAF (education revenue augmentation fund) and general fund budget related to pensions, CalPERS service transfers, and the discount rates.

The City Council directed staff to prepare the 2021-22 budget using the CalPERS discount rate of seven percent and provide budget enhancements for City Council consideration to set-aside funds assuming a six percent, and a six and a half percent discount rates.

The City Council took a recess at 6:01 p.m.

The City Council reconvened at 6:28 p.m.

## **Regular Session (Joinwebinar.com – ID# 740-236-091)**

### **D. Report from Closed Session**

City Manager Starla Jerome-Robinson reported out on the February 5, 2021 closed session:

**ACTION:** Motion and second(Wolosin/Nash), to approve a city attorney contract with Burke, Williams, & Sorensen, LLP, passed 3-2 (Combs and Mueller dissenting).

**ACTION:** Motion and second (Mueller/Combs), to extend City Manager Starla Jerome-Robinson’s contract for an additional year, passed unanimously.

### **E. Public Comment**

- Kathleen Daly spoke in support of a bench in Willow Oaks Park dedicated to Kathrine Strehl.
- Kim Novello spoke on the mental and physical health effects from urban living.

### **F. Consent Calendar**

F1. Accept the City Council meeting minutes for January 14, 19, 26, and February 1, 2021 (Attachment)

The City Council provided edits to the January 26, 2021 meeting minutes.

F2. Receive and file the investment portfolio review as of December 31, 2020 (Staff Report #21-025-CC)

F3. Adopt Resolution No. 6614 supporting the City’s crosstown shuttle for application for the lifeline transportation program fiscal year 2021-22 and fiscal year 2022-23, and adopt Resolution No. 6615 supporting the City’s shuttle program for application for the sustainable transportation planning grant fiscal year 2021-22 (Staff Report #21-036-CC)

The City Council requested the review of shuttle hours and frequency of shuttle use included the into program.

F4. Adopt Resolution No. 6611 accepting up to \$198,950 of grant funding from the California Drought, Water, Parks, Climate, Coastal Protection and Outdoor Access for All Act of 2018 (Staff Report #21-026-CC)

F5. Approve automatic contract extension with Team Sheeper, Inc. for continued operation of the Burgess Pool through August 31, 2022 (Staff Report #21-027-CC)

The City Council directed to staff to provide clarification on rates, pool closures, and resident access and services.

**ACTION:** Motion and second (Taylor/Combs), to approve the consent calendar with edits to item F1., review of shuttle hours and frequency of shuttle use included the into program for item F3., and direction to staff to provide clarification on rates, pool closures, and resident access and services for item F5., passed unanimously.

## **G. Public Hearing**

- G1. Adopt Resolution No. 6613 to establish the proposed newsrack permit fees (Staff Report #21-029-CC) (Presentation)

Junior Engineer Scott Jaw made the presentation (Attachment).

- William Johnson spoke in support of the ordinance without or deferment of the permit system.

The City Council received clarification on the removal of newsracks by City staff and other entities, the need of permit system, staff time for administering the permit program, framework and structure of the fees, and current newsrack locations.

The City Council discussed the impact of fees to media agencies, potential litigation, waiving and deferring fees for special circumstances, and equally distributing newsracks around the City.

**ACTION:** Motion and second (Mueller/Combs), to waive permit fees this year with the exception of impound and disposal fees, implementation of permitting to begin this year, direct the city attorney to develop a fee waiver guideline for current and future use, and to revisit the implementation of permit fees when reviewing the master fee schedule, passed unanimously.

## **H. Recess**

## **I. Regular Business**

- I1. Receive and file report on labor relations and receive public input on upcoming labor negotiations with American Federation of State, County and Municipal Employees Local 829, Service Employees International Union Local 521, and Menlo Park Police Officers' Association (Staff Report #21-020-CC)

Assistant City Manager Nick Pegueros introduced the item.

- Adina Levin spoke in support of police reform.
- Karen Grove spoke in support of police reform.

The City Council received and filed the report on labor relations and received public input on upcoming labor negotiations with American Federation of State, County and Municipal Employees Local 829, Service Employees International Union Local 521, and Menlo Park Police Officers' Association.

- I2. Receive and file report on labor relations and receive public input on unrepresented management compensation plan review (Staff Report #21-021-CC)

Assistant City Manager Nick Pegueros introduced the item.

The City Council received and filed the report on labor relations and received public input on unrepresented management compensation plan review.

- I3. Adopt Resolution No. 6612 rescinding withdrawal from Peninsula Library System joint powers agency; and authorize the city manager to execute a five-year agreement in an amount not to exceed \$176,695 for a cloud-based enterprise technology platform to enhance public services (Staff Report #21-028-CC) (Presentation)

Library and Community Services Director Sean Reinhart made the presentation (Attachment).

The City Council received clarification on the impact of using multiple systems for staff and customers and the rates for a cloud-based enterprise technology platform beyond the five-year proposed agreement.

The City Council discussed impacts to the information technology master plan and the need of a secondary cloud-based platform.

**ACTION:** Motion and second (Mueller/Taylor), to adopt Resolution No. 6612 rescinding withdrawal from Peninsula Library System joint powers, passed unanimously

## **J. Informational Items**

- J1. City Council agenda topics: February 2021 to March 2021 (Staff Report #21-024-CC)

- J2. Update on proposed amendments to City Council procedures (Staff Report #21-032-CC)

- Jennifer Johnson spoke on concerns to the proposed updates to the Commissions/Committees Policies and Procedures, Roles and Responsibilities (#CC-19-0004).

The City Council received clarification to the proposed updates on policy #CC-19-0004.

- J3. Review user fee cost recovery fiscal policy (City Council Procedure #CC-10-0001) (Staff Report #21-033-CC)

- Jennifer Johnson spoke on concerns to the cost recovery model related to the park and recreation master plan.

The City Council received clarification on the park and recreation master plan scholarship program.

- J4. Update on the emergency water storage/supply project (Staff Report #21-034-CC)

- J5. 2021 City Council goal setting workshop summary (Staff Report #21-031-CC)

The City Council discussed how and what items can be prioritized, impacts to Downtown related to goal setting, the necessity of the Menlo Park community campus subcommittee, and the February 23, 2021 City Council meeting timing constraints.

- J6. Formation of an interview panel to provide recommendation to full City Council on the selection of a housing element consultant for the housing element (2023 – 2031) update process (Staff Report #21-030-CC)

The City Council discussed City Councilmember appointments.

**K. City Manager's Report**

City Manager Starla Jerome-Robison reported on the upcoming police chief interviews.

**L. City Councilmember Reports**

Mayor Combs reported out on the San Francisquito Creek Joint Powers Authority meeting.

Vice Mayor Nash reported out on the Peninsula Clean Energy (PCE) meeting and that Menlo Park received a \$100,000 grant for building electric vehicle infrastructure from PCE.

City Councilmember Muller requested an item be considered for the next City Council meeting related to hazard pay for grocery store workers or sending a letter of interest to San Mateo County for support.

The City Council directed staff to add a letter of support for hazard pay for grocery workers to San Mateo County to the February 23, 2021 agenda.

**M. Adjournment**

Mayor Combs adjourned the meeting at 9:32 p.m.

Judi A. Herren, City Clerk

## NOVEL CORONAVIRUS, COVID-19, EMERGENCY ADVISORY NOTICE

On March 19, 2020, the Governor ordered a statewide stay-at-home order calling on all individuals living in the State of California to stay at home or at their place of residence to slow the spread of the COVID-19 virus. Additionally, the Governor has temporarily suspended certain requirements of the Brown Act. For the duration of the shelter in place order, the following public meeting protocols will apply.

Teleconference meeting: All members of the City Council, city staff, applicants, and members of the public will be participating by teleconference. To promote social distancing while allowing essential governmental functions to continue, the Governor has temporarily waived portions of the open meetings act and rules pertaining to teleconference meetings. This meeting is conducted in compliance with the Governor Executive Order N-25-20 issued March 12, 2020, and supplemental Executive Order N-29-20 issued March 17, 2020.

- How to participate in the meeting
  - Submit a written comment online:  
[menlopark.org/publiccommentFebruary9](http://menlopark.org/publiccommentFebruary9)\*
  - Record a comment or request a call-back when an agenda topic is under consideration:  
Dial 650-474-5071\*
  - Access the meeting real-time online at:  
[joinwebinar.com](http://joinwebinar.com) – Meeting ID 740-236-091
  - Access the meeting real-time via telephone (listen only mode) at:  
(415) 930-5321  
Meeting ID 861-863-885 (# – no audio pin)  
(416) Written and recorded public comments and call-back requests are accepted up to 1-hour before the meeting start time. Written and recorded messages are provided to the City Council at the appropriate time in their meeting. Recorded messages may be transcribed using a voice-to-text tool.
- Watch regular meeting:
  - Cable television subscriber in Menlo Park, East Palo Alto, Atherton, and Palo Alto:  
Channel 26
  - Online:  
[menlopark.org/streaming](http://menlopark.org/streaming)

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## STAFF REPORT

### City Council

Meeting Date:

2/23/2021

Staff Report Number:

21-041-CC

Consent Calendar:

**Receive and file the general fund operations report for the quarter ended December 31, 2020**

### Recommendation

City staff recommends that City Council receive and file the general fund operations report for the quarter ended December 31, 2020.

### Policy Issues

City Council adopts an annual budget in advance of each fiscal year, and City staff transmit periodic financial updates on the general fund.

### Background

At their June 16 meeting, City Council adopted a balanced budget reflecting expenditure reductions totaling \$14.08 million compared to the prior year. The adopted budget considered the best information available to City staff at the time and embraced the budgetary principle that Menlo Park must balance its budget for fiscal year 2020-21 the way residents are required to balance their household budgets. City Council authorized minimal use of reserves for economic uncertainty in fiscal year 2020-21. In November 2020 and again in January 2021, City Council amended the budget, incorporating new information about revenues and reactivating some services, particularly in the community development department.

### Analysis

The City's financial position is detailed in Attachment A and summarized below:

- For the quarter ended December 31, 2020, the City's finances demonstrated a significant decline in revenue compared to the same period in the prior year as anticipated in the budget. Due to the substantial reduction in expenditures, revenues slightly exceeded expenditures through the end of the quarter.
- For the balance of fiscal year 2020-21, City staff forecast that the amended budget will remain balanced with some additional capacity for additional expenditures should City Council direct service enhancements.

### Impact on City Resources

There is no impact on City resources.



### **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. Hyperlink – General fund financial update for the quarter ended December 31, 2020:  
[stories.opengov.com/menlopark/published/foOvO51Zp](https://stories.opengov.com/menlopark/published/foOvO51Zp)

Report prepared by:

Dan Jacobson, Assistant Administrative Services Director



## STAFF REPORT

City Council  
Meeting Date: 2/23/2021  
Staff Report Number: 21-040-CC

Consent Calendar: Adopt fiscal year 2021-22 budget principles

### Recommendation

Staff recommends that the City Council adopt updated budget principles for fiscal year 2021-22.

### Policy Issues

Menlo Park Municipal Code Section 2.08.080 (8) provides that the city manager must “prepare and submit to the city council the annual budget.” To ensure that the city manager’s proposed budget is built on foundational principles set by the City Council, the City Council must provide those principles by the end of February.

### Background

Historically the City Council adopts its budget principles each year as part of the goal-setting process. The 2021 goal-setting process is not expected to conclude until March. Given that the majority of budget preparation takes place during the month of March, City Council action on the budget principles is required before completion of the goal-setting process.

### Analysis

To ensure that the city manager’s proposed fiscal year 2021-22 budget reflects the City Council’s foundational budget principles, staff presents the budget principles adopted for fiscal year 2020-21 for consideration. Absent a specific discussion on budget principles, staff reflected on discussions and direction provided at recent City Council meetings for guidance. Recommended changes from the previously-adopted budget principles are displayed in strikethrough for deletions (~~deletion example~~) or bold underline for additions (**addition example**.)

Proposed City of Menlo Park’s foundational principles and action items for the fiscal year 2021-22 budget:

#### 1. **Promote the City’s long-term fiscal sustainability**

- a) ~~Monitor and report on changes in CalPERS liabilities and incorporate full payoff of unfunded pension liabilities by 2030-31;~~ **Plan for an accelerated CalPERS liability payment schedule and mitigate potential future investment shortfalls by preparing the budget using a lower discount rate** adjusted annually to reflect experience and assumption changes in the actuarial models
- b) Invest in technologies that minimize low value-add processes, increase transparency in communications and most efficiently utilize our talented staff
- c) Strive to achieve City Council cost recovery goals for all fee-based services
- d) Continue to evaluate the most cost-effective method to provide services at a specified level that provide the City with flexibility in all economic conditions, including the use of contracted services,

shared services, and regular and limited-term employees

- e) Proactively manage the loss of institutional knowledge through documentation of procedures, practices, and processes and succession planning efforts including the ability to provide for overlap in critical positions at the discretion of the city manager
- f) Incorporate programs and initiatives that strengthen Menlo Park's standing as an employer of choice to retain highly qualified personnel

**2. Provide City services and infrastructure that contribute to quality of life in Menlo Park**

- a) Implement City ordinances and City Council adopted initiatives and strategies in order to contribute to the quality of life in Menlo Park
- b) Proactively maintain and improve existing infrastructure to minimize maintenance costs and decrease the City's greenhouse gas emissions
- c) Strive to balance the resources and requirements of each area of the City in an equitable manner through the use of equitable tools
- d) Evaluate one-time revenues for highest and best investment recognizing the benefit of leveraging near term investments for long-term gains in financial sustainability and/or quality of life
- e) Commit to continuous improvement in the communication of City financial information through a variety of media acknowledging that the City's professional staff and consultants are obligated to conform to accounting and reporting standards in order to provide balanced financial information that informs policymakers

**Planned budget development calendar**

The budget preparation calendar was previously shared during the preparation for the City Council's 2021 goal/priority setting process. The planned calendar is displayed in Table 1 below, including other concurrent process dependencies where applicable.

Table 1: Fiscal year 2021-22 budget development calendar		
Date	Description	Dependency
February 23	Budget principle review and adoption	None
February 23	Cost recovery policy direction to staff	None
March 9	Cost recovery policy review and adoption	None
March 9	Capital improvement plan direction to staff	None
March	Operating budget assumption development	Cost recovery policy
March	Capital improvement plan development	None
April 13	Master Fee Schedule public hearing	Cost recovery policy
April	Mandated and baseline budget development	Cost recovery policy
April	Program or service level modifications	Cost recovery policy
May 7	City Manager's proposed budget published	None
June 1	City Manager's proposed budget workshop	None
June 8	Budget public hearing	None
June 22	Budget adoption	None

The City’s move to an online budget transparency portal through OpenGov has substantially changed the budget development process and provides an opportunity to avoid many of the resource costs associated with a traditional budget document for the proposed budget. Absent additional direction, the city manager’s proposed budget will be published online only with a more traditional budget document prepared for the adopted budget and published in summer of 2021. Preparation of a traditional budget document for the city manager’s proposed budget would require dedication of 1 full-time equivalent staff member for the time period between February and June 2021 and approximately \$15,000 in graphic design services which are unbudgeted in fiscal year 2020-21.

**Impact on City Resources**

Preparation of the annual budget is part of the City’s baseline services. Budget preparation for fiscal year 2021-22 will be more challenging as the City seeks to recover from the public health emergency and pursuant economic effects of the COVID-19 pandemic.

**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

Staff Report #: 21-040-CC

hours prior to the meeting.

**Attachments**

None.

Report prepared by:

Dan Jacobson, Assistant Administrative Services Director



## STAFF REPORT

### City Council

Meeting Date:

2/23/2021

Staff Report Number:

21-042-CC

### Regular Business:

**Adopt Resolution No. 6617 to authorize a loan to HIP Housing Development Corporation up to \$5.5 million for the acquisition and conversion of existing housing units to deed restricted affordable housing units at 6 – 8 Coleman Place and authorize the city manager to execute all related agreements and loan documents**

## Recommendation

Staff recommends City Council:

1. Adopt Resolution No. 6617 (Attachment A) to authorize a loan from the below market rate (BMR) housing fund up to \$5.5 million to HIP Housing Development Corporation (HHDC) for the acquisition and conversion of existing housing units to deed restricted affordable housing units at 6 – 8 Coleman Place.
2. Authorize the city manager to execute all subordination agreements and loan documents necessary to issue the loan and fee payments on behalf of the City of Menlo Park.

## Policy Issues

The City Council retains sole discretion to award available monies from the BMR housing fund collected in accordance with Menlo Park Municipal Code Chapter 16.96. As an impact fee, the City's use of the BMR housing in-lieu fee funds is subject to state laws governing impact fees, California Government Code §§ 66000- 66025 (the "Mitigation Fee Act"), as amended by Assembly Bill (AB) 518 and Senate Bill (SB) 1693, which require that impact fees be expended or encumbered within five years of collection.

## Background

On November 18, 2020, a notice of funding availability (NOFA) of approximately \$10 million from the BMR housing fund was released to support the preservation or production of permanent affordable housing. Project eligibility requirements are outlined in the NOFA application document (Attachment B.) Qualified projects include the preservation of existing affordable housing, acquisition or new construction of permanent affordable rental or ownership housing for extremely low, very low or low income households. Funding is intended to fill the financing gap between the projected total development costs and other available funding sources.

The City received three NOFA applications prior to the application due date. Prompted by the time constraints required to acquire property in one of the proposals, City staff expedited the review of the project. The two remaining application proposals will be presented to the Housing Commission and City Council in March and April. The application (Attachment C) advanced by staff was received from HHDC and proposes the acquisition of two 7-unit apartment buildings on adjoining parcels located at 6 – 8 Coleman Place near Willow Road south of highway 101. HHDC is the development arm of HIP Housing, a local,

nonprofit organization dedicated to providing affordable housing solutions in San Mateo County since 1972. HIP Housing provides affordable housing opportunities to 1,400 low income individuals, including family households, throughout the county. Of the 18 properties HIP Housing owns in San Mateo County, two are located in Menlo Park, north of highway 101. One property is a four-bedroom home, donated to HHDC and the other is a 12-unit apartment building on Willow Road, purchased with the support of City BMR funding in 2012. The acquisition of this apartment building in 2012 was the first property HHDC owned in Menlo Park. Since that time, the HIP Housing organization, including HHDC, has continued to be a valuable partner and supporter of affordable housing programs in Menlo Park.

Built in 1957, 6 – 8 Coleman Place consists of 12 one-bedroom and two two-bedroom units ranging in size from 600 to 850 square feet. HHDC has evaluated the property by obtaining a physical needs assessment, structural report and construction analysis for the property, which confirmed the units and exterior structures have been well maintained. Most of the units have been upgraded over the last five years with dual pane windows, upgraded finishes and kitchen appliances. Every unit will come with a private, enclosed garage parking space and there are two guest parking spaces shared by tenants. There is no immediate need for significant maintenance to the property; however, HHDC indicated it will pursue electrical service upgrades, including the evaluation of renewable solar options, electric vehicle (EV) charging and energy-efficient improvements. A timeline for potential electrical upgrades will be completed and assessed in conjunction with the utility provider, Pacific Gas and Electric, during full service upgrade. To promote equity and further narrow the digital divide, HHDC has committed to the instillation of free internet service for tenants. Furthermore, the property's location is close to public transit, major employers, grocery, shopping and local schools.

Five units are currently vacant and will be filled with income qualifying tenants directly following the purchase of the property. HHDC intends to seek tenants classified as low income between 51 percent to 80 percent of the area median income (AMI) as defined by the California Department of Housing and Community Development (HCD) for San Mateo County. Existing tenants' household income will be evaluated upon the completion of the property acquisition; however, HHDC believes two of the existing tenant households currently income qualify. Any tenant household currently at the property not meeting the income requirements will not be displaced by the purchase, which is standard practice in affordable housing acquisition. Upon unit turnover, new income qualified tenants would be identified to fill units, with preference being given to households on the City's BMR interest list who live and/or work in Menlo Park. The conversion of the existing units will also assist the City in meeting the Regional Housing Needs Assessment (RHNA) requirements for low income housing units in Menlo Park. The following table is provided to reflect the 2020 California State income limits for San Mateo County according to household size and AMI for the applicable income ranges, which are the most current and up-to-date figures. The 2021 income limits expect to be released by HCD in April or May 2021.

**Table 1: 2020 California State income limits for San Mateo County**

Household size	51% AMI	80% AMI	Area median
1-Persons	\$62,118	\$97,600	\$100,150
2-Persons	\$70,992	\$111,550	\$114,500
3-Persons	\$79,866	\$125,500	\$128,800
4-Persons	\$88,740	\$139,400	\$143,100
5-Persons	\$95,839	\$150,600	\$154,500

**Analysis**

As defined in section 13.3 of the City of Menlo Park BMR housing program guidelines, eligible uses of the BMR housing fund include permanent financing or assistance with other costs associated with the purchase of very low, low or moderate income housing. The City’s BMR housing fund is a separate special fund, with no impact to the City’s general fund. Revenue contributed to the BMR housing fund is primarily derived from development fees. Due to the high costs associated with housing production and preservation in the Bay Area, local affordable housing developers will utilize multiple funding sources to ensure proposed projects have adequate resources to advance. HHDC has outlined a plan to utilize three sources of financing: the City’s potential contribution; a private loan with favorable terms and possible third party donations. Combined, this will allow HHDC to purchase the property with a sales price of approximately \$7.45 million. The bulk of funding required for the purchase of the property is reliant on the culmination and partnership of the City.

As part of the NOFA application, the City requires the applicant to outline potential obstacles to the proposed project. As with most acquisition projects, the greatest risk outlined for the purchase of 6 – 8 Coleman Place is the timing of funding approval. A typical escrow period is 30 days. HHDC was able to negotiate an extended escrow period with the seller of 93 days making the scheduled close of escrow April 1, 2021, with the removal of financing and structural contingencies at 60 days, which is February 26. In order to move forward with these negotiated terms, HHDC made a \$100,000 deposit upon signing the purchase agreement December 28, 2020. An additional \$125,000 will be due at the time of contingency removal, with both deposits being non-refundable.

Opportunities to purchase existing multifamily residential properties on the open market in good condition that align with funding opportunities can be rare. The complexity and risk to acquire properties in this manner frequently precludes nonprofit affordable housing developers from pursuing this type of purchase. Nonetheless, if an affordable housing developer, such as HHDC, can align the timing of funding parameters there is a beneficial outcome for current and future tenants, by preventing displacement and preserving affordable rents. The acquisition and conversion of existing market rate units to affordable deed restricted units allows these units to be available to lower income households seeking BMR rental housing in a much quicker timeframe than a project involving new construction of affordable units. As a result of the sensitive timing of this proposal, the City Council’s consideration, prior to other NOFA proposals, is required.

The City’s loan will be subordinate to the financing HHDC receives from a private banking institution(s) and will have a deed restriction term of 55 years, which would commence upon execution of the loan agreement



and promissory note.

The City’s proposed loan terms are as follows:

Loan amount: \$5,500,000.00  
 Interest rate: 3.0 percent simple  
 Term: 55 years

This will be a deferred payment loan with monthly principal and interest payments deferred until the maturity date of the promissory note, at which time the outstanding principal loan balance and all accrued interest is due and payable. There is no loan prepayment penalty or fee for prepayment. Collateral will be comprised of a subordinate Deed of Trust against the property (6 – 8 Coleman Place), with non-recourse to the borrower.

A summary of the BMR housing fund balance is provided in the following table. At the start of the 2020-21 fiscal year, staff calculated approximately \$12.8 million in available BMR housing funds. As previously stated, City staff released the 2020 NOFA with available funding up to \$10 million. By retaining a portion of the fund balance, the City maintains an appropriate reserve for all activities outlined in the BMR housing program guidelines. If the City Council chooses to award HHDC with the requested \$5.5 million of the available 2020 NOFA funds, \$4.5 million would be available for the remaining two NOFA application proposals, provided they meet NOFA eligibility requirements. MidPen Housing has requested \$3.6 million for the construction of 12 two bedroom townhomes on Pierce Road proposed as BMR ownership units to households at 80% AMI. Habitat for Humanity has requested \$1.2 million to assist 20 existing low income homeowners with rehabilitation of property in Menlo Park as part of their homeownership preservation program, which issues loans with a 30-year term and payable only if the home is sold or transferred. Detailed analysis of these proposals will return to the City Council. The combined, requested total of the two remaining NOFA proposals total \$4.8 million.

<b>Notes payable</b>	<b>2019-20</b>	<b>2020-21</b>
Adjusted available balance	\$21,741,831	\$17,212,791
1317-1385 Willow Road (approved)	(\$9,331,000)	-
1105 and 1141 Willow Road (approved)	(\$635,502)	-
Assets (BMR in-lieu fees, interest, etc.)	\$5,437,462	-
2020 NOFA	-	(\$10,000,000)
Estimated ending balance	\$17,212,791	\$7,212,971

<sup>1</sup>Adjusted available balance reflects BMR fund balance less non-cash assets and commitments.

If approved for funding, HHDC’s acquisition of 6 – 8 Coleman Place will ensure more affordable housing opportunities will be immediately available in Menlo Park. HHDC is a mission driven non-profit housing organization with a proven track record and many successful affordable housing projects of similar size and scope in their portfolio. The proposed project meets the City’s requirements, as outlined in the NOFA eligibility requirements, and the placement of a 55-year deed restriction on the property preserves the long-term affordability for tenants. Given the reliance on timely financing required for the purchase of the property, the acquisition faces great risk without the City’s support.

### **Impact on City Resources**

There is no impact on the City's general fund. The \$5.5 million loan from the BMR housing fund will support the acquisition of affordable housing in accordance with the requirements of the 2020 NOFA.

### **Environmental Review**

This project and the funding of the project are exempt from 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. 6617
- B. Hyperlink – NOFA application: [menlopark.org/DocumentCenter/View/26780/2020-Notice-of-Funding-Availability-application-packet](https://menlopark.org/DocumentCenter/View/26780/2020-Notice-of-Funding-Availability-application-packet)
- C. HHDC NOFA application packet dated January 22, 2021

### **Report prepared by:**

Michael Noce, Management Analyst II

### **Reviewed by:**

Rhonda Coffman, Deputy Community Development Director – Housing

**RESOLUTION NO. 6617**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK  
AUTHORIZING A LOAN IN THE AMOUNT OF UP TO \$5,500,000.00 FROM THE  
BELOW MARKET RATE (BMR) HOUSING FUND TO HIP HOUSING  
DEVELOPMENT CORPORATION (HHDC) FOR ACQUISITION AND  
PRESERVATION FINANCING OF AN AFFORDABLE RENTAL HOUSING  
PROPERTY LOCATED AT 6 – 8 COLEMAN PLACE**

WHEREAS, the opportunity to acquire and preserve affordable housing remains a need in Menlo Park; and

WHEREAS, the Below Market Rate Housing Fund allows the acquisition of units for inclusion in the BMR Program as an eligible use; and

WHEREAS, HHDC will continue to responsibly manage units located at 6-8 Coleman Place in Menlo Park; and

WHEREAS, the City of Menlo Park affirms the City's commitment to producing, preserving and protecting BMR housing units.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of Menlo Park hereby resolves:

- (a) To approve a funding commitment for the rehabilitation of two affordable rental housing properties located at 6-8 Coleman Place and a total loan of \$5,500,000:
- (b) All loan proceeds shall be funded from the City's BMR Fund with the loan documents and affordability restrictions to be subject to review and approval of the City Attorney and City Manager consistent with the terms of other loans from the BMR Fund; and
- (c) The City Manager is authorized to execute any and all documents necessary to consummate such loan and fee payments on behalf of the City of Menlo Park.

I, Judi A. Herren, City Clerk of the City of Menlo Park, do hereby certify that the above and foregoing Resolution was duly and regularly passed and adopted at a meeting by said City Council on this twenty-third day of February, 2021, 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 twenty-third day of February, 2021.

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Judi A. Herren, City Clerk

# 2020 NOTICE OF FUNDING AVAILABILITY APPLICATION

Community Development – Housing Division  
701 Laurel St., Menlo Park, CA 94025  
tel 650-330-6614

<b>Project applicant</b>			
Organization/Agency: <b>HIP Housing Development Corporation (HHDC)</b>			
Primary contact person: <b>Kate Comfort Harr, Executive Director</b>			
Phone: <b>(650) 348-6660 ext. 307</b>		Email: <b>KComfort@hiphousing.org</b>	
Address: <b>800 South Claremont St., #210</b>		City: <b>San Mateo</b>	State: <b>CA</b> Zip: <b>94402</b>
<p>1. What is the role of the applicant in the project (check all that apply):</p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Ownership entity</li> <li><input type="checkbox"/> Managing partner or managing member</li> <li><input type="checkbox"/> Sponsoring organization</li> <li><input checked="" type="checkbox"/> Developer</li> <li><input type="checkbox"/> Other (describe):</li> </ul> <p>2. Applicant legal status:</p> <ul style="list-style-type: none"> <li><input type="checkbox"/> General partnership</li> <li><input type="checkbox"/> Joint venture</li> <li><input type="checkbox"/> Limited partnership corporation</li> <li><input checked="" type="checkbox"/> Nonprofit organization</li> <li><input type="checkbox"/> Other (please specify):</li> </ul> <p>3. Organization status:</p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Currently exists</li> <li><input type="checkbox"/> To be formed (estimated date):</li> </ul> <p>4. Name(s) of individuals who are/will be general partner(s) or principal owner(s):</p> <p><b>Ownership will be solely with HIP Housing Development Corporation, a California non-profit public benefit corporation. Kate Comfort Harr is the Executive Director of HHDC.</b></p> <p>If the applicant is a joint venture, a joint venture agreement is required that clearly describes the roles and responsibilities of each partner, who is the lead partner or if the responsibilities are approximately equally split between the partners.</p>			
<b>Project detail</b>			
Project name: <b>Coleman Place Preservation</b>			
Project address: <b>6 - 8 Coleman Place</b>		City: <b>Menlo Park</b>	State: <b>CA</b> Zip: <b>94025</b>
Assessor's parcel number: <b>062-285-160 and 062-285-170</b>			

Project type (check all that apply): <input type="checkbox"/> Families <input type="checkbox"/> Seniors <input type="checkbox"/> Special needs <input checked="" type="checkbox"/> Other (please describe): <b>Naturally Occurring Affordable Housing (NOAH), Conservation and Preservation</b>										
Project activity (check all that apply): <input checked="" type="checkbox"/> Acquisition <input type="checkbox"/> Rehabilitation <input type="checkbox"/> New construction <input checked="" type="checkbox"/> Preservation <input type="checkbox"/> Mixed-income <input type="checkbox"/> Mixed-use <input type="checkbox"/> Other (please specify):										
Land area: <b>14,880</b>					Number of residential buildings: <b>2</b>					
Number of units: <b>14</b>					Residential total floor area: <b>12,342</b>					
Number of stories: <b>2</b>					Number of elevators: <b>0</b>					
Number of community rooms: <b>0</b>					Community room(s) total floor area: <b>N/A</b>					
Commercial/office uses (please specify): <b>None</b>										
Commercial total floor area: <b>N/A</b>					Office total floor area: <b>N/A</b>					
Other uses (please specify):										
Total parking spaces: <b>16</b>					Parking type(s): <b>14 garage spaces and 2 open car spaces</b>					
Residential parking spaces: <b>14</b>					Residential parking ratio: <b>1:1</b>					
Guest parking spaces: <b>2</b>										
Commercial parking spaces: <b>N/A</b>					Commercial parking ratio: <b>N/A</b>					
Office parking spaces: <b>N/A</b>					Office parking ratio: <b>N/A</b>					
Income categories										
City BMR funds may only fund units serving extremely low, very low or low income households at or below 80 percent of the area median income (AMI). Inclusions of units for homeless households are encouraged.										
Category	Number of units					Percentage of units				
	Studio	1 bd	2 bd	3 bd	4 bd	Studio	1 bd	2 bd	3 bd	4 bd
0 to 30 percent AMI – Extremely low										
31 to 50 percent AMI – Very low										
51 to 80 percent AMI – Low		<b>12</b>	<b>2</b>							
81 to 120 percent AMI – Moderate										
Unrestricted										
TOTAL										

### Unit amenities

Provide a brief list of unit amenities (e.g. air conditioning, laundry in unit, balconies, etc.):

- Private secured garages
- Storage space
- Hardwood flooring
- Dual pane windows
- Garbage disposals
- Dishwashers
- Granite counter tops
- Two laundry rooms on site (1 per building)
- Courtyard with BBQ and picnic area
- High-speed Internet

### Project narrative (please use additional sheets of paper as needed)

1. **Project description:** Provide a brief narrative summary of the proposed project including location, project type (e.g. new versus rehab), target population and any unique project characteristics.

HIP Housing Development Corporation (HHDC), the development arm of HIP Housing, is requesting funding to assist in the acquisition of a 14-unit property located at 6-8 Colman Place near downtown Menlo Park. Once purchased, this property would be owned and operated by HIP Housing and preserved as deed restricted affordable housing for 55-years.

HIP Housing has been providing affordable housing solutions in San Mateo County since 1972. Annually, we house 1,400 low-income people in a variety of social service and property programs. We currently own 18 properties throughout San Mateo County and are one of only three registered Community Housing Development Organizations (CHDO) in the County.

Of the 18 properties we own, two are located in Menlo Park, east of Highway 101. The first is a 12-unit property located on Willow Road that was purchased in partnership with the City of Menlo Park in 2012. The second is a four-bedroom home we received as a donation and is always home to two families participating in our Self Sufficiency Program.

Growth in and around Menlo Park has led to an increase in both housing demand and housing cost. This, coupled with how long it takes to develop new affordable housing means that the demand for affordable housing far exceeds our ability to produce new units. This has caused the displacement of longtime residents and lower paid local workers who cannot afford to pay market rate rents. The consequence of this displacement is having a devastating impact on our service sector and our community.

One way to address displacement is through Preservation Projects where an existing apartment building is purchased and deed restricted as affordable, so rents and tenancy can be secured immediately. This approach instantly transforms existing housing stock into a new affordable option with no dramatic impact on neighborhoods because the buildings already exist.

However, Preservation Projects are tricky. The properties have to be the right size (typically 5- 20 units), in good condition, in a desirable location for services, have tenants that may already qualify as low-income and have a seller willing to work with a nonprofit that will require longer than average escrow periods to meet financing and other requirements. Preservation projects also require a nonprofit

developer interested in owning and operating smaller complexes and that has expertise in affordable housing property management so the integrity of the property, and its affordability, are properly maintained. All these factors have aligned with HIP Housing and 6 – 8 Coleman Place.

Situated on two contiguous parcels totaling 14,880 square feet, the property has been meticulously maintained and upgraded over the past five years. It consists of 12 one bedroom and 2 two bedroom units ranging in size from 600 to 850 square feet. Nearly every unit interior has been remodeled with new finishes, dual pane windows, updated kitchens, and hardwood flooring. Each unit also benefits from private covered garages which both improve safety and compliment the neighborhood. It is ideally located close to shopping, restaurants, transportation and major employers like Facebook, SRI International, and Google.

HIP Housing is committed to meeting a tenant income threshold of 51%-80% of Area Median Income (AMI) and to maintaining the tenancy of current households. We believe a minimum of 2 households already income quality. Four units are vacant and able to be filled with income qualifying tenants immediately upon purchase. Any households currently at the property not meeting our income requirement will not be displaced by the purchase but would be filled with a new income qualified renter upon turnover and brought into compliance.

2. **Project design:** Provide a description of the project’s architectural and site plan concepts and how these concepts address the opportunities and limitations of the site and location.

The property was built in 1957 and located in the Menlo Manor subdivision of Menlo Park. Its architecture is consistent with that era which matches the surrounding neighborhoods. It is wood framed with a stucco exterior and pitched roof.

Because the building has been well maintained, there is no immediate need for significant rehab or need for overall changes to the property. However, based on reports and recommendations from our team, we will be looking to upgrade the electrical service to both buildings as well as the house meter. We will also replace the east facing perimeter fence and exploring the possibility of adding solar. As part of HIP Housing’s committed to equity, we would like to bring free internet service to all tenants to narrow any digital divide.

3. **Green building features:** Describe the green building features that will be incorporated into the project.

As an older building built in 1957 a few upgrades such as dual pane windows have been made, however, modern green building features must be retro fit. Therefore, upgrades and replacements for older and less energy-efficient lighting, appliances and mechanical systems will be made where appropriate. Other programs for energy efficiency and resiliency will be evaluated for potential options to upgrade the property such as renewable energy, energy storage and EV charging, though currently no specific plan has been identified. HIP will explore solar programs in the local area to determine what programs or rebate offers are available to incorporate into building upgrades, particularly assistance specifically available to affordable housing.

4. On-site amenities: Describe any on-site amenities including any project characteristics that address the special needs of the population you intend to serve.

The property benefits from two newly renovated onsite laundry rooms, a shared outdoor courtyard with BBQ and picnic area, hardwood flooring and 2 two-bedroom units. The two-bedroom units are significant. San Mateo County suffers from a lack of affordable units that can accommodate families. Countywide, there seems to be movement toward prioritizing larger units but to date, families really struggle to find appropriately sized rental units. Of the 265 units HIP Housing owns, only 52 are two-bedroom. Every two-unit bedroom that can be secured as affordable is highly coveted.

Additionally, this property benefits from recent major capital improvements including new double-paned windows and exterior doors, new stairwell coatings, garage doors, and new shared washers and dryers. Equally important, 12 of the 14 units have renovated kitchens, new light fixtures, upgraded electrical wiring, subpanels and updated plumbing.



4. **Neighborhood off-site amenities:** Describe the property location, neighborhood transportation options, and local services and amenities that are within 1/4 mile and 1/2 mile of the site.

The apartments are located in a medium-density neighborhood multifamily and single family dwellings between US-101 and downtown Menlo Park. It has close proximity and convenient access to major employers, shopping, dining and entertainment with access to transportation and major roads. Within ¼ mile are Willow Oaks Park, Willow Road and Coleman Avenue bus stops, and a preschool; up to a ½ mile are an El Rancho grocery, La Hacienda market, KIPP Valiant Community Prep (a public charter elementary and middle school), Silicon Valley International (an IB K-12 school), Stanford Health Care Menlo medical clinic, the Menlo Park VA complex, and a variety of shopping and restaurants. Downtown Menlo Park and transit station are about a 2 mile bike ride.

6. **Potential development obstacles:** Are there any known issues or circumstances that may delay or create challenges for the project? If yes, list issues below including an outline of steps that will be taken and the time needed to resolve these issues.

As with most affordable housing projects, the biggest obstacles are financing, timing and affordability levels. In order to make a project pencil, affordable housing developers must find a way to stack compatible financing sources in a timely way which is balanced with income levels that provide financial sources with confidence that the loans can be repaid.

**Financing:** In the absence of Redevelopment Agencies, cities have really stepped up to provide loans that can make acquisitions feasible. But many institutions charge ongoing fees, have short, impractical loan terms, or put requirements on new owners to provide things like supportive services to tenants. Small preservation projects, by virtue of their size, have lower margins. Their pro-formas are easily upended by fees and onerous requirements. Similarly, rent levels are a key consideration in preservation. HIP Housing has built the Coleman financing stack to include a private loan with favorable terms, a commitment from the City of San Mateo and a possible additional commitment from a private third party.

**Rent Levels:** HIP Housing has calculated the unit rents to correspond to households with incomes at 60% AMI which fits squarely into the low range of the Menlo Park NOFA. In the past, this threshold was considered “very-low.”

**Timing:** The acquisition of Coleman Place faces a great risk with timing. This NOFA prioritizes “Ready to go” projects. In the world of preservation, ready to go means site control. Site control means there is a purchase agreement in place and that escrow has been opened. A typical escrow is 30 days with the removal of finance and structural contingencies within weeks of signing the agreement.

In the case of Coleman, we were able to negotiate an extended escrow period with the seller but the timing still represents a challenge. A typical escrow would be 30 days. We were able to negotiate a 93-day escrow to April 1, 2021 with the removal of financing and structural contingencies at 60 days, which is February 26th.

HIP made a \$100,000 deposit upon signing the purchase agreement. We will be required to add an additional \$125,000 at the time of contingency removal. At that point, should we not be able to secure the funding for the purchase, we would lose both non-refundable deposits, for a total of \$225,000. This

would be devastating and herein lies our timing dilemma. For us, waiting for a recommendation from the Housing Commission until March 3<sup>rd</sup> and Council approval until March 23<sup>rd</sup> is incredibly risky. If we are unable to remove finance contingencies by the February 26 deadline, the seller may not agree to continue, and if we do elect to remove this contingency in advance of city approval, we have \$225,000 on the line without knowing that we will secure enough needed funding from the city.

Date	Menlo Park NOFA Schedule	HIP Housing Escrow Timing
January 20, 2021		Structural contingency removed
January 22, 2021	NOFA due	HIP Housing applies
February 3, 2021	Housing Commission Presentation	HIP Housing presents to the Commission
February, 26, 2021		HIP Housing contingency removal deadline; \$100,000 deposit and \$125,000 additional deposit due, total \$225,000 non-refundable
March, 3, 2021	Housing Commission makes recommendations	
March 23, 2021	Menlo Park City Council votes on recommendations	
April 1, 2021		HIP Housing must be funded to close escrow on Coleman Place

Outside the breach of contract risk posed by a delayed funding approval timeline, there are no other major obstacles to making this project an affordable reality. April 1<sup>st</sup> is a reasonable amount of time for the private lender to be ready with funding. All units are occupiable now. Any possibility to expedite a recommendation through the Commission will mitigate some of the timeline risk, and an early decision would eliminate it.

Site information (please use additional sheets of paper as needed)

Site control is required. Evidence should also be submitted demonstrating that the entity that has site control is the same entity applying for funds. Please include the site control document with the application.

What type of site control does the applicant currently hold? [Purchase and Sale Agreement dated December 29<sup>th</sup>, 2020](#)

Will site acquisition be a purchase or long-term lease? [Purchase](#)

What is the purchase price of the land? For proposed leaseholds, indicate the amount of the annual lease payment and the basis for determining that amount:  
[\\$7,450,000](#)

What is the current County-assessed value of the site? <a href="#">\$3,540,864</a>
Who is the current property owner and what is their address and contact information? <a href="#">Jeffrey L. Pollack and Patricia B. Pollack, 3 Altree Court, Atherton, CA 94027</a>
Total square footage of site: <a href="#">14,880 SF</a>
Existing uses on the site and the approximate square footage of all structures:  <a href="#">The existing use of the property is multifamily residential. This use will be preserved. There are two 2-story buildings comprising a 14-unit housing property with a gross building area of approximately 12,342 square feet, each building consisting of six 1-bedroom and one 2-bedroom apartments.</a>
Planned use of on-site existing structures: <input type="checkbox"/> Demolish <input type="checkbox"/> Rehabilitate <input checked="" type="checkbox"/> Other (describe): <a href="#">Buildings to be maintained and housing preserved</a>

Provide the square footage, date built and number of stories for each on-site building to be retained as part of this project:

Both buildings will be preserved and maintained; they are each 2-story and were originally built in 1957.

Provide a brief description of the condition of any buildings to be rehabilitated:

As indicated under Property Condition section of page 5 in our physical needs assessment "Overall, this property appears to be in very good condition. Maintenance of the property seems to be efficient and proactive." No significant rehab is needed for immediate, continued, occupancy - however there are several items identified for repair and update and a portion of funds will be used to make the most immediate and necessary, including electrical and structural. Other upgrades are in support of sustainability and efficiency. Additional upgrades will be completed as units naturally turn over.

Describe unique site features (heritage trees, parcel shape, etc.)

The property features a beautiful heritage tree prominently located in the front and center of the buildings, creating great curb appeal and providing connection to a natural green element for residents. Additionally, the landscaping around the complex is equally appealing.

Another, unique feature of the Coleman property is that it is on the west side of Highway 101. The other affordable units HIP Housing owns and operates in Menlo Park are on the east side of the highway. Being able to integrate affordable housing into a broad variety of neighborhoods promotes diversity, opportunity, equity and inclusion.

Identify problem site conditions (high noise levels, ingress/egress issues, etc.)

None identified.

#### Floodplain

Is the site in a floodplain?  Yes  No

If yes, type of flood plain and number of years: N/A

List any maps referenced: FEMA flood map provided with a FAHD Map of Natural Hazards

<b>Describe adjoining land uses</b>
West: multifamily residential
East: multifamily residential
North: multifamily residential
South: multifamily residential
<b>Zoning</b>
What is the current zoning of the project site?
Is the proposed project consistent with the existing zoning of the site? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Explain:
<p style="text-align: center;">The existing site zoning is consistent with its current and preserved use as medium-density multi-family residential according to the General Plan</p>
Indicate any discretionary review permits required for the project (e.g. planned community permits, design review permits, rezoning, etc.)
<p style="text-align: center;">Not Applicable. No changes or major work are being done to require review.</p>
If rezoning is required identify the requested zoning district for the project: N/A
<b>Community priorities (please use additional sheets of paper as needed)</b>
Explain how this project meets the objectives of the project priorities identified in this NOFA and the goals and objectives of the <u>City's Housing Element and General Plan</u> :
<p>This proposed acquisition strongly supports the City's General Plan principles and Housing Element Goals in several aspects. Providing funding to bring this property under a long-term deed restriction for affordability, and under the management of HIP as an established successful housing non-profit, will both preserve and improve the affordability of rents and maintain the property in good condition well into the future.</p> <p>HIP will place a 55 year deed restriction on the property record to maintain affordability over the long term, supporting Housing Element goal H4.9. In doing so, no current residents, regardless of income criteria, will be displaced. HIP will continue to rent to all current tenants during a transitional period while taking advantage of natural property turnover to bring all units into "compliance" with the new affordability restrictions. In fact, our understanding is that some of the buildings current tenant incomes already qualify for the proposed Low Income.</p> <p>The City of Menlo Park has established in the General Plan its guiding principal of Citywide Equity, which specifically includes limiting displacement of current residents. The Housing Element further addresses displacement, enhanced community stability, and housing affordability preservation directly furthering goals H2.1 and H2.4. Protecting this existing affordable housing from sale to a private investor will not be possible without swift, immediate public funding support.</p> <p>Supporting Housing Element H2.5 - pertaining to maintenance and management of quality housing - HIP Housing and our management affiliate's experience as an established successful housing group means we are able to consistently deliver high levels of upkeep for our properties. Along with upkeep, HIP is committed to exploring and implementing all achievable avenues for increased energy efficiency, and renewable energy potential, through upgrades in weatherization and building systems; this furthers Housing Element H2.6: supporting energy efficiency goals.</p>

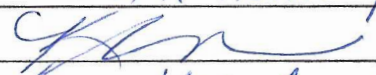
Perhaps most critical to the outcome for this property, this proposal is a strong match for the City's commitment to Housing Element goal H4.1: a Housing Opportunity Site. HIP has identified this housing development as a unique opportunity for immediate conversion of a naturally occurring affordable housing into long-term preservation of affordability. The property is uniquely located, well-maintained, with moderately below market rate rents equivalently affordable for 70-80% of 2020 area median income levels. These same characteristics which make this property a good candidate for preservation and deed restriction also make it a prize for private real estate developers and investors seeking outside returns which will so often displace renters without any protections.

