



SPECIAL MEETING MINUTES

Date: 12/8/2021
Time: 5:00 p.m.
Location: Zoom

Special Session

A. Call To Order

Mayor Combs called the meeting to order at 5:03 p.m.

B. Roll Call

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

C. Regular Business

C1. Review and recommend the potential housing opportunity sites and land use strategies for initiating the environmental and fiscal reviews to meet the City's Regional Housing Needs Allocation (RHNA) as part of the housing element for the planning period 2023-2031 (Staff Report #21-243-CC)

Assistant Community Development Director Deanna Chow introduced the item.

M-Group representative Asher Kohn and Brittany Bendix made the presentation (Attachment).

- Julie Shanson spoke in support of upzoning in Districts 2 – 5.
- Lorena Cuffy spoke in opposition of disproportional housing density in District 1 and in support of upzoning in District 2 – 5 and less in District 1.
- Kalisha Webster spoke in support of additional below market rate (BMR) housing.
- Karen Grove spoke in support of the Housing Commission's recommendations, increased units in the SRI project, and utilizing Senate Bills (SB) 9 and 10.
- Misha Silin spoke in support of additional housing and on concerns related to site selection.
- Adina Levin spoke in support of rezoning outside District 1 and harmonizing density and policies in District 1.
- Pam Jones spoke in support of downzoning in District 1.
- Michal Bortnik spoke on concerns with the Allied Arts neighborhood being priced out and not aligned with housing policies and utilizing SB 10.
- Cynthia Harris spoke in support of meeting State requirement while increasing BMR units.
- Erik Burmeister spoke in support of increasing community input and providing clarity to the public.
- Andrew Bielak spoke in support of higher density within a half mile of transit and density levels where appropriate.
- Katie Behroozi spoke in support of equal density across the Districts.

The City Council discussed public engagement and input, BMR housing program inclusionary requirements from 15 percent or 20 percent, the draft housing element given to the City Council before submitting to the State, the number of units required, increasing the density through the

increase of height, potential sites on Santa Cruz Avenue, mandating mixed-use opposed to strictly residential, population and open space increases, the Housing Commission's recommendations, public outreach and the Community Engagement and Outreach Commission (CEOC), adding Marsh Road and Bohannon Office zoning sites, and USGS and SRI projects as opportunity sites

The City Council received clarification on additional opportunity sites for housing, timeline of rezoning and housing element adoption, job/ housing imbalance compared to office development, environmental impact report (EIR) impacts from BMR inclusionary percentages, commercial language fee, Regional Housing Needs Allocation (RHNA) cycles five and six numbers, downzoning District 1 and upzoning other Districts to balance, affordable housing overlay, and square foot minimum lot size requirement for R-3 properties located around Downtown.

The City Council took a recess at 7:30 p.m.

The City Council reconvened at 7:58 p.m.

The City Council directed staff to explore below market rate housing program inclusionary requirements of 20 percent, lowering floor area ratios (FAR) on office in Downtown, consider square footage in addition to number of units, encourage property owners to include residential, establish a minimum density to achieve more units on a site, consider open space tradeoffs (e.g., higher builds to keep open space), minimize luxury units, connect with CEOC members (current and former) and schedule an agenda item related to public outreach in January 2022, and draft a memo on different density types that can be used in the area and clarifying maximum density bonus with images.

ACTION: Motion and second (Wolosin/ Taylor), to direct staff to research and analyze the process to effectuate a downzoning and corresponding upzoning consistent with SB 330 requirements and effects to the planning target for new housing in the housing element period, passed 3-1-1 (Combs dissenting and Mueller abstaining).

ACTION: Motion and second (Combs/ Mueller), to accept:

- rezone for approximately 4,000 housing units that are geographically dispersed throughout the City, primarily in City Council Districts 2 to 5. These units would be in addition to projects that are considered in the 'pipeline', a majority which are located in District 1, which are a combination of projects recently approved, but not yet constructed, projects under construction but anticipated to not be complete before June 30, 2022, and projects under review. There are approximately 3,650 pipeline units. Densities would allow at least 30 dwelling units per acre (du/ac) and may increase as part of additional site refinement.
- Upzone sites within the El Camino Real/Downtown specific plan area to allow 30 du/ac at the base level density and potential increases to the maximum bonus level density. The intent is to remove the existing residential cap of 680 units to allow for greater development potential in the specific plan area.
- Modifications to the affordable housing overlay (AHO) to allow up to 100 du/ac for 100 percent affordable housing developments and/or an increase in the density bonus for both affordable and mixed-income projects.
- Removal of the 10,000 square foot minimum lot size requirement for R-3 properties located around Downtown, which would allow all sites up to 30 du/ac, passed unanimously.

ACTION: Motion and second (Mueller/ Nash), to direct staff to do an analysis in order to designate 10 acres of the USGS site for Menlo Park school district educational facility, passed unanimously.

D. Adjournment

Mayor Combs adjourned the meeting at 10:26 p.m.

Judi A. Herren, City Clerk

These minutes were approved at the City Council meeting of January 11, 2022.

NOVEL CORONAVIRUS, COVID-19, EMERGENCY ADVISORY NOTICE

Consistent with Government Code section 54953(e), and in light of the declared state of emergency, the meeting will not be physically open to the public and all members will be teleconferencing into the meeting via a virtual platform. To maximize public safety while still maintaining transparency and public access, members of the public can listen to the meeting and participate using the following methods.

- How to participate in the meeting
 - Submit a written comment online up to 1-hour before the meeting start time:
jaherren@menlopark.org *
Please include the agenda item number you are commenting on.
 - Access the meeting real-time online at:
[Zoom.us/join](https://zoom.us/join) – Meeting ID 880 0219 5038
 - Access the meeting real-time via telephone at:
(669) 900-6833
Meeting ID 880 0219 5038
Press *9 to raise hand to speak

*Written public comments are accepted up to 1-hour before the meeting start time. Written messages are provided to the City Council at the appropriate time in their meeting.

- Watch meeting:
 - Cable television subscriber in Menlo Park, East Palo Alto, Atherton, and Palo Alto:
Channel 26
 - Online:
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. 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).

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.

CITY OF MENLO PARK



G R O U P

HOUSING ELEMENT PREFERRED LAND USE STRATEGY AND HOUSING POLICIES

City Council
December 8, 2021