Project funding (please use additional sheets of paper as needed)	
City funds requested: <b>\$5,500,000</b>	Funds per assisted unit: <b>\$392,857</b>
Total project cost: <b>\$8,204,444</b>	Cost per assisted unit: <b>\$586,031</b>
How will the requested City funding be used? <b>City funds will be used to pay acquisition costs</b>	
<p>Assess the chances of the project securing required funding and steps that will be taken to make the project competitive.</p> <p><b>This opportunity is straightforward acquisition for which complex funding is not required. The funding sources needed are public funding sought through this NOFA with the City of Menlo Park with the additional costs covered with permanent long-term financing being provided by a private lender based on the current proforma. Escrow is anticipated to close April 1<sup>st</sup>. No other applications are needed or pending to complete acquisition. Additional issues surrounding the timing of acquisition are outlined under #6 "Potential development obstacles" section above.</b></p>	
What is the self-scored 9 percent tax credit tiebreaker score for the project if applicable? <b>N/A</b>	
Developer experience (please use additional sheets of paper as needed)	
<p>Applicants may be nonprofit or for-profit affordable housing developers or owners who have affordable housing experience in the nine-county Bay Area (San Mateo, San Francisco, Marin, Sonoma, Napa, Solano, Contra Costa, Alameda and Santa Clara) and a successful track record of at least two years of ownership of at least two affordable, deed-restricted housing projects within the nine-county Bay Area in which 100 percent of the units, are targeted to those at or below 80 percent AMI. Joint venture partnerships are allowed assuming at least one member of the partnership meets the minimum experience requirement. Previous development/ownership experience must include projects that contain at least 10 units.</p>	
Years of experience: <b>28</b>	
Number of projects: <b>18</b>	
Number of projects in San Mateo County: <b>18</b>	
Average size of projects: <b>12 units</b>	
Number of units placed in service: <b>255</b>	
Please describe two projects completed in the last 10 years that are similar to the proposed project and provide photographs of each project:	
Project 1 - name of project: <b>Willow Road Apartments</b>	
Location: <b>1157-1161 WILLOW ROAD</b>	
Number of units: <b>12</b>	
Type of development (senior, family, etc.): <b>acquisition and preservation</b>	
Name of project manager: <b>Kate Comfort Harr</b>	
Number of stories: <b>2</b>	
Unit types (studio, 1 bedroom, etc.): <b>1 and 2 bedrooms</b>	
Type of construction: <b>Wood frame</b>	
Project amenities: <b>outdoor seating and picnic area, resident lounge, raised garden bed, free wireless broadband</b>	

Entitlement date: originally built in 1958, Purchased 2012				
Occupancy date: 1958				
Funding sources: City of Menlo Park, County of San Mateo, Redwood City, and Boston Private Bank				
Project 2 - name of project:				
Location: 1110 Cypress Avenue				
Number of units: 16				
Type of development (senior, family, etc.): NOAH acquisition and preservation				
Name of project manager: Kate Comfort Harr and Michael Rogers				
Number of stories: 3				
Unit types (studio, 1 bedroom, etc.): studio and 1-bedroom				
Type of construction: wood frame				
Project amenities: secure garages,				
Entitlement date: built in 1962, purchased in 2016				
Occupancy date: 1962				
Funding sources: City of San Mateo, County of San Mateo and Presidio Bank				
<b>Personnel</b>				
List the names of key members of the applicant's development team, their titles, responsibilities and years of experience in affordable housing.				
Project Staff	Name	Role in proposed project	Years of housing development experience	Years with this developer
Project Manager	Michael Rogers	Development and Finance Consultant	29	6
Director of Real Estate Development	Kate Comfort Harr	Developer	9	9.5
Executive Director	Kate Comfort Harr	Manager	9	9.5
Chief Financial Officer	Ghion Dessie	Accounting	N/A	1
Compliance Officer	Norma Quiroz	Compliance	15	23
Property Management VP	Steven	Property Management	N/A	10



Indicate which of the following development team members have been selected and identify them if different from applicant.	
Developer: <a href="#">Same as applicant</a>	Architect(s): <a href="#">N/A</a>
Engineer(s): <a href="#">N/A</a>	General contractor: <a href="#">N/A</a>
Attorney(s) and/or tax professionals - <a href="#">Stiteri Narasky and Daley LLP</a>	
Property management agent: <a href="#">HIP Housing Affordable Ventures, Inc.</a>	
Financial and other consultant(s): <a href="#">Michael Rogers and Tiffin Brough</a>	
Investor(s): <a href="#">None</a>	
List all other participants and affiliates (people, businesses and organizations) proposing to participate in the project.	
Name	Address
Describe how the property will be managed including the number of staff, locations and management office hours.	
<p>The property will be managed by HIP Housing’s affiliate, HIP Housing Affordable Ventures. Their management office is located in Redwood City at 1512 Stafford Street. A main contact number and after-hours emergency number is provided to all residents. A property manager will be assigned to the property for day-to-day oversight along with maintenance personnel for repair work.</p>	
If the project will be managed by an agency other than the project applicant describe the project applicant’s role in the ongoing management of the project and resolution of management issues.	
<p>Project Management will be under HIP Housing Affordable Ventures, an affiliate of HIP Housing; the board of directors for HHAV are members of the executive committee of HIP Housing. See Owner and Property Manager Experience supporting documentation.</p>	

Applicant certification	
I certify that the information submitted in this application and all supporting materials is true, accurate and complete to the best of my knowledge. I acknowledge that if facts and or information herein are found to be misrepresented it shall constitute grounds for disqualification of my proposal. I further certify that the following statements are true except if I have indicated otherwise on this certification:	
<input checked="" type="checkbox"/> I have not sold any of the projects listed on the 10 Year Projects list	
<input checked="" type="checkbox"/> No mortgage on a project listed by me has ever been in default	
<input checked="" type="checkbox"/> Government, or foreclosed, nor has mortgage relief by the mortgagee been given	
<input checked="" type="checkbox"/> I have not experienced defaults or noncompliance under any contract or regulatory agreement nor issued IRS Form 8823 on any Low Income Housing Tax Credit (LIHTC) project on the 10 Year Projects list	
<input checked="" type="checkbox"/> To the best of my knowledge there are no unresolved findings raised as a result of Agencies' audits, management reviews or other investigations concerning me or my projects for the past 10 years	
<input checked="" type="checkbox"/> I have not been suspended, been barred or otherwise restricted by any state agency from participating in the LIHTC program or other affordable housing programs	
<input checked="" type="checkbox"/> I have not failed to use state funds or LIHTC allocated to me in any state	
I have checked each deletion, if any, and have attached a true and accurate signed statement, if applicable; to explain the facts and circumstances that I think help to qualify me as a responsible principal for participation in this NOFA.	
Applicant name(s): <i>HIP Housing Development Corp. (HIP Housing Affiliate)</i>	
Signature: 	Date: <i>11/22/21</i>
Print name and title: <i>Kate Comfort Harr, Executive Director</i>	
This application and all supporting material are regarded as public records under the California Public Records Act.	

Applicant supporting material
In addition to submitting a complete application, the following additional supporting material must be provided with the application:
1. Cover letter: Provide a brief summary of the proposed project and discuss your agency's qualifications and why your proposal should be selected for funding.
2. Community outreach plan: Include the plan for conducting community outreach to neighbors of the proposed development and interested community groups. The outreach plan should describe how the developer intends to build support for the project and address community concerns. The outreach plan should also discuss any anticipated community concerns and how they would be handled.
3. Site control documents: <u>Site control is required. Please include the site control document as well as documentation demonstrating that the entity that has site control is the same entity applying for funds.</u>
4. Development schedule: Include a detailed project schedule identifying all major milestones. The schedule must include major milestones for the development approval process such as purchase of the property, community outreach process, financing, applications, approvals, closings, project construction and lease up. Projects with schedules projecting completion within three years will be given priority.
5. Experience (owner/developer and property manager): Please provide resumes for the owner/developer and property manager. The resume should include a list of affordable housing projects owned/developed and managed. Please include the following: name of project, address, number of units, target population, project PIS date and years under ownership/management.
6. Experience and references (staff): Provide resumes and project experience for all key staff working on the project including but not limited to: principals, project manager, project staff and financial officer. Indicate the level of experience of the project manager with projects similar to the proposal. Provide at least three references from City or County staff involved with projects completed in the last six years.
7. Financial proforma: Please provide detailed financial information for the proposed project including permanent and construction fund sources, detailed permanent development budget, unit affordability mix/rent schedule, operating budget and 30-year cash flow. If the project will use tax credits, please provide the tax credit calculations.
8. Photos: Attach recent clearly labeled photos of the project site and surrounding area.
9. Board of directors: Provide a listing of the board of directors including the city of residence.



January 22, 2021

Rhonda L. Coffman  
Community Development – Housing Division  
City of Menlo Park  
701 Laurel Street  
Menlo Park, CA

Dear Ms. Coffman,

HIP Housing Development Corporation (HHDC), the development arm of HIP Housing, is requesting \$5,500,000 in funding for the leveraged purchase of 6-8 Coleman Place, a 14-unit apartment complex located in Menlo Park. Once acquired, this property would be owned and operated by HIP Housing and preserved as deed restricted affordable housing for 55-years.

HIP Housing has been providing affordable housing solutions in San Mateo County since 1972 and houses 1,400 low-income people annually. In addition to providing social service housing programs we also own 18 properties, two of which are located in Menlo Park and represent 14 units. The purchase of 6-8 Coleman would double the impact of our presence in Menlo Park.

In addition to being one of only three Community Housing Development Organizations (CHDO) in San Mateo County, HIP Housing also has its own property management company whose staff represents more than 30 years of affordable housing experience.

As a longtime partner of the City of Menlo Park, with a great deal of experience in affordable housing and preservation acquisitions, we feel the purchase of 6-8 Coleman represents a wonderful opportunity to deepen not only the pool of affordable housing options available to families in Menlo Park, but also deepen our partnership with the City.

Thank you for considering our proposal and for your interest in creating a wide variety of affordable housing options in Menlo Park.

Fondly,

A handwritten signature in blue ink, appearing to read 'Kate Harr', is written over a white background.

Kate Comfort Harr  
Executive Director  
HIP Housing / HHDC

**Home. Heart. Hope.**

- Home Sharing
- Self-Sufficiency
- Property Development

**Board of Directors**

Virginia Taylor  
*Co-President*  
Shelley Pavela  
*Co-President*  
Don McVey  
*Treasurer*  
Leila Perras  
*Secretary*  
Joshua Amoroso  
Lauren Boro  
Nancy Bush  
Addie Chan  
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Kalah Espinoza  
Tiauna George  
Brian Jaffe  
Diana Kayiatos  
Bill Lowell  
Jennifer Taylor Mendoza  
Carolyn Moore  
Gene Mullin  
Meris Ota  
Bill Palmer  
Gina Quiney

**Honorary Board**

Congresswoman  
Anna Eshoo  
Lois Almen Everett  
Honorable Helen Fisicaro  
T. Jack Foster, Jr.  
Senator Jerry Hill  
Dennis Lanterman  
The Honorable Jack Matthews  
Memo Morantes  
Helen Hilton Raiser  
David Schemel  
Congresswoman  
Jackie Speier

**Administration**

Kate Comfort Harr  
*Executive Director*  
Laura Fanucchi  
*Associate Executive Director*  
Clarice Veloso-Lugo  
*Development Director*  
Norma Quiroz  
*Financial Controller*

## 2 - Community Outreach Plan

As the property being acquired for affordable preservation at Coleman Place has already been in use as a multifamily rental property for over 60 years and no changes will be made to the buildings beyond typical maintenance there will be no change to the neighborhood. A marketing and outreach plan will be implemented for advertising available units and seeking appropriate referrals with a preference criteria for households who live and/or work in Menlo Park.



RESIDENTIAL INCOME PROPERTY PURCHASE AGREEMENT AND JOINT ESCROW INSTRUCTIONS

(C.A.R. Form RIPA, Revised 12/18)

Date Prepared: December 28, 2020

1. OFFER:

- A. THIS IS AN OFFER FROM HIP Housing Development Corporation (HHDC) ("Buyer").
B. THE REAL PROPERTY to be acquired is 6-8 Coleman Place, situated in Menlo Park (City), San Mateo (County), California, 94025 (Zip Code), Assessor's Parcel No. other terms ("Property").
C. THE PURCHASE PRICE offered is Seven Million, Four Hundred Thousand Dollars \$ 7,400,000.00
D. CLOSE OF ESCROW shall occur on April 1, 2021 (date) (or Days After Acceptance).
E. Buyer and Seller are referred to herein as the "Parties." Brokers are not Parties to this Agreement.

2. AGENCY:

- A. DISCLOSURE: The Parties each acknowledge receipt of a "Disclosure Regarding Real Estate Agency Relationships" (C.A.R. Form AD).
B. CONFIRMATION: The following agency relationships are confirmed for this transaction:
Seller's Brokerage Firm Marcus and Millichap License Number 00530854
Is the broker of (check one): the seller; or both the buyer and seller. (dual agent)
Seller's Agent Adam Levin License Number 01462752
Is (check one): the Seller's Agent. (salesperson or broker associate) both the Buyer's and Seller's Agent. (dual agent)
Buyer's Brokerage Firm The Trafton Group License Number 00993820
Is the broker of (check one): the buyer; or both the buyer and seller. (dual agent)
Buyer's Agent Bruce Bean License Number 00993820
Is (check one): the Buyer's Agent. (salesperson or broker associate) both the Buyer's and Seller's Agent. (dual agent)

C. POTENTIALLY COMPETING BUYERS AND SELLERS: The Parties each acknowledge receipt of a "Potential Representation of More than One Buyer or Seller - Disclosure and Consent" (C.A.R. Form PRBS).

3. FINANCE TERMS: Buyer represents that funds will be good when deposited with Escrow Holder.

A. INITIAL DEPOSIT: Deposit shall be in the amount of \$ 100,000.00

(1) Buyer Direct Deposit: Buyer shall deliver deposit directly to Escrow Holder by electronic funds transfer, cashier's check, personal check, other within 3 business days after Acceptance (or );

OR (2) Buyer Deposit with Agent: Buyer has given the deposit by personal check (or ) to the agent submitting the offer (or to ), made payable to . The deposit shall be held uncashed until Acceptance and then deposited with Escrow Holder within 3 business days after Acceptance (or ). Deposit checks given to agent shall be an original signed check and not a copy.

(Note: Initial and increased deposits checks received by agent shall be recorded in Broker's trust fund log.)

B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of \$ 125,000.00 within 1 Days After Acceptance (or After Removal of all Contingencies ).

If the Parties agree to liquidated damages in this Agreement, they also agree to incorporate the increased deposit into the liquidated damages amount in a separate liquidated damages clause (C.A.R. Form RID) at the time the increased deposit is delivered to Escrow Holder.

C. ALL CASH OFFER: No loan is needed to purchase the Property. This offer is NOT contingent on Buyer obtaining a loan. Written verification of sufficient funds to close this transaction IS ATTACHED to this offer or Buyer shall, within 3 (or ) Days After Acceptance, Deliver to Seller such verification.

D. LOAN(S):

(1) FIRST LOAN: in the amount of \$ 2,800,000.00

This loan will be conventional financing OR FHA, VA, Seller financing (C.A.R. Form SFA), assumed financing (C.A.R. Form AFA), subject to financing, Other . This loan shall be at a fixed rate not to exceed % or, an adjustable rate loan with initial rate not to exceed % . Regardless of the type of loan, Buyer shall pay points not to exceed % of the loan amount.

(2) SECOND LOAN in the amount of \$

This loan will be conventional financing OR Seller financing (C.A.R. Form SFA), assumed financing (C.A.R. Form AFA), subject to financing, Other . This loan shall be at a fixed rate not to exceed % or, an adjustable rate loan with initial rate not to exceed % . Regardless of the type of loan, Buyer shall pay points not to exceed % of the loan amount.

(3) FHA/VA: For any FHA or VA loan specified in 3D(1), Buyer has 17 (or ) Days After Acceptance to Deliver to Seller written notice (C.A.R. Form FVA) of any lender-required repairs or costs that Buyer requests Seller to pay for or otherwise correct. Seller has no obligation to pay or satisfy lender requirements unless agreed in writing. A FHA/VA amendatory clause (C.A.R. Form FVAC) shall be a part of this transaction.

Buyer's Initials ( klt )( )

Seller's Initials ( JP )( PP )

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RIPA REVISED 12/18 (PAGE 1 OF 12)

RESIDENTIAL INCOME PROPERTY PURCHASE AGREEMENT (RIPA PAGE 1 OF 12)

Marcus and Millichap, 2626 Hanover Street Palo Alto CA 94304 Robert Johnston

Phone: (650)391-1744 Fax: (650)391-1744 Produced with Lone Wolf Transactions (zipForm Edition) 231 Shearson Cr. Cambridge, Ontario, Canada N1T 1J5 www.lwolf.com

6-8 Coleman Pl



Property Address: **6-8 Coleman Place, Menlo Park, CA 94025**

Date: **December 28, 2020**

**E. ADDITIONAL FINANCING TERMS:**

**F. BALANCE OF DOWN PAYMENT OR PURCHASE PRICE** in the amount of ..... \$ **4,375,000.00**  
to be deposited with Escrow Holder pursuant to Escrow Holder instructions.

**G. PURCHASE PRICE (TOTAL):** ..... \$ **7,400,000.00**

**H. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS:** Buyer (or Buyer's lender or loan broker pursuant to paragraph 3J(1)) shall, within **3 (or \_\_\_ ) Days** After Acceptance, Deliver to Seller written verification of Buyer's down payment and closing costs. (  Verification attached.)

**I. APPRAISAL CONTINGENCY AND REMOVAL:** This Agreement is (or  is NOT) contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the purchase price. Buyer shall, as specified in paragraph 19B(3), in writing, remove the appraisal contingency or cancel this Agreement within **17 (or \_\_\_ ) Days** After Acceptance.

**J. LOAN TERMS:**

**(1) LOAN APPLICATIONS:** Within **3 (or \_\_\_ ) Days** After Acceptance, Buyer shall Deliver to Seller a letter from Buyer's lender or loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan specified in paragraph 3D. If any loan specified in paragraph 3D is an adjustable rate loan, the prequalification or preapproval letter shall be based on the qualifying rate, not the initial loan rate. (  Letter attached.)

**(2) LOAN CONTINGENCY:** Buyer shall act diligently and in good faith to obtain the designated loan(s). Buyer's qualification for the loan(s) specified above is a **contingency** of this Agreement unless otherwise agreed in writing. If there is no appraisal contingency or the appraisal contingency has been waived or removed, then failure of the Property to appraise at the purchase price does not entitle Buyer to exercise the cancellation right pursuant to the loan contingency if Buyer is otherwise qualified for the specified loan. Buyer's contractual obligations regarding deposit, balance of down payment and closing costs are **not contingencies** of this Agreement.

**(3) LOAN CONTINGENCY REMOVAL:**

Within **21 (or 30 ) Days** After Acceptance, Buyer shall, as specified in paragraph 19, in writing, remove the loan contingency or cancel this Agreement. If there is an appraisal contingency, removal of the loan contingency shall not be deemed removal of the appraisal contingency.

**(4)  NO LOAN CONTINGENCY:** Obtaining any loan specified above is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result Buyer does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.

**(5) LENDER LIMITS ON BUYER CREDITS:** Any credit to Buyer, from any source, for closing or other costs that is agreed to by the Parties ("Contractual Credit") shall be disclosed to Buyer's lender. If the total credit allowed by Buyer's lender ("Lender Allowable Credit") is less than the Contractual Credit, then (i) the Contractual Credit shall be reduced to the Lender Allowable Credit, and (ii) in the absence of a separate written agreement between the Parties, there shall be no automatic adjustment to the purchase price to make up for the difference between the Contractual Credit and the Lender Allowable Credit.

**(6) ASSUMED OR SUBJECT TO FINANCING:** Seller represents that Seller is not delinquent on any payments due on any loans. If the Property is acquired subject to an existing loan, Buyer and Seller are advised to consult with legal council regarding the ability of an existing lender to call the loan due, and the consequences thereof.

**K. BUYER STATED FINANCING:** Seller is relying on Buyer's representation of the type of financing specified (including but not limited to, as applicable, all cash, amount of down payment, or contingent or non-contingent loan). Seller has agreed to a specific closing date, purchase price and to sell to Buyer in reliance on Buyer's covenant concerning financing. Buyer shall pursue the financing specified in this Agreement. Seller has no obligation to cooperate with Buyer's efforts to obtain any financing other than that specified in the Agreement and the availability of any such alternate financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Agreement.

**4. SALE OF BUYER'S PROPERTY:**

**A.** This Agreement and Buyer's ability to obtain financing are NOT contingent upon the sale of any property owned by Buyer.

**OR B.**  This Agreement and Buyer's ability to obtain financing are contingent upon the sale of property owned by Buyer as specified in the attached addendum (C.A.R. Form COP).

**5. ADDENDA AND ADVISORIES:**

- A. ADDENDA:
 

<input checked="" type="checkbox"/> Addendum # <b>1</b> (C.A.R. Form ADM)
<input type="checkbox"/> Back Up Offer Addendum (C.A.R. Form BUO) <input type="checkbox"/> Court Confirmation Addendum (C.A.R. Form CCA)
<input type="checkbox"/> Septic, Well and Property Monument Addendum (C.A.R. Form SWPI)
<input type="checkbox"/> Short Sale Addendum (C.A.R. Form SSA) <input type="checkbox"/> Other

- B. BUYER AND SELLER ADVISORIES:
 

<input checked="" type="checkbox"/> Buyer's Inspection Advisory (C.A.R. Form BIA)
<input type="checkbox"/> Probate Advisory (C.A.R. Form PA) <input type="checkbox"/> Statewide Buyer and Seller Advisory (C.A.R. Form SBSA)
<input type="checkbox"/> Trust Advisory (C.A.R. Form TA) <input type="checkbox"/> REO Advisory (C.A.R. Form REO)
<input type="checkbox"/> Short Sale Information and Advisory (C.A.R. Form SSIA) <input type="checkbox"/> Other

**6. OTHER TERMS: 1) APN's for the subject property are 062-285-160 and 062-285-170 2) The total commission paid by Seller at Close of Escrow shall be 4%, split equally between Marcus and Millichap (Seller's Agent) and The Trafton Group (Buyer's Agent) 3) Upon removal of all contingencies, Buyer's entire deposit shall be deemed non-refundable and released to Seller.**

Buyer's Initials ( DS  
klt ) ( \_\_\_\_\_ )

Seller's Initials ( JS  
JP ) ( US  
PP )



Property Address: 6-8 Coleman Place, Menlo Park, CA 94025

Date: December 28, 2020

**7. ALLOCATION OF COSTS**

**A. INSPECTIONS, REPORTS AND CERTIFICATES:** Unless otherwise agreed, in writing, this paragraph only determines who is to pay for the inspection, test, certificate or service ("Report") mentioned; it **does not determine who is to pay for any work recommended or identified in the Report.**

(1)  Buyer  Seller shall pay for a natural hazard zone disclosure report, including tax  environmental  Other: \_\_\_\_\_ prepared by \*MyNHD \*\*Best Value\*\*

(2)  Buyer  Seller shall pay for the following Report All Inspection Reports prepared by \_\_\_\_\_

(3)  Buyer  Seller shall pay for the following Report \_\_\_\_\_ prepared by \_\_\_\_\_

**B. GOVERNMENT REQUIREMENTS AND RETROFIT:**

(1)  Buyer  Seller shall pay for smoke alarm and carbon monoxide device installation and water heater bracing, if required by Law. Prior to Close Of Escrow ("COE"), Seller shall provide Buyer written statement(s) of compliance in accordance with state and local Law, unless Seller is exempt.

(2) (i)  Buyer  Seller shall pay the cost of compliance with any other minimum mandatory government inspections and reports if required as a condition of closing escrow under any Law.

(ii)  Buyer  Seller shall pay the cost of compliance with any other minimum mandatory government retrofit standards required as a condition of closing escrow under any Law, whether the work is required to be completed before or after COE.

(iii) Buyer shall be provided, within the time specified in paragraph 19A, a copy of any required government conducted or point-of-sale inspection report prepared pursuant to this Agreement or in anticipation of this sale of the Property.

(3)  Buyer  Seller shall pay for installation of approved fire extinguisher(s), sprinkler(s), and hose(s), if required by Law, which shall be installed prior to Close Of Escrow. Prior to Close Of Escrow, Seller shall provide Buyer a written statement of compliance, if required by Law.

(4)  Buyer  Seller shall pay for installation of drain cover and anti-entrapment device or system for any pool or spa meeting the minimum requirements permitted by the U.S. Consumer Products and Safety Commission.

**C. ESCROW AND TITLE:**

(1) (a)  Buyer  Seller shall pay escrow fee \_\_\_\_\_

(b) Escrow Holder shall be First American Title - San Mateo (Shelly Siegman)

(c) The Parties shall, within 5 (or \_\_\_\_\_) Days After receipt, sign and return Escrow Holder's general provisions.

(2) (a)  Buyer  Seller shall pay for **owner's** title insurance policy specified in paragraph 18E \_\_\_\_\_

(b) Owner's title policy to be issued by First American Title

(Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

**D. OTHER COSTS:**

(1)  Buyer  Seller shall pay County transfer tax or fee \_\_\_\_\_

(2)  Buyer  Seller shall pay City transfer tax or fee Split equally

(3)  Buyer  Seller shall pay Homeowners' Association ("HOA") transfer fee \_\_\_\_\_

(4) Seller shall pay HOA fees for preparing documents required to be delivered by Civil Code §4525.

(5)  Buyer  Seller shall pay HOA fees for preparing all documents other than those required by Civil Code §4525.

(6) Buyer to pay for any HOA certification fee.

(7)  Buyer  Seller shall pay for any private transfer fee \_\_\_\_\_

(8)  Buyer  Seller shall pay for \_\_\_\_\_

(9)  Buyer  Seller shall pay for \_\_\_\_\_

(10)  Buyer  Seller shall pay for the cost, not to exceed \$ \_\_\_\_\_, of a  standard  upgraded one-year home warranty plan, issued by \_\_\_\_\_, with the following optional coverages:  Air Conditioner  Pool/Spa  Other: \_\_\_\_\_

Buyer is informed that home warranty plans have many optional coverages in addition to those listed above. Buyer is advised to investigate these coverages to determine those that may be suitable for Buyer.

**OR**  Buyer waives the purchase of a home warranty policy. Nothing in this paragraph precludes Buyer's purchasing a home warranty policy during the term of the Agreement.

**8. ITEMS INCLUDED IN AND EXCLUDED FROM SALE:**

**A. NOTE TO BUYER AND SELLER:** Items listed as included or excluded in the MLS, flyers or marketing materials are **not** included in the purchase price or excluded from the sale unless specified in paragraph 8B, C or D.

**B. ITEMS INCLUDED IN SALE:**

(1) All EXISTING fixtures and fittings that are attached to the Property;

(2) EXISTING electrical, mechanical, lighting, plumbing and heating fixtures, ceiling fans, fireplace inserts, gas logs and grates, solar power systems, built-in appliances, window and door screens, awnings, shutters, window coverings, attached floor coverings, television antennas, satellite dishes, air coolers/conditioners, pool/spa equipment, garage door openers/remote controls, mailbox, in-ground landscaping, trees/shrubs, water features and fountains, water softeners, water purifiers and security systems/alarms.

(3) Seller represents that all items included in the purchase price, unless otherwise specified, are owned by Seller, except (i) \_\_\_\_\_ and (ii) the items and systems identified pursuant to 8B(4).

(4) **LEASED OR LIENED ITEMS AND SYSTEMS:** Seller shall, within the time specified in paragraph 19A, (i) disclose to Buyer if any item or system specified in paragraph 8B or otherwise included in the sale is leased, or not owned by Seller, or specifically subject to a lien or other encumbrance, and (ii) Deliver to Buyer all written materials (such as lease, warranty, etc.) concerning any such item. Buyer's ability to assume any such lease, or willingness to accept the Property subject to any such lien or encumbrance, is a contingency in favor of Buyer and Seller as specified in paragraph 19B and C.

(5) Except as otherwise specified or disclosed, all items included shall be transferred free and clear of liens and encumbrances and without Seller's liability regardless of value.

Buyer's Initials ( KA ) ( \_\_\_\_\_ )

Seller's Initials ( JP ) ( PP )

RIPA REVISED

GE 3 OF 12

**RESIDENTIAL INCOME PROPERTY PURCHASE AGREEMENT (RIPA PAGE 3 OF 12)**

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6-8 Coleman Pl





Property Address: 6-8 Coleman Place, Menlo Park, CA 94025

Date: December 28, 2020

- (6) A complete inventory of all personal property of Seller currently used in the operation of the Property and included in the purchase price shall be delivered to Buyer within the time specified in paragraph 19.
- (7) Seller shall deliver title to the personal property by Bill of Sale, free of all liens and encumbrances, and without warranty of condition.
- (8) As additional security for any note in favor of Seller for any part of the purchase price, Buyer shall execute a UCC-1 Financing Statement to be filed with the Secretary of State, covering the personal property included in the purchase, replacement thereof, and insurance proceeds.

**C. ITEMS EXCLUDED FROM SALE:** \_\_\_\_\_

**D. OTHER ITEMS:** Existing integrated phone and home automation systems, including necessary components such as intranet and Internet-connected hardware or devices, control units (other than non-dedicated mobile devices, electronics and computers) and applicable software, permissions, passwords, codes and access information, are ( are NOT) included in the sale.

**9. SECURITY DEPOSITS:** Security deposits, if any, to the extent they have not been applied by Seller in accordance with any rental agreement and current Law, shall be transferred to Buyer on Close Of Escrow. Seller shall notify each tenant, in compliance with the California Civil Code.

**10. CLOSING AND POSSESSION:**

- A.** Buyer intends (or  does not intend) to occupy any unit in the Property as Buyer's primary residence.
- B. Seller-occupied or vacant property:** Possession shall be delivered to Buyer: (i)  at 6 PM or ( AM/  PM) on the date of Close Of Escrow; (ii)  no later than \_\_\_ calendar days after Close Of Escrow; or (iii)  at \_\_\_  AM/  PM on \_\_\_\_\_.
- C. Seller Remaining in Possession After Close Of Escrow:** If Seller has the right to remain in possession after Close Of Escrow, (i) the Parties are advised to sign a separate occupancy agreement such as  C.A.R. Form SIP, for Seller continued occupancy of less than 30 days,  C.A.R. Form RLAS for Seller continued occupancy of 30 days or more; and (ii) the Parties are advised to consult with their insurance and legal advisors for information about liability and damage or injury to persons and personal and real property; and (iii) Buyer is advised to consult with Buyer's lender about the impact of Seller's occupancy on Buyer's loan.
- D. Tenant occupied units:** Possession and occupancy, subject to the rights of tenants under existing leases, shall be delivered to Buyer on Close Of Escrow.
- E.** At Close Of Escrow: (i) Seller assigns to Buyer any assignable warranty rights for items included in the sale; and (ii) Seller shall Deliver to Buyer available Copies of any such warranties. Brokers cannot and will not determine the assignability of any warranties.
- F.** At Close Of Escrow, unless otherwise agreed in writing, Seller shall provide keys, passwords, codes and/or means to operate all locks, mailboxes, security systems, alarms, home automation systems and intranet and Internet-connected devices included in the purchase price, and garage door openers. If the Property is a condominium or located in a common interest subdivision, Buyer may be required to pay a deposit to the Homeowners' Association ("HOA") to obtain keys to accessible HOA facilities.

**11. STATUTORY AND OTHER DISCLOSURES (INCLUDING LEAD-BASED PAINT HAZARD DISCLOSURES) AND CANCELLATION RIGHTS:**

**A. LEAD-BASED PAINT HAZARD DISCLOSURES:**

- (1) Seller shall, within the time specified in paragraph 19, deliver to Buyer, if required by Law, Federal Lead-Based Paint Disclosures and pamphlet ("Lead Disclosures"). If the Lead Disclosures are delivered to Buyer after the offer is Signed, Buyer shall have the right to cancel this Agreement within **3 Days** After Delivery in person, or **5 Days** After delivery by deposit in the mail, by giving written notice of cancellation to Seller or Seller's agent. (Lead Disclosures sent by mail must be sent certified mail or better.)
- (2) Buyer shall, within the time specified in paragraph 19, return a Signed Copy of the Lead Disclosure to Seller.

**B. NATURAL AND ENVIRONMENTAL HAZARDS:** Within the time specified in paragraph 19, Seller shall, if required by Law: (i) deliver to Buyer earthquake guides (and questionnaire) and environmental hazards booklet; and (ii) even if exempt from the obligation to provide a NHD, disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.

**C. WITHHOLDING TAXES:** Within the time specified in paragraph 19A, to avoid required withholding, Seller shall Deliver to Buyer or qualified substitute, an affidavit sufficient to comply with federal (FIRPTA) and California withholding Law (C.A.R. Form AS or QS).

**D. MEGAN'S LAW DATABASE DISCLOSURE:** Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at [www.meganslaw.ca.gov](http://www.meganslaw.ca.gov). Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's inspection contingency period. Brokers do not have expertise in this area.)

**E. NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES:** This notice is being provided simply to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Web site maintained by the United States Department of Transportation at <http://www.npms.phmsa.dot.gov/>. To seek further information about possible transmission pipelines near the Property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS Internet Web site.

**F. CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES:**

- (1) **SELLER HAS: 7 (or \_\_\_) Days** After Acceptance to disclose to Buyer whether the Property is a condominium, or is located in a planned development or other common interest subdivision (C.A.R. Form SPQ or ESD).
- (2) If the Property is a condominium or is located in a planned development or other common interest subdivision, Seller has **3 (or \_\_\_) Days** After Acceptance to request from the HOA (C.A.R. Form HOA1): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the HOA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of HOA minutes for regular and special meetings; (v) <sup>DS</sup> e names and contact information of all HOAs governing the Property (collectively, "CI Disclosures"). Seller shall

Buyer's Initials ( klh ) ( \_\_\_\_\_ )

Seller's Initials ( js ) ( pp )



Property Address: 6-8 Coleman Place, Menlo Park, CA 94025

Date: December 28, 2020

itemize and Deliver to Buyer all CI Disclosures received from the HOA and any CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 19B(3). The Party specified in paragraph 7, as directed by escrow, shall deposit funds into escrow or direct to HOA or management company to pay for any of the above.

- G. **WATER CONSERVING PLUMBING DEVICES:** Section 1101.5 of the Civil Code, requires that by January 1, 2019, all multi-family residential and commercial real property be equipped with water-conserving plumbing devices. Seller shall disclose in writing whether the property includes any noncompliant plumbing fixtures. Seller may use C.A.R. Form SPQ or ESD. See C.A.R. form WCMD for further information
- H. **ELEVATED ELEMENTS:** If the Property is part of a building with 3 or more dwelling units, Health and Safety Code Section 17973(m) requires that an inspection of any exterior elevated elements (such as, but not limited to, balconies, decks, stairways and walkways) be completed by January 1, 2025 and every 6 years thereafter. Seller shall, within the time specified in paragraph 19, provide to Buyer (1) a copy of the inspection and accompanying report and, if any corrective work is required, proof that corrective work has been completed in accordance with code and permit requirements, or (2) a statement (i) that no such inspection has been made, or (ii) if made, that no corrective work has been completed in accordance with the Health and Safety Code.

**12. RESIDENTIAL 1-4 PROPERTIES:**

- A. Seller shall, within the time specified in paragraph 19A, Deliver to Buyer: (i) if required by Law, a fully completed: Federal Lead-Based Paint Disclosures (C.A.R. Form FLD) and pamphlet ("Lead Disclosures"); and (ii) unless exempt, fully completed disclosures or notices required by sections 1102 et. seq. and 1103 et. seq. of the Civil Code ("Statutory Disclosures"). Statutory Disclosures include, but are not limited to, a Real Estate Transfer Disclosure Statement ("TDS"), Natural Hazard Disclosure Statement ("NHD"), notice or actual knowledge of release of illegal controlled substance, notice of special tax and/or assessments (or, if allowed, substantially equivalent notice regarding the Mello-Roos Community Facilities Act of 1982 and Improvement Bond Act of 1915) and, if Seller has actual knowledge, of industrial use and military ordnance location (C.A.R. Form SPQ or ESD).
- B. Any Statutory Disclosure required by this paragraph is considered fully completed if Seller has answered all questions and completed and signed the Seller section(s) and the Seller's Agent, if any, has completed and signed the Seller's Brokerage Firm section(s), or, if applicable, an Agent Visual Inspection Disclosure (C.A.R. Form AVID). Nothing stated herein relieves a Buyer's Brokerage Firm, if any, from the obligation to (i) conduct a reasonably competent and diligent visual inspection of the accessible areas of the Property and disclose, on Section IV of the TDS, or an AVID, material facts affecting the value or desirability of the Property that were or should have been revealed by such an inspection or (ii) complete any sections on all disclosures required to be completed by Buyer's Brokerage Firm.
- C. **Note to Buyer and Seller:** Waiver of Statutory and Lead Disclosures is prohibited by Law.
- D. Within the time specified in paragraph 19A, (i) Seller, unless exempt from the obligation to provide a TDS, shall, within the time specified in paragraph 19A, complete and provide Buyer with a Seller Property Questionnaire (C.A.R. Form SPQ) (ii) if Seller is not required to provide a TDS, Seller shall complete and provide Buyer with a Exempt Seller Disclosure (C.A.R. Form ESD).
- E. Buyer shall, within the time specified in paragraph 19B(1), return Signed Copies of the Statutory, Lead and other disclosures to Seller.
- F. In the event Seller or Seller's Brokerage Firm, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items. **However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies of which Buyer is otherwise aware, or which are disclosed in reports provided to or obtained by Buyer or ordered and paid for by Buyer.**
- G. If any disclosure or notice specified in paragraph 12A, or subsequent or amended disclosure or notice is Delivered to Buyer after the offer is Signed, Buyer shall have the right to cancel this Agreement within **3 Days** After Delivery in person, or **5 Days** After Delivery by deposit in the mail, or by an electronic record satisfying the Uniform Electronic Transactions Act (UETA), by giving written notice of cancellation to Seller or Seller's agent.

**13. SELLER DOCUMENTATION AND ADDITIONAL DISCLOSURE: Within the time specified in paragraph 19, Seller shall disclose, make available or Deliver, as applicable, to Buyer the following information.**

- A. **RENTAL/SERVICE AGREEMENTS:** Seller shall make available to Buyer for inspection and review: (i) all current leases, rental agreements, service contracts, and other agreements pertaining to the operation of the Property; (ii) a rental statement including names of tenants, rental rates, period of rental, date of last rent increase, security deposits, rental concessions, rebates or other benefits, if any, and a list of delinquent rents and their duration. Seller represents that no tenant is entitled to any rebate, concession, or other benefit, except as set forth in these documents. Seller represents that the documents to be furnished are those maintained in the ordinary and normal course of business.
- B. **INCOME AND EXPENSE STATEMENTS:** Seller shall make available to Buyer the books and records for the Property, including a statement of income and expense for the 12 months preceding Acceptance. Seller represents that the books and records are those maintained in the ordinary and normal course of business, and used by Seller in the computation of federal and state income tax returns.
- C.  **TENANT ESTOPPEL CERTIFICATES:** (If checked) Seller shall Deliver to Buyer tenant estoppel certificates (C.A.R. Form TEC) completed by Seller or Seller's agent, and signed by tenants, acknowledging: (i) that tenants' rental or lease agreements are unmodified and in full force and effect (or if modified, stating all such modifications); (ii) that no lessor defaults exist; and (iii) stating the amount of any prepaid rent or security deposit.
- D. **SURVEY, PLANS, AND ENGINEERING DOCUMENTS:** Seller shall, at no cost to Buyer, Deliver to Buyer Copies of surveys, plans, specifications, and engineering documents, if any, prepared on Seller's behalf or in Seller's possession.
- E. **PERMITS:** If in Seller's possession, Seller shall Deliver to Buyer Copies of all permits and approvals concerning the Property, obtained from any governmental entity, including, but not limited to, certificates of occupancy, conditional use permits, development plans, and licenses and permits pertaining to the operation of the Property.
- F. **STRUCTURAL MODIFICATIONS:** Seller shall disclose to Buyer in writing any known structural additions or alterations to, or the installation, alteration, repair or replacement of, significant components of the structure(s) upon the Property.
- G. **SELLER REPRESENTATION:** Seller represents that Seller has no actual knowledge: (i) of any current pending lawsuit(s), investigation(s), inquiry(ies), action(s), or other proceeding(s) affecting the Property or the right to use and occupy it; (ii) of any unsatisfied mechanic's or materialman lien(s) affecting the Property; and (iii) that any tenant of the Property is the subject of a bankruptcy. If Seller receives any such notice prior to Close Of Escrow, Seller shall immediately notify Buyer.

Buyer's Initials ( DS ) ( KLH )  
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Seller's Initials ( JS ) ( PP )

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**H. GOVERNMENTAL COMPLIANCE:**

- (1) Seller shall disclose to Buyer any improvements, additions, alterations, or repairs to the Property made by Seller, or known to Seller to have been made, without required governmental permits, final inspections, and approvals.
- (2) Seller shall disclose to Buyer if Seller has actual knowledge of any notice of violations of Law filed or issued against the Property.

**14. SUBSEQUENT DISCLOSURES:** In the event Seller, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer, Seller shall promptly Deliver a subsequent or amended disclosure or notice, in writing, covering those items. **However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies of which Buyer is otherwise aware, or which are disclosed in reports provided to or obtained by Buyer or ordered and paid for by Buyer.**

**15. CHANGES DURING ESCROW:**

- A. Prior to Close Of Escrow, Seller may engage in the following acts ("Proposed Changes"), subject to Buyer's rights in paragraph 15B: (i) rent or lease any vacant unit or other part of the premises; (ii) alter, modify or extend any existing rental or lease agreement; (iii) enter into, alter, modify or extend any service contract(s); or (iv) change the status of the condition of the Property.
- B. (1) At least **7 (or \_\_\_\_\_) Days** Prior to any Proposed Changes, Seller shall Deliver written notice to Buyer of such Proposed Changes.  
(2) Within **5 (or \_\_\_\_\_) Days** After receipt of such notice, Buyer, in writing, may give Seller notice of Buyer's objection to the Proposed Changes in which case Seller shall not make the Proposed Changes.

**16. CONDITION OF PROPERTY:** Unless otherwise agreed in writing: (i) the Property is sold (a) "AS-IS" in its PRESENT physical condition as of the date of Acceptance and (b) subject to Buyer's Investigation rights; (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and (iii) all debris and personal property not included in the sale shall be removed by Close Of Escrow.

- A. Seller shall, within the time specified in paragraph 19A; (i) DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, (ii) disclose the number of units on the Property which have been legally approved, if known by Seller and (iii) make any and all other disclosures required by Law.
- B. Buyer has the right to conduct Buyer Investigations of the property and, as specified in paragraph 19B, based upon information discovered in those investigations: (i) cancel this Agreement; or (ii) request that Seller make Repairs or take other action.
- C. **Buyer is strongly advised to conduct investigations of the entire Property in order to determine its present condition. Seller may not be aware of all defects affecting the Property or other factors that Buyer considers important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.**

**17. BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:**

- A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 19B. Within the time specified in paragraph 19B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to, the right to: (i) inspect for lead-based paint and other lead-based paint hazards; (ii) inspect for wood destroying pests and organisms. Any inspection for wood destroying pests and organisms shall be prepared by a registered Structural Pest Control company; shall cover the main building and attached structures; may cover detached structures; shall NOT include water tests of shower pans on upper level units unless the owners of property below the shower consent; shall NOT include roof coverings; and, if the Property is a unit in a condominium or other common interest subdivision, the inspection shall include only the separate interest and any exclusive-use areas being transferred, and shall NOT include common areas; and shall include a report ("Pest Control Report") showing the findings of the company which shall be separated into sections for evident infestation or infections (Section 1) and for conditions likely to lead to infestation or infection (Section 2); (iii) review the registered sex offender database; (iv) confirm the insurability of Buyer and the Property including the availability and cost of flood and fire insurance; (v) review and seek approval of leases that may need to be assumed by Buyer; and (vi) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer Investigations except for minimally invasive testing required to prepare a Pest Control Report; or (ii) inspections by any governmental building or zoning inspector or government employee, unless required by Law.
- B. Seller shall make the Property available for all Buyer Investigations. Buyer shall (i) as specified in paragraph 19B, complete Buyer Investigations and either remove the contingency or cancel this Agreement, and (ii) give Seller, at no cost, complete Copies of all such Investigation reports obtained by Buyer, which obligation shall survive the termination of this Agreement.
- C. Seller shall have water, gas, electricity and all operable pilot lights on for Buyer's Investigations and through the date possession is made available to Buyer.
- D. **Buyer indemnity and seller protection for entry upon property:** Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer Investigations; and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-Responsibility" (C.A.R. Form NNR) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination of this Agreement.

**18. TITLE AND VESTING:**

- A. Within the time specified in paragraph 19, Buyer shall be provided a current preliminary title report ("Preliminary Report"). The Preliminary Report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer's review of the Preliminary Report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 19B. The company providing the Preliminary Report shall, prior to issuing a Preliminary Report, conduct a search of the General Index for all Sellers except banks or other institutional lenders selling properties they acquired through foreclosure (REOs), corporations, and government entities. Seller shall within 7 Days After Acceptance, give Escrow Holder a completed Statement of Information.
- B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except for: (i) monetary liens of record (which Seller is obligated to pay off) unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed <sup>DS</sup> in writing.

Buyer's Initials (   **KLH**   ) ( \_\_\_\_\_ )

Seller's Initials (   **JP**   ) (   **PP**   )



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- C. Within the time specified in paragraph 19A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.
  - D. At Close Of Escrow, Buyer shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller's leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer's supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.
  - E. Buyer shall receive a Standard Coverage Owner's CLTA policy of title insurance. An ALTA policy or the addition of endorsements may provide greater coverage for Buyer. A title company, at Buyer's request, can provide information about the availability, desirability, coverage, and cost of various title insurance coverages and endorsements. If Buyer desires title coverage other than that required by this paragraph, Buyer shall instruct Escrow Holder in writing and shall pay any increase in cost.
- 19. TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS: The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either Buyer or Seller must be exercised in good faith and in writing (C.A.R. Form CR or CC).**
- A. **SELLER HAS: 7 (or 5 ) Days** After Acceptance to Deliver to Buyer all Reports, disclosures and information for which Seller is responsible under paragraphs 5A, 6, 7, 8B(4), 11A, B, C, F, and G, 12A and D, 13, 16A, and 18A. Buyer after first Delivering to Seller a Notice to Seller to Perform (C.A.R. Form NSP) may cancel this Agreement if Seller has not Delivered the items within the time specified.
  - B. **(1) BUYER HAS: 17 (or 21 ) Days** After Acceptance, unless otherwise agreed in writing, to:
    - (i) complete all Buyer Investigations; review all disclosures, reports, lease documents to be assumed by Buyer pursuant to paragraph 8B(4) and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property; and
    - (ii) Deliver to Seller Signed Copies of Statutory and Lead Disclosures and other disclosures Delivered by Seller in accordance with paragraph 12A.
  - (2)** Within the time specified in paragraph 19B(1), Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to (C.A.R. Form RRRR) Buyer's requests.
  - (3)** By the end of the time specified in paragraph 19B(1) (or as otherwise specified in this Agreement), Buyer shall Deliver to Seller a removal of the applicable contingency or cancellation (C.A.R. Form CR or CC) of this Agreement. However, if any report, disclosure or information for which Seller is responsible is not Delivered within the time specified in paragraph 19A, then Buyer has **5 (or \_\_\_ ) Days** After Delivery of any such items, or the time specified in paragraph 19B(1), whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement.
  - (4) Continuation of Contingency:** Even after the end of the time specified in paragraph 19B(1) and before Seller cancels, if at all, pursuant to paragraph 19C, Buyer retains the right, in writing, to either (i) remove remaining contingencies, or (ii) cancel this Agreement based on a remaining contingency. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to paragraph 19C(1).
  - C. **SELLER RIGHT TO CANCEL:**
    - (1) Seller right to Cancel; Buyer Contingencies:** If, by the time specified in this Agreement, Buyer does not Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement, then Seller, after first Delivering to Buyer a Notice to Buyer to Perform (C.A.R. Form NBP), may cancel this Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.
    - (2) Seller right to Cancel; Buyer Contract Obligations:** Seller, after first delivering to the Buyer a NBP, may cancel this Agreement if, by the time specified in this Agreement, Buyer does not take the following action(s): **(i)** Deposit funds as required by paragraph 3A or 3B or if the funds deposited pursuant to paragraph 3A or 3B are not good when deposited; **(ii)** Deliver a notice of FHA or VA costs or terms as required by paragraph 3D(3) (C.A.R. Form FVA); **(iii)** Deliver a letter as required by paragraph 3J(1); **(iv)** Deliver verification as required by paragraph 3C or 3H or if Seller reasonably disapproves of the verification provided by paragraph 3C or 3H; **(v)** In writing assume or accept leases or liens specified in 8B4; **(vi)** Return Statutory and Lead Disclosures as required by paragraph 11A(2) and 12E; or **(vii)** Sign or initial a separate liquidated damages form for an increased deposit as required by paragraphs 3B and 30B; or **(viii)** Provide evidence of authority to sign in a representative capacity as specified in paragraph 28. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.
  - D. **NOTICE TO BUYER OR SELLER TO PERFORM:** The NBP or NSP shall: **(i)** be in writing; **(ii)** be signed by the applicable Buyer or Seller; and **(iii)** give the other Party at least **2 (or \_\_\_ ) Days** After Delivery (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A NBP or NSP may not be Delivered any earlier than **2 Days** Prior to the expiration of the applicable time for the other Party to remove a contingency or cancel this Agreement or meet an obligation specified in paragraph 19.
  - E. **EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES:** If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in writing, Buyer shall conclusively be deemed to have: **(i)** completed all Buyer Investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; **(ii)** elected to proceed with the transaction; and **(iii)** assumed all liability, responsibility and expense for Repairs or corrections pertaining to that contingency or cancellation right, or for the inability to obtain financing.
  - F. **CLOSE OF ESCROW:** Before Buyer or Seller may cancel this Agreement for failure of the other Party to close escrow pursuant to this Agreement, Buyer or Seller must first Deliver to the other Party a demand to close escrow (C.A.R. Form DCE). The DCE shall: **(i)** be signed by the applicable Buyer or Seller; and **(ii)** give the other Party at least **3 (or \_\_\_ ) Days** After Delivery to close escrow. A DCE may not be Delivered any earlier than **3 Days** Prior to the scheduled close of escrow.
  - G. **EFFECT OF CANCELLATION ON DEPOSITS:** If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, the Parties agree to Sign mutual instructions to cancel the sale and escrow and release deposits, if any, to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Except as specified below, **release of funds will require mutual Signed release instructions from the Parties, judicial decision or arbitration award.** If either Party fails to execute mutual instructions to cancel escrow, one Party may make a written demand to Escrow Holder for the deposit (C.A.R. Form BDRD or SDRD). Escrow Holder's receipt, shall promptly deliver notice of the demand to the other Party. If, within 10 Days After Escrow Holder's

Buyer's Initials (   BLA   )( \_\_\_\_\_ )

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notice, the other Party does not object to the demand, Escrow Holder shall disburse the deposit to the Party making the demand. If Escrow Holder complies with the preceding process, each Party shall be deemed to have released Escrow Holder from any and all claims or liability related to the disbursement of the deposit. Escrow Holder, at its discretion, may nonetheless require mutual cancellation instructions. **A Party may be subject to a civil penalty of up to \$1,000 for refusal to sign cancellation instructions if no good faith dispute exists as to who is entitled to the deposited funds (Civil Code §1057.3).**

**20. REPAIRS:** Repairs shall be completed prior to final verification of condition unless otherwise agreed in writing. Repairs to be performed at Seller's expense may be performed by Seller or through others, provided that the work complies with applicable Law, including governmental permit, inspection and approval requirements. Repairs shall be performed in a good, skillful manner with materials of quality and appearance comparable to existing materials. It is understood that exact restoration of appearance or cosmetic items following all Repairs may not be possible. Seller shall: (i) obtain invoices and paid receipts for Repairs performed by others; (ii) prepare a written statement indicating the Repairs performed by Seller and the date of such Repairs; and (iii) provide Copies of invoices and paid receipts and statements to Buyer prior to final verification of condition.

**21. ENVIRONMENTAL HAZARD CONSULTATION:** Buyer and Seller acknowledge: (i) Federal, state, and local legislation impose liability upon existing and former owners and users of real property, in applicable situations, for certain legislatively defined, environmentally hazardous substances; (ii) Broker(s) has/have made no representation concerning the applicability of any such Law to this transaction or to Buyer or to Seller, except as otherwise indicated in this Agreement; (iii) Broker(s) has/have made no representation concerning the existence, testing, discovery, location and evaluation of/for, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property; and (iv) Buyer and Seller are each advised to consult with technical and legal experts concerning the existence, testing, discovery, location and evaluation of/for, and risks posed by, environmentally hazardous substances, if any, located on or potentially affecting the Property.

**22. AMERICANS WITH DISABILITIES ACT:** The Americans With Disabilities Act ("ADA") prohibits discrimination against individuals with disabilities. The ADA affects almost all commercial facilities and public accommodations. Residential properties are not typically covered by the ADA, but may be governed by its provisions if used for certain purposes. The ADA can require, among other things, that buildings be made readily accessible to the disabled. Different requirements apply to new construction, alterations to existing buildings, and removal of barriers in existing buildings. Compliance with the ADA may require significant costs. Monetary and injunctive remedies may be incurred if the Property is not in compliance. A real estate broker does not have the technical expertise to determine whether a building is in compliance with ADA requirements, or to advise a principal on those requirements. Buyer and Seller are advised to contact an attorney, contractor, architect, engineer or other qualified professional of Buyer or Seller's own choosing to determine to what degree, if any, the ADA impacts that principal or this transaction.

**23. FINAL VERIFICATION OF CONDITION:** Buyer shall have the right to make a final verification of the Property within **5 (or \_\_\_) Days** Prior to Close Of Escrow, NOT AS A CONTINGENCY OF THE SALE, but solely to confirm: (i) the Property is maintained pursuant to paragraph 16; (ii) Repairs have been completed as agreed; and (iii) Seller has complied with Seller's other obligations under this Agreement (C.A.R. Form VP).

**24. PRORATIONS OF PROPERTY TAXES AND OTHER ITEMS:** Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close Of Escrow: real property taxes and assessments, interest, rents, HOA regular, special, and emergency dues and assessments imposed prior to Close Of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Roos and other Special Assessment District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Roos and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after Close Of Escrow, by Buyer; and (ii) for periods prior to Close Of Escrow, by Seller (see C.A.R. Form SPT or SBSA for further information). TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.

**25. SUCCESSORS AND ASSIGNS:** This Agreement shall be binding upon, and inure to the benefit of, Buyer and Seller and their respective successors and assigns, except as otherwise provided herein.

**26. COPIES:** Seller and Buyer each represent that Copies of all reports, documents, certificates, approvals and other documents that are furnished to the other are true, correct and unaltered Copies of the original documents, if the originals are in the possession of the furnishing party.

**27. BROKERS:**

**A. COMPENSATION:** Seller or Buyer, or both, as applicable, agrees to pay compensation to Broker as specified in a separate written agreement between Broker and that Seller or Buyer. Compensation is payable upon Close Of Escrow, or if escrow does not close, as otherwise specified in the agreement between Broker and that Seller or Buyer.

**B. SCOPE OF DUTY:** Buyer and Seller acknowledge and agree that Broker: (i) Does not decide what price Buyer should pay or Seller should accept; (ii) Does not guarantee the condition of the Property; (iii) Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) Does not have an obligation to conduct an inspection of common areas or areas off the site of the Property; (v) Shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Broker; (vi) Shall not be responsible for inspecting public records or permits concerning the title or use of Property; (vii) Shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) Shall not be responsible for verifying square footage, representations of others or information contained in Investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; (ix) Shall not be responsible for determining the fair market value of the Property or any personal property included in the sale; (x) Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (xi) Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.

**C. BROKERAGE:** Neither Buyer nor Seller has utilized the services of, or for any other reason owes compensation to, a licensed real estate broker (individual or corporate), agent, finder, or other entity, other than as specified in this Agreement, in connection with any act relating to the Property, including, but not limited to, inquiries, introductions, consultations and negotiations leading to this Agreement. Buyer and Seller each agree to indemnify and hold the other, the Brokers specified herein and their agents, harmless from and against

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Seller's Initials ( JP ) ( PP )

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any costs, expenses or liability for compensation claimed inconsistent with the warranty and representation in this paragraph.

**28. REPRESENTATIVE CAPACITY:** If one or more Parties is signing the Agreement in a representative capacity and not for him/herself as an individual then that Party shall so indicate in paragraph 40 or 41 and attach a Representative Capacity Signature Disclosure (C.A.R. Form RCSD). Wherever the signature or initials of the representative identified in the RCSD appear on the Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. The Party acting in a representative capacity (i) represents that the entity for which that party is acting already exists and (ii) shall Deliver to the other Party and Escrow Holder, within 3 Days After Acceptance, evidence of authority to act in that capacity (such as but not limited to: applicable portion of the trust or Certification Of Trust (Probate Code § 18100.5), letters testamentary, court order, power of attorney, corporate resolution, or formation documents of the business entity).

**29. JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:**

- A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder**, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: paragraphs 1, 3, 4B, 5A, 6, 7, 9, 11C, 18, 19G, 24, 27A, 28, 29, 35, 38, 39, 40, 41 and paragraph D of the section titled Real Estate Brokers on page 11. If a Copy of the separate compensation agreement(s) provided for in paragraph 27A, or paragraph D of the section titled Real Estate Brokers on page 11 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay out from Buyer's or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions, if any, directly from Escrow Holder and will execute such provisions within the time specified in paragraph 7C(1)(c). To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow and, as directed by Escrow Holder, shall pay to Escrow Holder or HOA or HOA management company or others any fee required by paragraphs 7, 11 or elsewhere in the Agreement.
- B. A Copy of this Agreement** including any counter offer(s) and addenda shall be delivered to Escrow Holder within **3 Days** After Acceptance (or \_\_\_\_\_). Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement as originals, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement. Escrow Holder shall provide Seller's Statement of Information to Title company when received from Seller. If Seller delivers an affidavit to Escrow Holder to satisfy Seller's FIRPTA obligation under paragraph 11C, Escrow Holder shall deliver to Buyer a Qualified Substitute statement that complies with federal Law.
- C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraph 27A and paragraph D of the section titled Real Estate Brokers on page 11.** Buyer and Seller irrevocably assign to Brokers compensation specified in paragraph 27A, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close Of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Buyer and Seller shall release and hold harmless Escrow Holder from any liability resulting from Escrow Holder's payment to Broker(s) of compensation pursuant to this Agreement.
- D. Upon receipt, Escrow Holder shall provide Seller and Seller's Broker verification of Buyer's deposit of funds pursuant to paragraph 3A and 3B.** Once Escrow Holder becomes aware of any of the following, Escrow Holder shall immediately notify all Brokers: (i) if Buyer's initial or any additional deposit or down payment is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.
- E. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 3 Days** After mutual execution of the amendment.

**30. REMEDIES FOR BUYER'S BREACH OF CONTRACT:**

- A. Any clause added by the Parties specifying a remedy (such as release or forfeiture of deposit or making a deposit non-refundable) for failure of Buyer to complete the purchase in violation of this Agreement shall be deemed invalid unless the clause independently satisfies the statutory liquidated damages requirements set forth in the Civil Code.**
- B. LIQUIDATED DAMAGES: If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. If the Property is a dwelling with no more than four units, one of which Buyer intends to occupy, then the amount retained shall be no more than 3% of the purchase price. Any excess shall be returned to Buyer. Except as provided in paragraph 19G, release of funds will require mutual, Signed release instructions from both Buyer and Seller, judicial decision or arbitration award. AT TIME OF ANY INCREASED DEPOSIT BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION INCORPORATING THE INCREASED DEPOSIT AS LIQUIDATED DAMAGES (C.A.R. FORM RID).**

Buyer's Initials   klt   / \_\_\_\_\_

Seller's Initials   JP   /   PP  

**31. DISPUTE RESOLUTION:**

- A. MEDIATION:** The Parties agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action through the C.A.R. Consumer Mediation Center ([www.consumermediation.org](http://www.consumermediation.org)) or through any other mediation provider or service mutually agreed to by the Parties. The Parties **also agree to mediate any disputes or claims with Broker(s), who, in writing, agree to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Broker.** Mediation fees, if any, shall be divided equally among the Parties involved. If, for any dispute or claim to which this paragraph applies, any Party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that Party shall not be entitled to recover attorney fees, even if they would otherwise be available to that Party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIALED. **Exclusions from this mediation are specified in paragraph 31C.**

Buyer's Initials (   klt   ) ( \_\_\_\_\_ )

Seller's Initials (   JP   ) (   PP   )

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**B. ARBITRATION OF DISPUTES:**

The Parties agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. The Parties also agree to arbitrate any disputes or claims with Broker(s), who, in writing, agree to such arbitration prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of transactional real estate Law experience, unless the parties mutually agree to a different arbitrator. The Parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act. Exclusions from this arbitration agreement are specified in paragraph 31C.

“NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.”

“WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION.”

Buyer's Initials DS BLA

Seller's Initials DS JP / DS PP

**C. ADDITIONAL MEDIATION AND ARBITRATION TERMS:**

- (1) **EXCLUSIONS:** The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; and (iii) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court.
- (2) **PRESERVATION OF ACTIONS:** The following shall not constitute a waiver nor violation of the mediation and arbitration provisions: (i) the filing of a court action to preserve a statute of limitations; (ii) the filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies; or (iii) the filing of a mechanic's lien.
- (3) **BROKERS:** Brokers shall not be obligated nor compelled to mediate or arbitrate unless they agree to do so in writing. Any Broker(s) participating in mediation or arbitration shall not be deemed a party to the Agreement.

**32. SELECTION OF SERVICE PROVIDERS:** Brokers do not guarantee the performance of any vendors, service or product providers (“Providers”), whether referred by Broker or selected by Buyer, Seller or other person. Buyer and Seller may select ANY Providers of their own choosing.

**33. MULTIPLE LISTING SERVICE (“MLS”):** Brokers are authorized to report to the MLS a pending sale and, upon Close Of Escrow, the sales price and other terms of this transaction shall be provided to the MLS to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS.

**34. ATTORNEY FEES:** In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorneys fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 31A.

**35. ASSIGNMENT:** Buyer shall not assign all or any part of Buyer's interest in this Agreement without first having obtained the written consent of Seller. Such consent shall not be unreasonably withheld unless otherwise agreed in writing. Any total or partial assignment shall not relieve Buyer of Buyer's obligations pursuant to this Agreement unless otherwise agreed in writing by Seller (C.A.R. Form AOOA).

**36. EQUAL HOUSING OPPORTUNITY:** The Property is sold in compliance with federal, state and local anti-discrimination Laws.

**37. TERMS AND CONDITIONS OF OFFER:**

This is an offer to purchase the Property on the above terms and conditions. The liquidated damages paragraph or the arbitration of disputes paragraph is incorporated in this Agreement if initialed by all Parties or if incorporated by mutual agreement in a counter offer or addendum. If at least one but not all Parties initial, a counter offer is required until agreement is reached. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. Buyer has read and acknowledges receipt of a Copy of the offer and agrees to the confirmation of agency relationships. If this offer is accepted and Buyer subsequently defaults, Buyer may be responsible for payment of Brokers' compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be Signed in two or more counterparts, all of which shall constitute one and the same writing.

**38. TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES:** Time is of the essence. All understandings between the Parties are incorporated in this Agreement. Its terms are intended by the Parties as a final, complete and exclusive expression of their Agreement with respect to its subject matter, and may not be contradicted by evidence of any prior agreement or contemporaneous oral agreement. If any provision of this Agreement is held to be ineffective or invalid, the remaining provisions will nevertheless be given full force and effect. Except as otherwise specified, this Agreement shall be interpreted and disputes shall be resolved in accordance with the Laws of the State of California. **Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing Signed by Buyer and Seller.**

**39. DEFINITIONS:** As used in this Agreement:

**A. “Accepted”** means the time the offer or final counter offer is accepted in writing by a Party and is delivered to and personally received by the other Party or that Party's authorized agent in accordance with the terms of this offer or a final counter offer.

Buyer's Initials ( DS ) ( BLA )

Seller's Initials ( DS ) ( JP ) / ( DS ) ( PP )

RIPA REVISED

Property Address: 6-8 Coleman Place, Menlo Park, CA 94025

Date: December 28, 2020

- B. "Agreement" means this document and any counter offers and any incorporated addenda, collectively forming the binding agreement between the Parties. Addenda are incorporated only when Signed by all Parties.
- C. "C.A.R. Form" means the most current version of the specific form referenced or another comparable form agreed to by the parties.
- D. "Close Of Escrow" or "COE" means the date the grant deed, or other evidence of transfer of title, is recorded.
- E. "Copy" means copy by any means including photocopy, NCR, facsimile and electronic.
- F. "Days" means calendar days. However, after Acceptance, the last Day for performance of any act required by this Agreement (including Close Of Escrow) shall not include any Saturday, Sunday, or legal holiday and shall instead be the next Day.
- G. "Days After" means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59 PM on the final day.
- H. "Days Prior" means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
- I. "Deliver", "Delivered" or "Delivery", unless otherwise specified in writing, means and shall be effective upon: personal receipt by Buyer or Seller or the individual Real Estate Licensee for that principal as specified in the section titled Real Estate Brokers on page 11, regardless of the method used (i.e., messenger, mail, email, fax, other).
- J. "Electronic Copy" or "Electronic Signature" means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either Party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other Party.
- K. "Law" means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
- L. "Repairs" means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
- M. "Signed" means either a handwritten or electronic signature on an original document, Copy or any counterpart.

40. **EXPIRATION OF OFFER:** This offer shall be deemed revoked and the deposit, if any, shall be returned to Buyer unless the offer is Signed by Seller and a Copy of the Signed offer is personally received by Buyer, or by Buyer's Agent, who is authorized to receive it, by 5:00 PM on the third Day after this offer is signed by Buyer (or by  AM/  PM, on \_\_\_\_\_ (date)).

One or more Buyers is signing the Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure DocuSigned by: Kate Comfort Harr for additional terms.

Date 12/28/2020 BUYER \_\_\_\_\_  
 (Print name) HIP Housing Developm D1DBAD278CA1470...  
 Date \_\_\_\_\_ BUYER \_\_\_\_\_  
 (Print name) \_\_\_\_\_

Additional Signature Addendum attached (C.A.R. Form ASA).

41. **ACCEPTANCE OF OFFER:** Seller warrants that Seller is the owner of the Property, or has the authority to execute this Agreement. Seller accepts the above offer and agrees to sell the Property on the above terms and conditions, and agrees to the above confirmation of agency relationships. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to Deliver a Signed Copy to Buyer.

(If checked) SELLER'S ACCEPTANCE IS **SUBJECT TO ATTACHED COUNTER OFFER (C.A.R. Form SCO or SMCO) DATED:** \_\_\_\_\_.

One or more Sellers is signing the Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD-S) for additional terms.

Date 12/28/2020 SELLER \_\_\_\_\_  
 (Print name) Jeffrey L. Pollack 7A71C5545470444  
 Date 12/28/2020 SELLER \_\_\_\_\_  
 (Print name) Patricia B. Pollack 7A71C5545470444

Additional Signature Addendum attached (C.A.R. Form ASA).

(\_\_\_\_\_/\_\_\_\_\_) (Do not initial if making a counter offer.) **CONFIRMATION OF ACCEPTANCE:** A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date) \_\_\_\_\_ at \_\_\_\_\_ AM/ PM.  
 (Initials) **A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.**





**REAL ESTATE BROKERS:**

- A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.**
- B. Agency relationships are confirmed as stated in paragraph 2.**
- C.** If specified in paragraph 3A(2), Agent who submitted the offer for Buyer acknowledges receipt of deposit.
- D. COOPERATING (BUYER'S) BROKER COMPENSATION:** Seller's Broker agrees to pay Buyer's Broker and Buyer's Broker agrees to accept, out of Seller's Broker's proceeds in escrow, the amount specified in the MLS, provided Cooperating Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS. If Seller's Broker and Buyer's Broker are not both Participants of the MLS, or a reciprocal MLS, in which the Property is offered for sale, then compensation must be specified in a separate written agreement (C.A.R. Form CBC). Declaration of License and Tax (C.A.R. Form DLT) may be used to document that tax reporting will be required or that an exemption exists.
- E. PRESENTATION OF OFFER:** Pursuant to Standard of Practice 1-7, if Buyer's Broker makes a written request, Seller's Broker shall confirm in writing that this offer has been presented to Seller.

Buyer's Broker Bruce Bean n Group DRE Lic. # 00993820  
 By Bruce Bean DRE Lic. # 00993820 Date 12/28/2020  
 By E8DB408AEFF9446... DRE Lic. # \_\_\_\_\_ Date \_\_\_\_\_  
 Address \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
 Telephone \_\_\_\_\_ Fax \_\_\_\_\_ E-mail \_\_\_\_\_  
 Seller's Broker Adam Levin DRE Lic. # 00530854  
 By Adam Levin DRE Lic. # 01462752 Date 12/28/2020  
 By \_\_\_\_\_ DRE Lic. # \_\_\_\_\_ Date \_\_\_\_\_  
 Address 2626 Hanover Street City Palo Alto State CA Zip 94304  
 Telephone (650)492-0934 Fax \_\_\_\_\_ E-mail adam.levin@marcusmillichap.com

**ESCROW HOLDER ACKNOWLEDGMENT:**

Escrow Holder acknowledges receipt of a Copy of this Agreement, (if checked,  a deposit in the amount of \$ \_\_\_\_\_), counter offer numbers \_\_\_\_\_  Seller's Statement of Information and \_\_\_\_\_, and agrees to act as Escrow Holder subject to paragraph 29 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

Escrow Holder is advised that the date of Confirmation of Acceptance of the Agreement as between Buyer and Seller is \_\_\_\_\_  
 Escrow Holder \_\_\_\_\_ Escrow # \_\_\_\_\_  
 By \_\_\_\_\_ Date \_\_\_\_\_  
 Address \_\_\_\_\_  
 Phone/Fax/E-mail \_\_\_\_\_  
 Escrow Holder has the following license number # \_\_\_\_\_  
 Department of Financial Protection and Innovation,  Department of Insurance,  Department of Real Estate.

**PRESENTATION OF OFFER:** ( \_\_\_\_\_ ) Seller's Broker presented this offer to Seller on \_\_\_\_\_ (date).  
 Broker or Designee Initials

**REJECTION OF OFFER:** ( \_\_\_\_\_ )( \_\_\_\_\_ ) No counter offer is being made. This offer was rejected by Seller on \_\_\_\_\_ (date).  
 Seller's Initials

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Buyer's Initials ( BLA )( \_\_\_\_\_ ) Seller's Initials ( JS )( PP )

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**RIPA REVISED 12/18 (PAGE 12 OF 12)**

**RESIDENTIAL INCOME PROPERTY PURCHASE AGREEMENT (RIPA PAGE 12 OF 12)**

Produced with Lone Wolf Transactions (zipForm Edition) 231 Shearson Cr. Cambridge, Ontario, Canada N1T 1J5 www.lwolf.com



ADDENDUM

(C.A.R. Form ADM, Revised 12/15)

No. 1

The following terms and conditions are hereby incorporated in and made a part of the: [X] Purchase Agreement, [ ] Residential Lease or Month-to-Month Rental Agreement, [ ] Transfer Disclosure Statement (Note: An amendment to the TDS may give the Buyer a right to rescind), [ ] Other \_\_\_\_\_, dated \_\_\_\_\_, on property known as \_\_\_\_\_ **6-8 Coleman Place**

in which \_\_\_\_\_ **Menlo Park, CA 94025** is referred to as ("Buyer/Tenant") and \_\_\_\_\_ **HIP Housing Development Corporation (HHDC)** is referred to as ("Seller/Landlord") and \_\_\_\_\_ **Jeffrey L. Pollack, Patricia B. Pollack** is referred to as ("Seller/Landlord").

**1) Seller 1031 Exchange - Buyer agrees to cooperate should Seller elect to sell the Property as part of a like-kind exchange under IRC Section 1031. Seller's contemplated exchange shall not impose upon Buyer any additional liability or financial obligation, and Seller agrees to hold Buyer harmless from any liability that might arise from such exchange. This Agreement is not subject to or contingent upon Seller's ability to acquire a suitable exchange property or effectuate an exchange. In the event any exchange contemplated by Seller should fail to occur, for whatever reason, the sale of the Property shall nonetheless be consummated as provided herein.**

**2) Seller shall use Xchange Solutions Inc. as IRC Section 1031 Exchange Accommodation Company at no additional cost to Buyer.**

The foregoing terms and conditions are hereby agreed to, and the undersigned acknowledge receipt of a copy of this document.

Date 12/28/2020  
Buyer/Tenant \_\_\_\_\_  
DocuSigned by: **Kate Comfort Harr**  
HIP Housing Development Corporation (HHDC)  
D1DBAD278CA1470...

Date 12/28/2020  
Seller/Landlord \_\_\_\_\_  
DocuSigned by: **Jeffrey L. Pollack**  
**Jeffrey L. Pollack**  
DocuSigned by: **Patricia B. Pollack**  
**Patricia B. Pollack**

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ADM REVISED 12/15 (PAGE 1 OF 1)

ADDENDUM (ADM PAGE 1 OF 1)





**BUYER COUNTER OFFER No. 1**  
(C.A.R. Form BCO, 11/14)

This is a counter offer to the:  Seller Counter Offer No. \_\_\_\_\_,  Seller Multiple Counter Offer No. \_\_\_\_\_, or  Other RIPA ("Offer"), dated December 28, 2020, on property known as 6-8 Coleman Place, Menlo Park, CA 94025 ("Property"), between HIP Housing Development Corporation (HHDC) ("Buyer") and Jeffrey L. Pollack, Patricia B. Pollack ("Seller").

1. **TERMS:** The terms and conditions of the above referenced document are accepted subject to the following:
- A. Paragraphs in the Offer that require initials by all parties, but are not initialed by all parties, are excluded from the final agreement unless specifically referenced for inclusion in paragraph 1C of this or another Counter Offer or an addendum.
  - B. Unless otherwise agreed in writing, down payment and loan amount(s) will be adjusted in the same proportion as in the original Offer, but deposit amount(s) shall remain unchanged from the original Offer.
  - C. **OTHER TERMS:** 1) Purchase Price shall be \$7,450,000 2) The loan contingency in paragraph 3.J.3 shall be 60 days after mutual acceptance of the Purchase Agreement.

D. The following attached addenda are incorporated into this Buyer Counter offer:  Addendum No. \_\_\_\_\_  
 \_\_\_\_\_

2. **EXPIRATION:** This Buyer Counter Offer shall be deemed revoked and the deposits, if any, shall be returned:
- A. Unless by 5:00pm on the third Day After the date it is signed in paragraph 3 (if more than one signature then, the last signature date)(or by \_\_\_\_\_  AM  PM on \_\_\_\_\_ (date)) (i) it is signed in paragraph 4 by Seller and (ii) a copy of the signed Buyer Counter Offer is personally received by Buyer or \_\_\_\_\_, who is authorized to receive it.
  - B. OR  If Buyer withdraws it in writing (CAR Form WOO) anytime prior to Acceptance.

3. **OFFER: BUYER MAKES T** <sup>DocuSigned by:</sup> Kate Comfort Harr **N THE TERMS ABOVE AND ACKNOWLEDGES RECEIPT OF A COPY**  
Buyer \_\_\_\_\_ HIP Housing Development Corporation Date 12/28/2020  
Buyer \_\_\_\_\_ D1DBAD278CA1470... Date \_\_\_\_\_

4. **ACCEPTANCE: I/WE** accept the above Buyer Counter Offer (If checked  **SUBJECT TO THE ATTACHED COUNTER OFFER**) and acknowledge receipt of a Copy.  
Seller <sup>DocuSigned by:</sup> Jeffrey L. Pollack Date 12/29/2020 Time \_\_\_\_\_  AM/  PM  
Seller <sup>DocuSigned by:</sup> Patricia B. Pollack Date 12/29/2020 Time \_\_\_\_\_  AM/  PM

**CONFIRMATION OF ACCEPTANCE:**

( \_\_\_\_\_ / \_\_\_\_\_ ) (Initials) **Confirmation of Acceptance:** A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent as specified in paragraph 2A on (date) \_\_\_\_\_ at \_\_\_\_\_  AM/  PM. **A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document.**

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BCO 11/14 (PAGE 1 OF 1)

**BUYER COUNTER OFFER (BCO PAGE 1 OF 1)**



## 4 – Development Schedule

Site Inspections Complete - January 20, 2021

Menlo Park NOFA Application – January 22, 2021

Private Lender Financing Application – February 2, 2021

Housing Commission Presentation – February 3, 2021

Purchase Contract Financing Deadline – February 26, 2021

City Notification of Recommendation – Feb 24<sup>th</sup> - March 3<sup>rd</sup>

Private Lender Appraisal – March 15, 2021

City Council Vote on Recommendations – March 23, 2021

City & Private Lender Closing Approvals – March 25, 2021

Funding of City and Private Loans – March 29, 2021

Close Acquisition Purchase Escrow – April 1, 2021

Record New Deed Restriction – April 1, 2021

Current Resident Transfer and New Leases – April 1 – 20, 2021

Lease Vacant Units from BMR list – April 1 – 30, 2021

Continue Natural Conversions to remaining units to target AMI levels from May 1, 2021 forward until all remaining units fall to restricted levels



## QUALIFICATION STATEMENT

**Human Investment Project, Inc. (HIP Housing)**  
A Social Service Organization

**HIP Housing Development Corporation (HHDC)**  
A Community Housing Development Corporation

**HIP Housing Affordable Ventures (HHAV)**  
A Property Management Company

**Providing Creative  
Affordable Housing Solutions  
Throughout San Mateo County**

**MAIN OFFICE**

800 South Claremont Street Suite 210  
San Mateo, CA 94402  
(650) 348-6660

**FIELD OFFICES**

DALY CITY COMMUNITY CENTER  
350 90<sup>th</sup> Street #1  
Daly City, CA 94015  
(650) 389-3129

FAIR OAKS COMMUNITY CENTER  
2600 Middlefield Road  
Redwood City, CA 94063  
(650) 780-7511

**PROPERTY MANAGEMENT OFFICE**

HIP Housing Affordable Ventures (HHAV)  
1512 Stafford Street  
Redwood City, CA 94063  
(650) 348-6820

## Introduction

### Investing in Human Potential

Human Investment Project, Inc., AKA HIP Housing, Inc., is a private, nonprofit organization that has served San Mateo County since 1972. The HIP Housing is the controlling entity for network of five affiliates including HIP Housing Inc., HIP Housing Development Corporation (a Community Housing Development Organization (CHDO)), HIP Housing Affordable Ventures (HHAHV Specializing in affordable housing property management), Edgewater Isle Associates LP, and Redwood Oaks Associates, LP II.

HIP Housing's mission is to invest in human potential by improving the housing and lives of people in our community. Together, the five affiliates are responsible for housing **1,400 San Mateo County residents each year** while helping another 3,500 people with housing resources and referrals. The purpose of all five affiliates is to prevent homelessness and enable children, seniors, individuals, and families to live independent, self-sufficient lives in decent, safe, affordable housing because our leadership believes housing is not only a basic human right; it is central to the stability of our families, our community and our nation.

HIP Housing was nationally recognized by the 102<sup>nd</sup> U.S. Congress for its "innovative solutions to vexing housing problems." HIP Housing also has received the "Best Practice" award from the American Society on Aging for work with older citizens, a HUD Blue Ribbon award for innovative programs fostering self-sufficiency and numerous other awards. For its long history of efforts, HIP Housing has also been inducted into the California Consortium's Housing Hall of Fame.

### Friends Helping Friends

To address the special needs of our clients and tenants, HIP Housing has formed collaborative alliances with community organizations like Life Moves, CORA, Housing Choices, Center for Independence of the Disabled, the Mental Health Association of San Mateo County the cities of San Mateo County as well as many County of San Mateo departments including the Housing Authority, Aging and Adult Services and Human Service Agency. We also work closely with Samaritan House and the other Core Agencies and many others to help provide affordable housing for their service population.

## **Overview**

### **Innovative Housing Programs**

HIP Housing has become an invaluable resource to the community by providing innovative programs that meet the community's changing needs. HIP Housing's programs include Home Sharing, Self-Sufficiency, Property Development and Property Management.

#### **Home Sharing Help and Information**

*Home sharing* is a living arrangement in which two or more unrelated people share a home or an apartment. Staff personally interviews clients and makes referrals appropriate to that client. HIP Housing is the only resource for home sharing in the County and one of the largest providers of shared housing in the nation. Applicants seeking sharing include single parents, seniors on fixed incomes, the disabled individuals and minimum-wage earners. Over 95% of those in Home Sharing have low, very low, or poverty level incomes and are at risk of being homeless. Since 1979, we have made over 17,500 home sharing placements and have opened three satellite offices in Redwood City, Daly City and South San Francisco.

#### **Self Sufficiency**

*Self-Sufficiency Program (SSP)* provides housing assistance and support services to low-income families with clearly defined career and educational goals and motivated to achieve economic self-reliance in a 1-5 year period. There are typically between 45-60 families participating in the program each year which equates to around 100 parents and children. While in the program, HIP Housing provides access to housing, monthly case management, life skills workshops and financial education to program participants as they work toward graduating from educational programs and onto financial independence.

#### **Property Development**

*Property Development* reflects HIP Housing's commitment to increase the portfolio of affordable housing inventory in San Mateo County by identifying and securing funding for the acquisition and rehabilitation of properties that can be deed restricted as affordable. In total, HIP Housing owns and operates 17 properties. 4 with HIP Housing, 11 with HIP Housing Development Corporation (HHDC) and 2 as stand-alone limited partnerships known as Edgewater Isle Associates LP which is tax credit financed and Redwood Oaks Associates LP II. Combined, these properties total 255 units and are home to 440 individuals.



## **Property Management**

HIP Housing Affordable Ventures, Inc. (HHAV) is the property management affiliate of HIP Housing, Inc. HHAV manages 403 low-income, multi-family rental units at 26 properties across San Mateo County. In addition to providing specialized low-income property management services for HIP Housing and its affiliates, HHAV also manages BMR properties for 3<sup>rd</sup> parties such as the City of Foster City, the Rotary Club of San Mateo and Sand Hill Properties. The portfolio consists of affordable housing with Low Income Housing Tax Credits, Multi-family Housing Program, Section 8 voucher, Project-Based Section 8, Senior Housing, CalHFA and HOME financing. Steven McDonald, HHAV's vice president, has over 30 years' of experience managing affordable housing & low-income housing tax credits properties. As a result, we have a unique and high level of compliance experience. This compliance expertise allows HHAV to also provide a Market Rate Inclusionary Program for developers who have an affordable inclusionary requirement and need assistance staying in compliance. HHAV is one of only 500 management companies nationally to be awarded the prestigious *Accredited Management Organization designation (AMO®)* by the Institute of Real Estate Management San Francisco Chapter. What distinguishes HHAV from competitors is the commitment to the education and training of our property management staff who receives up-to-date training in fair housing and are credentialed as Certified Property Manager (CPM®), Accredited Residential Managers (ARM®) and Tax Credit Specialist (TCS).

## **HIP Housing Properties**

### **Property Development & Acquisition**

HIP Housing and its affiliates develop new and acquire existing housing for use by HIP Housing programs or other income-qualified members of the community. As a Community Housing Development Corporation (CHDO), most acquisitions are preservation projects done by the HHDC affiliate. HHDC was established in 1992 with a Board of Directors comprised of 5 community leaders. Two additional affiliates, Edgewater Isle Associates LP and Redwood Oaks, LP II both share HHDC as their general partners.

## **Funding Sources**

Funding for HIP Housing-owned properties comes from a variety of sources including:

- Local jurisdiction HOME and CDBG funds
- San Mateo County Measure K funding
- Local commercial bank financing
- California Housing Finance Agency (CalHFA)
- California Multi Family Housing and Community Development Program (MHP)
- Low Income Housing Fund (LIHF)
- Local Impact and BMR fees
- Tax Credit Allocation Committee (TCAC)

## **About our Properties**

In total, HIP Housing owns 4 properties which are used in the Self Sufficiency Program as “Share Houses” while HHDC owns 12 with a general partner interest in two additional properties for a total of 18.

## **Shared Living Residences**

HIP Housing owns four Shared Living Residences that are home to participants in HIP Housing’s Self-Sufficiency Program. Three were built specifically for the program and one was donated. Tenants are program participants committed to becoming self-sufficient by completing job training and education programs while also learning life and financial skills and improving their credit. The program subsidizes participants’ rent and utilities so they can focus on continuing their educations. Candidates are referred and carefully selected from various sources, including homeless shelters, resource centers, and the Human Services Agency. After completing their education and/or job training, residents work with their HIP Housing counselors to find other housing either in our properties or properties owned by community partners.

## **Multi-Family Dwellings**

HIP Housing purchases and improves existing multi-unit dwellings that are then restricted for low-income families. By rehabilitating and maintaining these properties, HIP Housing preserves and improves the quality of neighborhoods. Neighbors are happy with the enhancements and HIP Housing’s clients have a heightened quality of life and a greater sense of belonging while also meeting required income guidelines.

## Shared Program Residences



508 PINE STREET  
REDWOOD CITY, CALIFORNIA  
COMPLETED APRIL 26, 1989

**Property Description:** HIP Housing's first new construction development was designed specifically for shared living and as a residence for those in HIP Housing's Self-Sufficiency Program. Built on excess land owned by the City of Redwood City, the two-story, 2,200 square foot property has identical wings, with three bedrooms and one bath in each wing. Upstairs bedrooms have their own sinks (as suggested by the residents) to reduce wear and tear, and to cut down on waiting time for the bathroom. Downstairs the living room, kitchen, dining area, and study room are shared-living spaces. HIP Housing holds the title to the improvements and leases the 38x96-foot land parcel from the City of Redwood City for \$10 a year.

**Development Team:** Developer: HIP Housing; Architect: David Crabbe; Contractor: Von-Jac; Structural Engineer: Mike Mahmoudian; Soils Engineer: Tejima & Associates; and Landscape Installer: Roy Curincita.



606 HILTON STREET  
REDWOOD CITY, CALIFORNIA  
COMPLETED May 25, 1993

**Property Description:** The second of HIP Housing's shared living residences, the property was designed to house those in HIP Housing's Self-Sufficiency Program. The six-bedroom, three-bathroom home sits on a 6,000 square-foot lot leased from the City of Redwood City. At 3,500 square feet, the home is considerably larger than the Pine-Middlefield property and has a great deal of common space. Upstairs are five bedrooms and two bathrooms. Downstairs are the sixth bedroom, third bathroom, living room, dining room, family room, and large kitchen. The land is Redwood City's excess right-of-way property.

**Development Team:** Developer: HIP Housing; Architect: David Crabbe; Contractor: Von-Jac; Structural Engineer: Mike Mahmoudian; Soils Engineer: Tejima & Associates; and Landscape Installer: Roy Curincita.



717 CEDAR STREET  
SAN CARLOS, CALIFORNIA  
COMPLETED OCTOBER 25, 1995

**Property Description:** This property is on an acre and a half of land that originally belonged to the County Board of Education and is one house away from the San Carlos Central Middle School. HIP Housing purchased the land, after repairing the creek bank on the site's eastern boundary. Built as HIP Housing's third shared living residence, the house is 2,700 square feet, with 1,800 square feet downstairs and 900 square feet upstairs. It has a 600 square foot carport that can shelter a handicapped-accessible van and two other cars. Two more parking spaces are along the driveway. The downstairs area is fully handicapped accessible, with a walk-in shower, wide halls and ample turnaround space in the bathroom, laundry room, and kitchen.

**Development Team:** Architect: CW, Portola Valley; Contractor: SEA Construction, San Carlos; Structural Engineer: Richard Hensen; Soils Engineer: Tejima & Associates; Landscape Architect: Blue Sky Designs; Design Team: ASIA, Leslie Emlay, chair; Community Impact and ViaCom Volunteer Teams.



1430 CHILCO STREET  
MENLO PARK, CALIFORNIA  
AQUIRED BY DONATION ON DECEMBER 27, 2017  
VALUE AT THE TIME OF DONATION: \$1,000,000

### Property Description

This four bedroom, two bath home was donated to HIP Housing by Spieker Commercial, LLC in 2017. At any given time, it is home to two families. The property is located in the Belle Haven neighborhood of Menlo Park close to the Facebook bike trail and campus. Chilco is HIP Housing's fourth shared living residence. It is 1,230 square feet, with large front and back yards that are both completely fenced and gated. On the backside of the home, is a separate family room along with a small bonus room that can be used as an office or art studio. It has ample outdoor parking but the garage has been converted to living space. The home was newly remodeled at the time of the donation and featured a new kitchen, newly replaced carpeting, fresh interior and exterior paint and indoor laundry room. At the time of donation in 2017, HIP housings was able to secure furniture and artwork for the home. In 2018, HIP Housing was able to add this home to its Project Based Assistance (PBA) Section 8 contract through the San Mateo County Housing Authority

**Development Team:** Donors: Tod Spieker Jr. of Spieker Commercial, LLC; and Jamie D'Alessandro of LBD Enterprises, LLC; Borker: Bruce Bean; Developer: Kate Comfort Harr; HIP Housing.

## Limited Partnerships Properties



EDGEWATER ISLE  
1510 MARINA VISTA  
SAN MATEO, CALIFORNIA  
“Edgewater Isle Senior Apartments”

PURCHASED: MARCH 27, 1998  
REFINANCE CLOSED: APRIL 9, 2015  
TOTAL DEVELOPMENT COST: \$25,500,000  
REHAB COMPLETION DATE: JUNE 2016

**Property Description:** Built in the 1980’s, this 92-unit senior complex consists of a two-story apartment building at both 1490 Miramar and 1500 Marina Vista, with shared private and gated parking and a one-story building at 1510 Marina Vista that contains an office, community room, library/crafts room, full kitchen and two handicapped accessible restrooms. All apartments have one bedroom and one bath, with private patios or balconies. The residential buildings have a laundry room on each floor.

**Refinance Goals and Achievements:** The refinance enabled the first major rehabilitation of the property since it was built in 1984. The rehabilitation includes complete replacement of all unit interiors including kitchens, bathrooms, flooring, and lighting; replacement of failing hot water and heating systems; new roofs; corridor and unit entry upgrades; new windows; reconfiguration of community building offices and kitchen; additional of a new office for resident services; accessibility improvements; landscaping improvements; exterior paint; additional of solar PV system; replacement of existing solar thermal hot water panels; and installation of free wireless broadband throughout property.

**Development Team:** Pyatok Architects, Nibbi Brothers General Contractors; Construction Manager Gilbert Chan and Michael Rogers, Development Consultant

### Funding Sources:

- \$10,835,600 Citi Community Capital new first mortgage loan
- \$11,528,846 National Equity Fund Low Income Housing Tax Credit investment
- \$3,070,526 HIP Housing Development Corporation from proceeds of sale of property to limited partnership.



REDWOOD OAKS  
330 – 340 REDWOOD AVENUE  
REDWOOD CITY, CALIFORNIA  
“Redwood Oaks Apartments II”

PURCHASED: MAY 18, 1999  
TOTAL DEVELOPMENT COST: \$2,850,000  
REFINANCE CLOSED:  
TOTAL DEVELOPMENT COST: \$29,000,000  
REHAB COMPLETION DATE: SEPT., 30, 2020

**Property Description:** Redwood Oaks Apartments is a 36-unit apartment complex in Redwood City that was built in 1954. The complex consists of six 2-story buildings with 34 one-bedroom and 2 two-bedroom units. Thirty three of the 36 units have a Section 8 Project Based Housing Authority subsidy. Tenants pay 30% of their income as rent. Acquisition of the property was through bridge financing through a private charitable trust and Borel Bank. Permanent financing has been provided by Multi-Family Housing Program (MHP) and is pending with CHFA and the property is eligible for low-income tax credit housing. Rehab funding has been provided by the City of Redwood City, County of San Mateo and the Low Income Housing Fund (LIHF). Rehabilitation of the project included a seismic upgrade, exterior and interior paint, new appliances in some units, new flooring, carpeting, re-paving of driveways, and installation of a fire alarm system. This property had been part of a Tax Credit Syndication in partnership with Merritt Capital but came out of its compliance period in December of 2016. The current limited partnership structure consists of HIP Housing as the Limited Partner with HHDC as the General.

**Development Team:** Gunkel Architects, Nibbi Brothers General Contractors; Michael Rogers, Development Consultant

### Funding Sources:

- \$5,785,000 CalHFA
- \$9,602,077 CREA Fund Low Income Housing Tax Credit investment
- \$3,400,000 HIP Housing Development Corporation Sponsor Perm Loan
- \$1,000,000 County of San Mateo
- \$500,000 City of Redwood City

### Existing Sources:

- HCD MHP \$1,250,000
- City \$367,332
- County \$383,729

## HIP Housing Development Corporation (HHDC) Properties



1505 – 1507 – 1509 OXFORD STREET  
REDWOOD CITY, CALIFORNIA  
PURCHASED: FEBRUARY 17, 1994

### Property Description

This triplex was built in 1954 at the corner of Oxford Street and Palm Avenue in Redwood City. Each unit consists of two bedrooms and one bath, with private patios, fireplaces and garages. Units were rehabilitated before purchase, with most of the renovations being cosmetic. The property represents the first Community Housing Development Organization (CHDO) project financed by the County HOME Consortium.



12 NORTH IDAHO STREET  
SAN MATEO, CALIFORNIA  
PURCHASED: JULY 5, 1994

**Property Description:** Built in the late 1950's, this six-unit building is in San Mateo's North Central neighborhood. Two units have two bedrooms and one bathroom; four units have one bedroom and one bathroom. Off-street parking is available for six vehicles. During negotiations, it was discovered that the exit balcony needed reinforcement and the carport's shearwall needed strengthening. The City of San Mateo provided additional financing to accommodate the increased rehabilitation costs.



106 NORTH ELDORADO STREET  
SAN MATEO, CALIFORNIA  
PURCHASED: JULY 7, 1994

**Property Description:** HIP Housing owns and manages this six-unit apartment building in San Mateo's North Central neighborhood. Five units have two bedrooms and one bath; one unit has one bedroom and one bath. A carport accommodates six vehicles. Rehabilitation included a seismic upgrade, new energy-efficient windows throughout, exterior paint, new landscaping, and a wrought iron fence. Each unit was repainted, with carpets replaced a new appliances installed. There was major decking and banister repair work done at Eldorado in 2001.



1244 CHERRY STREET  
 SAN CARLOS, CALIFORNIA  
 PURCHASED: JUNE 3, 1995

**Property Description:** This property is ideally located near the commuter rail corridor and retail amenities in downtown San Carlos. A half block off of Laurel Street, the six-unit property has five two-bedroom/one bath units and two one-bedroom/one bath units. Off-street parking is available for six vehicles. Initial rehabilitation included a seismic upgrade, exterior and interior paint, and new flooring.



200 SOUTH DELAWARE STREET  
 SAN MATEO, CALIFORNIA  
 PURCHASED: NOVEMBER 24, 1999

**Property Description:** This three-story, 16-unit apartment complex is located in San Mateo. The upper two floors include sixteen residential units consisting of eight two-bedrooms, four one-bedrooms, and four studio units. The first floor has a laundry room and parking garages on the north side of the building and carpools on the south side. A major rehabilitation of both the interior and the exterior of the building occurred in 2002 and included a seismic upgrade, new fire alarm system, new kitchen counter tops, sinks, faucets and disposals, new bathroom vanity tops, flooring and toilets, new carpet, roofing repairs and extensive interior and exterior painting.



1293 HILLSIDE BOULEVARD  
 DALY CITY, CALIFORNIA  
 PURCHASED: AUGUST 14, 1998

**Property Description:** Built in 1968, the 18-unit apartment building is in Daly City's Sylvan neighborhood, at the Colma border. A three-story, wood-framed structure with stucco exterior, the building has nine one-bedroom and nine two-bedroom apartments, central laundry facilities, a storage locker, and parking for each unit. Exterior rehabilitation includes a seismic upgrade, new roof, new aluminum windows, exterior paint, and new landscaping. Interior rehabilitation includes interior paint, new flooring, and new appliances. The City of Daly City identified the Sylvan neighborhood as a target area for property rehabilitation. The City's long-term affordability goals are met in this project which benefits from and Section 8 contract with the Housing Authority of San Mateo County.





**11 SOUTH DELAWARE**  
**PURCHASED: JUNE 27, 2002**

**Property Description:** Built in 1978, this 11-unit building is in San Mateo's North Central neighborhood near Downtown and accessible to all forms of public transportation. Ten of the units consist of one bedroom and one bath; the eleventh unit is a studio. The property was acquired with a combination of City HOME funds, sponsor funds and bridge financing. We rehabbed the property utilizing a combination of City and County HOME funds. Rehabilitation included structural as well as general improvements to the units and exterior of the property. All of the plumbing/pipes were replaced due to lead seepage.



**317 – 321 COMMERCIAL AVENUE**  
**SOUTH SAN FRANCISCO, CALIFORNIA**  
**PURCHASED: MAY 17, 2007**

**Property Description:** Built in 1979, the 15-unit apartment building is located in downtown South San Francisco just two blocks from City Hall. All 15 units are large with 5 two bedroom/one bath units and 10 one-bedroom/one bath units. All units have covered parking and there is a central laundry facility. The property is overcrowded and the City Council adopted a relocation plan as some of the tenants will need to be relocated. Exterior rehabilitation includes a seismic upgrade, new windows, paint and new landscaping. Interior rehabilitation includes paint, cabinets and counter tops and where necessary, new shower stalls and flooring. Five apartments are affordable to families earning less than 50% of median income and nine apartments are affordable to families earning between 51% and 60% of median income.



1157-1161 WILLOW ROAD  
MENLO PARK, CALIFORNIA  
PURCHASED: July 20, 2012

**Property Description:** Willow Road Apartments is a 12-unit two story apartment complex originally built in 1958. It includes 2 two-bedroom apartments on the ground floor and 10 one-bedroom apartments on the second floor. Acquisition and rehabilitation financing was provided by the City of Menlo Park, County of San Mateo, Redwood City, and Boston Private Bank. Additional assistance was provided by a grant from Facebook and volunteer work performed by Peninsula Rebuilding Together. Rehabilitation of the property included a seismic upgrade, complete upgrades of bathrooms and kitchens, new heaters, new carpeting, electrical upgrades, conversion of one unit to full accessibility with accessible parking, outdoor seating and picnic tables with trellises, enclosed trash dumpster, new resident lounge, additional exterior lighting, full exterior paint, raised garden bed, new landscaping, free wireless broadband, conversion of solar panels to offset tenant utility bills.

**Development Team:** Developer: Kate Comfort Harr, HIP Housing; Architect: John Matthews Architects; Contractor: Westlake Realty Group; Structural Engineer, Mike Mahmoudian



1110 CYPRESS AVENUE  
SAN MATEO, CALIFORNIA  
PURCHASED: May 3, 2016

**Property Description:** Cypress Avenue is a 16-unit two-story apartment complex in San Mateo's Northcentral neighborhood built in 1962. It includes 5 one-bedroom and 11 studio apartments. Financing was received from the City of San Mateo, County of San Mateo and Presidio Bank. The acquisition of 1110 Cypress Avenue is a preservation project designed to protect and maintain naturally occurring affordable housing located within San Mateo County. By acquiring this property, 16-units will maintain affordability as opposed to falling victim to demanding market forces that drive housing and rent costs up and force the displacement of San Mateo County residents. Rehabilitation of this property will be done when units naturally turn over.

**Development Team:** Developer; Kate Comfort Harr, HIP Housing; Development Consultant: Michael Rogers, Broker: Bruce Bean.



1512 STAFFORD STREET  
REDWOOD CITY, CALIFORNIA  
PURCHASED: June 29, 2017  
PURCHASE PRICE: \$3,000,000

**Property Description:** Stafford consists of two building which are both two-stories. The front building features a 1500sf commercial space with a two and a one-bedroom unit above. The second building

has 5 one-bedroom units with tuck under parking. Acquisition funding was provided by the City of Redwood City, San Mateo County Measure A funds, HIP Housing and a private donor. The acquisition of was a preservation project designed to protect and maintain naturally occurring affordable housing located within San Mateo County. By acquiring this property, 7-units will maintain affordability as opposed to falling victim to the demanding market forces that drive housing and rent costs up and displace residents. Improvements included a complete rehab of Unit B along with the kitchen for Unit A, as well as stairwell seismic upgrades and repairs, roof repairs and exterior paint. Rehabilitation will be implemented as units naturally turn over.

**Development Team:** Kate Comfort Harr, HIP Housing; Michael Rogers, Broker, Development Consultant; Bruce Bean, Broker.



3592 ROLLISON ROAD  
REDWOOD CITY, CALIFORNIA  
PURCHASED: July 22, 2020  
PURCHASE PRICE: \$3,300,000

**Property Description:** Rolison consists of 10 studio apartments on a 10,293 square foot lot. All the units are on the ground level and each unit has an accompanying open-air parking

space. It is located at the southernmost end of Redwood City in a Qualified Census Tract meaning that at least 50% of the households in the area have an income of less than 60% of the area median. The acquisition was a preservation project designed to protect and maintain naturally occurring affordable housing located within San Mateo. This acquisition means that 10-units will maintain affordability as opposed to falling victim to the demanding market forces that drive housing and rent costs up and displace residents. Equally important, this project was a unique cross sector partnership that included:

- City of Redwood City (Public Sector) who allowed their \$1,49MM commercial impact fee to be re-directed into a property acquisition in exchange for a 55-year deed restriction.
- Premia Capital (Private Sector), who created an “Alternative Affordable Housing Plan” for their commercial development and identified HIP Housing as their partner.
- Sand Hill Properties (Private Sector), property seller who allow HIP Housing the time needed for acquire their financing.
- Capital Impact Partners (Private Sector), financed the portion of the purchase above the impact fee and leveraged The Bay’s Future Fund for the first time in San Mateo County.

**Development Team:** Kate Comfort Harr, HIP Housing; Michael Rogers, Development Consultant; Bruce Bean, Broker.

# HIP HOUSING (Human Investment Project, Inc.) BOARD OF DIRECTORS 2020-2021

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Taylor Financial Solutions  
[virginia@taylor401k.com](mailto:virginia@taylor401k.com)

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C: (650) 339-0849 (Primary)  
Inst. 9/2011  
T3+1 6/2021

**HIP Housing Development Corporation (HHDC)**  
(Formerly H.A.N.D.)

**CHDO Board Roster**  
**2020 – 2021**

Board Member Terms Appointed Annually

**President**

Ms. Lauren Boro  
Attorney  
Inst. 6/2020  
[laurenbb14@gmail.com](mailto:laurenbb14@gmail.com)

**Treasurer**

**Mr. Don McVey, CPA**  
Inst. 6/2015  
City of Daly City, Director of Finance (ret.)  
[dwmcvey@gmail.com](mailto:dwmcvey@gmail.com)

**Secretary**

\*Dianne Whitaker  
Inst. 1/2009  
Architect  
[Drwarch@mindspring.com](mailto:Drwarch@mindspring.com)

**At Large**

\*Amanda Robertson  
Architect  
Inst. 1//2018  
[Amanda.kay.robertson@gmail.com](mailto:Amanda.kay.robertson@gmail.com)

**At Large**

Shelley Pavela  
Governance Reporting & Communications Principal  
Inst. 6/2020  
[sfpavela@gmail.com](mailto:sfpavela@gmail.com)

**\* Represent Low-Income Communities**

**HIP Housing Development Corporation (HHDC)**  
(Formerly H.A.N.D.)

**Staff Roster**  
**2020 – 2021**

**Executive Director**

Kate Comfort Harr  
800 S. Claremont Street, Suite 210  
San Mateo, CA 94402  
[kcomfort@hiphousing.org](mailto:kcomfort@hiphousing.org)

W: (650) 348-6660 x307

**Controller**

Ghion Dessie  
800, S. Claremont Street, Suite 210  
San Mateo, CA 94402  
[gdessie@hiphousing.org](mailto:gdessie@hiphousing.org)

W: (650) 348-6660 x352

**Compliance Officer**

Norma Quiroz  
800 S. Claremont Street, Suite 210.  
San Mateo, CA 94402  
[nquiroz@hiphousing.org](mailto:nquiroz@hiphousing.org)

W: (650) 348-6660 x309

**Development Consultant**

Michael Rogers  
[mike@mikerogersconsulting.org](mailto:mike@mikerogersconsulting.org)

W: (510) 898-8430

**Property Management Team**

HIP Housing Affordable Housing  
1512 Stafford Street  
Redwood City, CA 94063  
Steven McDonald, CPM  
VP Property Management  
[smcdonald@hiphousing.org](mailto:smcdonald@hiphousing.org)

W: (650) 348-6820

**Human Investment Project, Inc. (HIP Housing)  
Affiliates**

**Parent Corporation: Human Investment Project, Inc.**

Type of Entity: A California nonprofit public benefit corporation  
d/b/a HIP Housing

**Affiliate Name: HIP Housing Affordable Ventures, Inc. (HHAV)**

Type of Entity: A California nonprofit public benefit corporation  
Parent Controls: All five of the directors of HIP Housing Affordable Ventures must be members of the board of directors of Human Investment Project, Inc.

**Affiliate Name: HIP Housing Development Corporation**

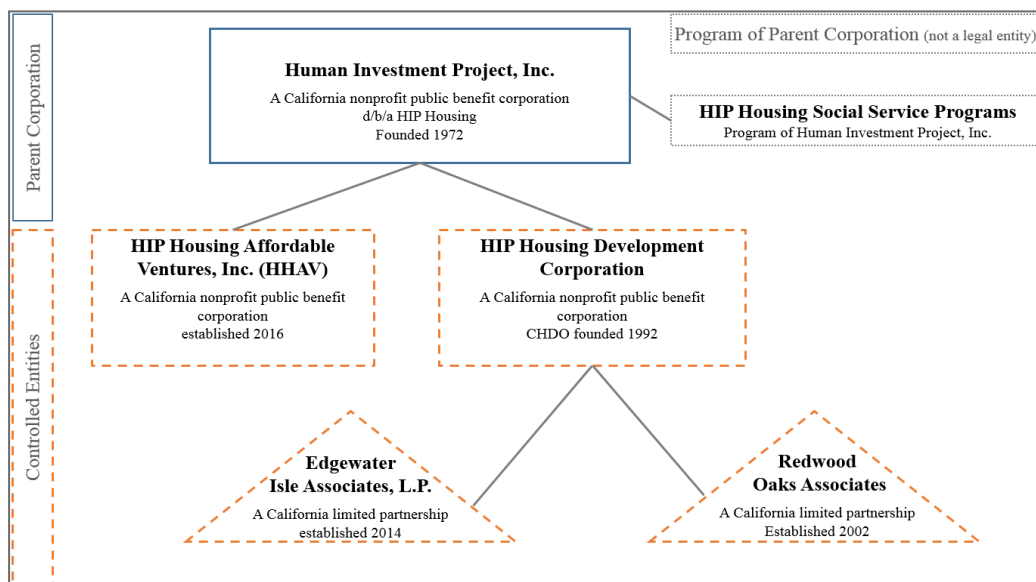
Type of Entity: A California nonprofit public benefit corporation  
Parent Controls: Three of the five directors of HIP Housing Development Corporation must be members of the executive committee of Human Investment Project, Inc.

**Affiliate Name: Edgewater Isle Associates, L.P.**

Type of Entity: A California limited partnership  
Parent Controls: HIP Housing Development Corporation is the general partner of the limited partnership. Human Investment Project, Inc. is the limited partner of the limited partnership.

**Affiliate Name: Redwood Oaks Associates, A California Limited Partnership**

Type of Entity: A California limited partnership  
Parent Controls: HIP Housing Development Corporation is the general partner of the limited partnership. Human Investment Project, Inc. is the limited partner of the limited partnership.



## HIP Housing Affiliate Leadership



[kcomfort@hiphousing.org](mailto:kcomfort@hiphousing.org)

(650) 348-660 x307

### EXECUTIVE DIRECTOR

**Kate Comfort Harr**, is Executive Director for HIP Housing and its affiliate network which together house over 1,400 low-income people and provides referral resources for another 3000. Together, the HIP Housing affiliate network own 18 BMR multi-family dwellings (265 units), two of which are LIHTC limited partnerships. The organization has a combined annual budget of \$5.8M and a staff of 43 with 6 audits annually. HIP Housing's HHDC affiliate is one of only three San Mateo County based Community Housing Development Corporations (CHDO) and its property management affiliate is a recipient of the prestigious AMO Award.

Kate is the lead property developer for the HIP Housing affiliate network and has been directly involved in the acquisition of 6 properties. She has completed three major rehabs and was a key contributor in the LIHTC syndication both Edgewater Isle with NEF and Redwood Oaks with CREA. She was also instrumental in a tax credit partnership exit with Merritt Capital. Kate is notably known for her cross-sector work in affordable housing finance. She holds a Master's Degree in Nonprofit Administration from the University of San Francisco and BA degrees in both Sociology and Communications Studies from UCSB.



[gdesie@hiphousing.org](mailto:gdesie@hiphousing.org)

(650) 348-6660 x335

### FINANCIAL CONTROLLER

**Ghion W. Dessie** responsibilities entail overseeing various aspects of the firm's finance, accounting, and HR functions including budgeting, forecasting, and preparation of financial statements. Prior to HIP Housing, Ghion was Director of Accounting and Operations at Tideline Advisors LLC where he managed the firm's finance, accounting, and human resources functions. Previously, Ghion worked at the Asian Art Museum and RSF Social Finance where he helped streamline processes and create accounting policies and procedures. Ghion reports to the Executive Director and serves as a financial liaison to the Board of Director's serving on both their Finance and Audit Committees. He also works closely with the Executive Director and the property management team on asset management. Ghion graduated magna cum laude from San Francisco State University with a BSc in Business Administration with an Accounting Emphasis and a BA in Economics.



[nquiroz@hiphousing.org](mailto:nquiroz@hiphousing.org)

(650) 348-6660 x309

### COMPLIANCE OFFICER

**Norma I. Quiroz**, has over 30 years of experience in accounting and business administration and has worked in the public, private and nonprofit sectors. She holds a BA in Accounting & Business Administration from the University of San Martin de Porres, Lima, Peru. Norma has been responsible for the oversight of all property related compliance activities since 1997. Norma reports to the Controller Norma has been instrumental to growth of the HIP Housing property portfolio and provides outstanding regulatory oversight and works closely with the Executive Director, Controller and the property management team on asset management.





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(650) 348-6820 x 403

## VICE PRESIDENT, PROPERTY MANAGEMENT

**Steven M. McDonald**, CPM®, joined HIP Housing Affordable Ventures, Inc. in July 2016. Steven has more than 31 years' experience in managing multifamily residential housing, including high-rise, garden and walk-up conventional market-rate and affordable & subsidized housing programs.

Prior to joining HIP Housing, Steven was with Westlake Realty Group, Inc. where he managed over 40 multifamily properties, including market rate and affordable housing for low-income households. Prior to Westlake, Steven worked for the John Stewart Company leasing up 15 new LIHTC developments (over 1,000 new units) for non-profit clients such as First Community Housing, ROEM Development Corp., Simpson Housing Solutions, Soledad Local Development Corp. and El Camino Family Housing. He has overseen various government rental programs such as: project based HUD Section 8, housing choice vouchers, Section 202, Low-Income Housing Tax Credit, MHP, CalHFA, and Bay Area City's HOME programs.

He holds certifications as a Housing Credit Certified Professional (HCCP), Certified Occupancy Specialist (COS) and National Compliance Professional (NCP), which provide specialized training in both tax credit compliance and management. He currently serves on the Board of Advisors for the Tax Credit Management Insider (monthly publication by Vendome Real Estate Media) and has written numerous articles for Tax Credit Management Insider, Assisted Housing Management Insider, Apartment Owners Association, Multi-Housing News & the California Apartment Association. Steven holds a BA from San Jose State University, a California real estate license, and is a Certified Property Manager (CPM) through the Institute of Real Estate Management.

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(510) 595-1999

## Property Development Consultant

**Michael Rogers**, of Mike Rogers Development Consulting, is the contracted development consultant for the HIP Housing affiliate network. He provides a wide array of affordable housing and project management services to non-profit service providers, non-profit and for-profit developers and public agencies. In addition to HIP Housing, Michael has managed projects for RCD, AHA, Eden Housing, Inc., Citizens Housing, Satellite Housing, Christian Church Homes, Burbank Housing and the Redevelopment Agency of S.F. In 2009 and 2010, he worked part-time for Community Economics, Inc. as a financial consultant. He has prepared all types of funding applications including but not limited to: tax credits (4% & 9%), bonds, FHA executions, AHP, MHP, TOD, HUD 811 & 202 as well as numerous local funding applications. As a consultant, Michael has successfully developed and re-syndicated over 25 projects and has been instrumental in the acquisition and/or syndication of 6 properties with HIP Housing. Michael holds a M.C.P. (Master in City Planning) and B.A. in Economic Development, both from UC Berkeley.



January 2021

Thank you for the opportunity to share some information about HIP Housing Affordable Ventures, Inc. property management service.

Headquartered in Redwood City, CA, HIP Housing Affordable Ventures, Inc. (HHAV) brings experienced, credentialed and specialized property management to affordable housing communities throughout San Mateo County, both for its parent company and the properties they own (HIP Housing, HIP Housing Development Corporation, Redwood Oaks Associates II LP, and Edgewater Isle Associates, L.P.) but also for 3<sup>rd</sup> party owners (Rotary Haciendas, Inc. and San Mateo Rotary Floritas, L.P.) and market rate building owners with BMR/Inclusionary units.

With over 430 units at 28 individual apartment communities with regulatory oversight from governmental agencies such as: City of Redwood City, City of San Mateo, City of Foster City, City of San Carlos, City of South San Francisco, City of Pacifica, City of Daly City, California Housing Finance Agency, California Department of Housing & Community Development and the California Tax Credit Allocation Committee, HHAV is uniquely qualified to manage any and all types of affordable housing communities.

Additionally, our staff brings over 50 years of individual experience and qualifications to managing affordable housing.

#### **HIP Housing Affordable Housing, Inc. Team Profiles:**

**Steven McDonald**, CPM®, Vice President - Property Management, joined HIP Housing Affordable Ventures, Inc. (HHAV) on July 1, 2016. Mr. McDonald has more than 35 years' experience in managing multifamily residential housing, including high-rise, garden and walk-up conventional market-rate and affordable & subsidized housing programs. Prior to joining HHAV, Mr. McDonald was with Westlake Realty Group for almost 13 years, serving as Vice President of Property Management, overseeing a portfolio of over 1,300 units in five counties for such owners as Chang Development, HIP Housing, First Community Housing, Rotary Haciendas, Inc., San Mateo Rotary Floritas, L.P., Soledad Local Development Corp., and HIP Housing. For 8 years prior to that, Mr. McDonald was Director of Property Management for John Stewart Company, directing federal low income housing tax credit projects, leasing up 15 new LIHTC developments (over 1,000 new units) for such clients as First Community Housing, ROEM Development Corp., Simpson Housing Solutions and El Camino Family Housing.

He has worked extensively with both for-profit and non-profit owners, overseeing various government rental programs such as: project based HUD Section 8, housing choice vouchers, Section 202, Low-Income Housing Tax Credit, MHP, CalHFA, etc. Mr. McDonald holds Housing Credit Certified Professional (HCCP), Certified Occupancy Specialist (COS) and National Compliance Professional (NCP) certifications, which provide specialized training in both tax credit compliance and management. He currently serves on the Board of Advisors for the Tax Credit Management Insider (monthly publication by The Habitat Group) and has written numerous articles for Tax Credit Management Insider, Assisted Housing Management Insider, Apartment Owners Association, Multi-Housing News & the California Apartment Association.

Mr. McDonald holds a BA from San Jose State University, a California real estate license, and is a Certified Property Manager (CPM) through the Institute of Real Estate Management. Mr McDonald is a member of the Rotary Club of San Mateo serving as Treasurer of the Club from 2013 to 2015.

**Veronica Satizabal**, TCS, – Property Supervisor, has worked for Property Management at HHAV since July 2016, previously working for HIP Housing under Westlake Realty Group, Inc. in 2015. She began working for the company as Office Assistant, developed into Assistant Manager, then Property Manager, and successfully into Property Supervisor.

Veronica recently obtained her Real Estate License in March 2019. She also has a Tax Credit Specialist (TCS) certification through the National Center for Housing Management.

Her Property Management career started as she was attending school in order to achieve her Associate's Degree in Science. She graduated with honors from Foothill College. She is a fast learner and has successfully proven her strong skills and willingness to take the challenges that Affordable Housing in Property Management has given. She has always showed an interest in helping the community; she volunteered for Mills Peninsula Hospital in Burlingame and San Mateo. She enjoys her free time traveling and visiting new places around the world.

**Nori Jabba**, Compliance and Business Development Manager: Nori launched and now manages HHAV's BMR compliance program. In addition, she forges partnerships for HIP Housing's development interests and ensures that HHAV operations comply with local, state and federal regulations and legislation, including the recent Cares Act and California Tenant Protection Act. She also manages HHAV's COVID-19 Emergency Relief Fund to help tenants in need. She has nearly 30 years of experience in real estate development and planning and holds a master's degree in urban and regional planning from George Washington University and a B.A. from Grinnell College. She is also an accredited New Urbanist (CNU-A). She has worked in affordable housing for over 10 years. Prior to joining HIP Housing, she ran Jabba Development Strategies, LLC, helping nonprofit and for-profit developers through the entitlements process and assisting with community benefits and engagement, and navigating the world of affordable housing for inclusionary requirements.

She has served on the board of the Housing Leadership Council of San Mateo County, the Community Colleges District Bond Oversight Committee, Redwood City's Historic Resources Advisory Committee, and the board of San Mateo Area Chamber of Commerce. She also founded the Congress for New Urbanism's California Chapter and served as Chair. She is a member of the Congress of New Urbanism, SAMCEDA and the Redwood City - San Mateo Area Chamber of Commerce. In 2011, she won the prestigious Business Woman of the Year award from the Redwood City - San Mateo County Chamber of Commerce and in 2017 was awarded special recognition from the City of Redwood City for her leadership in obtaining the Preserve America Community designation from the White House.

### **Tax Credit Compliance Partner**

HHAV, Inc. has joined with Karen Graham Consulting, LLC to form a partnership for LIHTC compliance on all the tax credit projects under management. Karen is responsible for initial certification of all new move ins and annual recertification.

Karen Graham, CPM®, specializes in Section 42 compliance. With over 18 years in the affordable housing industry, her experience ranges from on-site management and multi-site management to Director of Compliance for over 15,000 LIHTC units. Ms. Graham holds the designations of Certified Property Manager (CPM®) and Housing Credit Certified Professional (HCCP®). Her concentration is on aiding partners, owners and managers in the successful management of tax credit housing and tax credit compliance.

## HIP References

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Alex Khojikian

Deputy City Manager, City Manager's Office

Office: (650) 780-7302

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Raymond Hodges

Director

Department of Housing

County of San Mateo

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## HIP Housing Affiliate Leadership



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### EXECUTIVE DIRECTOR

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### FINANCIAL CONTROLLER

**Ghion W. Dessie** responsibilities entail overseeing various aspects of the firm's finance, accounting, and HR functions including budgeting, forecasting, and preparation of financial statements. Prior to HIP Housing, Ghion was Director of Accounting and Operations at Tideline Advisors LLC where he managed the firm's finance, accounting, and human resources functions. Previously, Ghion worked at the Asian Art Museum and RSF Social Finance where he helped streamline processes and create accounting policies and procedures. Ghion reports to the Executive Director and serves as a financial liaison to the Board of Director's serving on both their Finance and Audit Committees. He also works closely with the Executive Director and the property management team on asset management. Ghion graduated magna cum laude from San Francisco State University with a BSc in Business Administration with an Accounting Emphasis and a BA in Economics.



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### COMPLIANCE OFFICER

**Norma I. Quiroz**, has over 30 years of experience in accounting and business administration and has worked in the public, private and nonprofit sectors. She holds a BA in Accounting & Business Administration from the University of San Martin de Porres, Lima, Peru. Norma has been responsible for the oversight of all property related compliance activities since 1997. Norma reports to the Controller Norma has been instrumental to growth of the HIP Housing property portfolio and provides outstanding regulatory oversight and works closely with the Executive Director, Controller and the property management team on asset management.



[smcdonald@hiphousing.org](mailto:smcdonald@hiphousing.org)

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### VICE PRESIDENT, PROPERTY MANAGEMENT

**Steven M. McDonald**, CPM®, joined HIP Housing Affordable Ventures, Inc. in July 2016. Steven has more than 31 years' experience in managing multifamily residential housing, including high-rise, garden and walk-up conventional market-rate and affordable & subsidized housing programs.

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[mike@mikerogersconsulting.org](mailto:mike@mikerogersconsulting.org)

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**Michael Rogers**, of Mike Rogers Development Consulting, is the contracted development consultant for the HIP Housing affiliate network. He provides a wide array of affordable housing and project management services to non-profit service providers, non-profit and for-profit developers and public agencies. In addition to HIP Housing, Michael has managed projects for RCD, AHA, Eden Housing, Inc., Citizens Housing, Satellite Housing, Christian Church Homes, Burbank Housing and the Redevelopment Agency of S.F. In 2009 and 2010, he worked part-time for Community Economics, Inc. as a financial consultant. He has prepared all types of funding applications including but not limited to: tax credits (4% & 9%), bonds, FHA executions, AHP, MHP, TOD, HUD 811 & 202 as well as numerous local funding applications. As a consultant, Michael has successfully developed and re-syndicated over 25 projects and has been instrumental in the acquisition and/or syndication of 6 properties with HIP Housing. Michael holds a M.C.P. (Master in City Planning) and B.A. in Economic Development, both from UC Berkeley.

Coleman Place  
15-year proforma

1000 Reserve/U  
1700 Tax (Sp. Asmt)/U  
7000 OpEx/U \$ 24,838 GPI/unit  
14 Units \$ 11,080 NOI/unit

		Year														
Escalator		0	1	2	3	4	5	6	7	8	9	10	11	12	13	14
			1%	1%	1%	1%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
GPI		\$ 347,736	\$ 351,213	\$ 354,725	\$ 358,273	\$ 361,855	\$ 367,283	\$ 372,793	\$ 378,384	\$ 384,060	\$ 389,821	\$ 395,668	\$ 401,603	\$ 407,628	\$ 413,742	\$ 419,948
Other Income	1.0%	2,500	2,525	2,550	2,576	2,602	2,628	2,654	2,680	2,707	2,734	2,762	2,789	2,817	2,845	2,874
Vacancy	6%	(20,864)	(20,864)	(20,864)	(20,864)	(20,864)	(20,864)	(20,864)	(20,864)	(20,864)	(20,864)	(20,864)	(20,864)	(20,864)	(20,864)	(20,864)
Op Ex	3.0%	(121,800)	(123,932)	(127,649)	(131,479)	(135,423)	(139,486)	(143,671)	(147,981)	(152,420)	(156,993)	(161,702)	(166,554)	(171,550)	(176,697)	(181,998)
Taxes		(52,448)	(40,975)	(24,585)	(8,195)	(8,277)	(8,401)	(8,527)	(8,655)	(8,785)	(8,917)	(9,050)	(9,186)	(9,324)	(9,464)	(9,606)
NOI		155,124	208,943	208,762	208,505	208,170	209,561	210,912	212,220	213,483	214,698	215,863	216,975	218,030	219,026	219,960
Cap. Ex/Res	2.5%	(14,000)	(14,350)	(14,709)	(15,076)	(15,453)	(15,840)	(16,236)	(16,642)	(17,058)	(17,484)	(17,921)	(18,369)	(18,828)	(19,299)	(19,782)
(NOI after capex)		141,124	153,618	169,468	185,234	184,439	185,320	186,149	186,923	187,641	188,298	188,892	189,420	189,878	190,263	190,573
	-50% Op/GPI															
<u>Hard Debt Service</u>																
Perm. Loan		146,885	146,885	146,885	146,885	146,885	146,885	146,885	146,885	146,885	146,885	146,885	146,885	146,885	146,885	146,885
Remainder after Debt Service		(5,761)	6,733	22,583	38,349	37,554	38,435	39,264	40,038	40,755	41,413	42,007	42,534	42,993	43,378	43,688
Reserve Draw		5,761	-	-	-	-	-	-	-	-	-	-	-	-	-	-
City Residual Receipt P	50.00%	-	3,366	11,292	19,174	18,777	19,217	19,632	20,019	20,378	20,706	21,003	21,267	21,496	21,689	21,844
DDF or Cash to Owner?		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow		\$ -	\$ 3,366	\$ 11,292	\$ 19,174	\$ 18,777	\$ 19,217	\$ 19,632	\$ 20,019	\$ 20,378	\$ 20,706	\$ 21,003	\$ 21,267	\$ 21,496	\$ 21,689	\$ 21,844
DCR (1st loan)		0.96	1.05	1.15	1.26	1.26	1.26	1.27	1.27	1.28	1.28	1.29	1.29	1.29	1.30	1.30



# Coleman PI Menlo Park

1 & 2 beds w/garages

14 units

Sources			
Debt 1	3.950%	\$	2,579,444
City		\$	5,500,000
HHDC		\$	-
Grant		\$	125,000
<b>Total</b>		<b>\$</b>	<b>8,204,444</b>

Uses		
Land	\$	7,461,800
Repair Allowance	\$	325,000
Soft Cost	\$	102,044
Dev Fee	\$	150,000
	\$	-
Reserves	\$	165,600
	<b>\$</b>	<b>8,204,444</b>

## Preliminary Budget

**Total** \$ 8,204,444.44

<b>Land</b>	<b>\$ 7,461,800.00</b>
Land	3000000
Structures	4450000
Carry Cost	7800
Legal	0
Closing	4000

<b>Hard Costs</b>	<b>\$ 325,000.00</b>
SF estimate	\$ -
General Req	\$ -
PV+Battery	0
Permits	0
Impact fees	0
Utilities	0
FF&E	0
Builder PO	\$ -
P&P	\$ -
BR	\$ -
GL	\$ -
inspections	0
Repair Allowar	\$ 325,000.00

<b>Soft Costs</b>	<b>\$ 26,250.00</b>
PNA	\$ 4,250.00
Misc Engineer	\$ 2,000.00
Survey	\$ -
Geo	\$ -
Energy	\$ -
phase I	\$ -
taxes	\$ -
insurance	\$ -
consulting	\$ 10,000.00
contingency	\$ 10,000.00

<b>0% Developer Fee</b>	<b>\$ 150,000.00</b>
HHDC Staff	
Consulting	
Transition Costs	

<b>Financing</b>	<b>\$ 75,794.44</b>
appraisal	\$ 6,000.00
title	\$ 25,000.00
1.00% origination/loan	\$ 25,794.44
market study	\$ 4,000.00
legal	\$ 15,000.00
Interest	\$ -
const monitor	\$ -

<b>Reserves</b>	<b>\$ 165,600.00</b>
Op Ex	\$ 40,600.00
Lease-up	\$ -
Capital Ex	\$ 50,000.00
Taxes Transic	\$ 75,000.00

# 6-8 Coleman Pl

Menlo Park, CA 94025



## Offering Memorandum

**ADAM LEVIN** • Executive Managing Director • Direct: 650.492.0934 • adam@levinjohnston.com • CalDRE #01462752

**ROBERT JOHNSTON** • Senior Managing Director • Direct: 650.391.1744 • robert@levinjohnston.com • CalDRE #01853816

**LEVIN JOHNSTON**  
COMMERCIAL REAL ESTATE ADVISORY GROUP  
of Marcus & Millichap

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## CONFIDENTIALITY & DISCLAIMER

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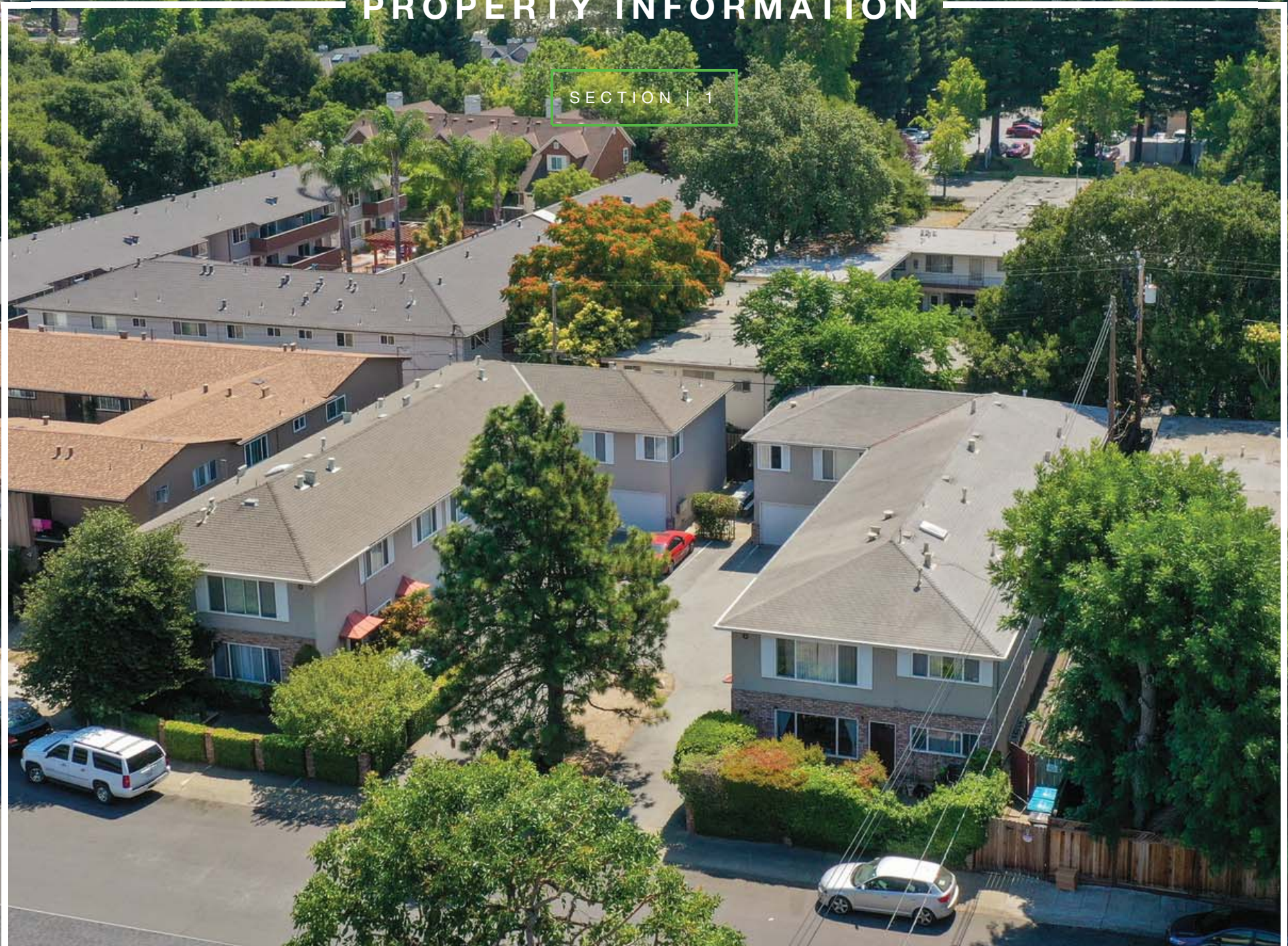
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# PROPERTY INFORMATION

SECTION | 1



# EXECUTIVE SUMMARY

## PROPERTY OVERVIEW

Number Of Units:	14
Year Constructed:	1957
Building SF:	12,342 SF
Lot Size:	14,880 SF

## PRICE ANALYSIS

<b>SALE PRICE</b>	<b>\$7,498,000</b>
Price Per Unit:	\$535,571
Price Per SF:	\$607.52
Current Cap:	3.57%
Current GRM:	18.82
Pro Forma Cap:	4.3%
Pro Forma GRM:	16.49

UNIT TYPE	COUNT	RENT	MARKET RENT
1 BR / 1 BA	12	\$2,325	\$2,650
2 BR / 1 BA	2	\$2,650	\$3,050
<b>Totals/Averages</b>	<b>14</b>	<b>\$33,200</b>	<b>\$37,900</b>

## PROPERTY DETAILS & HIGHLIGHTS

Property Type	Multifamily
APN	062-285-160 & 062-285-170
Building Size	12,342 SF
Lot Size	14,880 SF
Year Built	1957
Units	14

6-8 Coleman Place is a stunning 14-unit apartment community located in thriving Menlo Park, California.

Situated on two contiguous parcels of land totaling 14,880 square feet, the subject property has been meticulously maintained and upgraded over the past five years and has a gross building area of approximately 12,342 square feet, offering its tenants beautifully designed one and two bedroom floor plans.

6-8 Coleman PI has undergone extensive exterior and interior renovations. Every unit interior have been remodeled with new finishes, dual pane windows, updated kitchens, and hardwood flooring. Each unit also benefits from private garages totaling 14 garage spaces and 2 open car spaces.

Menlo Park is centrally located between the major metro areas of San Francisco and San Jose and is one of the most educated cities in the United States, with nearly 70% of its residents having earned an advanced degree. Known worldwide as the Capital of Venture Capital, Menlo Park is well-situated to benefit from and help shape new technologies and markets originating in the Silicon Valley. In addition to the stunning Facebook Headquarters located only 1.5 miles away, the subject property is also within close proximity to many of the nation's top tech employers such as Intel, Google, SRI International, Sequoia Capital, Benchmark, Sun Microsystems, Apple, LinkedIn, Microsoft, Yahoo, as well as many others.

The investment appeal of this asset is driven by Menlo Park's strong employment fundamentals and low vacancy levels. With a world-class location in the heart of Silicon Valley, 6-8 Coleman PI presents an attractive choice for renters due to close proximity to major employers, transportation corridors, shopping, dining and entertainment options.

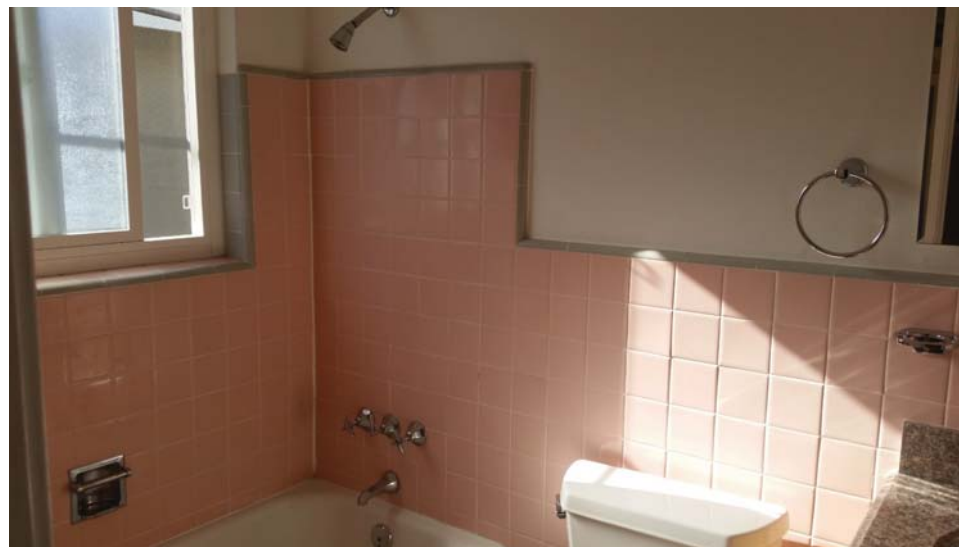
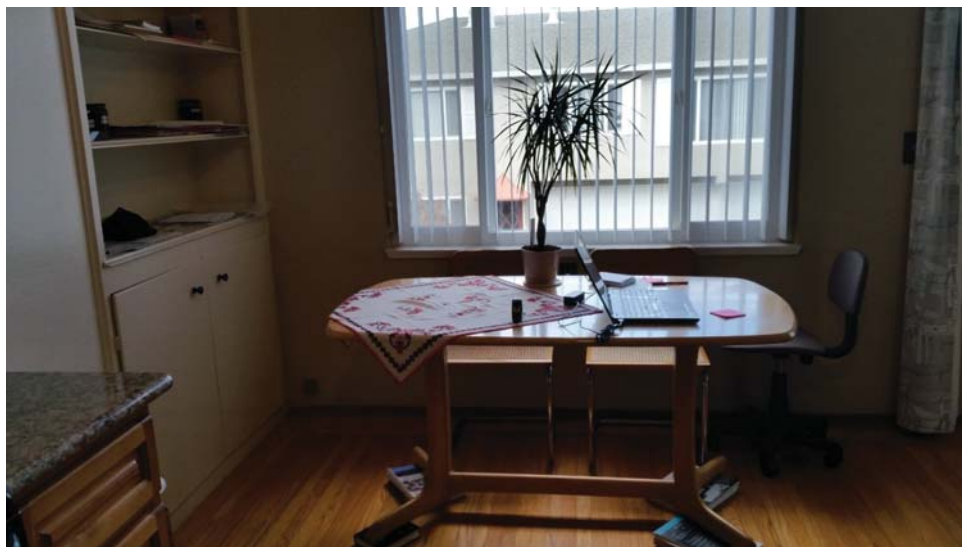
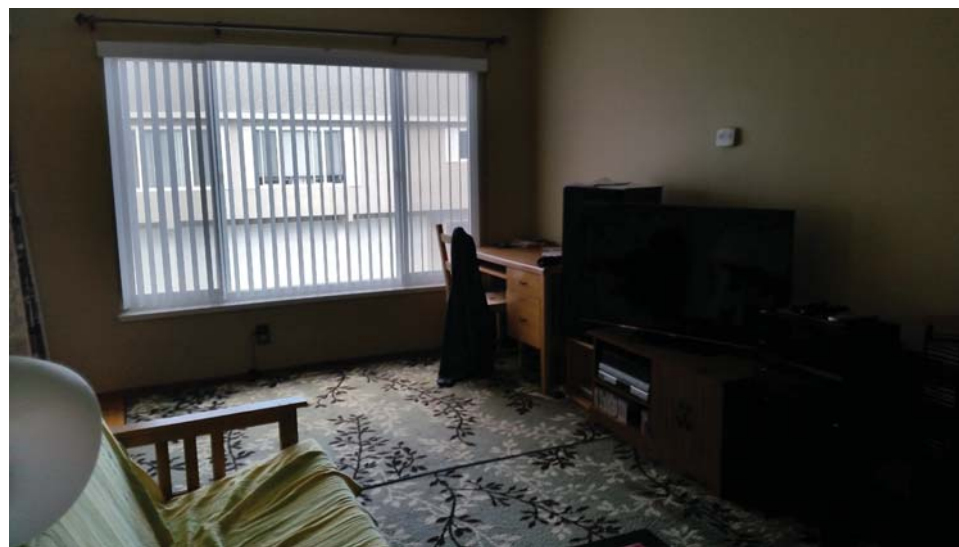


- Prestigious Turn Key Investment Opportunity in Menlo Park
- Extensive Exterior and Interior Capital Improvements
- Every Unit Interior Renovated with New Finishes, Dual Pane Windows, Updated Kitchens, and Hardwood Flooring
- Each Unit Benefits from a Private Garage Totaling 14 Garage Spaces and 2 Open Car Spaces
- Close Proximity to Many of the Nation's Top Employers Including Facebook Headquarters (1.5mi), Intel, Google, SRI International, Sequoia Capital, Benchmark, Sun Microsystems, Apple, LinkedIn, Microsoft, Yahoo, as well as Many Others
- Convenient Access to Downtown Menlo Park (2mi) – Home to Many High End Shopping, Dining, and Entertainment Options

# PROPERTY PHOTOS



# INTERIOR PHOTOS





# INTERIOR PHOTOS



# LOCATION INFORMATION

SECTION | 2



# REGIONAL MAP



San Francisco Bay

**PENINSULA BOARDWALK**

<b>Shopping</b>	<b>Eateries</b>
Big S Sporting Goods	L & L Hawaiian
Kohl's	Quickly
JOANN Fabrics	Starbucks
Dollar Tree	Sizzler
Foot Locker	Sakura Teppanyaki
Payless ShoeSource	

**WOODSIDE CENTRAL**

<b>Shopping</b>	<b>Eateries</b>
Target	PG Bakery Cafe
Marshalls	El Grullenas
Carter's	
GameStop	
Mi Rancho Market	

**DOWNTOWN REDWOOD CITY**

<b>Eateries</b>	<b>Shopping</b>
Pizza My Heart	Whole Foods
Five Guys	Grocery Outlet
Pacha Mediterranean	Safeway
Chipotle	CVS
Phiz Coffee	Pier 1
Sakura Teppanyaki	Old Navy
Margaritas	Pet Food Express
Bubble & Wrap	Barnes & Noble
Yokohama	Bluemercury
Martins	
Go Fish Poke	<b>Attractions</b>
Cafe La Tartine	Century Theatre
CRU	Fox Theatre
The Habit Burger Grill	San Mateo Museum
Starbucks	
Jamba Juice	
Kristi Maria's	
Broadway Masala	

Redwood City

**RAVENSWOOD CENTER**

<b>Shopping</b>	<b>Eateries</b>
Cardenas Markets	Jamba Juice
Office Depot	Wingstop
Nordstrom Rack	Starbucks
Target	Baskin-Robbins
The Home Depot	TOGO'S Sandwiches
IKEA	

BELLE HAVEN

**DOWNTOWN MENLO PARK**

<b>Shopping</b>	<b>Eateries</b>
Bow Wow Meow	Sultana Mediterranean
Cheeky Monkey Toys	Stacks
Walgreens	Phil's Kitchen
Goodwill	Piccolo Ristorante
Menlo Bazaar	SusieCakes
Draeger's Market	Juban Yakiniku
Prospect Vintage	Le Boulanger
Kicks	Coffeebar
Fleet Feet	Shioki!
The Shop	Ristorante Carpaccio
Penzoys Spices	Ann's Coffee Shop
Sole Desire Shoes	Bagat Street Cafe
Trader Joe's	Mademoiselle Colette
	Amici's
	Casper
	Puel's Coffee
	Galata Bistro
	Starbucks
	Una Mas
	Cafe del sol
	Mama Coco Cocina

Menlo Park

**DOWNTOWN PALO ALTO**

<b>Shopping</b>	<b>Eateries</b>
Whole Foods	Pampas
Vans	Phiz Coffee
Restoration Hardware	Tacolicious
Shinola	Lemonade
The Shade Store	The Patio
Jos. A. Bank	Wahlburgers
Walgreens	Roost House
Apple	The Tap Room
CVS	Patxi's Pizza
Design Within Reach	Salt & Straw
Chico's	Thaiphoon
lululemon	Blue Bottle Coffee
<b>Attractions</b>	Pluto's
Landmark's Theatre	Il Fornaio
Stanford Theatre	Taste
	YAYOI

PALO ALTO AIRPORT

**STANFORD SHOPPING CENTER**

<b>Shopping</b>	<b>Eateries</b>
Neiman Marcus	Sprinkles
Brooks Brothers	Cocola Bakery
Coach	The Melt
Apole	Yucca de lac
J.Hill	La Baguette
Sephora	Pressed Juicery
Louis Vuitton	True Food Kitchen
Williams-Sonoma	Tender Greens
Tiffany & Co.	Fleming's Steakhouse
Kiehl's Since 1851	Terrain Cafe
Burberry	P.F. Chang's
Banana Republic	<b>Fitness</b>
Free People	SoulCycle
Microsoft Store	
Pottery Barn	
MUJI	
Bloomingdale's	

Atherton

**TOWN & COUNTRY VILLAGE**

<b>Shopping</b>	<b>Eateries</b>
Trader Joe's	Mayfield Bakery & Cafe
CVS	Tin Pot Creamery
diptyque	Peet's Coffee
Paper Source	Kirk's ShookBurgers
Sur La Table	Gott's Roadside
Scandia Home	Howie's Artisan Pizza
francesca's	Asian Box
WILLIAM B + friends	Jamba Juice
Brandy Melville	Douce France
<b>Fitness</b>	Sushi House
The Bar Method	

Palo Alto

**THE VILLAGE**

<b>Shopping</b>	<b>Eateries</b>
Safeway	Pacific Catch
Trader Joe's	Dong Lai Shun
Walmart	Paul Martin's
Target	Starbucks
Kohl's	Veggie Grill
JOANN Fabrics	New Krungthai
<b>Attractions</b>	Nektar Juice Bar
ShowPlace ICON	Mizu Sushi Bar
<b>Fitness</b>	Lulu Noodle
24 Hour Fitness	

BARRON PARK

STANFORD HILLS



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Agenda item K1  
Soody Tronson, Resident

I don't think the housing crisis in Bay Area and, in particular, Menlo Park is questionable. That said, let's move to a solution.

The City needs to re-evaluate how it continues to cater to large corporations, which continue to reduce the available housing, increase housing prices, and gentrify what remains of a diverse Menlo Park. The same type of companies can pack up and leave if asked to pay their fair share of taxes or treat the people who work for them fairly and treating them as employees.

California ranked 49th among the United States when it comes to housing units per resident as of 2018. More than one in five households statewide spend more than half of their income on housing expenses.

California District 25 Assemblyman Alex Lee (D-San Jose) a couple of weeks ago introduced AB 387, also known as the Social Housing Act of 2021. The aim of AB 387, according to Lee, is to address the severe shortage of affordable homes for both low- and moderate-income households.

The bill, meant to provide affordable housing for Californians across the income spectrum, would put the state in the development business. The ideal result, according to Lee, would be a slew of mixed-income rentals and even some for-sale homes, perhaps in mixed-use developments with retail, jobs, or other amenities. In America today, the closest thing to social housing is what is known as public housing, or the "housing of last resort," often in old, crumbling buildings filled only with low-income residents. But in Europe, South America, Asia, and elsewhere, the term "social housing" is commonly used to describe state-built homes, generally on publicly owned land, for people of all incomes.

Such developments abroad are typically well-maintained, sometimes overseen by the government, a private company, or the residents themselves. Unlike many affordable housing developments in the U.S. and California, the rents or mortgages aren't allowed to one day become market rate.

The City of Menlo Park owns at least 43 parcels throughout the City, as far as I know (as far as I know, this list is not available on the City's website). This number does not include any other property rights it may have elsewhere. The City, a few years back, through its fire department, bought a property for use by the fire department staff. As such, this concept should not be a novel idea.

**RECOMMENDATION:** I request that the City of Menlo Park be among the leading city governments to initiate and implement the development (directly or through contractors) of the properties that it owns to provide the mixed housing as described above while retaining the title to such developments (i.e., not sell it off).



# AFFORDABLE HOUSING LOAN AUTHORIZATION

2020 Notice of Funding Availability

ARRRERGA RAVVBY  
CYLVVSTEV





# AGENDA

- Summary of 2020 NOFA
- Acquisition of 6-8 Coleman Place
- Funding and loan structure
- HIP Housing Development Corp. presentation





## NOTICE OF FUNDING AVAILABILITY (NOFA)

- Below market rate (BMR) housing fund
  - Special fund separate from general fund with revenue generated mostly via development fees
  - Specified uses are outlined in the BMR housing program guidelines
- 2020 NOFA
  - Released \$10 million in available funds
  - Received three proposals submitted by nonprofit housing organizations
    - HHDC – acquisition of 14 existing units converted to affordable housing
    - Habitat for Humanity – assist 20 low income homeowners with rehab repairs
    - MidPen Housing – build and sell 12 two bedroom townhomes for low income



## ACQUISITION OF EXISTING HOUSING

- HIP Housing Development Corporation (HHDC)
  - Development arm of HIP Housing
  - Serves approximately 1,400 low income individuals in San Mateo County
- 6-8 Coleman Place
  - Two 7-unit buildings (12 one bedroom & 2 two bedroom units)
  - Location is south of Hwy 101 and close to Willow Rd.
  - Property has 5 vacant units available immediately
    - Priority for tenants whom live or work in Menlo Park
  - Existing tenants will not be displaced
- Deed restriction
  - Term of 55 years secures affordability for years to come



## FUNDING AND LOAN STRUCTURE

- HHDC requesting \$5.5 million in City BMR funds
  - Sales price of 6-8 Coleman Place is \$7.45 million
  - Private banking institution and donation funds will fulfil the difference
- BMR housing fund balance
  - \$17.2 million as of February 18, 2021
  - \$10 million announced in 2020 NOFA
  - Estimated \$7.2 million ending balance
- Total of all three 2020 NOFA requests is \$10.3 million
  - In March and/or April 2021 the Habitat for Humanity and MidPen Housing proposals will be presented to City Council
  - City Council has the ability to earmark full funding of all 2020 NOFA requests



## BENEFITS TO THE COMMUNITY



- NOFA provides investment in local affordable housing
  - Long term housing stability for BMR tenants and owners
  - Rents and sales prices strictly regulated
- BMR unit availability
  - Affordable units have low turnover
  - Pandemic has increased the number of families experiencing job loss and other economic hardships
  - Units available promptly as a result of the purchase and conversion of 6-8 Coleman Place
- City funding is vital to the project moving forward
- Staff will be available for questions after the HHDC presentation



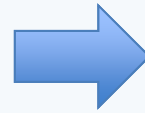
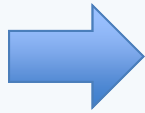
**THANK YOU**



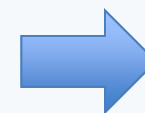
Creative affordable housing solutions in  
San Mateo County, CA  
since 1972

# AFFORDABLE HOUSING CONTINUUM

Shelters  
• Life Moves



Big Developers  
• MidPen  
• Eden  
• Mercy



Owned  
• H4H  
• City loan programs





## 1400 People Housed Annually

- Home Sharing (600)
- Family Self Sufficiency (100)
- Property Development  
& Property Management (700)

*Housing Information & Referral (3,000)*

# 100 in Menlo Park

## **Home Sharing = 7 people**

- Housing Element
- *Tow Company Dispatcher, Home Health Aid, Menlo Park Records Coordinator, Menlo College Teacher, 3 Seniors*

## **Self Sufficiency Program = 5 families**

- *5 (6 adults/6 children)*
- All completing degrees to exit poverty  
*(Psychology, Journalism, English)*

## **Our Menlo Park Properties = 33**

## **Housing Information and Referrals = 49**

# Property

## Development & Management



1157-1161 Willow Road, Menlo Park

**PRESERVATION:** Expanding the San Mateo County affordable housing inventory by purchasing, deed restricting, and managing affordable residential properties.



## UNITS:

- Own = 265 units in 18 complexes
- Manage = 138 units
- Compliance = 35 units (2 at Live Oaks)

# 1157 – 1161 WILLOW



- Purchased July 20, 2012
- Fully Rehabbed in 2013
- 12 Units: Ten 1-bdrms and two 2-bdrms
- Financing:
  - City of Menlo Park
  - City of Redwood City
  - County of San Mateo
  - Boston Private Bank

# 1430 CHILCO



- Donated to our Self Sufficiency Program in 2017
- 4 bedrooms and 2 bath
- Fully remodeled interior
- On Facebook campus trail
- Has a PBA contract deed restriction

# PRESERVATION MODEL

## 5 CRITICAL CONSIDERATIONS

LOCATION: Close to services, transportation and in a city with interest and available funds

SELLER: Interested in NP | Escrow timing

SIZE: 6 – 16 units

CONDITION: Well maintained and in good condition

TENANTS: Tenants that likely income qualify / vacant units

# Why Preservation is Unique

1. Come up quickly and unexpectedly
2. Bound by tight escrow limitations
3. Require a simplified financing stack
4. Already in neighborhoods – Less NIMBY
5. Prevents displacement
6. Preserves naturally affordable housing –  
and a quick way to increase affordable  
housing stock and diversify neighborhoods

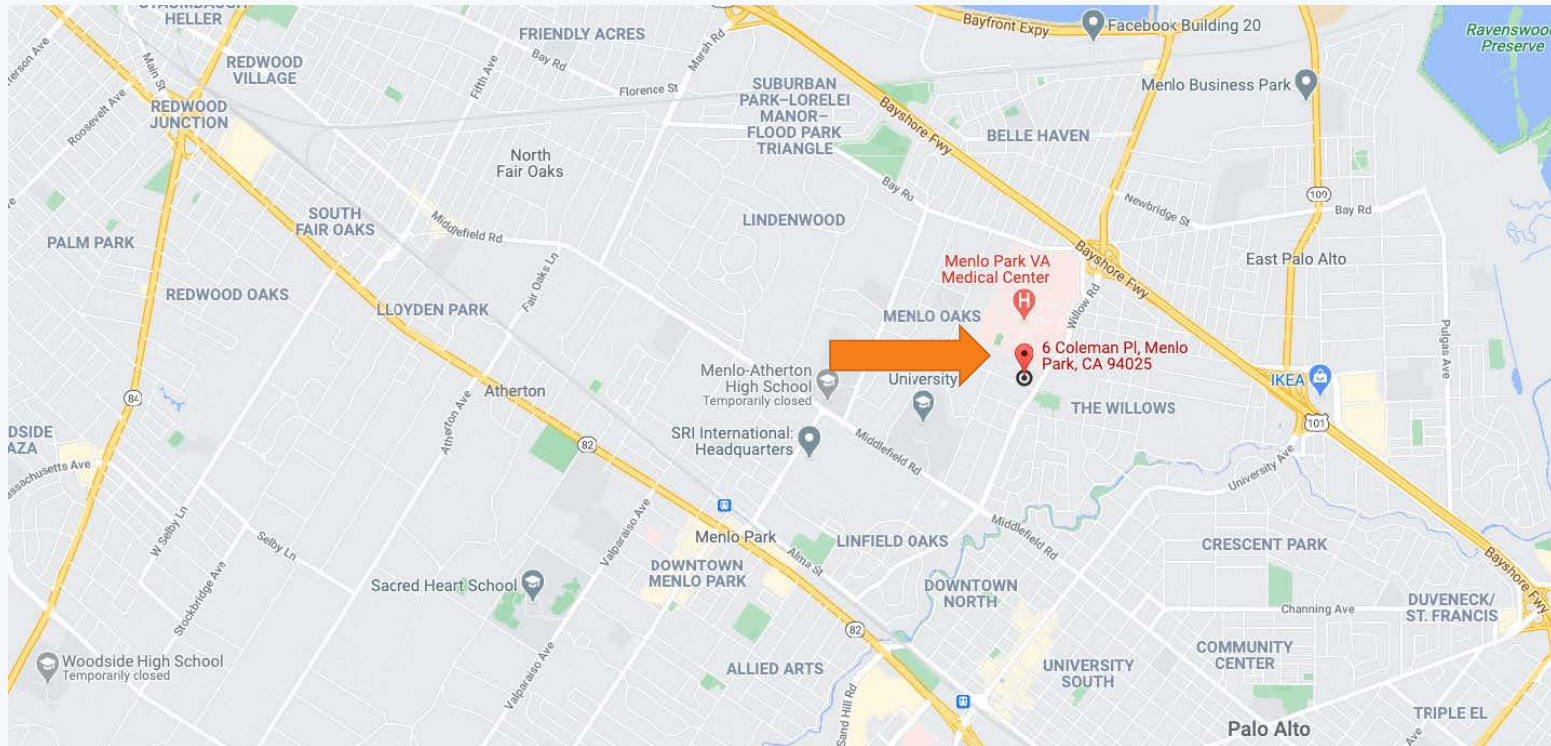


# 6 -8 COLEMAN PLACE



14 UNITS (12 one Bedroom and 2 two-bedrooms)

# LOCATION



South (and west) of Highway 101  
promoting neighborhood diversity, opportunity, equity and inclusion

# AMENITEIS

- **2 two-bedroom units** – highly coveted
- 12 units have renovated with **new kitchens**, light fixtures, upgraded electrical, plumbing and subpanels
- New **double paned windows** and exterior **doors**
- Newly installed **garage doors**
- Newly renovated **laundry rooms and stairwells**
- **Heritage tree** prominently located in the front and well maintained landscaping
- Shared outdoor courtyard with **BBQ picnic area**

# GENERAL PLAN AND HOUSING ELEMENT

## General Plan:

Guiding Principal of Citywide Equity, which specifically includes limiting displacement of current residents and neighborhood inclusion.

## Housing Element:

- **H4.9:** Supporting long-term affordability (55 year-deed restriction)
- **H2.1:** Enhanced Community Stability
- **H2.4:** Housing Affordability Preservation
- **H2.5:** Maintenance of Quality Housing
- **H2.6:** Energy Efficiency Goals: (Electrical upgrade and possible solar)
- **H4.1:** Housing Opportunity Site: (Unique opportunity for conversion into long-term affordability)



## PROPERTY MANAGEMENT

- A. 30 - Years of Experience (438 units)
- B. Non-Displacement Strategy
- C. Turn Over – Income Qualify
- D. Annual Certification
- F. Marketing Plan
- G. Willow Work/Live





## STAFF REPORT

### City Council

Meeting Date:

2/23/2021

Staff Report Number:

21-043-CC

### Regular Business:

**Consider modifications to the Downtown street closure and temporary outdoor use permit pilot program and adopt urgency Ordinance No. 1075 regarding travel lanes on Santa Cruz Avenue and Ryan's Lane**

## Recommendation

Staff recommends that the City Council adopt urgency Ordinance No. 1075 (Attachment A) to update the Downtown street closure and temporary outdoor use permit program to reflect which, if any, travel lanes of Santa Cruz Avenue and Ryan's Lane remain temporarily closed. The draft ordinance includes the edits that would be necessary to reopen the street, but the final wording would be based on City Council's direction. Currently the following sections of roadway are closed, but would reopen March 1, 2021, per Ordinance No. 1073 adopted October 6, 2020 unless the City Council adopts a new urgency Ordinance:

- 600 block (odd) of Santa Cruz Avenue northbound lane toward El Camino Real from Curtis Street to Doyle Street;
- 800 block (odd) of Santa Cruz Avenue northbound lane toward El Camino Real from Evelyn Street to Crane Street; and
- Ryan's Lane both directions from Crane Street to Escondido Lane.

Other elements of the temporary outdoor use permit program to allow parklets/street cafes in off-street parking spaces remain until September 6, 2021 per Ordinance No. 1073. If the City Council decides to keep any of these blocks closed, staff recommends a proposed end date for the street closures be September 6, 2021 to coincide with the other elements of the program.

## Policy Issues

The COVID-19 pandemic continues to force businesses to adjust and adapt. The City's current program closes portions of Santa Cruz Avenue and Ryan's Lane, suspends certain zoning requirements, waives processing fees for temporary outdoor use permits, and utilizes funding from the Downtown streetscape capital improvement plan (CIP) fund to acquire materials for the street closure and assistance with barricades for businesses. As conditions change, the City Council should consider whether modifications to the program and street closures are warranted.

## Background

The City Council took steps to help mitigate the economic impacts of COVID-19 by ensuring that local businesses remain viable while operating in a safe manner. Over the past eight months, the City Council has considered this topic multiples times and adopted four urgency ordinances as summarized below.

On June 19, the City Council adopted urgency Ordinance No. 1070 that allowed the partial closure of Santa Cruz Avenue and for staff to implement a temporary outdoor use program. The City Council subsequently adopted urgency Ordinance No. 1071 July 16 to expand the allowed uses eligible for a temporary outdoor use permit and to modify the street closure pattern.

As part of a 45-day review, staff prepared an information item for August 11. On August 25, the City Council received public testimony and had a robust discussion about the components of the urgency ordinance. While the City Council generally supported the extension of the temporary outdoor use permit beyond September 17, there were various considerations for potential modifications to the Santa Cruz Avenue closure configuration. The City Council continued the item to allow City Councilmembers to visit Downtown with these specific considerations in mind and meet with merchants.

On September 8, the City Council adopted urgency Ordinance No. 1072, which resulted in an extension of the outdoor use permit until February 28, 2021 and additional modifications to the street closure by reopening the southbound travel lane along Santa Cruz Avenue. This change reflected a balancing of the interests of businesses who rely on pass-by vehicle traffic and businesses who wish to expand their outdoor operations into the street. The City Council also supported the use of the travel lane on the closed portion of Santa Cruz Avenue between Doyle and Curtis Streets for business operations during the weekends. Because the use of the travel lane would require rerouting of bicycle traffic to the side streets, the City Council requested that staff return with additional options for the City Council to consider.

On September 22, the city manager briefed the City Council with an update on the Santa Cruz Avenue street closure and temporary outdoor use permit program. At that time, members of the City Council also expressed interest in modifying the urgency ordinance and provided additional direction to staff on revisions on how Santa Cruz Avenue can be used. On October 6, 2020, the City Council adopted urgency Ordinance No. 1073 to reflect changes discussed September 22 and summarized as follows:

- Install “walk your bike” signs for the closed portions of Santa Cruz Avenue.
- Allow use of the travel lanes without limitations to time of day or day of week.
- Close a portion of Ryan’s Lane between Crane Street and Escondido Lane.

On January 12, the city manager briefed the City Council on her intention for staff to return at the next meeting with an updated ordinance to reopen the travel lanes on Santa Cruz given the fact that outdoor dining was not allowed and projections assumed that it would not resume until March at the earliest. On January 26, the City Council considered urgency Ordinance No. 1075 that would have reopened travel lanes on Santa Cruz Avenue January 27 while keeping travel lanes on Ryan’s Lane closed. The City Council decided to defer action until February 23 given the fact that the regional intensive care unit (ICU) bed capacity had dramatically improved and the Governor had allowed outdoor dining to restart January 25.

## Analysis

The Downtown street closure and temporary outdoor use permit pilot program was adopted with the understanding that it was both temporary and would need to be assessed and possibly adjusted during the term in order to be successful. The target date for opening up the remaining two blocks of travel lanes per Ordinance Nos. 1072 September 8, 2020 and 1073 October 6, 2020 is February 28, 2021. The proposed urgency Ordinance No. 1075 (Attachment A) would be needed if the City Council desires to keep any or all of the three blocks closed beyond February 28. If the City Council does not take action, then staff would



reopen travel ways Monday, March 1, 2021 pending coordination with adjacent businesses and availability of staff resources.

The businesses that either have been using or intend to use the travel lanes are as follows:

- 600 block of Santa Cruz Avenue: Bistro Vida and Left Bank
- 800 block of Santa Cruz Avenue: Galata Bistro and Fleet Feet (occasionally)
- Ryan's Lane: Carpaccio (future plans)

All of these businesses would prefer to keep the respective blocks closed. Other businesses downtown have expressed a desire to reopen the street segments, especially the 800 block of Santa Cruz Avenue.

Staff reviewed various options with the City Council's Business Subcommittee comprised of City Councilmembers Mueller and Taylor. The Subcommittee felt it was best for the entire City Council to weigh in without the Subcommittee making a recommendation in advance.

Regardless of the outcome disposition of the travel lanes, businesses would continue to be able to use other on-street or off-street parking spaces consistent with the temporary outdoor use permit program through September 6, 2021. The attached ordinance includes the applicable nominal edits to memorialize the potential for reopening street segments. The exhibit will be updated to reflect the City Council action before the Mayor's signature of the ordinance.

### **Impact on City Resources**

The City Council made \$300,000 in the downtown streetscape capital improvement project available for any unexpected expenses related to the closure of Santa Cruz and implementation of the temporary outdoor use permit process. Approximately \$30,000 of the funds have been used in the procurement of trees, water-filled barricades and concrete k-rail additional to that which was provided by MPFPD (Menlo Park Fire Protection District) and Facebook. Staff will continue to utilize those funds on unexpected expenses related to the program.

### **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. Urgency Ordinance No. 1075

Report prepared by:  
Justin Murphy, Deputy City Manager

**ORDINANCE NO. 1075****AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MENLO PARK AMENDING ORDINANCES 1070, 1071, 1072, AND 1073 CREATING A TEMPORARY OUTDOOR USE PERMIT FOR RESTAURANTS TO ALLOW FOR SUCH USE AND REOPENING SANTA CRUZ AVENUE**

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

**SECTION 1. FINDINGS AND DETERMINATIONS.** The City Council of the City of Menlo Park hereby finds:

- A. The Centers for Disease Control and Prevention has stated that based on current information a novel coronavirus named “COVID-19” is a serious public health threat;
- B. A complete clinical picture of this respiratory disease is not yet fully understood;
- C. On March 3, 2020, and pursuant to Section 101080 of the California Health and Safety Code, the San Mateo County Health Officer (the “Health Officer”) declared a local health emergency throughout San Mateo County related to the novel coronavirus (“COVID-19”);
- D. On March 4, 2020, the Governor of the State of California declared a state of emergency to help the state prepare for the spread of COVID-19;
- E. On March 11, 2020, the World Health Organization declared COVID-19 constituted a world pandemic;
- F. On March 11, 2020, the City Council of the City of Menlo Park declared a local emergency based on the current COVID-19 world pandemic;
- G. On March 14, 2020, the Health Officer prohibited all public or private gatherings of 50 or more people and urged the cancelation of all gatherings of 10 or more people in a single confined space;
- H. On March 16, 2020, the Health Officer issued an order that, among other things, directed all individuals currently living within San Mateo County to shelter in their place of residence (“Shelter-in-Place Order”), and authorized individuals to leave their residences only for certain “Essential Activities,” Essential Governmental Functions,” or to operate “Essential Businesses,” all as defined in the Shelter-in Place;
- I. On March 19, 2020, Governor Newsom issued Executive Order No. N-33-20 ordering all individuals in the State of California to stay home or at their place of residence except as needed to maintain continuity of operations of the federal critical infrastructure sectors;
- J. The Health Officer issued subsequent orders restricting residents’ ability to operate businesses and restricting movement and commerce;
- K. The existence of State and County stay at home orders have drastically impacted local businesses which have been unable to operate, absent designation as an essential business. Restaurants and other facilities that prepare and serve food, have only been able to operate for delivery or carry out, and retail businesses have had to close to in-person sales.
- L. On April 28, 2020, the Governor announced a four-phase roadmap for relaxing the current stay at home order requirements. On May 12, 2020, the Governor issued guidance for the eventual reopening of restaurants in counties certified as meeting state benchmarks for addressing the COVID-19 pandemic. On May 8, 2020, the Governor announced a loosening of rules linking coronavirus infection rates to allowed activities, giving counties more flexibility in making determinations of how to move through Phase 2 of the planned reopening, and indicated that Phase 3 could begin as soon as June 2020.

- M. On June 17, 2020, the County Health Officer rescinded the local shelter-in-place order and issued a new order that aligns the county with the state's schedule for reopening.
- N. Despite the ability of business to gradually re-open in accordance with State and local health requirements, businesses are limited in their capacity to provide services in their existing facilities due to existing and anticipated social distancing requirements.
- O. The City Council intends to provide assistance to local businesses during this time of public health and economic hardships, by encouraging the patronization of local restaurants and other business in a safe manner and therefore desires to establish standards that allow restaurants and other businesses to temporarily operate in an expanded outdoor capacity in the public right-of-way, public parking plazas and private property throughout the Downtown and to give the City Manager more flexibility to close streets to allow for social distancing while providing greater pedestrian access and opportunities for outdoor dining and the sale of goods.
- P. As a pilot program, the Chamber of Commerce recommended the closure of portions of Santa Cruz Avenue between Doyle Street to Evelyn Street. The closure plan and associated barricades were reviewed by the Director of Public Works and the Menlo Park Fire Protection District. On June 19, the City Council adopted urgency ordinance 1070 that allowed staff to close the street and implement the temporary outdoor permit program.
- Q. Following implementation of the closure plan, many retailers voiced concerns about the lack of traffic flow on Santa Cruz. To address these concerns, on July 7, the Chamber of Commerce recommended an updated closure plan that would allow some of the blocked portions of Santa Cruz Avenue to reopen with one-way traffic. The City Council desired to implement that plan in order to address merchants' concerns, and adopted urgency ordinance 1071 on July 16, 2020.
- R. On August 11, 25, and September 8 and 22, the City Council considered additional input and discussed options for potential modifications to the closure of Santa Cruz Avenue and the temporary outdoor use permit program, and directed staff to make further changes to reopen the southbound lane of Santa Cruz Avenue and maintain the closure of sections of the northbound lane.
- S. The City Council also desires to continue to suspend Menlo Park Municipal Code requirements to allow businesses throughout the City to use certain public and private spaces for expanded operations while necessary to comply with social distancing requirements, and continued the Temporary Outdoor Use Permit Program through September 6, 2021 at its September 8, 2020 meeting.
- T. Based upon the findings above, the City Council finds that there is a current and immediate need to allow businesses to use certain outdoor spaces in order to prevent additional harm to small businesses in the City and to allow the public to patronize Menlo Park businesses while complying with social distance requirements, in order to mitigate the threat to the public health, safety and welfare presented by COVID-19.
- U. Based upon the findings above, the City Council finds that this urgency ordinance is necessary for the immediate preservation of the public health, safety, and welfare. The City Council finds and determines that the immediate preservation of the public health, safety and welfare requires that this Ordinance be enacted as an urgency ordinance pursuant to Government Code Section 36937(b) and take effect immediately upon adoption. As described above, businesses in Menlo Park are facing unprecedented hardships related to COVID-19 and the shelter-in-place orders. This Ordinance needs to become effective immediately in order to prevent further closure of downtown businesses that have been severely impacted by the pandemic, to prevent the deterioration of the downtown ambience and to enliven the downtown space which many residents use as a brief respite from shelter in place mandates. herefore, this Ordinance is necessary for the immediate preservation of

the public peace, health, safety and welfare and its urgency is hereby declared.

**SECTION 2. TEMPORARY OUTDOOR USE PERMIT.**

- A. **Downtown Businesses.** Restaurants and other retail businesses and personal services and fitness studios located in Downtown may temporarily use private property or City public right of way or public parking plazas to provide or expand outdoor dining seating, conduct fitness classes or similar services or display their wares, subject to the terms and conditions of a Temporary Outdoor Use Permit. Downtown is defined as the area bounded by the El Camino Real, Menlo Avenue, University Drive and Oak Grove Avenue. Permits for use of public parking plazas shall be revocable upon 72-hour notice if the City determines the utilized parking spaces are needed for parking.
- B. **Outside Downtown Businesses.** Restaurants and other retail businesses located outside of Downtown may temporarily use private property or public sidewalk to provide or expand outdoor dining seating, conduct fitness or similar services, or display their wares, subject to the terms and conditions of a Temporary Outdoor Use Permit.
- C. **Creation of Permit.** The City Council authorizes the City Manager or their designee to create a Temporary Outdoor Use Permit application, to review applications for such a permit, and to issue such revocable and limited use permits with any necessary conditions of approval. Eligible business owners or their representative may apply to the City for a revocable Temporary Outdoor Use Permit. Before issuing the Temporary Outdoor Use Permit, the applicant's design and layout plans shall be approved by the Public Works Director or designee.

Such permits shall be subject to compliance with operational and safety provisions provided by the City Manager or their designee, applicable State and County of San Mateo health orders, applicable provisions in Menlo Park Municipal Code Sections 13.18.080-13.18.160, applicable regulations of the Department of Alcohol and Beverage Control, and in compliance with the Americans Disability Act. Provided these conditions are met, the applicant shall not be subject to minimum parking requirements specified in the Menlo Park Municipal Code or in a previously granted entitlement, for the duration of the term of the Permit, which shall be reasonably related to the requirements of State, County, or local social distancing requirements and the economic impacts of COVID-19. If the applicant intends to use a shared private parking lot for expanded outdoor dining seating, then the applicant must obtain written consent from other parties with whom the parking lot is shared, and such consent shall be provided upon submission of the permit application.

**SECTION 3. CLOSURE OF STREETS FOR OUTDOOR EVENTS.** Pursuant to Section 21101(e) of the California Vehicle Code, the City may adopt rules and regulations for highways under its jurisdiction by resolution regarding the temporarily closure of a portion of any street for local special events, and other purposes when, in the opinion of City, or a public officer or employee that the City designates by resolution, the closing is necessary for the safety and protection of persons who are to use that portion of the street during the temporary closing. The City Council desires that a portion of Ryan's Lane from Crane Street for approximately 50 feet shall be temporarily closed as shown and depicted on Exhibit A [updated] incorporated herein to temporarily allow for open air dining and other business purposes intended to allow the public to patronize local businesses, obtain services and dine outdoors. The Public Works Director or designee shall have the authority to approve the final street closure plan, barrier placement and signage to implement this ordinance.

The City finds and resolves that the closure of such streets is necessary for the protection of persons using such streets for such purposes during designated events. The City Council authorizes the City Manager to establish a schedule for outdoor dining/business events, and to temporarily order the closure of streets or portions of streets as necessary to allow for such events.

**SECTION 4. TEMPORARY SUSPENSION OF CERTAIN FEES AND ZONING REQUIREMENTS.** The City Council hereby temporarily suspends for the effective period of this Ordinance the payment of any fees associated with the uses described in Paragraph 2. In addition, the City Council temporarily suspends the application of any zoning requirements inconsistent with the uses described in Section 2.

**SECTION 5. ENVIRONMENTAL DETERMINATION.** In accordance with the California Environmental Quality Act ("CEQA") guidelines section 15061(b)(3), adoption of this ordinance is exempt from the provisions of CEQA, because there is no possibility that the implementation of this ordinance may have a significant effect on the environment.

**SECTION 6. SEVERABILITY.** In the event any section, clause or provision of this ordinance shall be determined invalid or unconstitutional, such section, clause or provision shall be deemed severable and all other sections or portions hereof shall remain in full force and effect.

**SECTION 7. EFFECTIVE DATE AND POSTING.** This ordinance shall be effective immediately upon adoption and shall expire on September 6, 2021 for the temporary closure of the streets, unless extended by the City Council. Any Temporary Outdoor Use Permit issued under this urgency ordinance shall expire on September 6, 2021, unless revoked by the City or extended by further City Council action.

**SECTION 8. AMENDMENT.** This ordinance shall supersede and amend Ordinance 1070 adopted by the City Council on June 19, 2020, Ordinance 1071 adopted on July 16, 2020, Ordinance No. 1072 adopted on September 8, 2020 and Ordinance No. 1073 adopted on October 6, 2020. Where this ordinance is inconsistent with Ordinance Nos. 1070, 1071, 1072 and 1073 this ordinance shall prevail.

INTRODUCED on the twenty-third day of February, 2021.

PASSED AND ADOPTED as an urgency ordinance of the City of Menlo Park at a regular meeting of said City Council on the twenty-third day of February, 2021 by the following vote:

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AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

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Drew Combs, Mayor

ATTEST:

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Judi A. Herren, City Clerk

**Color Key**

-  Roadblocks
-  Street Closures
-  Restaurants
-  Cafe Dining (existing)
-  Outdoor Expansion (as requested)
-  Bicycle Parking Zone
-  Directional Traffic Pattern

Place barricades (see examples below) along outline of parking spaces for street cafe area per permit proposal.



North

Work with businesses who apply for temporary outdoor use permit for street café/parklet and barrier installation along Santa Cruz Avenue and side streets in Downtown.

"Pedestrians Use Crosswalk" A-frame sign installed.



Match Line

MALONEY

EL CAMINO REAL

JOHNSON LN

DOYLE ST

100 Feet

PLATE 1

South

Stacks

Color Me Mine

Mr. Bubble

Union Bank

Menlo Cafe

Dolma Carpets

Abby Carpet

Dolma Handicraft

Cheeky Monkey

Susie Cakes

La Migliore Salon

Breeze-way

Chase

Bow Wow Meow

Peabody Gallery

Kyosho

S.C. Barber Shop

Park Ave Salon

Cold Stone Creamery

VACANT (Ceci Wong)

Bank of America

Left Bank

Harvest

Bistro Vida

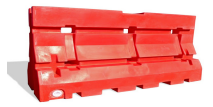
Walgreens

VACANT (Una Mas)

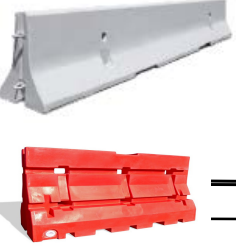
Starbucks

1 10' concrete krail (closest to median) + 1 water filled 6' barrier closest to curb; and install "Walk Your Bike" sign.

4 10' concrete krail.



1 10' concrete krail (closest to median) + 1 water filled 6' barrier closest to curb; and install "Walk Your Bike" sign.



"No Right-Turn" sign installed at intersection to prohibit right turns from Curtis St. to Santa Cruz Ave.



Work with businesses who apply for temporary outdoor use permit for street café/parklet and barrier installation along Santa Cruz Avenue and side streets in Downtown.

Place barricades along outline of parking spaces for street cafe area per permit proposal.

Place barricades along each end of the closure for street cafe area per permit proposal.

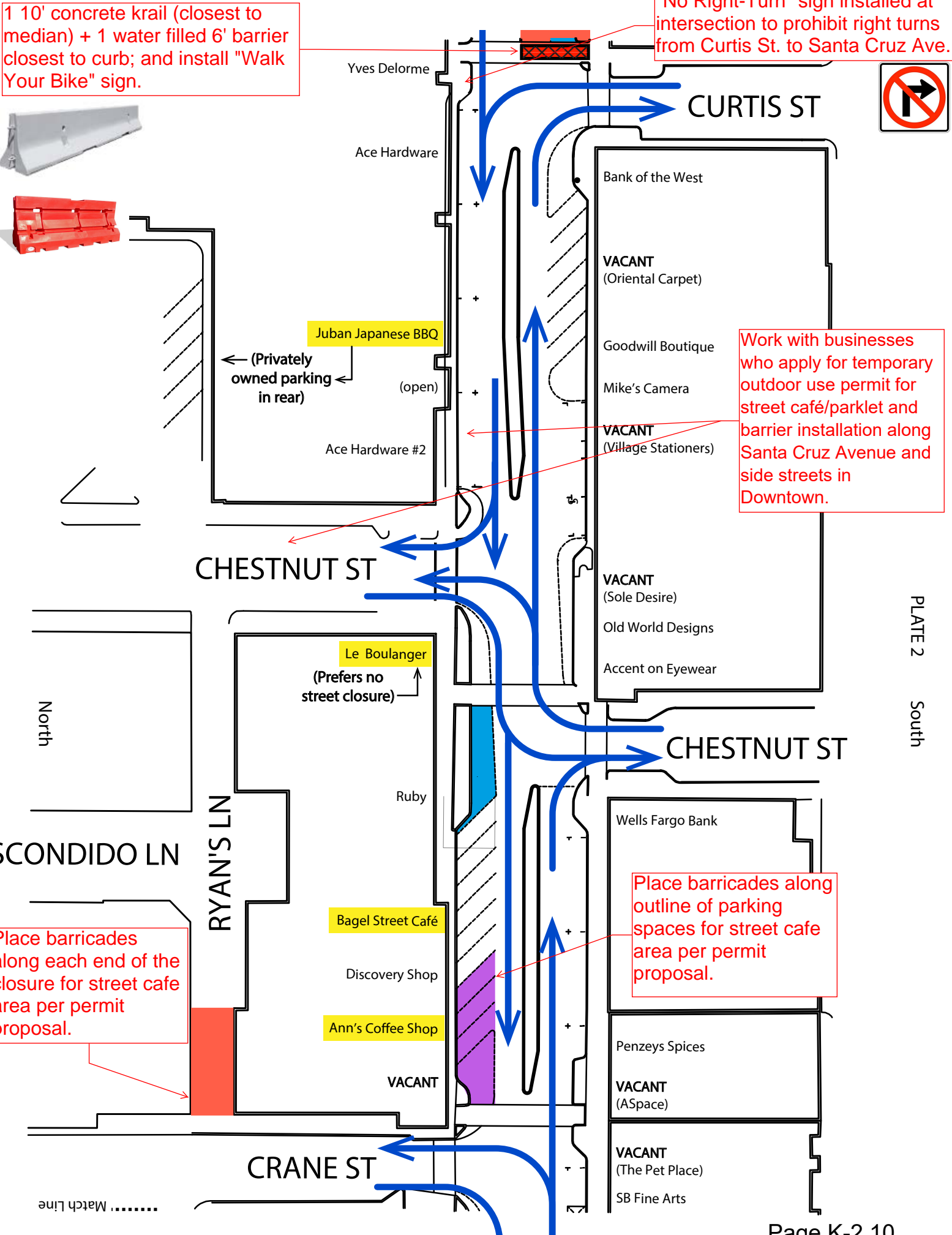
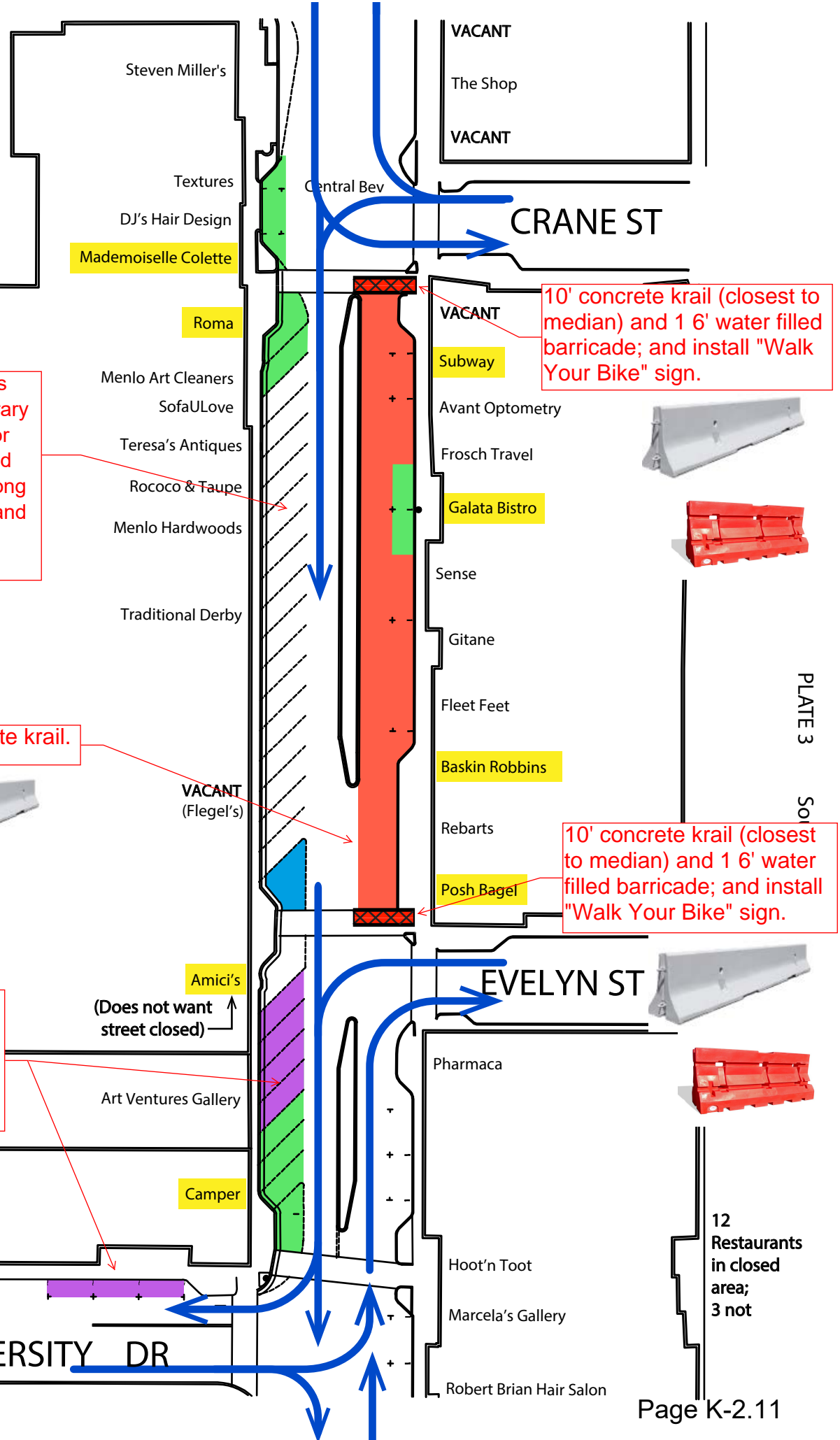


PLATE 2  
South



North

Match Line



Work with businesses who apply for temporary outdoor use permit for street café/parklet and barrier installation along Santa Cruz Avenue and side streets in Downtown.

4 10' concrete krail.

Place barricades along outline of parking spaces for street cafe area per permit proposal.

10' concrete krail (closest to median) and 1 6' water filled barricade; and install "Walk Your Bike" sign.

10' concrete krail (closest to median) and 1 6' water filled barricade; and install "Walk Your Bike" sign.

12 Restaurants in closed area; 3 not

PLATE 3  
SOI

Agenda item K2  
Mark Martella, Resident

I am writing in support of our downtown businesses and support the continuation of the traffic modifications on Santa Cruz Avenue. Our downtown restaurant owners need all the help they can get and the expansion of dining areas has been the only thing keeping them afloat. They have invested in their businesses and their investment has paid off for them. There has been an increase in foot traffic, an increase in diners and an increase in civic pride.

Please allow them to continue this progress and keep the current configuration of Santa Cruz Avenue as is.

Thank you,

Mark Martella  
750 Lemon Street

Agenda item K2  
Carolyn Poe, Resident

I agree wholeheartedly with Dana Hendrickson's suggestions for revitalizing downtown. I have never before observed so much energy or activity or even attractive scenery on Santa Cruz Avenue. I have lived in Menlo Park for five years and, for the previous 43 years residing in Ladera, I would drive in to Menlo Park for services and shopping. But my family and I almost never went to the restaurants because they all seemed sterile, just like Santa Cruz Avenue. However, we almost always joined the crowds for the food and wine festivals and the arts sidewalk shopping. That means the town can attract people but it needs a pedestrian mall-like atmosphere permanently. The restaurants are already here. (But please remove the ugly cement barriers.) Start the preparations for the occupants of the new buildings being completed on nearby El Camino Real. Have them bring their purses and wallets to Santa Cruz Avenue!

Agenda item K2  
Barbara Zivkov, Resident

I write to strongly support the continued closure of portions of Santa Cruz Avenue and other downtown streets for use by local restaurants and retailers. Firstly, it is apparent that restaurants will not be able to open for indoor dining at full capacity for quite some time. There may be some potential patrons who will not yet feel comfortable eating indoors at that time.

I would also support some additional closures for use by the larger community for one-off events. Downtown Menlo Park has been hit hard by the pandemic, I support anything that can be done to entice residents and visitors to return.

Agenda item K2  
Richard Vaughan

I fully support the continued lane closure and traffic modifications on Santa Cruz Ave. I find the ambiance of Santa Cruz Ave now to be much more inviting than when it was just cars travelling both ways. I look to the European concept of dedicated Pedestrian Zones as a model. The current configuration seems to work just fine.

Not only does it provide an enhanced pedestrian zone but one must also consider the investments the restaurants have made to make their businesses work in these COVID times. With all of the outside closures that have been built, businesses need more time to recoup their investments. Given the enforced Purple Tier closures during December and January and the fact that many patrons are not ready, willing or vaccinated to return comfortably to indoor dining - forcing the restaurants to remove these will only hurt them.

I am especially enjoying the current traffic modifications because it allows for greater community activities. For example, on Sunday mornings there is always live jazz provided by local high school musicians to the patrons of Bistro Vida and the Left Bank. I would like to applaud the City Council and the Chamber of Commerce for allowing these events to happen and flourish. The more music and live Performing Arts we can have in Menlo Park the better!

As we emerge from our Covid-induced hibernations, rebuilding our Community Spirit can only be enhanced by having the ability to meet and mingle in public spaces such as those created by the traffic barriers. I really enjoy having Santa Cruz Ave be more dedicated to pedestrian traffic than just cars. Please consider making this a permanent fixture. Thank you.



# CITY COUNCIL MEETING

Downtown Santa Cruz Avenue





## AGENDA ITEM

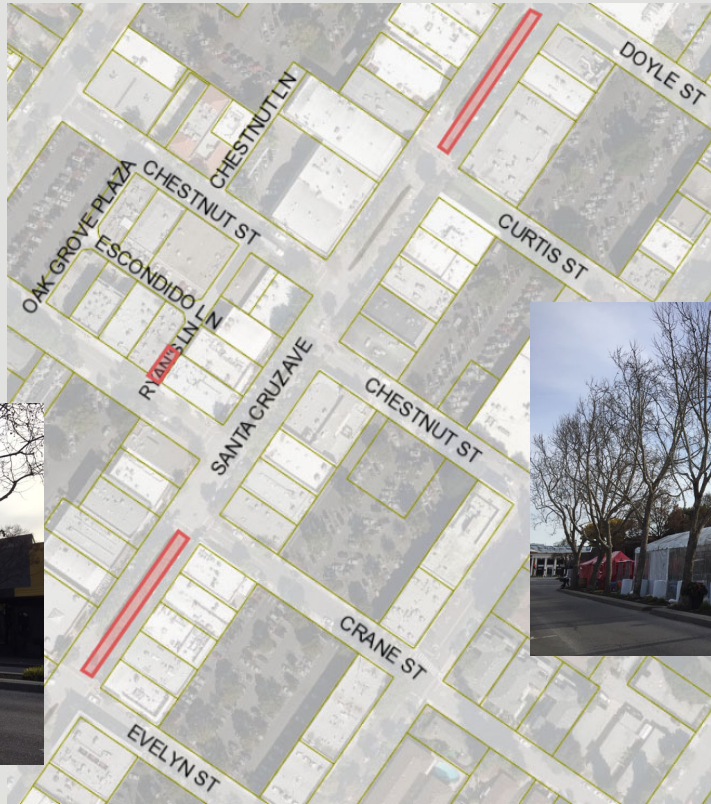
Council action on the following:

- Consider modifications to the Downtown street closure and temporary outdoor use permit pilot program and adopt urgency Ordinance No.1075 regarding travel lanes on Santa Cruz Avenue and Ryan's Lane





# DOWNTOWN STREET CLOSURES







## RECOMMENDATION



- Adopt urgency Ordinance No. 1075 (Attachment A), with potential modifications as determined by the City Council, to allow any of the following street segments to remain closed until September 6, 2021:
  - 600 block (odd) of Santa Cruz Avenue northbound lane toward El Camino Real from Curtis Street to Doyle Street;
  - 800 block (odd) of Santa Cruz Avenue northbound lane toward El Camino Real from Evelyn Street to Crane Street; and
  - Ryan’s Lane both directions from Crane Street to Escondido Lane.
- Other elements of the temporary outdoor use permit program to allow parklets/street cafes in off-street parking spaces remain until September 6, 2021



**THANK YOU**



## STAFF REPORT

### City Council

Meeting Date:

2/23/2021

Staff Report Number:

21-047-CC

### Regular Business:

**Adopt Resolution No. 6616 approving an agreement between the City of Menlo Park and Burke Williams Sorenson, LLP for city attorney services, with Nira F. Doherty as designated city attorney and authorize the mayor to execute the agreement**

### Recommendation

Staff recommends that the City Council adopt Resolution No. 6616 (Attachment A) approving an agreement between the City of Menlo Park and Burke Williams Sorenson, LLP for city attorney services, with Nira F. Doherty as designated City Attorney and authorize the Mayor to execute the agreement. A copy of the legal services agreement with Burke Williams Sorenson, LLP, (Attachment B.)

### Policy Issues

City Council Procedure #CC-19-010 (Attachment C) designates the City Council as appointing authority for the city attorney to serve as the legal advisor for the City Council, city manager and departments.

### Background

Adopted at the City Council's November 12, 2019 meeting, City Council Procedure #CC-19-010 the City Council appoint two positions within the city organization: the city manager and city attorney. Both positions serve at the will of the City Council and have employment agreements that specify certain terms of employment including an annual evaluation by the City Council.

The city attorney is the legal adviser for the City Council, city manager and departments. The general legal responsibilities of the city attorney are to: 1) provide legal assistance necessary for formulation and implementation of legislative policies and projects; 2) represent the city's interest, as determined by the City Council, in litigation, administrative hearings, negotiations and similar proceedings; 3) prepare ordinances, resolutions, contracts and other legal documents to best reflect and implement the purposes for which they are prepared; and 4) keep the City Council and staff apprised of court rulings and legislation affecting the legal interest of the City. It is important to note that the city attorney does not represent individual city councilmembers, but the City Council as a whole.

### Analysis

The City Council is the hiring authority for the position and services of city attorney. The City contracted with Cara Silver of Jorgenson, Siegel, McClure & Flegel, LLP for interim city attorney services after the former City Attorney William McClure retired. This agreement is a month to month agreement at this time and is intended to terminate on approval of a city attorney contract.

The City Council created an ad hoc committee, comprised of Mayor Combs and City Councilmember Mueller, to discuss recruitment of city attorney services. The City issued a request for proposals (RFP) for city attorney services which has been widely distributed, including posting on the California League of Cities, city attorney list serve. The City Council subsequently appointed then City Councilmembers Carlton and Nash to further analyze the proposals and perform reference checks.

After review of the responses to the RFP, and the qualifications of the firms who applied, the City Council directed staff and special counsel Gregory J. Rubens to negotiate final terms for a full service agreement for city attorney with the firm of Burke Williams Sorenson, LLP, with Nira F. Doherty as the designated city attorney.

The agreement provides for an appropriate level of services and reasonable and competitive rates for services commensurate with what other Cities pay for such general and specialized services. Representation in labor negotiations and complex personnel matters are excluded. At this time, the City will continue to use its outside labor counsel at the Sloan Sakai Yeung Wong LLP firm for these matters.

### **Impact on City Resources**

The agreement continues the model for services for the position of city attorney through an independent contractor status based on hourly work. There is no longer a retainer, flat monthly fee or overall cap for general legal services associated with this City legal services agreement. All services will be billed at rates from \$260 – \$305 per hour, except for cost recovery special services that will be billed at up to \$475 per hour. The rates are competitive with other firms practicing in this area and the agreement provides cost controls during the transition and during the first year. The negotiated rates increase \$5 per year as a cost of living adjustment starting July 1, 2022.

### **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. 6616
- B. Legal services agreement
- C. City Council Procedure #CC-19-010: City Council Powers and Responsibilities

Report prepared by:

Greg Rubens, Special Counsel; Aaronson, Dickerson, Cohn & Lanzone

**RESOLUTION NO. 6616**

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MENLO PARK  
APPROVING LEGAL SERVICES AGREEMENT WITH BURKE WILLIAMS  
SORENSEN, LLP FOR CITY ATTORNEY SERVICES AND AUTHORIZING THE  
MAYOR TO SIGN THE AGREEMENT**

WHEREAS, the City desires to engage Burke Williams Sorenson, LLP (“Burke”) under a Legal Services Agreement (the “Agreement”) to perform the duties of the office of the City Attorney; and,

WHEREAS, the city attorney of the City of Menlo Park is the chief legal advisor and litigator for the City and is charged with the responsibility of protecting the interest of the City, its directors, officers, employees and agents in any litigation initiated by or against the City, its Council, officers, employees and agents as provided for by California law and the ordinances of the City; and,

WHEREAS, the city attorney reports to and serves under the direct supervision of the City Council as its legal advisor; and,

WHEREAS, the City Council is authorized by law to enter into an agreement with a private law firm to perform the services of city attorney and may designate a city attorney and approve of assistant city attorneys as are deemed necessary, as may be recommended by the city attorney; and,

WHEREAS, Burke certifies that the designated city attorney Nira F. Doherty, its attorneys and staff have the skills, qualifications, ability, background, certifications, licenses, knowledge and experience necessary to provide city attorney services on the terms and conditions described herein; and,

WHEREAS the rates and services to be performed under the Agreement are competitive and reasonable; and,

WHEREAS, the City Council has the authority under law to delegate execution of agreement to the City Manager; and,

WHEREAS, 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; and,

WHEREAS, public notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting.

NOW, THEREFORE BE IT RESOLVED that the City Council of the City of Menlo Park hereby approves the Legal Services Agreement with the firm of Burke Williams Sorenson, LLP attached hereto and incorporated by this reference and authorizes the Mayor to execute the Agreement on behalf of the City of Menlo Park.

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I, Judi A. Herren, City Clerk of the City of Menlo Park, do hereby certify that the above and foregoing Resolution was duly and regularly passed and adopted at a meeting by said City Council on this twenty-third day of February, 2021, 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 twenty-third day of February, 2021.

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Judi A. Herren, City Clerk

LEGAL SERVICES AGREEMENT

THIS AGREEMENT, by and between the City of Menlo Park, a municipal corporation herein referred to as "City," and Burke Williams & Sorensen, LLP, a law firm engaged in the practice of law in the State of California, herein called "Burke."

WHEREAS, the City desires to engage Burke to perform the duties of the office of the City Attorney;

WHEREAS, the city attorney of the City of Menlo Park is the chief legal advisor and litigator for the City and is charged with the responsibility of protecting the interest of the City, its directors, officers, employees and agents in any litigation initiated by or against the City, its Council, officers, employees and agents as provided for by California law and the ordinances of the City; and,

WHEREAS, the city attorney reports to and serves under the direct supervision of the City Council as its legal advisor; and.

WHEREAS, the City Council is authorized by law to enter into a contract with a private law firm to perform the services of city attorney and may designate a city attorney and approve of assistant city attorneys as are deemed necessary, as may be recommended by the city attorney; and,

WHEREAS, Burke certifies that the designated city attorney, its attorneys and staff have the skills, qualifications, ability, background, certifications, licenses, knowledge and experience necessary to provide city attorney services on the terms and conditions described herein.

WITNESSETH:

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

**1.0 Scope of Services.**

Nira F. Doherty is appointed as the designated city attorney for City (the "City Attorney"). The City Attorney and Burke are to perform the duties of city attorney and will provide all necessary legal services as may be required from time to time by City as set forth in Exhibit A, which is attached hereto and incorporated herein by reference. Burke shall provide said services at the time, place, and in the manner specified in Exhibit A, subject to the direction and supervision of the City Council. Burke shall coordinate services hereunder with the City Council or its delegee and all performances required hereunder by Burke shall be performed to the satisfaction of the City Council. Nothing in this agreement shall limit City's authority pursuant to California Government Code section 36505 to appoint a different city attorney or the City Attorney under this agreement. Nor shall this agreement limit City's authority under California Government Code section 53060 to contract with any persons for the furnishing of special services and advice in financial, economic, accounting, engineering, legal, or administrative matters.

**2.0 Time of Performance.**

The services of Burke are to commence upon March 1, 2021 and shall continue until this Agreement is amended or terminated. Work shall be undertaken and completed in such sequence as to assure their completion as expeditiously as is consistent with professional skill and care.

### **3.0 Compensation, Reimbursement and Methods of Payments.**

Compensation to be paid to Burke shall be in accordance with the Schedule of Charges set forth in Exhibit B, which is attached hereto and incorporated herein by reference. The schedule of charges shall set forth how long the prices are valid.

Unless otherwise agreed, Burke shall provide monthly bills unless charges for a particular month are insignificant. The following information must be provided in monthly bills:

A. A detailed description of work, in time increments of .1 hour (one tenth of an hour) for and by each and every individual billing services to City. Burke shall keep the City advised regarding the identity and the billing rates of those people who work on the account. General information sufficient to identify the work being done shall be provided if services are provided on a fixed cost basis.

B. Identification of the lawyer who is in charge of the matter.

C. Detailed disbursement breakdowns, including the nature and purpose of each disbursement.

D. Each billing item will be separately stated on a separate line identifying the biller, the time spent, and the exact nature of the service rendered.

E. Where charges are made for research time, the specific issue being researched, and the need will be identified. City has retained Burke for Burke's expertise, and therefore expects not to be billed for introductory or background research. The City will not pay for attorneys, law clerks and paralegals educating themselves or doing work of a transient nature on a matter.

F. Audit and Examination of Accounts: Burke shall keep and will cause any assignee or consultant under this Agreement to keep accurate books of records and accounts, in accordance with sound accounting principles, which pertain to services to be performed under this Agreement.

(a) Any audit conducted of books of records and accounts shall be in accordance with generally accepted professional standards and guidelines for auditing.

(b) Burke hereby agrees to disclose and make available any and all information, reports, books of records or accounts pertaining to this Agreement to the City and any city of the County of San Mateo, or other federal, state, regional or governmental agency which provides funding for these Services.

(c) Burke shall provide a quarterly confidential memorandum to the City Manager and City Council for the first year of this contract with a summary of its billings, which shall include: The attorney performing the work, the matters involved, the aggregate amounts billed for each matter, whether the work is General City Attorney Services or Special Counsel Services and a summary of expected future activity for each matter.

(d) All records provided for in this Section are to be maintained and made available throughout the performance of this Agreement and for a period of not less than four (4) years after full completion of services hereunder. All records, which pertain to actual disputes, litigation, appeals or claims, shall be maintained and made available for a period of not less than four (4) years after final resolution of such disputes, litigation, appeals or claims.



#### **4.0 Engagement of Other Counsel, Specialists or Experts.**

Burke will not engage or otherwise incur an obligation to pay other counsel, specialists or experts for services in connection with this Agreement without the prior approval of the City Council or City Manager.

#### **5.0 Termination of Agreement and Legal Services.**

This Agreement may be terminated by the City immediately with or without cause. Burke may terminate the agreement upon sixty (60) days' written notice of termination.

In such event, all finished or unfinished documents, project data and reports, both originals and all duplicate copies, in all forms and media requested by the City, shall immediately be turned over to the possession of City, which owns all such materials. In the event of such termination, Burke shall be paid for all satisfactory work, unless such termination is made for cause, in which event compensation, if any, shall be adjusted in the City's sole discretion in light of the particular facts and circumstances involved in such termination.

#### **6.0 Performance Review.**

City and Burke agree that periodic performance evaluations are an important means by which the City Council and Burke may ensure effective communication regarding expectations and performance. During the first year of the Term of this Agreement, the City Council shall conduct a six-month performance evaluation of the City Attorney and Burke in August 2021. Thereafter, City shall annually review the performance of the City Attorney and Burke every February or as the City Council may determine; provided, however, a mid-term performance evaluation shall be conducted upon the request of either party. The performance evaluation shall be subject to a process, form, criteria, and format to be determined by the City Council with input from Burke, which the City Council may choose to accept or reject.

Nothing herein shall prevent the City Council from conducting a performance evaluation of the City Attorney or Burke as often as it deems necessary under the circumstances.

#### **7.0 Ownership/Retention of Documents, Books and Records.**

All writings prepared by Burke in the course of implementing this Agreement, except working notepads, preliminary draft and internal firm documents, are the property of the City.

Burke shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services, or expenditures and disbursements charged to City for a minimum period of four (4) years, or for any longer period required by law, from the date of payment to Burke under this Agreement.

Burke shall maintain all documents and records which demonstrate performance under this Agreement for a minimum period of four (4) years, or for any longer period required by law, from the date of termination of this Agreement.

Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit by the City Manager, City Auditor or designated City Councilmember(s), at any time during regular business hours, upon written request by the City Council. Copies of such documents shall be provided to the City for inspection at City Hall when

it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the records shall be available at Burke's address indicated for receipt of notices in this Agreement. Nothing herein shall require or permit the release or inspection of any privileged document without the express written waiver of such privilege by the City Council.

Where City has reason to believe that such records or documents may be lost or discarded due to dissolution, disbandment or termination of Burke's business, City may, by written request by any of the above-named officers, require that custody of the records be given to the City and that the records and documents be maintained at City Hall.

#### **8.0 Interest of Members of Local Public Agency.**

No member of the governing body of the City, and no other officer, employee or agent of the City who exercises any discretion, function or responsibility in connection with the carrying out of any work, case, or matter to which this Agreement pertains, shall have any personal interest, direct or indirect, in this Agreement.

#### **9.0 Adverse Interest of Counsel.**

Burke agrees to secure the informed written consent of the City Council before accepting any representation adverse to the City (actual or apparent) during the term of this Agreement, and to forego such representation if the City Council, in its sole discretion, objects for any reason.

#### **10.0 Conflict of Interest.**

Burke certifies that no member, officer or employee of Burke is an officer or employee of the City of Menlo Park except to the extent permitted by law.

Burke (including principals, associates and professional employees) covenants and represents that it does not now have any investment or interest in real property owned or managed by the City, and shall not acquire any interest, direct or indirect, in City property or any other source of income, interest in real property or investment which would be affected in any manner or degree by the performance of Burke's services hereunder. Burke further covenants and represents that in the performance of its duties hereunder no person having any such interest shall perform any services under this Agreement.

#### **11.0 Prohibited Interests.**

Burke maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Burke, to solicit or secure this Agreement. Further, Burke warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Burke, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

#### **12.0 Professional Ability of Burke.**

City has relied upon the professional training and ability of Burke to perform the services

hereunder as a material inducement to enter into this Agreement. Burke shall therefore provide properly skilled professional and technical personnel to perform all services under this Agreement. All work performed by Burke under this Agreement shall be in accordance with applicable legal requirements and shall meet the standard of quality ordinarily to be expected of competent professionals in Burke's field of expertise.

### **13.0 Compliance with Laws.**

Burke shall use the standard of care in its profession to comply with all applicable federal, state and local laws, codes, ordinances and regulations. Burke represents and warrants to City that it has the licenses, permits, qualifications, insurance and approvals of whatsoever nature which are legally required of Burke to practice its profession. Burke represents and warrants to City that Burke shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement, any licenses, permits, insurance and approvals which are legally required of Burke to practice its profession, including a City Business License.

### **14.0 Indemnity.**

Burke agrees to defend, indemnify and hold harmless the City, its officers, officials, agents, employees and volunteers from and against any and all claims, demands, actions, losses, damages, injuries, and liability, direct or indirect (including any and all costs and expenses in connection therein), arising out of the performance of this Agreement or its failure to comply with any of its obligations contained in this Agreement, except for any such claim arising out of the sole negligence or willful misconduct of the City, its officers, agents, employees or volunteers. Burkes responsibility for such defense and indemnity obligations shall survive the termination or completion of this Agreement for the full period of time allowed by law. The defense and indemnification obligations of the Agreement are undertaken in addition to, and shall not be in any way be limited by, the insurance obligations contained in this Agreement.

Further, Burke will indemnify City, and hold it harmless, from an assertion that as a result of providing services to City, Burke or any of its employees or persons performing work pursuant to this Agreement is entitled to benefits from, or is covered by, the Social Security retirement system or the California Public Employees Retirement Systems. Notwithstanding the foregoing, however, Burke's obligations for any payments to such claimant shall be limited to those payments which City may be required to pay.

### **15.0 Assignment and Subcontracting.**

The parties recognize that a substantial inducement to City for entering into this Agreement is the professional reputation, experience and competence of Burke. Burke shall be fully responsible to City for all acts or omissions of any subcontractors. Assignments of any or all rights, duties or obligations of the Burke under this Agreement will be permitted only with the express consent of the City Council. Burke shall not subcontract any portion of the work to be performed under this Agreement without the written authorization of the City. If City consents to such subcontract, Burke shall be fully responsible to City for all acts or omissions of those subcontractors. Nothing in this Agreement shall create any contractual relationship between City and any subcontractor nor shall it create any obligation on the part of the City to pay or to see to the payment of any monies due to any such subcontractor other than as otherwise is required by law.

### **16.0 Authority to Enter Agreement.**

Burke has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective party.

**17.0 Choice of Forum.**

The parties hereby agree that this Agreement is to be enforced in accordance with the laws of the State of California, is entered into and/or is to be performed in the City of Menlo Park and that all claims or controversies arising out of or related to performance under this Agreement shall be submitted to and resolved in a forum within the County of San Mateo at a place to be determined by the rules of the forum.

**18.0 Insurance.**

Burke shall procure and maintain, at its sole cost and expense, comprehensive general liability and property insurance, including automobile and excess liability insurance, and professional liability insurance against all claims for injuries against persons or damages to property resulting from Burke's negligent acts or omissions arising out of or related to Burke's performance under this agreement. The coverages and minimum limits are set forth in Exhibit C.

**19.0 Notice.**

Written communications and invoices under this agreement shall be addressed as follows:

If to CITY:                      City Clerk (for communications)  
    City of Menlo Park  
    701 Laurel Street  
    Menlo Park, CA 94025

    City Administrative Services Director (for invoices)  
    City of Menlo Park  
    701 Laurel Street  
    Menlo Park, CA 94025

With a copy to:                City Manager  
    City of Menlo Park  
    701 Laurel Street  
    Menlo Park, CA 94025

If to Burke:                      Nira F. Doherty, Partner  
    Burke, Williams & Sorensen, LLP  
    181 Third Street, Suite 200  
    San Rafael, CA 94901

**20.0 Nondiscrimination.**

Burke shall not discriminate in the conduct of the work under this Agreement against any employee, applicant for employment, or volunteer on the basis of race, religious creed, color,

national origin, ancestry, physical or mental disability, marital status, pregnancy, sex, age, sexual orientation or other prohibited basis will not be tolerated.

Consistent with City's policy that harassment and discrimination are unacceptable employer/employee conduct, Burke agrees that harassment or discrimination directed toward a job applicant, a City employee, or a citizen by Burke or Burke's employee or subcontractor on the basis of race, religious creed, color, national origin, ancestry, physical or mental disability, marital status, pregnancy, sex, age, sexual orientation or other prohibited basis will not be tolerated. Burke agrees that any and all violation of this provision shall constitute a material breach of the Agreement.

**21.0 Independent Contractor.**

In the performance of the services in this Agreement, Burke is an independent contractor and is not an agent or employee of City. Burke, its officers, employees, agents, and subcontractors, if any, shall have no power to bind or commit City to any decision or course of action, and shall not represent to any person or business that they have such power. Burke has and shall retain the right to exercise full control of the supervision of the services and over the employment, direction, compensation, and discharge of all persons assisting Burke in the performance of said service hereunder. Burke shall be solely responsible for all matters relating to the payment of its employees, including compliance with social security and income tax withholding, workers' compensation insurance, and all other regulations governing such matters.

**22.0 Amendment.**

Except as otherwise stated herein, any and all obligations of City and Burke are fully set forth and described in this Agreement. Any changes in this Agreement, including any increase or decrease in the amount of compensation or any change in the term, which shall be mutually agreed upon by and between City and Burke, shall be set forth in written amendments to this Agreement. Amendments to this Agreement shall be executed by the Mayor.

IN WITNESS WHEREOF, the City and Burke agree as set forth hereinabove as of the date last set forth below.

Burke, Williams & Sorensen

CITY OF MENLO PARK

By: \_\_\_\_\_  
Nira F. Doherty, Partner

By: \_\_\_\_\_  
Drew Combs, Mayor

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

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

ATTEST:

By: \_\_\_\_\_  
Judi Herren, City Clerk

Approved as to Form:

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Attorney

Exhibit A: Scope of Services  
Exhibit B: Schedule of Charges  
Exhibit C: Insurance Provisions

## **Exhibit A SCOPE OF SERVICES**

### **General City Attorney Services.**

Burke will perform the following General City Attorney Services to serve City:

1. Representation and advise for the City Council, City Manager, Boards and Commissions, and City staff as directed, in all matters pertaining to their role in the organization and regarding the legality of matters under their consideration;
2. Attendance at Council meetings and closed sessions, Council subcommittee meetings, and Planning Commission meetings, as directed;
3. One day of office hours a week plus attendance at staff meetings as needed;
4. Legal opinions, assistance, consultation and routine legal advice and consultation;
5. Direct, as necessary, the update of City ordinances, procedures and practices;
6. Review and analyze local, state and federal pending legislation, laws, and court decisions, and provide updates, proactively propose modifications to City policies, ordinances, and plans;
7. Review, approve, and/or prepare ordinances, resolutions and staff reports in connection with preparation of agenda items, including preliminary research and analysis, and review of standard contracts, forms, notices, declarations, certificates, deeds, leases, and other supporting documents required by the City;
8. Analysis of Public Records Act responses and conflict of interest advice including Government Code 1090 and Political Reform Act issues.
9. The areas of municipal law included within the range of basic services include:
  - a. Brown Act Compliance
  - b. Public Records Act
  - c. Conflicts of Interest
  - d. Election law
  - e. Contracts and franchises
  - f. Americans with Disabilities Act (ADA)

### **Special Counsel Services.**

Services not included in General City Attorney Services, above, will be considered "Special Counsel Services." Special Counsel Services generally are complex in nature (as opposed to routine), and require significant amounts of work. Special Counsel Services include but are not limited to, all litigation, arbitration, and mediation activities (including appellate work); municipal code enforcement, complex construction; eminent domain; legal analysis and advice regarding complex environmental matters, including Endangered Species Act issues, environmental permitting and regulatory issues, Clean Water Act compliance issues, NPDES compliance, and the application of and compliance with the California Environmental Quality Act and National Environmental Policy Act; initiatives and referenda; wage and hour determinations by the DIR;; imposition of fees and taxes pursuant to Propositions 26 and 218; complex housing matters; and contested conflict of interest matters, including the defense of public officials in response to FPPC investigations and charges. Special Legal Services also include legal advice or representation regarding any project or issue that is particularly complex and other duties as assigned by the City Council or City Manager as Special Counsel Services. Labor negotiations and complex personnel matters, including disciplinary matters are not included in this agreement at this time. City is retaining its current outside labor counsel Sloan Sakai Yeung Wong LLP for these services. In the event the such services are requested of Burke, the City and Burke will amend or supplement this agreement to add such services and rates.

## Exhibit B

### SCHEDULE OF CHARGES

- A. **General City Attorney Services.** Fees for General City Attorney Services, as described in Exhibit A of this Agreement, will be charged at a rate of \$265 for all attorneys. Paralegals shall be billed at a rate of \$135 per hour.
- B. **Special Legal Services.** Fees for Special Legal Services, as described in Exhibit A of this Agreement, will be charged at a rate of \$305 per hour for partners and \$270 for associates. Paralegals shall be billed at a rate of \$135 per hour.
- C. **Cost Recovery Matters.** Burke will charge its current standard private client rates (as opposed to the public entity client rates provided in this Agreement or charged other public agencies) for work that is reimbursed by private parties pursuant to litigation, conditions of approval, pass through agreements, reimbursement agreements, or other authorization. Current standard private client rates are \$475 for partners and \$425 for associates.
- D. **Transitional Matters.** To prevent potentially duplicative costs to City, Burke shall not charge for time for its attorneys or staff involving review, correspondence or communication with the City's former city attorney's office involving existing or recurring matters. Such time may be provided as information to City but shall be not-chargeable to City. The City may continue to use the Interim City Attorney or her firm for certain limited pending matters until they are concluded, and to the extent Burke is asked or required to work on these pending matters, such work shall be billed at the applicable hourly rates set forth in Exhibit B.
- E. **Travel Time.** Burke shall not charge for travel time to and from required meetings at the City or with City staff..
- F. **Costs and Expense Reimbursement.** In addition to payment of attorneys fees as set forth above, the City will reimburse Burke for costs and expenses reasonably incurred by Burke in performance of the services provided under this Agreement. City preauthorizes routine costs including but not limited to courier services, cost of producing and reproducing photographs, and court, county, recording and other filing fees.
- G. **Reimbursable Extraordinary Expenses** In addition to payment of attorneys fees as set forth above, and with prior approval from the City Council or City Manager, City will reimburse other non-routine costs and expenses incurred by Burke for or on behalf of, including but not limited to outside counsel, consultants, expert witnesses, travel outside San Mateo County, and outside investigative services.
- H. **Adjustment to Hourly Rates.** The hourly rates set forth above shall remain in effect until June 30, 2022. Thereafter, unless otherwise negotiated, the hourly rates will be increased by \$5 annually, which the parties agree represents a fair and reasonable approximation of the increase in the cost of providing services (Cost of Living).

Any increase in compensation beyond the compensation amount set forth in this Agreement must be authorized in advance by the City Council. The City shall not be liable to pay additional compensation to Burke for any additional services performed without



written authorization from the City Manager or City Council issued prior to proceeding with amended services.

## Exhibit C

### Insurance Provisions

(a) Without limiting Burke's indemnification, it is agreed that Burke shall maintain in force at all times during the performance of this contract, the following types of insurance providing coverage on an "occurrence" basis. Said insurance shall name the City, its officers, agents and employees as additional insureds. Evidence of said insurance shall be delivered to City at the same time Burke signs this Agreement in certificate forms acceptable to the City.

Commercial general liability and property damage insurance. Coverage: at least \$1,000,000 per occurrence. If commercial general liability insurance or other form with a general aggregate limit shall apply separately to this Project/location, the general aggregate limit shall be at least twice the required occurrence limit.

Automobile insurance for the vehicle(s) Burke uses in connection with the performance of this Agreement. Coverage: at least \$1,000,000 per occurrence for bodily injury and property damage.

Worker's Compensation insurance to cover its employees as required by the Labor Code of the State of California. Burke's worker's compensation insurance shall include the following language: "All rights of subrogation are hereby waived against the City, its officers and employees when acting within the scope of their appointment or employment." In the event any class of employees engaged in hazardous work under this Contract is not protected under Workers' Compensation Statutes, the Burke shall provide adequate and suitable insurance for the protection of its employees not otherwise protected.

Errors and Omissions insurance. Coverage: at least \$2,000,000 each occurrence, at least \$2,000,000 policy aggregate.

(1) The limits of insurance required in the contract may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and noncontributory basis for the benefit of the City (if agreed to in a written contract) before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

(2) It shall be a requirement under this contract that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits shall be available to the Additional Insured. Furthermore, the requirements for coverage and limits shall be (1) the broader coverage and maximum limits specified in this contract; or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured; whichever is greater.

(3) The insurer waives all rights of subrogation against the City, its elected

or appointed officials, officers, employees or agents.

- (4) Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City, its elected or appointed officers, officials, employees, agents or volunteers.
- (5) The insurance provided by this policy shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty days written notice has been received by the City.

(b) Endorsements. Each general liability and automobile liability insurance policy shall be with insurers possessing a Best's rating of no less than A:VII and shall be endorsed with the following specific language:

- (1) The City of Menlo Park, its elected or appointed officers, employees, agents and volunteers are to be covered as additional insureds with respect to liability arising out of work performed by or on behalf of the Burke, including materials, parts or equipment furnished in connection with such work or operations.
- (2) This policy shall be considered primary insurance as respects the City, its elected or appointed officers, officials, employees, agents and volunteers. Any insurance maintained by the City, including any self-insured retention the City may have, shall be considered excess insurance only and shall not contribute with it. The Additional Insured coverage shall be at least as broad as CG 20 01 04 13.
- (3) This insurance shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring company.

(c) In the event Burke desires to hire or employ any other company or person to perform any part of the services contemplated herein, the written approval therefore must be first obtained from the City. The City may withhold such approval for any reason. If approval is given by the City, Burke shall secure and provide City evidence securing said Worker's Compensation insurance covering said approved employee(s) in statutory amounts and providing 30 days' advance notice to City in the event said policy is canceled.

- (1) Should the City approve the hiring or employment of another company or person as a Subcontractor, Burke agrees to include with all subcontractors in the subcontract the same requirements and provisions of this contract including the indemnity and insurance requirements to the extent they apply to the scope of the subcontractor's work. Subcontractors hired by the Burke agree to be bound to Burke and the City in the same manner and to the same extent as Burke is bound to the City under the Contract Documents. Subcontractor further agrees to include these same provisions with any subcontractor. A copy of the City's Contract Document indemnity and insurance provisions will be furnished to the Subcontractor upon request. The Burke shall require all subcontractors to provide a valid certificate of insurance and the required endorsements included in the

agreement prior to the commencement of any work and will provide proof of compliance to the City.

- (2) Any approved Subcontractor agrees to be bound to the Burke and City in the same manner and the same extent as Burke is bound to the City under the Contract Documents. Subcontractor further agrees to include the same requirements and provisions of this Contract, including the indemnity and insurance requirements, with any City approved subcontractor to the extent they apply to the scope of subcontractor's work.

(d) Deductibles and Self-Insured Retentions. All self-insured retentions (SIR) must be disclosed to the City's Risk Management for approval and shall not reduce the limits of liability. At the option of City, either: the insurer shall reduce or eliminate such deductibles or self-insurance retention as respects the City, its officers, officials, agents, employees and volunteers; or Burke shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses. Policies containing any self- insured (SIR) provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named insured or the City. The City reserves the right to obtain a full certified copy of any insurance policy and endorsements. Failure to exercise this right shall not constitute a waiver of the right to exercise later.

# City Council Powers and Responsibilities

City Council Procedure #CC-19-010

Adopted November 12, 2019



## Purpose

The powers of the City Council to establish policy are quite broad. Essentially, the City Council may undertake any action related to city affairs other than those forbidden or preempted by state or federal law. Specifically, the City Council has the power, in the name of the city, to do and perform all acts and things appropriate to a municipal corporation and for the general welfare of its inhabitants which are not specifically forbidden by the Constitution and laws of the State of California.

It is important to note that the City Council acts as a body. No member has any extraordinary powers beyond those of other members. While the Mayor and Vice Mayor have some additional ceremonial and administrative responsibilities as described below, in the establishment execution of policies and procedures, all city councilmembers are equal.

It is also important to note that policy is established by at least a majority vote of the City Council. While individual city councilmembers may disagree with decisions of the majority, a decision of the majority does bind the City Council to a course of action. In turn, it is staff's responsibility to ensure the policy of the City Council is upheld. Actions of staff to pursue the policy direction established by a majority of the City Council do not reflect any bias against city councilmembers who held a minority opinion on an issue.

## Appointment of City Council officers and City Council subcommittees

### Selection of Mayor and Vice Mayor

The City Council shall meet in December of each year to choose one of its members as Mayor and one as Mayor Pro Tempore.<sup>1</sup> The City Council has determined that for the purpose of this policy, the "Mayor Pro Tempore" title shall be replaced with "Vice Mayor" beginning with the annual rotation in December 2019.

### *Mayor*

The Mayor presides at all meetings of the City Council and performs such other duties consistent with the office as may be imposed by the City Council or by vote of the people. The Mayor does not possess any power of veto. As presiding officer of the City Council, the Mayor is to faithfully communicate the will of the City Council majority in matters of policy. The Mayor is also recognized as the official head of the city for all ceremonial purposes.

The Mayor, unless unavailable, shall sign all ordinances, and other documents that have been adopted by the City Council and require an official signature; except when the city manager has been authorized by City Council action to sign documents. In the event the Mayor is unavailable, the Vice Mayor's signature may be used.

The Mayor also consults and coordinates with the city manager and Vice Mayor in the development of agendas for meetings of the City Council. The Mayor shall appoint members of the Planning Commission, with the approval of the City Council<sup>2</sup>, and the Mayor has additional roles and responsibilities in the event of a declared disaster including serving as chairperson of the Disaster Council<sup>3</sup>.

### *Vice Mayor*

The Vice Mayor shall perform the duties of the Mayor during the Mayor's absence, at the pleasure of the City Council.

### Appointment of City Council subcommittees

City Council subcommittees, when used, are to help the City Council do its job. Subcommittees ordinarily will assist the City Council by preparing policy alternatives and implications for City Council deliberation. City Council subcommittees may not speak or act for the City Council. Subcommittees will be used sparingly and ordinarily in an ad hoc capacity. This policy applies to any group that is formed by City Council action, whether or not it is called a subcommittee. Unless otherwise stated, a subcommittee is deemed to be ad hoc and ceases to exist as soon as its task is complete. Standing subcommittees are City Council subcommittees with regular responsibilities as assigned by the City Council generally spanning more than a single year or project. Standing subcommittees are subject to the Open Meetings Act (Brown Act.) Ad hoc subcommittees are not listed below considering their limited nature.

<sup>1</sup> MPMC Section [2.04.120](#)

<sup>2</sup> MPMC Section [2.12.020](#)

<sup>3</sup> MPMC Section [2.44.040](#)

**City Council Powers and Responsibilities**

City Council Procedure #CC-19-010

Adopted November 12, 2019

<b>Standing City Council subcommittees</b>
Community grant funding
Rail

**Appointment of City Councilmembers to outside boards and organizations**

Typically, appointments to outside boards and organizations are made at the beginning of a City Council term in December. The Mayor will ask city councilmembers which appointments they desire and will submit recommendations to the full City Council regarding the various outside appointments. Certain appointments are reserved for the incumbent Mayor and Vice Mayor as primary and alternate members, respectively. Alternates shall also be appointed to ensure participation in the decision making processes of outside boards and organizations. In the instance where more than one city councilmember wishes to be appointed to an outside board or organization, a vote of the City Council will be taken to confirm appointment of the primary and alternate appointees. Outside boards and organization appointments are as follows:

Outside boards	Notes
Association of Bay Area Government (ABAG)	Incumbent Mayor and Vice Mayor
Bay Area Water Conservation Agency (BAWSCA)	4-year appointment
City/County Association of Governments (C/CAG)	
Emergency Services Council	
Peninsula Clean Energy Authority (PCE)	
San Francisquito Creek Joint Powers Authority	
South Bayside Waste Management Authority	

Outside organizations	Notes
Airport Community Roundtable	
Caltrain Modernization Local Policy Maker Group	Same members as the Rail Subcommittee
County of Santa Clara Community Resources Group for Stanford University	Same members as subcommittees pertaining to Stanford University
Facebook Local Community Fund	
Grand Boulevard Initiative Taskforce	
League of California Cities (League/LCC), including LCC Peninsula Division	Incumbent Mayor and Vice Mayor
Menlo Park Chamber of Commerce	Incumbent Mayor and Vice Mayor
San Mateo County Council of Cities City Selection Committee	Incumbent Mayor and Vice Mayor

As a City Council appointee to an outside board or organization, the appointee shall represent the policy set by the majority of the City Council at a public meeting. If the appointee is unclear as to the position of the City Council on a particular business item scheduled for vote at the outside board or organization, the appointee shall consult the full City Council under “City Councilmember Reports” section of the public meeting agenda or, if sufficient time is not available, consult the city manager.

Appointees to an outside board or organization shall report to the City Council under “City Councilmember Reports” following each meeting.

As a member of an outside board or organization, appointees must attend all regular scheduled meetings of the outside board or organization to ensure that Menlo Park has a voice on matters of significance to the community. If an appointee is not available, s/he shall coordinate with the alternate to ensure Menlo Park representation.

**Appointment of advisory bodies and advisory body liaisons**

Advisory bodies  
 The City Council has formed several commissions, committees, and taskforces, collectively referred to as “advisory bodies”. The City Council shall adopt a City Council procedure to provide guidelines on the appointment, roles, and responsibilities<sup>4</sup> of the various advisory bodies excluding the Planning Commission which is established by Municipal Code<sup>5</sup> and is vested with statutory duties.

<sup>4</sup> MPMC Section [2.04.200](#)

<sup>5</sup> MPMC Section [2.12.040](#)

**City Council Powers and Responsibilities**

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Adopted November 12, 2019

<b>2019 Commissions</b>	<b>2019 Committees/Taskforces<sup>6</sup></b>
Complete Streets Commission	Belle Haven Neighborhood Library Advisory Committee
Environmental Quality Commission	Finance and Audit Committee
Housing Commission	Sister City Committee
Library Commission	Transportation Master Plan Oversight and Outreach Committee
Parks & Recreation Commission	
Planning Commission	

Liaisons to City Council advisory bodies

City councilmembers are assigned to serve in a liaison capacity with one or more City Council advisory bodies. The purpose of the liaison assignments is to facilitate communication between the City Council and the advisory body. The liaison also helps to increase the City Council's familiarity with the membership, programs, and issues of the advisory body. In fulfilling their liaison assignment, city councilmembers may elect to attend advisory body meetings periodically to observe the activities of the advisory body or simply maintain communication with the advisory body Chair on a regular basis.

*Assignment of liaisons*

Typically, advisory body liaison assignments are made at the beginning of a City Council term in December. The Mayor will ask city councilmembers which liaison assignments they desire and will submit recommendations to the full City Council regarding the assignments. In the instance where more than one city councilmembers wish to be the appointed liaison to a City Council advisory body, a vote of the City Council will be taken to confirm assignments.

City Councilmembers should be sensitive to the fact that they are not participating members of the advisory body but are there rather to create a linkage between the City Council and advisory body. In interacting with advisory bodies, city councilmembers are to reflect the views of the City Council as a body. Being an advisory body liaison bestows no special right with respect to advisory body business.

City Council relationship with advisory bodies

The City Council has determined that city councilmembers should not lobby advisory body members for particular votes. However, city councilmembers may attend meetings as residents and request that advisory body members consider certain issues during their deliberations or in unusual instances as city councilmembers to reflect the views of the City Council as a body.

City Councilmembers choosing to attend advisory body meetings should be sensitive to the fact that they are not participating members of the body. City Councilmembers have the rights, and only the rights, of ordinary citizens with respect to advisory bodies – including the right to write to and speak to the advisory body during public comment periods.

**Appointment of city attorney and city manager**

The City Council appoints two positions within the city organization: the city manager and city attorney. Both positions serve at the will of the City Council and have employment agreements that specify certain terms of employment including an annual evaluation by the City Council.

Appointment of city attorney

The city attorney is the legal adviser for the City Council, city manager and departments. The general legal responsibilities of the city attorney are to: 1) provide legal assistance necessary for formulation and implementation of legislative policies and projects; 2) represent the city's interest, as determined by the City Council, in litigation, administrative hearings, negotiations and similar proceedings; 3) prepare ordinances, resolutions, contracts and other legal documents to best reflect and implement the purposes for which they are prepared; and 4) keep the City Council and staff apprised of court rulings and legislation affecting the legal interest of the City. It is important to note that the city attorney does not represent individual city councilmembers, but the City Council as a whole.

Appointment of city manager

The city manager shall be appointed by the City Council solely on the basis of his or her executive and administrative qualifications and ability. He or she shall hold office at and during the pleasure of the City Council<sup>7</sup>. The city manager shall receive such compensation as the City Council from time to time determines and fixes by resolution and such compensation shall be a proper charge against such funds of the city that the City Council designates<sup>8</sup>.

<sup>6</sup> 2019 Committees and taskforces all have City Councilmembers serving as voting members and no liaison is required.

<sup>7</sup> MPMC Section [2.08.010](#)

<sup>8</sup> MPMC Section [2.08.060](#)

## City Council Powers and Responsibilities

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The city manager shall be the administrative head of the city government under the direction and control of the city council, except as otherwise provided in the Municipal Code. He or she shall be responsible for the efficient administration of all the affairs of the city, which are under his or her control. In addition to his or her general powers as administrative head, and not as a limitation thereon, it shall be his or her duty and he or she shall have the power<sup>9</sup>:

1. Enforcement of laws. To see that all laws and ordinances of the city are duly enforced, and that all franchises, permits and privileges granted by the city are faithfully observed;
2. To direct, etc., officers and employees. To control, order and give directions to all heads of departments, subordinate officers, and employees of the city, except the city attorney; and to transfer employees from one (1) department to another, and to consolidate or combine offices, positions, departments or units under his or her direction;
3. Appointment and removal of officers and employees. To appoint and remove any officers and employees of the city except the city attorney, subject to the rules relating to personnel management;
4. Control of departments and officers and employees. To exercise control over all departments of the city government and over all appointive officers and employees thereof, except the city attorney;
5. Attendance at City Council meetings. To attend all meetings of the city council unless excused therefrom by the city council, except when his or her removal is under consideration by the city council;
6. Recommendation of ordinances. To recommend to the city council for adoption such measures and ordinances as he or she deems necessary or expedient;
7. Fiscal advice. To keep the City Council at all times fully advised as to the financial conditions and needs of the city;
8. Preparation of budget. To prepare and submit to the City Council the annual budget;
9. Purchases and expenditures. To purchase all supplies for all of the departments or divisions of the city. No expenditure shall be submitted or recommended to the City Council, except on report or approval of the city manager;
10. Investigation of city affairs. To make investigations into the affairs of the city, and any department or division thereof, and any contract, or the proper performance of any obligations running to the city;
11. Investigation of complaints. To investigate all complaints in relation to matters concerning the administration of the city government and in regard to the service maintained by public utilities in the city, and to see that all franchises, permits and privileges granted by the city are faithfully performed and observed;
12. Supervision of public buildings. To exercise general supervision over all public buildings, public parks and other public property which are under the control and jurisdiction of the City Council and not specifically delegated to a particular board or officer;
13. Approval of plans and designs. To exercise directly or through his or her designee discretionary approval of plans, designs and any design amendments or addenda for public improvement projects for which the city council has delegated authority to the city manager or which are within the city manager's discretionary authority. The city manager or his or her designee shall sign the plans and designs indicating approval;
14. Devotion of entire time to duties. To devote his or her entire time to the duties of his or her office and the interests of the city;
15. Leadership in civic movements. To provide leadership for civic movements designed to benefit the residents of the city when so authorized by the City Council;
16. Additional duties. To perform such other duties and exercise such other powers as may be delegated to him or her from time to time by ordinance or resolution of the City Council.

<sup>9</sup> MPMC Section [2.08.080](#)



## City Council Powers and Responsibilities

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The City Council and its members shall deal with the administrative services of the city only through the city manager, except for the purpose of inquiry, and neither the City Council nor any members thereof shall give orders to any subordinates of the city manager<sup>10</sup>.

### City manager code of ethics

The city manager is subject to the International City/County Management Association (ICMA) professional code of ethics that binds the city manager to certain practices that are designed to ensure his or her actions are in support of the city's best interests. Violations of such standards can result in censure.

The mission of ICMA is to create excellence in local governance by developing and fostering professional local government management worldwide. To further this mission, certain principles, as enforced by ICMA Rules of Procedure, shall govern the conduct of every member of ICMA, who shall:

1. Be dedicated to the concepts of effective and democratic local government by responsible elected officials and believe that professional general management is essential to the achievement of this objective.
2. Affirm the dignity and worth of the services rendered by government and maintain a constructive, creative, and practical attitude toward local government affairs and a deep sense of social responsibility as a trusted public servant.
3. Be dedicated to the highest ideals of honor and integrity in all public and personal relationships in order that the member may merit the respect and confidence of the elected officials, of other officials and employees, and of the public.
4. Serve the best interests of the people.
5. Submit policy proposals to elected officials; provide them with facts and advice on matters of policy as a basis for making decisions and setting community goals; and uphold and implement local government policies adopted by elected officials.
6. Recognize that elected representatives of the people are entitled to the credit for the establishment of local government policies; responsibility for policy execution rests with the members.
7. Refrain from all political activities which undermine public confidence in professional administrators. Refrain from participation in the election of the members of the employing legislative body.
8. Make it a duty continually to improve the member's professional ability and to develop the competence of associates in the use of management techniques.
9. Keep the community informed on local government affairs; encourage communication between the citizens and all local government officers; emphasize friendly and courteous service to the public; and seek to improve the quality and image of public service.
10. Resist any encroachment on professional responsibilities, believing the member should be free to carry out official policies without interference, and handle each problem without discrimination on the basis of principle and justice.
11. Handle all matters of personnel on the basis of merit so that fairness and impartiality govern a member's decisions pertaining to appointments, pay adjustments, promotions, and discipline.
12. Public office is a public trust. A member shall not leverage his or her position for personal gain or benefit.

<sup>10</sup> MPMC Section [2.08.100](#)

**City Council Powers and Responsibilities**

City Council Procedure #CC-19-010

Adopted November 12, 2019

<b>Appointment to vacancies on the City Council</b>		
<p>If a vacancy occurs in the office of a member of the City Council, an election shall be held to fill the vacancy. The person elected shall hold office for the unexpired term of the former incumbent. The election shall be held at the next regularly scheduled election held at least eighty-nine days after the vacancy is created.<sup>11</sup></p> <p>The city councilmember elected to represent a district must reside in that district and be a registered voter in that district. Termination of residency in a district by a city councilmember shall create an immediate vacancy for that City Council district unless a substitute residence within the district is established within thirty (30) days after the termination of residency.<sup>12</sup></p>		
<b>Procedure history</b>		
Action	Date	Notes
Draft procedure presented	October 1, 2019	City Council directed edits
Procedure adoption	November 19, 2019	

<sup>11</sup> MPMC Section [2.04.190](#)

<sup>12</sup> MPMC Section [2.04.220](#)

Agenda item K3  
Soody Tronson, Resident

The present firm has been the Menlo Park City outsourced Attorney for 60+ years. Even under the best of circumstances change is often a good thing.

So kudos to Council members for making this long-overdue change.

In reviewing the contract with the new law firm, Burke Williams Sorenson, LLP, an item which is glaringly missing is provisions of conflict of interest (real or perceived) regarding representation of private companies who may have an interest relating to their transactions with the City of Menlo Park.

By way of example, the BWS firm is a full service firm and caters not only to government agencies but also to private entities regarding, for example, real estate transactions. While this may not appear to be a conflict with the city in and of itself, representing the interests of both parties even in separate transactions may lead to real or perceived conflict. As such the agreement should include provisions of disclosure by the firm to the city, when the firm has represented the same entity.

This is a vulnerability that comes with retaining general service firms with both government and private entity clients.

I provide you with three references. Their purpose is elaborate on this vulnerability and request that even though the firm itself, most assuredly will observe the highest standards of ethics, the City, nevertheless should be advised in writing when the firm represent entities which have or had dealings with the city in different matters.

Again, thank you for listening to the concerns of the residents of Menlo Park and bringing about this change.

ACLU\_Conflict of Interests Involving Private Practitioners Representing Cities and Counties:  
[https://www.law.ua.edu/pubs/jlp\\_files/issues\\_files/vol06/vol06art07.pdf](https://www.law.ua.edu/pubs/jlp_files/issues_files/vol06/vol06art07.pdf)

League of California Cities\_Practicing Ethics: <https://www.cacities.org/practicingethics>

The State Bar of California\_Special Conflicts of Interest for Former and Current Government Officials and Employees: [https://www.calbar.ca.gov/Portals/0/documents/rules/Rule\\_1.11-Exec\\_Summary-Redline.pdf](https://www.calbar.ca.gov/Portals/0/documents/rules/Rule_1.11-Exec_Summary-Redline.pdf)



**STAFF REPORT**

**City Council**  
**Meeting Date:** 2/18/2021  
**Staff Report Number:** 21-045-CC

**Regular Business:** **Approve legal services agreement with Jorgenson, Siegel, McClure & Flegel to provide transitional services**

**Recommendation**

Staff recommends that City Council approve a legal services agreement with Jorgenson, Siegel, McClure & Flegel (JSMF) in a not to exceed amount of \$90,000 (Attachment A.)

**Policy Issues**

The retention of JSMF to work on select matters will help provide continuous legal services to the City.

**Background**

The City Council is the hiring authority for the position and services of city attorney. The City currently contracts with JSMF for city attorney services. On December 30, 2019, the City Council received and accepted Mr. McClure's notice of retirement effective March 1. Mr. McClure's agreement provided for compensation both as an employee and a contractor; an arrangement that is no longer allowable under the government code.

The City Council created an ad hoc committee, comprised of Mayor Combs and City Councilmember Mueller, to discuss recruitment of city attorney services. After deliberating the advantages and disadvantages of hiring an employee or an independent contractor, the committee recommended, and the full City Council agreed to contract for full city attorney services.

In March 2020, the City issued a request for proposals (RFP) for city attorney services. To provide for continuity of services, the City Council approved an agreement with JSMF for a period of up to six-months, designating Cara Silver as the city attorney effective March 1. This interim agreement was subsequently renewed on a month-to-month basis. The interim city attorney agreement contained the same terms as the original agreement with Mr. McClure except it removed provisions relating to Mr. McClure's partial employment status with the City.

On February 5, 2021, the City Council selected Burke Williams Sorenson (Burke) to provide city attorney services under the RFP.

## **Analysis**

To assist in the transition to a new city attorney, the City may continue to use Cara Silver or JSMF for certain limited pending matters until they are concluded. Further, it may be necessary for Burke to consult with JSMF regarding the history or strategy regarding prior work performed by JSMF. The attached legal services agreement authorizes JSMF to perform this type of work. Any such work performed by JSMF shall be billed under the same rate structure as the city attorney services agreement between the City and Burke.

## **Impact on City Resources**

The not to exceed amount under this legal services agreement is \$90,000.

## **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. Legal services agreement with JSMF

Report prepared by:  
Starla Jerome-Robinson, City Manager

**AGREEMENT FOR  
LEGAL SERVICES**

This Agreement for Legal Services (“Agreement”) is made and entered into this 1st day of March 2021, by and between the City of Menlo Park, a municipal corporation, (“City”) and Jorgenson, Siegel, McClure & Flegel, LLP (“Consultant”).

**RECITALS**

- A. The City desires to retain as-needed legal services from Consultant.
- B. Consultant represents that it is fully qualified to perform such services by virtue of its experience and the training, education and expertise of its principals and employees.

NOW, THEREFORE, in consideration of performance by the parties of the promises, covenants and conditions contained herein, the parties hereby agree as follows:

1. **SCOPE AND LEVEL OF SERVICES.** The nature, scope and level of the specific services to be performed by Consultant are as set forth in detail in Exhibit A attached hereto.
2. **TIME OF PERFORMANCE.** Time is of the essence. The services shall be performed on a timely basis.
3. **STANDARD OF PERFORMANCE.** As a material inducement to the City to enter into this Agreement, Consultant hereby represents and warrants that it has the qualifications and experience necessary to undertake the services to be provided pursuant to this Agreement. Consultant shall perform all work to the highest professional standards and in a manner reasonably satisfactory to the City. Consultant hereby covenants that it shall follow the highest professional standards in performing all services required hereunder and will perform the services to a standard of reasonable professional care.
4. **PRIOR AGREEMENTS.** All prior agreements between the parties are hereby terminated, except for obligations that survive the termination of the prior agreement, e.g., payment for services rendered and expenses incurred pursuant to such agreement prior to the termination date of such agreement, confidentiality, indemnity, and similar provisions.
5. **COMPLIANCE WITH LAW.** All services rendered hereunder by Consultant shall be provided in accordance with all ordinances, resolutions, statutes, rules and regulations of the City, and any federal, state or local governmental agency having jurisdiction in effect at the time the service is rendered.

6. TERM. This Agreement is effective on the date set forth in the initial paragraph of this Agreement and shall remain in effect until the services required hereunder have been satisfactorily completed by Consultant, unless earlier terminated pursuant to Section 17, below.

7. COMPENSATION. The City agrees to compensate Consultant for its services according to the fees and minor expenses identified in Exhibit A, to an amount not to exceed Ninety Thousand Dollars (\$90,000) for attorney services and reimbursement expenses. It is understood by the parties, that the Consultant will invoice only for actual hours and expenses incurred performing the work.

8. METHOD OF PAYMENT. Consultant shall invoice the City for work performed after each task is completed. Payments to Consultant by City shall be made within thirty (30) days after receipt by City of Consultant's itemized invoices.

9. REPRESENTATIVE. Cara Silver is hereby designated as the representative of Consultant authorized to act on its behalf with respect to the services specified herein. It is expressly understood that the experience, knowledge, capability and reputation of Cara Silver were a substantial inducement for City to enter into this Agreement. Therefore, Cara Silver shall be responsible during the term of this Agreement for directing all activities of Consultant and devoting sufficient time to personally supervise the services hereunder. The representative may not be changed by Consultant without the express written approval of the City.

10. INDEPENDENT CONTRACTOR. Consultant is, and shall at all times remain as to the City, a wholly independent contractor and not an agent or employee of City. Consultant shall receive no premium or enhanced pay for work normally understood as overtime, nor shall Consultant receive holiday pay, sick leave, administrative leave, or pay for any other time not actually worked. The intention of the parties is that Consultant shall not be eligible for benefits and shall receive no compensation from the City except as expressly set forth in this Agreement. Consultant shall have no power to incur any debt, obligation, or liability on behalf of the City or otherwise act on behalf of the City as an agent. Neither the City, nor any of its agents shall have control over the conduct of Consultant or any of Consultant's partners or employees, except as set forth in this Agreement. Consultant shall at no time, or in any manner, represent that it or any of its partners, agents or employees are in any manner employees of the City. Consultant agrees to pay all required taxes on amounts paid to Consultant under this Agreement, and to indemnify and hold the City harmless from any and all taxes, assessments, penalties, and interest asserted against the City by reason of the independent contractor relationship created by this Agreement. Consultant shall fully comply with the worker's compensation law regarding Consultant and Consultant's employees. Consultant further agrees to indemnify and hold the City harmless from any failure of Consultant to comply with applicable worker's compensation laws. The City shall not have the right to offset against the amount of any fees due to Consultant under this Agreement any amount due to City from Consultant as a result of Consultant's failure to promptly pay the City any reimbursement or indemnification arising under this Section.

11. CONFIDENTIALITY. Consultant, in the course of its duties, may have access to financial, accounting, statistical and personal data of private individuals and employees of the City. Consultant covenants that all data, documents, discussion, or other information developed and received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without written authorization by the City. The City shall grant such authorization if disclosure is required by law. Upon request, all City data shall be returned to the City or destroyed upon the termination of this Agreement. Consultant's covenant under this Section shall survive the termination of this Agreement.

12. OWNERSHIP OF MATERIAL. All reports, documents, or other written materials developed or discovered by Consultant or any other person engaged directly or indirectly by Consultant in the performance of this Agreement shall be and remain the property of the City without restriction or limitation upon its use or dissemination by the City.

13. CONFLICT OF INTEREST. Consultant covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which may be affected by the services to be performed by Consultant under this Agreement, or which would conflict in any manner with the performance of its services hereunder. Consultant further covenants that, in performance of this Agreement, no person having any such interest shall be employed by it. Furthermore, Consultant shall avoid the appearance of having any interest which would conflict in any manner with the performance of its services pursuant to this Agreement. Consultant agrees not to accept any employment or representation during the term of this Agreement which is or may make Consultant "financially interested" (as provided in California Government Code Sections 1090 and 87100) in any decision made by the City on any matter in connection with which Consultant has been retained pursuant to this Agreement. Nothing in this section shall, however, preclude Consultant from accepting other engagements with the City or representing clients residing or owning property in the City.

14. ASSIGNABILITY; SUBCONTRACTING. The parties agree that the expertise and experience of Consultant are material considerations for this Agreement. Consultant shall not assign, transfer, or subcontract any interest in this Agreement, nor the performance of any of Consultant's obligations hereunder, without the prior written consent of the City Council, and any attempt by Consultant to do so shall be void and of no effect and a breach of this Agreement. Notwithstanding the foregoing, nothing herein shall preclude other attorneys or staff associated with Consultant from performing services for City pursuant to the terms of this Agreement under the supervision and direction of Representative.

15. INDEMNIFICATION.

15.1 To the fullest extent permitted by law, Consultant shall indemnify, defend (with independent counsel approved by the City) and hold harmless the City, and its elective or appointive boards, officers, employees agents and volunteers against any claims, losses, or liability that may arise out of or result from damages to property or



personal injury received by reason of, or in the course of work performed under this Agreement due to the acts or omissions of Consultant or Consultant's officers, employees, partners, agents or subcontractors. The provisions of this Section survive completion of the services or the termination of this Agreement. The acceptance of such services shall not operate as a waiver of such right of indemnification.

14.2 With regard to Consultant's professional services, Consultant agrees to use that degree of care and skill ordinarily exercised under similar circumstances by members of Consultant's profession, including without limitation adherence to all applicable safety standards. To the fullest extent permitted by law, Consultant shall indemnify, defend (with independent counsel approved by the City) and hold harmless the City, and its elected or appointed boards, officers, and employees from and against all liabilities, including without limitation all claims, losses, damages, penalties, fines, and judgments, associated investigation and administrative expenses, and defense costs, including, but not limited to, reasonable attorneys' fees, court costs and costs of alternative dispute resolution regardless of nature or type that arise out of, pertain to, or relate to the negligence, reckless, or willful misconduct of Consultant or Consultant's officers, employees, agents or subcontractors. The provisions of this Section survive completion of the services or the termination of this Agreement. The acceptance of said services and duties by City shall not operate as a waiver of such right of indemnification.

14.3 The City does not and shall not waive any rights that they may possess against Consultant because of the acceptance by the City or the deposit with the City of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense.

16. INSURANCE REQUIREMENTS. Consultant agrees to have and maintain the policies set forth in Exhibit B entitled "INSURANCE REQUIREMENTS," which is attached hereto and incorporated herein. Consultant agrees to provide City with a copy of said policies, certificates, and/or endorsements before work commences under this Agreement. A lapse in any required amount or type of insurance coverage during this Agreement shall be a breach of this Agreement.

17. TERMINATION.

17.1 This Agreement may be terminated by either the City or Consultant following thirty (30) days written notice of intention to terminate. In the event the Agreement is terminated, Consultant shall be paid for any services properly performed and expenses incurred to the last working day the Agreement is in effect. Consultant shall substantiate the final cost of services and expenses by an itemized, written statement submitted to the City. The City's right of termination shall be in addition to all other remedies available under law to the City.

17.2 In the event of termination, at the request of City, Consultant shall deliver to the City copies of all reports, documents, electronic files, and other work

prepared by Consultant under this Agreement, if any. City shall not pay Consultant for services performed by Consultant through the last working day the Agreement is in effect unless and until Consultant has delivered the above-described items to the City.

18. CONSULTANT'S BOOKS AND RECORDS. Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services, supplies, materials, or equipment provided to City for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to Consultant pursuant to this Agreement.

19. NON-WAIVER OF TERMS, RIGHTS AND REMEDIES. Waiver by either party of any breach or violation of any one or more terms or conditions of this Agreement shall not be deemed to be a waiver of any other term or condition contained herein or a waiver of any subsequent breach or violation of the same or any other term or condition. Acceptance by the City of the performance of any work or services by Consultant shall not be deemed to be a waiver of any term or condition of this Agreement. In no event shall the City's making of any payment to Consultant constitute or be construed as a waiver by the City of any breach of this Agreement, or any default which may then exist on the part of Consultant, and the making of any such payment by the City shall in no way impair or prejudice any right or remedy available to the City with regard to such breach or default.

20. NOTICES. Any notices, bills, invoices, reports or other communications required or permitted to be given under this Agreement shall be given in writing by personal delivery, by facsimile transmission with verification of receipt or by U.S. mail, postage prepaid, and return receipt requested, addressed to the respective parties as follows:

To City:

City Manager  
City of Menlo Park  
701 Laurel Street  
Menlo Park, CA 94025

To Consultant:

Cara Silver  
Jorgenson, Siegel, McClure & Flegel  
1100 Alma Street, Suite 210  
Menlo Park, CA 94025

Notice shall be deemed communicated on the earlier of actual receipt or forty-eight (48) hours after deposit in the U.S. mail, the date of delivery shown on deliverer's receipt, or by acknowledgment of facsimile transmission.

21. NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY. In the performance of this Agreement, Consultant shall not discriminate against any employee, subcontractor or applicant for employment because of race, color, creed, religion, sex, marital status, sexual orientation, national origin, ancestry, age, physical or

mental handicap, or medical condition. Consultant will take affirmative action to ensure that employees are treated without regard to race, color, creed, religion, sex, marital status, sexual orientation, national origin, ancestry, age, physical or mental handicap, or medical condition.

22. ATTORNEYS' FEES; VENUE. In the event that any party to this Agreement commences any legal action or proceeding to enforce or interpret the provisions of this Agreement, the prevailing party in such action or proceeding shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which the successful party may be entitled. The venue for any litigation shall be San Mateo County.

23. COOPERATION. In the event any claim or action is brought against the City relating to Consultant's performance or services under this Agreement, Consultant shall render any reasonable assistance and cooperation which City might require.

24. EXHIBITS, PRECEDENCE. All documents referenced as exhibits in this Agreement are hereby incorporated into this Agreement.

25. PRIOR AGREEMENTS AND AMENDMENTS; ENTIRE AGREEMENT. This Agreement, and any other documents incorporated herein by specific reference, represent the entire and integrated agreement between the City and Consultant. This Agreement supersedes all prior oral and written negotiations, representations or agreements. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may only be modified by a written amendment duly executed by the parties to this Agreement.

**IN WITNESS WHEREOF**, the City and Consultant have executed this Agreement effective as of the date written above.

**CITY OF MENLO PARK:**

**JORGENSON, SIEGEL, McCLURE & FLEGEL, LLP:**

By: \_\_\_\_\_  
Starla Jerome-Robinson  
City Manager

By: \_\_\_\_\_  
Cara Silver  
Partner

**ATTEST:**

\_\_\_\_\_  
City Clerk

## EXHIBIT A

### **SCOPE OF SERVICES**

To assist in the transition to a new city attorney, Consultant shall provide legal services to the City on an as-needed and as-requested basis. The parties anticipate these services shall primarily consist of legal work Consultant is currently performing for the City and which is nearing completion, legal work which must be completed on an expedited basis or legal work where Consultant's knowledge and background on the matter would best serve the City. In addition, Consultant shall provide the new city attorney Burke Williams & Sorenson (Burke) background and strategic advice as requested by Burke and the City.

### **FEES**

Compensation to be paid to Consultant shall be in accordance with the Schedule of Charges set forth below:

- A. **General City Attorney Services.** Fees for General Legal Services, as described in Section H below of this Exhibit A, will be charged at a rate of \$265 for all attorneys. Paralegals shall be billed at a rate of \$135 per hour.
- B. **Special Legal Services.** Fees for Special Legal Services, as described in Section H of this Exhibit A, will be charged at a rate of \$305 per hour for partners and \$270 for associates. Paralegals shall be billed at a rate of \$135 per hour.
- C. **Cost Recovery Matters.** Fees for work that is reimbursed by private parties pursuant to litigation, conditions of approval, pass through agreements, reimbursement agreements, or other authorization will be charged at \$475 for partners and \$425 for associates.
- D. **Costs and Expense Reimbursement.** In addition to payment of attorney's fees as set forth above, the City will reimburse Consultant for costs and expenses reasonably incurred by Consultant in performance of the services provided under this Agreement. City preauthorizes routine costs including but not limited to courier services, cost of producing and reproducing photographs, and court, county, recording and other filing fees.
- E. **Reimbursable Extraordinary Expenses** In addition to payment of attorney's fees as set forth above, and with prior approval from the City Council or City Manager, City will reimburse other non-routine costs and expenses incurred by Consultant for or on behalf of, including but not limited to outside counsel, consultants, appraisers, expert witnesses, travel outside San Mateo County, and outside investigative services.
- F. **Adjustment to Hourly Rates.** The hourly rates set forth above shall remain in effect until June 30, 2022. Thereafter, unless otherwise negotiated, the hourly rates will be increased by \$5 annually, which the parties agree represents a fair

and reasonable approximation of the increase in the cost of providing services (Cost of Living).

Any increase in compensation beyond the compensation amount set forth in this Agreement must be authorized in advance by the City Council. The City shall not be liable to pay additional compensation to Burke for any additional services performed without written authorization from the City Manager or City Council issued prior to proceeding with amended services.

G. **Records, Monthly Statements, and Audit.** Consultant shall maintain accurate records of all time spent by all members of the firm to the closest 1/10<sup>th</sup> of an hour and all reimbursable costs advanced by the Consultant in conjunction with City business. Consultant shall provide monthly statements to the City for the performance of all services performed (including where possible a reference to the person(s) and matter(s) involved for each service performed), the hours spent, the costs advanced, and the amount the Consultant is entitled to receive, if any, from the City for the month. If approved by the City Manager or City Manager's designee, the sums shown to be due by such statement shall be paid to the Consultant within thirty (30) days after approval. Books of account and the time records of the Consultant pertaining to business transacted for the City shall be open to audit by the City Council, City Manager, or their designee.

H. **Definitions.** For purposes of this Agreement the below terms shall have the following meanings.

**General City Attorney Services.** General City Attorney Services may encompass the following work:

1. Advice for the City Council, City Manager, Boards and Commissions, and City staff as directed/requested, in matters pertaining to their role in the organization and regarding the legality of matters under their consideration;
2. Attendance at Council meetings and closed sessions, Council subcommittee meetings, and Planning Commission meetings, as directed/requested;
3. Consultation with new City Attorney;
4. Legal opinions, assistance, consultation and routine legal advice and consultation;
5. Services related to the update of City ordinances, procedures and practices;
6. Review and analyze local, state and federal pending legislation, laws, and court decisions, and provide updates, as directed/requested;
7. If requested/directed, review, approve, and/or prepare ordinances, resolutions and staff reports in connection with preparation of agenda items, including preliminary research and analysis, and review of standard contracts, forms, notices, declarations, certificates, deeds, leases, and other supporting documents required by the City;
8. Analysis of Public Records Act responses and conflict of interest advice including Government Code 1090 and Political Reform Act issues, if requested/directed.
9. The areas of municipal law included within the range of basic services include:
  - a. Brown Act Compliance
  - b. Public Records Act
  - c. Conflicts of Interest
  - d. Election law

- e. Contracts and franchises
- f. Americans with Disabilities Act (ADA)

**Special Counsel Services.** Services not included in General City Attorney Services, above, will be considered “Special Counsel Services.” Special Counsel Services generally are complex in nature (as opposed to routine), and require significant amounts of work. Special Counsel Services include but are not limited to, all litigation, arbitration, and mediation activities (including appellate work); municipal code enforcement, complex construction; eminent domain; legal analysis and advice regarding complex environmental matters, including Endangered Species Act issues, environmental permitting and regulatory issues, Clean Water Act compliance issues, NPDES compliance, and the application of and compliance with the California Environmental Quality Act and National Environmental Policy Act; initiatives and referenda; wage and hour determinations by the DIR; imposition of fees and taxes pursuant to Propositions 26 and 218; complex housing matters; and contested conflict of interest matters, including the defense of public officials in response to FPPC investigations and charges. Special Legal Services also include legal advice or representation regarding any project or issue that is particularly complex and other duties as assigned by the City Council or City Manager as Special Counsel Services.

## EXHIBIT B

### (INSURANCE REQUIREMENTS)

Consultant shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to or interference with property which may arise from, or in connection with, the performance of the work hereunder and the results of that work by the Consultant, its agents, representatives, employees or subcontractors.

A. CONSULTANT shall not commence work under this agreement until all insurance required under this Section has been obtained and such insurance has been approved by the City, with certificates of insurance evidencing the required coverage.

B. There shall be a contractual liability endorsement extending the CONSULTANT's coverage to include the contractual liability assumed by the CONSULTANT pursuant to this agreement. These certificates shall specify or be endorsed to provide that thirty (30) days' notice must be given, in writing, to the CITY, at the address shown in Section 9, of any pending cancellation of the policy. CONSULTANT shall notify CITY of any pending change to the policy. All certificates shall be filed with the City.

1. Workers' compensation and employer's liability insurance:

The CONSULTANT shall have in effect during the entire life of this agreement workers' compensation and Employer's Liability Insurance providing full statutory coverage. In signing this agreement, the CONSULTANT makes the following certification, required by Section 18161 of the California Labor Code: "I am aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the work of this agreement" (not required if the CONSULTANT is a Sole Proprietor).

2. Liability insurance:

The CONSULTANT shall take out and maintain during the life of this agreement such Bodily Injury Liability and Property Damage Liability Insurance (Commercial General Liability Insurance) on an occurrence basis as shall protect it while performing work covered by this agreement from any and all claims for damages for bodily injury, including accidental death, as well as claims for property damage which may arise from the CONSULTANT's operations under this agreement, whether such operations be by CONSULTANT or by any sub-consultant or by anyone directly or indirectly employed by either of them. The amounts of such insurance shall be not less than one million dollars (\$1,000,000) per occurrence and one million dollars (\$1,000,000) in aggregate, or one million dollars (\$1,000,000) combined single limit bodily injury and property damage for each occurrence. CONSULTANT shall provide the CITY with acceptable evidence of coverage, including a copy of all declarations of coverage exclusions. CONSULTANT shall maintain Automobile Liability Insurance pursuant to this agreement in an amount of not less than one million dollars (\$1,000,000) for each accident combined single limit or not less than one million dollars (\$1,000,000) for any one (1) person, and one million

dollars (\$1,000,000) for any one (1) accident, and Three Hundred Thousand Dollars, (\$300,000) property damage.

3. Professional liability insurance:

CONSULTANT shall maintain a policy of professional liability insurance, protecting it against claims arising out of the negligent acts, errors, or omissions of CONSULTANT pursuant to this agreement, in the amount of not less than one million dollars (\$1,000,000) per claim and in the aggregate. Said professional liability insurance is to be kept in force for not less than one (1) year after completion of services described herein.

C. CITY and its subsidiary agencies, and their officers, agents, employees and servants shall be named as additional insured on any such policies of Commercial General Liability and Automobile Liability Insurance, (but not for the Professional Liability and workers' compensation), which shall also contain a provision that the insurance afforded thereby to the CITY, its subsidiary agencies, and their officers, agents, employees, and servants shall be primary insurance to the full limits of liability of the policy, and that if the CITY, its subsidiary agencies and their officers and employees have other insurance against a loss covered by a policy, such other insurance shall be excess insurance only.

D. In the event of the breach of any provision of this Section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, CITY, at its option, may, notwithstanding any other provision of this agreement to the contrary, immediately declare a material breach of this agreement and suspend all further work pursuant to this agreement.

E. Before the execution of this agreement, any deductibles or self-insured retentions must be declared to and approved by CITY.





## STAFF REPORT

### City Council

Meeting Date: 2/23/2021  
Staff Report Number: 21-046-CC

Regular Business: 2021 City Council priorities and work plan adoption

### Recommendation

City staff recommend City Council adoption of 2021 priorities and work plan to guide limited resources through the end of the current fiscal year, June 30, and prepare the fiscal year 2021-22 budget for public review May 7.

### Policy Issues

City Council conducts an annual goal setting process to prioritize resources for the remainder of the current fiscal year and inform the budget development for the upcoming fiscal year, which begins July 1.

### Background

City Council held their 2021 goal setting workshop at a January 30 special meeting from 10 a.m. to 3:15 p.m. City Council received 58 written comments and 29 verbal public comment resulting in approximately 44 recommended priorities for 2021. In their discussion, City Council identified an additional 27 recommend projects or priority area. City staff transmitted a summary of the workshop at the City Council's February 9 meeting.

### Analysis

This regular business item provides the opportunity for City Council to take action on the City's 2021 priorities and work plan. At the end of City Council consideration, Attachment A, as amended, will be the City Council's 2021 priorities and work plan. To move projects on or off Attachment A, City staff recommends the following process:

1. Remove carry-over projects from Attachments A. The baseline for 2021 priorities and work plan development is best captured by the City Council's 2020 adopted priorities and identified work plan, particularly those projects that are incomplete and will "carry-over" into 2021. The Identified work plan projects include several projects that were added and are budgeted. However, City Council did not have an opportunity to fully discuss the identified work plan due to the impacts of COVID-19 on basic City operations in 2020. City staff recommends City Council start by reviewing the carry-over projects in Attachment A and voting to remove any projects that are no longer sufficiently prominent to highlight as a priority or work plan. If City Council desires to demote a project by removing it from Attachment A, work may move forward on the project as resources allow.

As a second step, City Council may vote to defund those projects removed from Attachment A. A City Council action to defund a project releases any encumbered resources, such as staff and budget, to other City Council priority and work plan projects. Absent defunding a project, City staff will continue to work on the project as previously approved at a much slower pace if given current resource constraints.

- An intent to defund a project may benefit from discussion with City staff before final City Council action.
2. Consider potential additions to Attachment A from projects identified in goal setting workshop. Attachments B and C list projects identified by members of the City Council and public during the annual goal setting workshop. City Council desire to promote a project from Attachments B or C to Attachment A does not guarantee that the project will advance to the scoping and funding phase. Only those projects on the final City Council adopted 2021 priorities and work plan will receive attention in 2021.
  3. Consider potential additions to Attachment A from Attachments D, E, F, G or H. Attachments D through G identify several projects and work efforts underway or planned that require capacity. City Council may identify those projects it desires to consider for addition to Attachment A. City staff will continue work on projects listed in Attachments D through H, as resources allow. City Council may also identify projects on the Attachments for further discussion in the budget process.
  4. Narrow-down Attachment A carryovers and potential additions. City staff will capture the projects under consideration for Attachment A and City Council may then deliberate and vote on which projects remain on the list.
  5. Prioritize Attachment A projects. Once City Council narrows the number of projects on Attachment A, City staff recommend City Council select five top priorities. City staff will prepare project scopes and resource demands as part of the budget process to document project objectives, resource requirements, and impacts of the project on existing services.

Attachment A transmits the 2020 adopted priorities and identified work plan. City Council took action at their August 18, 2020 meeting to approve five priority projects. Of the top five, only two carry-overs into 2021, the Menlo Park community campus project and the 2022 housing element and related zoning code update project. City staff moved the information technology master plan (ITMP) and COVID-19 pandemic response projects from Attachment A to Attachment D to detail the many components of each priority.

Attachments B and C transmit recommended priorities from City Councilmembers and members of the public, respectively.

Attachment D transmits recommended projects identified by City staff either as a component of the ITMP, COVID-19 pandemic response through the rebuilding of library and community services, or staff retention and recruitment efforts. City staff will work on the projects listed in Attachment D as resources are available in their respective functional areas, prioritizing City Council's 2021 adopted priorities and work plan projects. City Council may consider adding Attachment D projects to Attachment A. If the project remains on Attachment A and becomes part of the City Council adopted 2021 priorities and work plan, the project will receive the resources necessary to reach desired milestones in 2021. City Council may also defund projects to alleviate demand on resource capacity.

Attachment E transmits the tentative agenda for 2021 through June 30. The tentative agenda includes efforts underway that City Council may desire to promote, demote or defund to create capacity for other projects.

Attachment F transmits a list of projects identified by staff to assist with the city attorney transition. City Council may desire to deprioritize or defund projects to create capacity for other projects.

Attachment G provides a hyperlink to the community development's projects webpage. The webpage contains a link to a geographic information system (GIS) interactive development map showing 40 projects in total divided into tabs representing their status: under review, approved, under construction and recently completed. The interactive development is a prime example of how the City's investment in GIS technology and personnel over the past several years provides greater transparency into projects that will impact the lives of residents and visitors now and into the future.

Attachment H provides a hyperlink to the 2021-22 capital improvement program (CIP) budget informational item report contained on the February 23 City Council agenda. The informational item transmits an update on the CIP in preparation for a CIP study session March 9.

### Next steps

The Harvard Business Review (HRB) article “Too Many Projects,” Attachment I, outlines an approach to prioritization that may help avoid the costly consequences of too many projects, including diminished service quality, impaired productivity and employee burnout. To move toward the first step in the HRB step-by-step process to fight project overload, staff compiled the following “true count” of current initiatives:

- Attachment D begins details the efforts previously rolled up into the ITMP, City’s staff’s recommendation to rebuild the library and community services functions following dramatic reductions resulting from the COVID-19 pandemic, and City staff’s recommendation to prioritize employee retention and recruitment.
- Attachment E provides a draft City Council meeting agenda topics through June 30. City Council meeting agenda items are resource intensive. A “simple” consent agenda item may take 20 staff hours to prepare and present. An “average” agenda item easily exceeds a hundred hours of staff time with each public, advisory body member, individual City Councilmember, and professional services provider touchpoints adding time. A “controversial” agenda item typically spans multiple public meetings over numerous years and will likely exceed a thousand hours. After City Council takes final action, implementation or execution times depend on the complexity of the project.
- Attachment F provides a draft of projects and tasks that will transition to the new city attorney. The transition preparation work has highlighted an estimate of 750 hours per year of in-house staff time that is necessary to process 500 transactions resulting from public records act requests, claims and contracts.
- Attachment G captures development activity, and Attachment H recaps the CIP budget projects.

The core question underlying any goal setting process is whether the organization effectively prioritizes limited resources to deliver outputs that meet its leadership team’s (City Council) objectives. With pandemic-induced budget cuts this fiscal year and change in key leadership positions, now may be an opportune time for a systematic review of resource allocations and their alignment with City Council objectives. The effort will draw on existing over-committed resources, and difficult decisions to cancel or defer projects will inevitably follow. A systematic review, however, will ultimately strengthen the organization and its services to the community.

### **Impact on City Resources**

The impact on City resources will be assessed once City Council establishes priorities.

### **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. Updated 2020 priorities and identified work plan projects
- B. 2021 goal setting workshop projects identified by City Councilmembers
- C. 2021 goal setting workshop projects identified by members of the public
- D. 2021 goal setting workshop projects identified by City staff
- E. Draft tentative City Council agenda through June 30, as of February 17, 2021 at 1:40 p.m.
- F. Draft city attorney transition projects and tasks, as of February 17, 2021 at 4:25 p.m.
- G. Hyperlink – Community Development’s current and pending development projects map:  
[menlopark.org/projects](https://menlopark.org/projects)
- H. Hyperlink – 2021-22 capital improvement program budget informational item:  
[menlopark.org/DocumentCenter/View/27430/L3-20210225-CC-2020-25-CIP](https://menlopark.org/DocumentCenter/View/27430/L3-20210225-CC-2020-25-CIP)
- I. Hyperlink – “Too Many Projects” by Rose Hollister and Michael D. Watkins Harvard Business Review magazine (September – October 2018): [hbr.org/2018/09/too-many-projects](https://hbr.org/2018/09/too-many-projects)

Report prepared by:  
Nick Pegueros, Assistant City Manager

	<b>Project</b>	<b>Source</b>
1	Menlo Park SAFER Bay implementation	2020addition
2	2022 housing element and related zoning code updates	2020priority
3	Menlo Park Community Campus	2020priority
4	Transportation management association (TMA) formation	2019carryover
5	Middle Avenue pedestrian & bicycle crossing	2019carryover
6	Short-term rental ordinance	2019carryover
7	Accessory dwelling unit ordinance update	2019carryover
8	ConnectMenlo community amenities list update	2019carryover
9	ECR/Downtown Specific Plan area housing development initiatives	2019carryover
10	Development & environmental review process education series	2019carryover
11	Santa Cruz Ave closure and economic development initiatives	2019carryover
12	Middle Avenue traffic calming project	2019carryover
13	NLC Race, Equity, And Leadership program	2020addition
14	CAP#1-Explore policy/program options to convert 95% of existing buildings to all-electric by 2030	2020addition
15	CAP#2-Set citywide goal for increasing EVs and decreasing gasoline sales	2020addition
16	CAP#3-Expand access to electric vehicle charging for multifamily and commercial properties	2020addition
17	CAP #4-Reduce vehicle miles traveled (VMT) by 25% or an amount recommended by the Complete Streets Commission	2020addition
18	CAP #5-Eliminate the use of fossil fuels from municipal operations	2020addition
19	CAP#6-Develop a climate adaptation plan to protect the community from sea level rise and flooding	2020addition
20	Near-term downtown parking and access strategies	2020suspended
21	Ravenswood Avenue Caltrain grade separation study	2020suspended
22	Single-family residential design review	2020suspended
23	City Council procedures update	2020suspended

	<b>Project</b>	<b>Source</b>
1	Racial equity baseline project (Givens)	2021Councilmember
2	COVID-19 response, recovery, and support	2021Councilmember
3	Vaccination and testing support	2021Councilmember
4	Childcare and mental health coordination with state and county	2021Councilmember
5	Housing security	2021Councilmember
6	COVID-19 business recovery	2021Councilmember
7	COVID-19 cases by census tract	2021Councilmember
8	Robust education and outreach with residents	2021Councilmember
9	Prioritize resident needs	2021Councilmember
10	Policy development supporting resolutions on equity	2021Councilmember
11	Diversity of leadership team	2021Councilmember
12	Emergency preparedness	2021Councilmember
13	Public safety	2021Councilmember
14	Emergency responders	2021Councilmember
15	Climate change	2021Councilmember
16	City services	2021Councilmember
17	Quality of life	2021Councilmember
18	Mental health	2021Councilmember
19	Education and outreach	2021Councilmember
20	Access to health resources	2021Councilmember
21	Equal distribution of resources	2021Councilmember
22	Homelessness in MP	2021Councilmember
23	Diversity in executive leadership	2021Councilmember
24	City Commissioners	2021Councilmember
25	Resolutions with action	2021Councilmember
26	Community Response Team	2021Councilmember
27	Overnight parking- weekend and holiday	2021Councilmember

	<b>Project</b>	<b>Source</b>
1	Gasoline leaf blower regulations	2021Public
2	Quiet Zones along the Caltrain corridor	2021Public
3	Shovel ready transportation infrastructure projects	2021Public
4	Santa Cruz Avenue/Downtown - All pedestrian, all the time	2021Public
5	Improve the balance of jobs and housing	2021Public
6	Strategy for unhoused residents	2021Public
7	Resident committee on the Menlo Park Community Campus	2021Public
8	Reopen Santa Cruz Ave to vehicular traffic	2021Public
9	Litter control and illegal dumping around town	2021Public
10	Downtown sidewalk/street/parking plaza cleanliness	2021Public
11	Social workers available for every police call	2021Public
12	Civilianization of traffic and mental wellness check duties	2021Public
13	Dissolve "Facebook unit"	2021Public
14	Emergency water (bayside of El Camino)	2021Public
15	Building and supporting bike paths all over the city	2021Public
16	Mandate food waste composting for all residential complexes	2021Public
17	More sand in Jack Lyle Park's sandbox	2021Public
18	Wood burning fires and Spare-the-Air enforcement	2021Public
19	Down-zone commercial areas for lower densities	2021Public
20	Re-zone commercial areas for residential development	2021Public
21	Willow Road traffic calming project	2021Public
22	Maintain a village character downtown	2021Public
23	Protect and enhance pedestrian amenities on Santa Cruz Ave	2021Public
24	Expand shopping, dining and neighborhood services to ensure a vibrant downtown	2021Public
25	Provide plaza and park space downtown	2021Public
26	Expand downtown attractions and amenities	2021Public
27	Storm drainage in West Menlo Park neighborhoods	2021Public
28	Middle Avenue sidewalks, both sides	2021Public
29	Garbage pickup downtown	2021Public
30	Require ADUs in new builds	2021Public
31	Conduct a review of how staff spends 85% of their time	2021Public
32	Study session on emergency preparedness	2021Public
33	Cancel fire district payments for emergency prep coordinator	2021Public
34	Reframe housing element to advance racial equity and respond to climate crisis	2021Public
35	Coleman/Ringwood safe routes to school improvements	2021Public
36	Healthy town and healthy environment - with equity lens	2021Public
37	Mixed use development (parking, retail, housing) downtown	2021Public
38	1000 ECR tree replacement agreement	2021Public
39	Weekend enforcement for heritage trees compliance	2021Public
40	Bar future agreements with private companies for city services	2021Public
41	Willow Rd./101 tree replanting	2021Public
42	Valpo hill traffic calming	2021Public

**2021 goal setting workshop projects identified by City staff**

	<b>Project</b>	<b>Source</b>
1	Land management software implementation (Accela)	ITMP, 2019carryover
2	Operations and asset management system (Cartegraph)	ITMP, 2019carryover
3	Human resource information system installation (Kronos)	ITMP, 2019carryover
4	Geographic information systems (GIS) service enhancements	ITMP, 2019carryover
5	Electronic record management system replacement	ITMP, 2019carryover
6	General ledger accounting system replacement (OpenGov)	ITMP, 2019carryover
7	Financial transparency module implementation (OpenGov)	ITMP, 2019carryover
8	Accounts receivable and fixed asset implementation (OpenGov)	ITMP, 2019carryover
9	Electronic timekeeping implementation (Kronos/UKG)	ITMP, 2019carryover
10	Electronic plan submittals and review (DigEplan)	ITMP, 2019carryover
11	Community engagement software (PublicInput)	ITMP, 2019carryover
12	City Council Chambers audio visual system replacement	ITMP, 2019carryover
13	Server room heating, ventilation, and air conditioning replacement	ITMP, 2019carryover
14	Building and facility security replacement	ITMP, 2019carryover
15	Payroll processing system replacement	ITMP, 2019carryover
16	Website replacement	ITMP, 2019carryover
17	Telephone system upgrade	ITMP, 2019carryover
18	Video surveillance replacement	ITMP, 2019carryover
19	Core network device replacements	ITMP, 2019carryover
20	Productivity software centralization (word processing, spreadsheet, file share, video conferencing, etc.)	ITMP, 2019carryover
21	Agenda management system	ITMP, 2019carryover
22	Citywide facilities scheduling system	ITMP, 2019carryover
23	Program, class and event registration system replacement	ITMP, 2019carryover
24	Gymnastics facility and program delivery assessment	2021Staff
25	Recreation facilities and program delivery assessment	2021Staff
26	Childcare facilities and program delivery assessment	2021Staff
27	Library facilities and program delivery assessment	2021Staff
28	MPCC transitional services plan update (senior center, youth center, and community center)	2021Staff
29	Aquatics service delivery assessment - MPCC and Burgess	2021Staff
30	Senior center service delivery assessment - MPCC	2021Staff
31	Youth center service delivery assessment - MPCC	2021Staff
32	Recreation and fitness service delivery assessment - MPCC	2021Staff
33	Library and literacy service assessment - MPCC	2021Staff
34	City Attorney onboarding	2021Staff
35	Police Chief appointment	2021Staff
36	Community Development Director recruitment and appointment	2021Staff
37	Assistant Public Works Director - Transportation recruitment and appointment	2021Staff
38	SEIU labor agreement	2021Staff
39	AFSCME labor agreement	2021Staff
40	POA labor agreement	2021Staff
41	Unrepresented management compensation plan	2021Staff



**March 1, 2021 - 5 p.m. Special Meeting - Tentative**

Name	Est. Duration	Agenda section	Council action	Dept.	Primary staff
Labor relations - SEIU, AFSCME, POA, Unrepresented	3	Closed Session	Direction to staff	ASD	Nick Pegueros, Theresa DellaSanta
<b>3</b>					

**March 9, 2021 - 5 p.m. Special and Regular Meeting**

Name	Est. Duration	Agenda section	Council action	Dept.	Primary staff
2021-22 Capital improvement budget	2	Study Session	Direction to staff	PW, ASD	Nikki Nagaya, Budget team
Report from closed session			No action		
Public comment	0.15				
Minutes: 2/12, 2/23	0.15	Consent	Approve	CMO	Judi A Herren
Quarterly personnel update (Jan-Mar)	0	Consent	Receive and file	ASD	Theresa DellaSanta
Cost recovery policy	0.25	Consent	Approve	CMO, LCS	Nick Pegueros, Sean Reinhart, John McGirr, Rani Singh, Christian Quijano
Dinner	0.33				
Water Rates - Authorize the distribution of Prop 218 Notices for 5 year water rates	1.5	Regular	Approve	PW	Chris Lamm, Pam Lowe
Rebuilding LCS - Service delivery priorities	1	Regular	Direction to staff	LCS	Sean Reinhart, Adriane Lee Bird, Nick Szegda
Middle Avenue (800 ECR) Purchase and sale agreement	0.5	Regular	Approve	PW	
City Council agenda topics: Mar 23 to Apr 13	0	Informational	No action	CMO	Judi A Herren
<b>5.88</b>					

**March 16, 2021 - 5 p.m. Special Joint meeting with MPFPD**

Name	Est. Duration	Agenda section	Council action	Dept.	Primary staff
Evacuation plans, discussion	1.5	Joint meeting	No action	VARIOUS	David C. Spiller
Grand Jury Report: "SMC Alert- Emergency Alerts: More People Need To Know"	1	Joint meeting		VARIOUS	Judi A Herren
Labor relations - SEIU, AFSCME, POA, Unrepresented	2	Closed Session	Direction to staff	ASD	Nick Pegueros, Theresa DellaSanta
<b>4.5</b>					

CMO/CA = City Manager's Office  
ASD = Administrative Services  
CDD=Community Development  
LCS = Library and Community Services  
PD=Police  
PW=Public Works

**March 23, 2021 - 5 p.m. Special and Regular Meeting**

Name	Est. Duration	Agenda section	Council action	Dept.	Primary staff
Labor relations - SEIU, AFSCME, POA, Unrepresented	1	Closed Session	Direction to staff	ASD	Nick Pegueros, Theresa DellaSanta
ConnectMenlo community amenities	1	Study Session	Direction to staff	CA	Cara E. Silver
Urban Water Management Plan (UWMP)	1	Study Session	Direction to staff	PW	Chris Lamm, Pam Lowe
Public comment	0.15				
Proclamation: Equal Pay Day	0.15	Presentation	No action	CMO	Judi A Herren
Report from closed session					
Finance and Audit Committee, update	0.25	Committee Report	Receive and file	ASD	Dan Jacobson
Implementation on EQC recommendations on CAP strategies 2, 4, and 6	0.5	Commission Report	Direction to staff	CMO	Rebecca Lucky
Minutes: 3/9	0.15	Consent	Approve	CMO	Judi A Herren
Housing Element Annual Progress Report	0	Consent	Receive and file	CDD	Deanna Chow, Rhonda Coffman
Amend conflict of interest resolution to include certain advisory body members	0	Consent	Adopt resolution	CMO, CA	Judi A Herren, Cara E. Silver
Final map for 115 El Camino Real	0	Consent	Approve	PW	Nikki Nagaya, Chris Lamm
Approve EQC two year work plan	0.5	Regular	Approve	CMO	Rebecca Lucky
Direction on CAP No.3 EV Charging Implementation	0.75	Regular	Approve	CMO	Rebecca Lucky, Candise Almendral
Rebuilding LCS - Service delivery options	1.5	Regular	Direction to staff	LCS	Sean Reinhart, Adriane Lee Bird, Nick Szegda
Dinner	0.33				
City Manager employment agreement extension	0.25	Regular	Approve	ASD	Theresa DellaSanta
General Fund forecast	1	Regular	Direction to staff	ASD	Dan Jacobson, Christian Quijano
Housing Element consultant and public engagement framework	1.5	Regular	Contract award or amend	CDD	Deanna Chow
MPCC Power Purchase Agreement	0.75	Regular	Approve	PW, CMO	Chris Lamm, Rebecca Lucky, Justin Murphy
West Bay Sanitary - MOU for Recycled Water	1	Regular	Approve	PW	Chris Lamm, Fariborz Heydari, Nikki Nagaya
Revise community amenities resolution	1	Regular	Adopt resolution	CA	Cara E. Silver
City Council subcommittee charters duration and charge	1	Regular	Approve	CMO	Judi A Herren, Nick Pegueros
City Council agenda topics: Apr 13 to Apr 27	0	Informational	No action	CMO	Judi A Herren
Master fee schedule updates	0	Informational	No action	ASD	John McGirr

**13.78**

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**April 13, 2021 - 5 p.m. Special and Regular Meeting**

Name	Est. Duration	Agenda section	Council action	Dept.	Primary staff
Labor relations - SEIU, AFSCME, POA, Unrepresented	1	Closed Session	Direction to staff	ASD	Nick Pegueros, Theresa DellaSanta
Report from closed session			No action		
Public comment	0.15				
Provide direction on paving program and use of rubberized asphalt	1.5	Study Session	Direction to staff	PW	Nikki Nagaya, Chris Lamm
Rebuilding LCS - Post-Covid Service Adaptation Plan	1.5	Study Session	Direction to staff	LCS	Sean Reinhart, Adriane Lee Bird, Nick Szegda
ConnectMenlo community amenities subcommittee report	1	Subcommittee report	Direction to staff	CA	Cara E. Silver
Minutes: 3/23	0.15	Consent	Approve	CMO	Judi A Herren
SFPUC Water Supply Agreement Amendment	0	Consent	Approve	PW	Chris Lamm, Pam Lowe
SB1 funding candidate projects	0	Consent	Adopt resolution	PW	Nikki Nagaya, Chris Lamm
Ravenswood/Laurel signal improvements	0	Consent	Contract award or amend	PW	Nikki Nagaya
2021 priorities and work plan quarterly report as of March 31	0	Consent	Receive and file	CMO	Nick Pegueros
Master Fee Schedule update effective July 1, 2021	1	Public Hearing	Adopt resolution	ASD	John McGirr, Dan Jacobson
Dinner	0.33				
City Council agenda topics: Apr 27 to May 11	0	Informational	No action	CMO	Judi A Herren
Transportation Management Association (TMA) update	0	Informational	No action	PW	Nicholas Yee

**6.63**

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**April 27, 2021 - 5 p.m. Special and Regular Meeting**

<b>Name</b>	<b>Est. Duration</b>	<b>Agenda section</b>	<b>Council action</b>	<b>Dept.</b>	<b>Primary staff</b>
Labor relations - SEIU, AFSCME, POA, Unrepresented	2	Closed Session	Direction to staff	ASD	Nick Pegueros, Theresa DellaSanta
Report from closed session			No action		
Public comment	0.15				
Advisory body appointments, residency by district, and attendance	1	Commission Report	Approve	CMO	Judi A Herren
Minutes: 4/13	0.15	Consent	Approve	CMO	Judi A Herren
Quarterly financial operations report	0	Consent	Receive and file	ASD	Dan Jacobson
Quarterly investment report	0	Consent	Receive and file	ASD	Dan Jacobson
Rebuilding LCS - Post-Covid Service Adaptation Plan	2	Regular	Direction to staff	LCS	Sean Reinhart, Adriane Lee Bird, Nick Szegda
Dinner	0.33				
City Council agenda topics: May 11 to May 25	0	Informational	No action	CMO	Judi A Herren
Rate assistance update	0	Informational	No action	CMO	Joanna Chen

**5.63**

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**May 11, 2021 - 5 p.m. Special and Regular Meeting**

<b>Name</b>	<b>Est. Duration</b>	<b>Agenda section</b>	<b>Council action</b>	<b>Dept.</b>	<b>Primary staff</b>
Labor relations - SEIU, AFSCME, POA, Unrepresented	1	Closed Session	Direction to staff	ASD	Nick Pegueros, Theresa DellaSanta
Report from closed session			No action		
Public comment	0.15				
Minutes: 4/27	0.15	Consent	Approve	CMO	Judi A Herren
Proclamations: Pubic Works week & Bike to Work day (tentative)	0.1	Proclamation	No action	PW	Nikki Nagaya
Parks capital projects and use of Measure T funds	1.5	Study Session	Direction to staff	PW, ASD	Nikki Nagaya, Chris Lamm, Dan Jacobson
5 year water rates	1	Public Hearing	Adopt resolution	PW	Chris Lamm, Pam Lowe
Urban Water Management Plan (UWMP)	1	Public Hearing	Adopt resolution	PW	Chris Lamm, Pam Lowe
Financial advisory services and bond counsel services for a Measure T bond issuance	0.5	Regular	Contract award or amend	ASD	Dan Jacobson
Placeholder - development project land use entitlements	2	Regular	Adopt resolution	Placeholder	
Permanent installation of Belle Haven Traffic Calming Plan improvements	1	Regular	Approve	PW	Nikki Nagaya, Kristiann Choy, Kevin Chen
City Council agenda topics: May 25 to June 8	0	Informational	No action	CMO	Judi A Herren
City Manager's proposed budget	0	Informational	No action	CMO	Budget team
Dinner	0.33				
SF Creek - Approval of Bridge Design & Palo Alto Intertie Agreement	1	Regular	Approve	PW	Chris Lamm, james michael sartor, Fariborz Heydari

**9.73**

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### May 25, 2021 - 5 p.m. Special and Regular Meeting

Name	Est. Duration	Agenda section	Council action	Dept.	Primary staff
Labor relations - SEIU, AFSCME, POA, Unrepresented	1	Closed Session	Direction to staff	ASD	Nick Pegueros, Theresa DellaSanta
Report from closed session			No action		
Public comment	0.15				
Minutes: 5/11	0.15	Consent	Approve	CMO	Judi A Herren
Landscape Assessment District - Adopt Resolution XXX	0	Consent	Approve	PW	Chris Lamm, Theresa Avedian
Placeholder - development project land use entitlements	2	Regular	Adopt resolution	Placeholder	
Transportation Management Association feasibility study approval	1.5	Regular	Approve	PW	Nikki Nagaya, Kristiann Choy, Nicholas Yee
Preliminary approval of the Engineer's Report for the Landscaping Assessment District	0.25	Regular	Adopt resolution	PW	Nikki Nagaya
City Council agenda topics: June 8 to June 22	0	Informational	No action	CMO	Judi A Herren
Dinner	0.33				
	<b>5.38</b>				

### June 1, 2021 - Budget workshop Special Meeting

Name	Est. Duration	Agenda section	Council action	Dept.	Primary staff
City Manager's proposed budget	2	Workshop	No action	ASD	Budget team
	<b>2</b>				

### June 8, 2021 - 5 p.m. Regular Meeting

Name	Est. Duration	Agenda section	Council action	Dept.	Primary staff
Public comment	0.15				
Minutes: 5/25	0.15	Consent	Approve	CMO	Judi A Herren
Quarterly personnel update (Apr-Jun)	0	Consent	Receive and file	CMO	Theresa DellaSanta
City Manager's proposed budget	3	Public Hearing	Adopt resolution	CMO	Budget team
Placeholder - development project land use entitlements	2	Regular	Adopt resolution	Placeholder	
City Council agenda topics: June 22 to July 13	0	Informational	No action	CMO	Judi A Herren
Dinner/Recess	0.33				
Placeholder- Award MPCC Solar Microgrid PPA	0.75	Regular	Contract award or amend	PW, CMO	Rebecca Lucky, Chris Lamm
	<b>6.38</b>				

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**June 22, 2021 - 5 p.m. Regular Meeting**

Name	Est. Duration	Agenda section	Council action	Dept.	Primary staff
Public comment	0.15				
Minutes: 6/8	0.15	Consent	Approve	CMO	Judi A Herren
Landscape Assessment District for 2021-22	0.25	Public Hearing	Adopt resolution	PW	Nikki Nagaya
Stormwater Program fee collection	0.25	Public Hearing	Adopt resolution	PW	Nikki Nagaya
Fiscal year 2021-22 budget	0.8	Regular	Adopt resolution	ASD	Budget team
UUT temporary reduction	0.05	Regular	Adopt resolution	ASD	Kristen Middleton, Dan Jacobson
Appropriations limit	0.05	Regular	Adopt resolution	ASD	Patricia Barboza, Dan Jacobson
2021-22 SLESF/COPS spending plan	0.05	Regular	Adopt resolution	ASD	Dani OConnor, Dan Jacobson
Authorization for blanket purchase orders and multi-year agreements	0.05	Regular	Adopt resolution	ASD	Eren Romero, Dan Jacobson
Approve year-end budget amendments (final cleanup)	0.05	Regular	Adopt resolution	ASD	Patricia Barboza
Ratify successor MOU - SEIU	0.5	Regular	Adopt resolution	ASD	Nick Pegueros, Theresa DellaSanta
Ratify successor MOU - AFSCME	0.5	Regular	Adopt resolution	ASD	Nick Pegueros, Theresa DellaSanta
Adopt unrepresented management compensation plan amendments	0.5	Regular	Adopt resolution	ASD	Nick Pegueros, Theresa DellaSanta
Adopt unrepresented confidential compensation plan amendments	0.5	Regular	Adopt resolution	ASD	Nick Pegueros, Theresa DellaSanta
Adopt salary schedule amendments	0.25	Regular	Adopt resolution	ASD	Theresa DellaSanta
Placeholder - development project land use entitlements	2	Regular	Adopt resolution	Placeholder	
Dinner/Recess	0.33				
City Council agenda topics: July 13 to Aug 24	0	Informational	No action	CMO	Judi A Herren

**6.43**

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**TBD: January - March 2021**

<b>Name</b>	<b>Est. Duration</b>	<b>Agenda section</b>	<b>Council action</b>	<b>Dept.</b>	<b>Primary staff</b>
City attorney services	0.25	Regular	Contract award or amend	CMO	Nick Pegueros
Terminating the local emergency	0	Consent	Adopt resolution	CMO, CA	Cara E. Silver, Judi A Herren
Direction on forming Redistricting Commission and Retaining Demographer	2	Regular	Direction to staff	CMO, CA	Judi A Herren, Cara E. Silver
Use of CRT (facebook DA) funding in 2021-22	2	Regular	Direction to staff	CMO, CA	Cara E. Silver, Nick Pegueros
Short Term Rental contract and potential budget amendment	0	Consent	Approve	CDD, ASD	Rhonda Coffman, John McGirr
Approve work for Climate Action Plan (CAP) items 2, 4, and 6, and amend the CAP to reflect changes	0.5	Consent	Adopt resolution, Approve	CMO	Rebecca Lucky
Progress report on Climate Action Plan strategy No.1 Existing Building Electrification	0.5	Informational	Receive and file, Info from staff	CMO	Rebecca Lucky
Authorize procurement process to release RFP for a solar micro grid for MPCC					Rebecca Lucky, Cara E. Silver, Chris Lamm
Approve Environmental Quality Commission two year work plan	0.5	Regular	Approve	CMO	Rebecca Lucky
Midpeninsula Regional Open Space District-activities update	0.75	Presentation	No action	CMO	Judi A Herren
City Council procedures	1	Regular	Approve	CMO	Nick Pegueros, Judi A Herren
	<b>7.5</b>				

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**TBD: April - June 2021**

<b>Name</b>	<b>Est. Duration</b>	<b>Agenda section</b>	<b>Council action</b>	<b>Dept.</b>	<b>Primary staff</b>
Next steps for Willow/US 101 interchange landscaping	0.75	Regular	Direction to staff	PW	Morad Fakhrai, Madelinne Godinez, Eren Romero, Nikki Nagaya
Final action on Menlo Uptown project entitlements	2	Public Hearing	Adopt resolution	CDD	Deanna Chow, Tom Smith
Call up of 111 Independence Dr. project entitlements	2	Public Hearing	Adopt resolution	CDD	Deanna Chow, Kyle Perata
Review of Resolution No. 6600 - CC review of large and impactful projects (ext. to June 30, 2021)	0.5	Regular	Adopt resolution	CDD	Deanna Chow, Cara E. Silver
Willow Village DA process	1	Regular	Approve	CDD	Justin Murphy
Install school speed limit zones	0	Consent	Adopt resolution	PW	Nikki Nagaya
Sharon Park pathways project	0	Consent	Contract award or amend	PW	Nikki Nagaya
Support for Menlo Park Chamber of Commerce downtown improvement efforts	1	Regular	Direction to staff	CMO	Justin Murphy
MPCC parking restrictions	1	Study Session	Direction to staff	CMO	Justin Murphy
MPCC parking restrictions	0.5	Regular	Adopt resolution, Adopt ordinance	CMO	Justin Murphy
American Red Cross emergency shelter agreement	0	Consent	Approve	LCS	Sean Reinhart, Justin Murphy
BMR funding recommendations (from 2020 NOFA proposals)	1	Regular	Approve	CDD	Rhonda Coffman, Michael Noce
El Camino Real/Downtown Specific Plan minor incentive amendments - scope of work and resource request	1	Regular	Approve	CDD	Deanna Chow
Climate Action Plan No.5: Award contract for a Solar Microgrid for the Menlo Park Community Center Campus	1	Regular	Contract award or amend	PW, CMO	Rebecca Lucky, Chris Lamm
Memorandum of understanding with SFCJPA, Facebook and PG&E regarding SAFER Bay implementation	1	Regular	Approve	PW	Nikki Nagaya
Signing/stripping on-call program	0	Consent	Contract award or amend	PW	

**12.75**

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Project/Task	
1	Public Records Act Request (2020 actuals =175)
2	Amend conflict of interest code (add advisory bodies)
3	Redistricting
4	Ordinances (2020 actuals = 11)
5	Claims (2020 actuals = 23)
6	Records retention schedule
7	Records destruction
8	Agreement review and approval (2020-21 year-to-date = 186)
9	Subpoenas
10	Elections
11	Advisory body Brown Act and Ethics training
12	SEIU negotiations
13	POA negotiations
14	AFSCME negotiations
15	Unrepresented compensation plan
16	PSA negotiations
17	Development project - Willow Village (CEQA, fiscal impact analysis (FIA), Housing Needs Assessment (HNA), community amenities appraisal coordination, DA, project meetings)
18	Development project - Menlo Uptown
19	Development project - 111 Independence
20	Development project - Menlo Portal
21	Development project - Menlo Flats
22	Development project - Sobrato mixed-use
23	Development project - 1350 Adams
24	Development project - 164 Jefferson
25	Development project - 1105 O'Brien
26	Development project - 1075 O'Brien
27	Development project - Hotel Moxy
28	Facebook Expansion compliance review (NOx agreement, DA annual review, modifications to CDP)
29	ConnectMenlo review and implementation (e.g. community amenities, GP cap, CEQA cap)
30	BMR, Alley Access Maintenance, Deed Restriction Agreements
31	Weekly City Attorney meetings for questions
32	Legislation Updates (e.g. SB 330 application, ADU law)
33	Development project - 1162 ECR
34	Downtown parking plazas
35	ECR/D Specific Plan projects (e.g. 1300 ECR)/revisions
36	FEMA BRIC grant memorandum of understanding negotiations
37	Bayfront Canal/Atherton Channel - MOU and easements
38	West Bay Sanitary District Recycled Water MOU
39	Power purchase agreement for MPCC
40	Number of easements, property transfers for development projects (Willow Rd alleyways and property transfers from RDA to City, for example)
41	O'Connor water district diesel purchasing agreement
42	Update of standard specifications for construction projects
43	Frontage improvement ordinance updates for utility undergrounding requirements
44	Funding agreement for 1540 El Camino Real median island trees

<b>Project/Task</b>	
45	American Public Works Association accreditation - policy documentation
46	Ongoing review of contracts for variety of maintenance services, capital projects, professional services agreements
47	Rail issues - HSR, Caltrain, grade separation, quiet zones.
48	Middle Avenue pedestrian bicycle rail crossing. Property acquisition (purchase and sale agreement) and agreements with Caltrain
49	Weekly City Attorney meeting (1-1.5 hours) for miscellaneous questions
50	Small cell ordinance and master license agreements with telecommunications companies
51	Urban water management plan coordination with BAWSCA
52	MPCC PG&E permits and easements
53	Title report requests
54	Bequests, trust distributions (library, senior center)
55	File inventory at City's off-site file storage through Vital Records Control
56	Lease agreements - City owned facilities

Agenda item K5  
Resident

Please consider prioritizing quiet zones for Menlo Park's four grade crossings. My home is located between two grades and approximately 100 ft from the tracks. The caltrain passes approximately 62 times a day, with a minimum of one long horn sounding per grade crossing, for at least 248 horn soundings per day. Since we have been home bound during the pandemic it's been unbearable and a true detriment to our mental health. The sounds is deafening if outside and still very disturbing when inside. The amount of noise pollution could be greatly reduced by eliminating the horns. The mental health of those of us along the tracks near the grades could be very positively impacted by taking action on this.

Agenda item K5  
Ming Tsai, Resident

Dear City Council Members,  
We are writing to urge the city to consider acquiring quad-gates, at all applicable intersections (e.g. Encinal, Glenwood and others), for enabling quiet zones as one of the top priorities in 2021.

Consider these factors:

- Conservative estimate shows close to 10% of the city residents will benefit from this. (Based on 2019 city census, and low estimate of 1000 households being impacted along the 2 mile corridor with 3 person in each unit.)
- The fact that more than half of all public comments/requests on Jan 30 meeting are urging is a reflection of the estimate above.
- As proven in Atherton's deployment, quad-gates are physically blocking barriers that actually REDUCE city's liability, as opposed to the current gate which are actually more dangerous.
- Atherton's QZ accidents reports/statistics have shown it's more effective in providing safety without horns, improving life quality drastically.
- Nearby residential units will have property value increased. It is fiscally sensible using gate estimates from director Nikki Nagaya's and that of increased tax/revenue for the city in the long run.

We kindly ask for the ability to see past the virtual/zoom meeting, online posts amid the pandemic, but imagine seeing ~3000 Menlo Park residents, suffering from the horn noise, physically in this planning meeting urging for this. Thank you.

Agenda item K5  
Resident

Please consider implementing quiet zones along the caltrain corridor.

The number of trains that pass through the corridor each day is over 60. Living directly on the train corridor, between two crossings (Encinal and Watkins), there is persistent noise disturbance all day long (and in the night as well). Train horns sound before and after each crossing, and because of our location, the sound is constant through the entire block.

The train noise is well beyond the Menlo Park noise ordinance limits of 60 dBA and 85 dBA throughout all hours, and greatly impacts quality of life for Menlo Park residents (young, old, and those in between!)

As a young couple who has lived in the area for a few years, the persistent train noise/honking would be completely unsuitable for raising a young infant or small children directly on the corridor. We love this city and our neighborhood and it is a true and heartbreaking situation that the horns have caused us to delay our plans to start a family and debate how we will need to move elsewhere before we do so. This is an issue that could be greatly helped by the establishing of quiet zones along the corridor. Please please please make this a 2021 initiative.

Agenda item K5  
Karen Wang, Resident

I would like to express support for prioritizing a Quiet Zone study. I have lived in Linfield Oaks for many years, about a block from the train tracks. Train noise seems to have increased significantly over the past year or so, presumably from all the trees that have been cut down or trimmed along Alma. At times the horn noise has become almost unbearable. I ask you to prioritize this issue that adversely affects so many Menlo Park residents.

## Agenda item K5 Matt Normington, Resident

Dear Menlo Park City Council Members:

My name is Matt Normington and I am the President of the Marquis Homeowners Association in Menlo Park. I represent the 24 homeowners who live in the recently constructed homes on the corner of Encinal Avenue and Garwood Way at the site of the former Roger Reynolds Nursery. Our residents have lived in this community since the summer of 2019. I have been a resident of downtown Menlo Park since 1991 and am very familiar with Caltrain and the City's ongoing, decades-long grade separation efforts.

I am writing to urge Council prioritize an evaluation of a train quiet zone at the Encinal Avenue grade crossing.

An evaluation of a quiet zone at this location is critical at this time for three reasons:

1. Caltrain's horn blasts throughout the day are disruptive to the residents working from home and school-age children that are distance learning. Historically the daytime horn noise was not a major concern to the homeowners due to the fact that many of our residents were outside the home at work and/or school during the day. Train horn noise has become a significant issue over the past year due to the pandemic as the vast majority of our homeowners and children are now at home working or distance learning during the day. Many companies have publicly stated that post-pandemic they will allow a flexible remote working arrangement which means our residents will continue working from home for the foreseeable future. Although Caltrain has currently reduced service as a result of the pandemic, this issue will only intensify as daytime train frequency increases when Caltrain ramps up its service post pandemic.
2. Atherton currently has a quiet zone established at the Fair Oaks grade crossing. The Town of Atherton will be partnering with Caltrain to establish a second quiet zone at the Watkins grade crossing beginning in the Summer of 2021. By adding a quiet zone at Encinal, trains passing through Menlo Park would not be required to sound its horn for approximately one mile between Fair Oaks and Encinal, thus significantly improving quality of life for all local residents.
3. The Encinal Avenue quiet zone is synergistic with the grade separation project in Menlo Park. All trains would return to grade level at Encinal Avenue regardless of the two different grade separation options currently being studied (i.e., a fully elevated platform or the hybrid alternative "Option C"). Because the Encinal Avenue crossing is not part of the future grade separation, any investment in evaluating and developing a quiet zone at Encinal Avenue would not be duplicative with the City's future grade separation project. For example, any required modification to the Encinal Avenue grade crossing to comply with Federal Railroad Administration quiet zone requirements would remain and not torn out as a result of future grade separation projects at other Menlo Park crossings.

As you evaluate 2021 priorities, please consider studying the establishment of a quiet zone at the Encinal Avenue grade crossing.

Thank you for your consideration and for your continued service to our community.

Respectfully,  
Matt Normington  
President, Marquis Homeowner Association



Agenda item K5  
Russ Peterson, Resident

Dear Council Members,

As a 25+ year resident of Felton Gables my family has lived through the ups and downs of Caltrain horn noise. The noise is excessive once again, not 90 dB but 100-120 db (logarithmic scale = 2x to 4x and louder), without the safety of quad-gate crossings or similar features. It is long over-due to make our crossings safe, and then make them quiet.

Constant, near constant horns are not a deterrent, not a warning (above and beyond the gates and flashing lights), and are simply not a useful safety measure. Consider they routinely blast the horns 50', 100', 200' after they have gone through an intersection. Who or what is crossing the tracks with 6' to 10' fencing on both sides? The noise is clearly too loud but worse it is not serving a useful purpose and we should not have to battle Caltrain every few years to make them be reasonable.

Finally, there are a host of community health related issues Caltrain's excessive noise can cause...and not just hearing loss. Families and students live here so it is up to Menlo Park to protect our region (i.e. Encinal Ave., there is a school at the end of the street). Please make Quiet-Zones a safety priority in 2021 and until they are implemented for all residents and businesses, especially those near the the tracks and downtown station area.

Regards,  
Russ & Diana Peterson

Agenda item K5  
Joy Pang, Resident

Hello, Please consider establishment of a Quiet Zone at the Encinal Avenue Caltrain crossing. Our lives are impacted daily by the intrusive and frequent train horns sounded - they wake all of us up before sunrise and interrupt our sleep; they reduce the time we spend enjoying meals outdoors; they invade our conference calls for both school and work; they interfere with conversations we have with friendly neighbors and friends when outdoors; they prevent us from keeping our windows and doors open for fresh air and sunlight. We know people who are moving out specifically because of the train noise. We suspect it limits people wanting to move here. All of this affects our beautiful and amazing town. Thank you.

Agenda item K5  
Rick Rosensweig, Resident

This is Rick Rosensweig. [REDACTED], Menlo Park regarding item K. Five. Twenty Twenty-One birthday parties. Stop the train horns.

Agenda item K5  
Renee Barnstone, Resident

Hi, my name is Renee Barnstone. I live at [REDACTED] in Menlo Park, and I would like to put in my support for quiet zones for Metro Park for the trains, and I'd like to see that on the agenda, and I'd be really interested in having a little peace and quiet in our neighborhood. My phone number is [REDACTED]. If you have any questions, I look forward to your support. Thank you.

Hi, my name is Renee Barnstone. I'm at [REDACTED] in Menlo Park calling regarding agenda item k551 priorities and interested in quiet Zone here in Menlo Park with the trains and I'm very much in support of this and hope you make this an active part of your agenda tonight and really asking for your support and voting this through cuz I think it'll change the entire neighborhood off our ability to live peacefully as opposed to having to listen to the trains pass by every five minutes during rush hour and you know all through Thursday em. Anyway, I really appreciate it. Thank you very much.

Agenda item K5  
Will Olsen, Resident

Hello, my name is Will Olsen. And I'm a resident of Menlo Park. This is in regard to agenda item K-5 20-21 priorities. I'm specifically to offer support establishing a quiet Zone to limit train noise in Menlo Park. I have strong support for home.

Agenda item K5  
Nicole Byoh, Resident

Hello, my name is Nicole Byoh, I live in Menlo Park, and I'm calling regarding agenda item K-5 20-21 priorities. I live one block from the Menlo Park train station and strongly support establishing a quiet Zone back in 2016. Certain established a quiet Zone at Fair Oaks Lanes by implementing the necessary Federal safety standards. It's mystery song by five years later. We in Menlo Park are still unable to work study or sleep in peace despite having a blueprint from our neighbors in hand and a postcode world. I hope that once again invite friends over with windows wide open and this time not profusely apologize for the ear-splitting Blair of the train horn. Thanks.

Agenda item K5  
Andrew Fraser, Resident

Hi, my name is Andrew Fraser. My address is [REDACTED]. I live in Menlo Park, California. I'm calling to leave a message about the agenda item twenty Twenty-One priorities, which is the ignition to establish a quiet Zone a Menlo Park where by trains no longer honk their horns. I'm strongly in support of this measure quiet zones would be critically important for our family for the following reactions. First of all, the on the father of a 68 year old the trains consistently wake up. My daughter's every night night after night after night. The impact of that is they obviously wake up sleep-deprived and therefore not able to study may not able to they are able to study but it's significantly impacts their ability to perform at school because they're constantly tired the same can be said for at home schooling the train horns repeatedly, I interrupt the zoom classes that are students are having to do now on my daughters have you do now due to the cobit pandemic and then number three the fact that it off. Been established in a certain shows that it can be safely done in the community right next door to ours. So, like I said, I think this is a critically important initiative that I hope that the city council is able to implement this measure to create a quiet Zone in Menlo Park. Thank you very much. Good. Bye.

Agenda item K5  
Diana Holiday, Resident

Yes, my name is Diana Holiday. I am a resident of city city of Villa Park and I'm calling to leave a comment for Tuesday, February 23rd council meeting that's in order to determine priorities for a 2021. And the reason I'm calling is that I'd like to put emphasis on the quiet Zone project. I believe that this is has enormous benefit to our community it provides opportunity for families to raise children for the working Community to work at home without disruption. It improves the quality of life for a believe. It's an a mile radius from the from the train itself or it's a quarter-mile. I'm sorry. But anyway a large swath of our our our city would have a much more Serene and healthy and dead. Wised living situation and I think as the as the future of working at home and raising children at home continues to move in that direction that this would be an outstanding project for us to wage look at and consider based on your investigations. My phone number is [REDACTED] if you have any questions, thank you so much for your time and your service off.



Agenda item K5  
Jane Moskowitz, Resident

Hello, this is agenda item K priorities. My name is Jane Moskowitz wage. I live in Menlo Park. I live on Noel right by the train station and I totally disagree with this quiet Zone. I think it's wrong and I think that it will leave the train tracks vulnerable to accidents or suicide attempts and you've already been enough suicide attempt at railroads and even one in particular here, and I'm totally against it and the train does not bother me in the least and that that people just need to get used to it because it's for safety and you can't compare the Menlo Park train station with a certain which is which is definitely not dead. Town There's No, downtown African. So I totally opposed this quiet Zone, and I plead with you to not do this for the safety of the citizens of Menlo Park. Thank you very much, bye-bye.

Agenda item K5  
Larry Hamilton

Hello, this is Larry Hamilton Menlo Park. I'm interested in commenting on the train noise initiative. I support investigation of how to minimize train noise. Thank you.

Agenda item K5  
Peggy Hettrick, Resident

Yes, my name is Peggy Hettrick and I live with my husband Paul on Mills Street in Menlo Park. We are backyard backs up to the tracks and we were discussing the idea of the trains today and his comment I think is very important Paul. Does the yard work out back and walk he says when the trains go by cuz we're we're just like five houses in from the end of the street here at Oak Grove that he has just stopped work at hold his ears because it hurts his ears and I think that's just a very important comment. He says if they just work quieter lower the decibel what he says, and I think that's if they have to blow their horns and just make it softer. I guess that's my comment. Thank you.

Agenda item K5  
Gabrielle

Hi, this is Gabrielle. I live in a certain. I'm calling regarding agenda item K5 20-21 priorities. I like to vote help. Stop the train horn. Thank you.

Agenda item K5  
Steve Zanolli, Resident

My name is Steve Zanolli. I reside at [REDACTED] Menlo Park 94025 and I'm calling regarding agenda item K. 2021 priorities the quiet zones for Menlo Park. I'd like to make my comment in favor of quiet Zone as The Crossings have regulated safety measures and at the trains honking their horns, especially all through the middle of the night off providing any additional safety two people. Yeah, just disturbing residents. Thank you

Agenda item K5  
Jill Zanolli, Resident

Heidi agenda item I would like to refer to is k21 priorities. My name is Jill Zanolli. I am a memo Park residents live close to the Glenwood Crossing and I am calling in support of quiet zones for the trains that are railroad crossing. I am probably woke up. One two three times a night every once in a while. I'll make it through due to the train whistle and I have read information. It seems to me that if we've got train crossings and they meet all the federal safety standards. I would love for a quiet Zone to be established. Thank you for your consideration.

Agenda item K5  
Caswell, Resident

Hello, I'm an Caswell and I live in Menlo Park and I'm calling about the establishing a quiet zone for the trains in Menlo Park. And I don't think it's a good idea to have a quiet Zone because our tracks are very open around here. And there's a lot of people and animals wandering around across those trucks and things but I think reducing the loudness of the train horns would be a good idea. They are they're excessively loud people three or four blocks away. Don't need to have that train noise so loud. So I would be in favor of reduction in volume of the train horns wage then having a quiet show. Thank you very much.

Agenda item K5  
Linda

Please stop the train horns. I think it's an agenda item K-5 20-21 priorities off Linda Mota. 9025 I can't remember what was supposed to put. Thank you.



Agenda item K5  
Peter Regan, Resident

Hi, my name is Peter Regan. I was just calling regarding the train whistle noise agenda meeting agenda item on the meeting and I just like to say yeah, it's terribly loud to the point where some nights I have to wear earplugs. I mean coming into the station one time for instance like counted. The train blew the whistle eleven times. Sometimes they'll just blow the whistle and just hold it down for a long time. Whatever the case. It's really. Thing. I understand that there's safety concerns with, you know, alerting people to the trains presence and movement, but you know it off the quality of life issue as well for everybody lives on this tracks. Anyway, when I first moved in I know they had a sort of simulated steam whistle. It was much more pleasant and not as piercing. So maybe that's an option. Okay. That's my input. My name is Peter Regan r e g a n and I live at [REDACTED] in Menlo Park. Thanks a lot.

Agenda item K5  
Monique Mota, Resident

Hi, my name is Monique Mota and I live on Mill Street on the railroad tracks and the agenda number is k v 2021 priorities and I would love a quiet Zone. We've lived here eleven twelve years my children go to school here. Even if the horns were less loud would be nice or if they did short quiet or short horn sounds instead of laying on the horn for a long time. That would be great. But quiet Zone would be wonderful. Anyway, thank you very much.



**STAFF REPORT**

**City Council**

**Meeting Date:** 2/23/2021

**Staff Report Number:** 21-038-CC

**Informational Item:** City Council agenda topics: March 2021

**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 March 23, 2021. 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: March 2021

Report prepared by:  
Judi A. Herren, City Clerk

**Tentative City Council Agenda**

#	Title	Department	Item type	City Council action
1	City Manager employment agreement extension	ASD	Regular	Approve
2	Finance and Audit Committee, update	ASD	Committee Report	Receive and file
3	General Fund forecast	ASD	Regular	Direction to staff
4	Labor relations - SEIU, AFSCME, POA, Unrepresented	ASD	Closed Session	Direction to staff
5	Master fee schedule updates	ASD	Informational	No action
6	Quarterly personnel update (Jan-Mar)	ASD	Consent	Receive and file
7	ConnectMenlo community amenities	CA	Study Session	Direction to staff
8	Revise community amenities resolution	CA	Regular	Adopt resolution
9	Housing Element Annual Progress Report	CDD	Consent	Receive and file
10	Housing Element consultant and public engagement framework	CDD	Regular	Contract award or amend
11	Approve EQC two year work plan	CMO	Regular	Approve
12	City Council subcommittee charters duration and charge	CMO	Regular	Approve
13	Direction on CAP No.3 EV Charging Implementation	CMO	Regular	Approve
14	Implementation on EQC recommendations on CAP strategies 2, 4, and 6	CMO	Commission Report	Direction to staff
15	Proclamation: Equal Pay Day	CMO	Presentation	No action
16	Amend conflict of interest resolution to include certain advisory body members	CMO, CA	Consent	Adopt resolution
17	Cost recovery policy	CMO, LCS	Consent	Approve
18	Rebuilding LCS - Service delivery options	LCS	Regular	Direction to staff
19	Rebuilding LCS - Service delivery priorities	LCS	Regular	Direction to staff
20	Final map for 115 El Camino Real	PW	Consent	Approve
21	Middle Avenue (800 ECR) Purchase and sale agreement	PW	Regular	Approve
22	Urban Water Management Plan (UWMP)	PW	Study Session	Direction to staff
23	Water Rates - Authorize the distribution of Prop 218 Notices for 5 year water rates	PW	Regular	Approve
24	West Bay Sanitary - MOU for Recycled Water	PW	Regular	Approve
25	2021-22 Capital improvement budget	PW, ASD	Study Session	Direction to staff
26	MPCC Power Purchase Agreement	PW, CMO	Regular	Approve
27	Evacuation plans, discussion	VARIOUS	Joint meeting	No action
28	Grand Jury Report: "SMC Alert- Emergency Alerts: More People Need To Know	VARIOUS	Joint meeting	No action



## STAFF REPORT

**City Council**

**Meeting Date:** 2/23/2021

**Staff Report Number:** 21-039-CC

**Informational Item:** 2030 climate action plan progress on existing building electrification requirements (CAP No. 1)

### Recommendation

This is an informational item and does not require City Council action.

### Policy Issues

In 2019, the City Council declared a climate emergency (Resolution No. 6535) committing to catalyze accelerated climate action implementation. In July 2020, the City adopted a 2030 climate action plan (CAP) with the bold goal to reach carbon neutrality (zero emissions) by 2030. One of the first actions of the CAP includes exploring policy/program options to convert 95 percent of existing buildings to all-electric by 2030.

### Background

The purpose of this report is to provide an update on progress to date and planned work for the remainder of the calendar year on electrification requirements for existing buildings in Menlo Park. The overall policy goal is to convert 95 percent of existing buildings to all-electric (no natural gas use) by 2030 as identified in the 2030 CAP.

### Analysis

#### Work progress July-December 2020

Since the adoption of the CAP, the sustainability manager has been working with departments and external agencies to determine capacity and resourcing needs to execute this project as well as other CAP initiatives approved by City Council for fiscal year 2020-21.

Two additional and critical team members were officially secured in December 2020 to assist with development of electrification requirements for existing buildings, and include:

- Retained staff services to provide valuable expertise and knowledge on state building codes, building division operations/enforcement, and the community's experience with building permits/requirements. This services are necessary to supplement the current assistant community development director capacity to work on this project given current priorities, such as the transition to online permitting system and increase in building permit activity.
- Peninsula Clean Energy (PCE) providing \$100,000 worth of technical assistance using their existing contract with TRC companies to develop a cost effectiveness analysis and support development of policy pathways toward electrification.

Staff anticipates securing public engagement professional services, which is discussed further below.

### Work progress January 2021 to date

The technical team has been meeting regularly every week since January with a formal kick-off and determining deliverables and timeframes from each team member. January and February will be heavily focused on data collection to prepare a cost effectiveness study and evaluating how the various policy options/requirements could support meeting the 2030 CAP goal to convert 95 percent of existing buildings to electric by 2030.

Some data needs, such as cost estimates, draft 2022 state building code requirements, Menlo Park existing building stock information, and legal analysis requires external agencies to run analysis or provide data. Much of this data will not be finalized and/or obtained until the end of April. This data is needed to ensure all information and evidence is gathered for an informed analysis and decision making process by the City Council in the summer.

### Expected work progress March- June 2021

This period of work will involve developing the cost-effectiveness study and recommended policy pathways (requirements/thresholds/exemptions) toward converting 95 percent of existing buildings to electric by 2030.

Based on existing building permit data and building stock in Menlo Park, it is highly likely that multiple policy requirements/thresholds will be needed to meet the 2030 CAP goal. Berkeley has also recently determined a similar pathway of exploring multiple requirements/thresholds/exemptions for electrification of existing buildings, such as replacing gas heating appliances upon end of life, requirements for additions/alterations, and time of sale. Thresholds and exemptions have not been determined yet. Berkeley has identified significant equity and financing needs that require further evaluation before adopting and/or implementing any policy requirements, and estimates they will likely take action on policy requirements a year from now.

### Expected work progress summer- fall 2021

The summer of 2021 will have two critical decision making points for City Council:

1. Approve the use of the cost-effectiveness study for public engagement (summer)
2. Approve draft policy requirements/thresholds/exemptions for public engagement (summer)
3. Approve a public engagement approach before formally adopting policy requirements/thresholds/exemptions (fall)

The Environmental Quality Commission will be presented the draft cost-effectiveness study, recommended policy pathways, and public engagement approach before City Council decisions.

A public engagement professional/consultant is anticipated to be hired to support development of a public engagement approach for City Council approval and then to implement the approved public engagement approach with the community.

### Expected work progress 2022

The formal public engagement will likely begin January 2022 with a final adoption by City Council in the same year. An indirect benefit is the requirements could align with the 2022 state building standards code adoption cycle that would be effective January 1, 2023. This allows a streamlined approach to implementation and City Council decisions regarding building codes.

### General project and process goals

While the two-year timeframe seems long given the urgency of catastrophic climate change impacts, it is important to recognize and ensure that the City Council, general public, and other stakeholders have pertinent information and evidence to make informed decisions and/or be able to participate and provide valuable public feedback before making a final decision or comment. This allows potential additional

solutions, mitigation strategies, or exemptions to be considered that were not evident before public engagement. Transparency is also key to reduce the risk of challenges or perceived bias. If challenges are raised, which is likely with any type of new requirement, it is important to do so in a public forum to document and record any changes of direction given by the City Council.

It is important to also note that other than Berkeley, Menlo Park is leading the way for existing building electrification requirements that could be adopted by other communities. As a result, there is limited information on how other communities would/could implement potential requirements. This requires additional effort to collect and analyze local data and evaluate implementation approaches. Staff also needs to evaluate if there are any additional analysis required under the California Environmental Quality Act (CEQA.)

The overall aim is to provide a complete and defensible analysis that identifies upfront cost or savings, utility bill impacts or savings, implementation costs/resources, and policy pathways to ensure equity and effectiveness in meeting the CAP 2030 goals.

### **Impact on City Resources**

Completing this work is within the CAP budget, and no additional budget requests are necessary at this time.

### **Environmental Review**

The environmental impacts of policy options and any CEQA compliance needs will be identified through the policy analysis process.

### **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**

None.

Report prepared by:  
Rebecca Lucky, Sustainability Manager

Reviewed by:  
Nick Pegueros, Assistant City Manager



## STAFF REPORT

### City Council

Meeting Date: 2/23/2021  
Staff Report Number: 21-044-CC

Informational Item: Transmittal of background information on the City's 2020-2025 capital improvement plan

### Recommendation

This is an informational item and does not require City Council action.

### Policy Issues

The City Council adopts the capital improvement plan (CIP) as part of the budget adoption process annually in June. The City Council's annual goal-setting process provides clarity on the use of city resources as well as prioritization of services and projects for the upcoming 12 to 18 months. Goals and priorities identified in the City Council's annual goal-setting process are typically incorporated into the CIP each year based on available funding.

### Background

The City Council's goal-setting meeting was held January 30, where the City Council heard ideas of priorities for 2021 from the public and shared their individual ideas for future consideration. Further City Council discussion on goals and priorities for 2021 is scheduled as a separate agenda item on the February 23 City Council meeting.

### Analysis

The 2020-21 adopted CIP incorporated reductions of 20 percent overall and 65 percent in the general capital fund for planned expenditures in fiscal year 2020-21 due to the COVID-19 pandemic. The adopted CIP included 61 ongoing projects in seven categories, with 26 of those projects receiving new funds. Of these 26 projects with new funds, 11 are programmatic in nature, providing annual maintenance funds for infrastructure like parks, sports fields and traffic signals.

The CIP is funded through a variety of sources:

- An annual transfer from the general fund to the general capital fund
- Grants
- Dedicated sources including water, transportation impact fees, stormwater, solid waste fees, etc.
  - General obligations bonds (e.g., Measure T)
- Development agreement community benefits (e.g., Downtown amenities fund, improvements to Bedwell Bayfront Park, contributions to Middle Avenue railroad crossing)

In addition, in prior fiscal years, surplus revenues at the end of the year were used to pre-fund CIP projects for the following year. Santa Cruz Sidewalks (phase 1), Chrysler pump station, Nealon Park playground,



and Sharon Road sidewalks are example projects that were funded in this way.

A City Council study session on the CIP is tentatively scheduled for March 9. Staff anticipates to provide:

- Summary of the process to develop the annual CIP
- Description of the prioritization process used to deliver CIP projects
- Status updates and remaining balances on all funded projects
- Proposed changes in project scopes where cost saving strategies or alternative options have been identified
- Proposed projects for fiscal year 2021-22

Staff anticipates requesting City Council direction on any desired changes to carry-over projects and confirmation of proposed changes in project scope and the proposed new projects for fiscal year 2021-22.

In preparation for the upcoming study session, staff is transmitting a copy of the current 2020-25 CIP (Attachment A.) The CIP is also available within the OpenGov financial portal (Attachment B.)

### **Public Notice**

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### **Attachments**

A. 2020-25 CIP

B. Hyperlink – 2020-25 CIP: [stories.opengov.com/menlopark/published/RqEZIAK0n](https://stories.opengov.com/menlopark/published/RqEZIAK0n)

Report prepared by:

Nikki Nagaya, Public Works Director

Project category and name	Fiscal Year				
	2020-21 <sup>1</sup>	2021-22 <sup>2</sup>	2022-23 <sup>2</sup>	2023-24 <sup>2</sup>	2024-25 <sup>2</sup>
<b>City Buildings &amp; Systems</b>					
City Buildings (Minor)	1,511,774	500,000	500,000	500,000	500,000
City Buildings HVAC Modifications	545,000	-	-	-	-
Fire Plans & Equipment Replacement for City Buildings	170,116	-	-	-	-
Gatehouse Fence Replacement	70,031	-	-	-	-
Information Technology Master Plan & Implementation	1,864,404	2,500,000	2,500,000	2,500,000	2,500,000
Menlo Park Community Campus	15,752,425	-	-	-	-
Burgess Pool Lobby Renovations	-	125,000	-	-	-
Corporation Yard Master Plan	-	100,000	-	-	-
Cost of Service/Fee Study	-	100,000	-	-	-
Emergency Operations Center	-	150,000	-	15,000,000	-
Facilities Maintenance Master Plan	-	-	150,000	-	-
<b>City Buildings &amp; Systems Subtotal</b>	<b>19,913,750</b>	<b>3,475,000</b>	<b>3,150,000</b>	<b>18,000,000</b>	<b>3,000,000</b>
<b>Environment</b>					
Climate Action Plan Implementation	382,529	100,000	100,000	100,000	100,000
Electric Vehicle Chargers at City Facilities	497,130	-	-	-	-
Hydration Stations	332,897	-	-	-	-
Sea Level Rise Resiliency Plan	150,000	-	-	-	-
<b>Environment Subtotal</b>	<b>1,362,556</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>
<b>Parks &amp; Recreation</b>					
Aquatic Center Maintenance (annual)	1,043,174	400,000	400,000	400,000	400,000
Bedwell Bayfront Park Collection and Leachate Systems Repair	4,031,379	-	-	-	-
Bedwell Bayfront Park Master Plan Implementation	1,493,456	-	-	-	-
Civic Center Campus Improvements	61,924	300,000	300,000	-	-
Park Improvements (Minor)	367,407	200,000	200,000	200,000	200,000
Park Pathways Repairs	916,027	500,000	500,000	500,000	500,000
Park Playground Equipment	200,000	550,000	600,000	-	-
Sport Field Renovations	600,000	300,000	300,000	300,000	300,000
Tennis Court Maintenance	183,339	120,000	120,000	120,000	120,000
Willow Oaks Park Improvements	910,829	-	-	-	-
Parks & Recreation Master Plan Update Implementation	-	15,000,000	2,500,000	-	-
<b>Parks &amp; Recreation Subtotal</b>	<b>9,807,535</b>	<b>17,370,000</b>	<b>4,920,000</b>	<b>1,520,000</b>	<b>1,520,000</b>
<b>Stormwater</b>					
Bayfront Canal Atherton Channel Flood Protection Project	1,417,391	-	-	-	-
Chrysler Pump Station Improvements	10,854,223	-	-	-	-
Chrysler Pump Station Repairs	8,156	-	-	-	-
San Francisquito Creek Upstream-101 Flood Protection Project	82,995	1,500,000	-	-	-
Stormwater Master Plan	330,061	-	-	-	-
Willow Bridge Abutment Project	-	250,000	-	-	-
<b>Stormwater Subtotal</b>	<b>12,692,826</b>	<b>1,750,000</b>	<b>-</b>	<b>-</b>	<b>-</b>

Project category and name	Fiscal Year				
	2020-21 <sup>1</sup>	2021-22 <sup>2</sup>	2022-23 <sup>2</sup>	2023-24 <sup>2</sup>	2024-25 <sup>2</sup>
<b>Streets &amp; Sidewalks</b>					
Chilco Streetscape & Sidewalk Installation	2,891,896	-	-	-	-
Downtown Parking Plazas Utility Undergrounding	661,556	-	5,000,000	-	-
Downtown Streetscape Improvement	397,269	-	-	-	-
Oak Grove Sidewalk & Green Infrastructure Project	75,996	-	-	-	-
Parking Plaza 7 Renovations	200,000	2,000,000	-	-	-
Parking Plaza 8 Renovations	200,000	-	2,000,000	-	-
Pierce Road Sidewalk & San Mateo Bike Route Installation	1,099,944	-	-	-	-
Ravenswood Avenue (Alma to Macussen Dr) Street Resurfacing	950,000	-	-	-	-
Santa Cruz & Middle Avenues Resurfacing	2,522,042	-	-	-	-
Sharon Road Sidewalk Installation	887,877	-	-	-	-
Street Resurfacing Project	5,837,200	1,550,000	1,575,000	2,600,000	1,600,000
Sidewalk Repair Program	557,516	550,000	550,000	550,000	550,000
Streetlight Conversion	725,000	1,200,000	-	1,300,000	-
Willow Road Resurfacing	1,150,000	-	-	-	-
Downtown Parking Structure Study	-	-	100,000	-	-
Middlefield Rd (Woodland to Ravenswood)	-	150,000	3,000,000	-	-
Welcome to Menlo Park Monument Signs	-	-	-	-	180,000
<b>Streets &amp; Sidewalks Subtotal</b>	<b>18,156,296</b>	<b>5,450,000</b>	<b>12,225,000</b>	<b>4,450,000</b>	<b>2,330,000</b>
<b>Traffic &amp; Transportation</b>					
Bayfront Expressway, Willow Road, Marsh Road Adaptive Traffic Signals	119,459	-	-	-	-
El Camino Real Crossings Improvements	307,087	-	-	-	-
Haven Ave Streetscape Improvement	1,335,028	-	-	-	-
Middle Avenue Caltrain Crossing Study	6,009,120	9,900,000	-	-	-
Middlefield Road and Linfield Drive-Santa Monica Avenue Crosswalk Improvements	80,000	880,000	-	-	-
Ravenswood Avenue/Caltrain Grade Separation	325,933	-	5,000,000	-	-
Traffic Signals Modifications	1,329,322	350,000	350,000	350,000	350,000
Transit Improvements	37,278	-	-	-	-
Transportation Master Plan	24,157	-	-	-	-
Transportation Projects (Minor)	691,457	175,000	175,000	175,000	175,000
Willow Oaks Park Bike Connector	500,000	-	-	-	-
Willow Rd US 101 Interchange	204,652	-	-	-	-
Willow Road Transportation Study	159,692	-	-	-	-
Willow Rd & Newbridge Street Bicycle and Pedestrian Improvements	-	-	2,800,000	-	-
<b>Traffic &amp; Transportation Subtotal</b>	<b>11,123,185</b>	<b>11,305,000</b>	<b>8,325,000</b>	<b>525,000</b>	<b>525,000</b>
<b>Water System</b>					
Automated Water Meter Reading	1,077,377	1,045,000	1,535,000	-	-
Emergency Water Storage/Supply	2,837,176	800,000	2,550,000	3,060,000	-
Fire Flow Capacity Improvements	600,000	1,092,727	-	-	1,779,100
Reservoirs #1 & #2 Mixers	98,908	-	-	-	-

Project category and name	Fiscal Year				
	2020-21 <sup>1</sup>	2021-22 <sup>2</sup>	2022-23 <sup>2</sup>	2023-24 <sup>2</sup>	2024-25 <sup>2</sup>
Reservoir No. 2 Roof Replacement	4,596,870	-	-	-	-
Urban Water Management Plan	124,162	-	-	-	-
Water Main Replacement Project	2,832,402	1,854,000	1,800,000	2,565,000	4,420,000
Calwater Alma Interconnection	-	140,000	1,500,000	-	-
L Zone 12" Check Valve Hill SFPUC	-	-	-	195,900	-
L Zone 10" Check Valve Burgess SFPUC	-	-	-	98,600	-
Palo Alto Pope Chaucer Interconnection	-	344,300	-	-	-
Post Earthquake Operation Plan	-	58,500	-	-	-
<i>Water System Subtotal</i>	<i>12,166,895</i>	<i>5,334,527</i>	<i>7,385,000</i>	<i>5,919,500</i>	<i>6,199,100</i>
<b>Total</b>	<b>85,223,043</b>	<b>44,784,527</b>	<b>36,105,000</b>	<b>30,514,500</b>	<b>13,674,100</b>

Projects are listed in alphabetical order by category, then by current funded projects and future proposed projects.

1 Fiscal year 2020-21 funds including prior year carryover amounts and appropriated funds in 2020-21 as amended through January 12, 2021.

2 Future year proposed projects. Funding is not appropriated until budget adoption for the given fiscal year, but amounts are shown for planning purposes.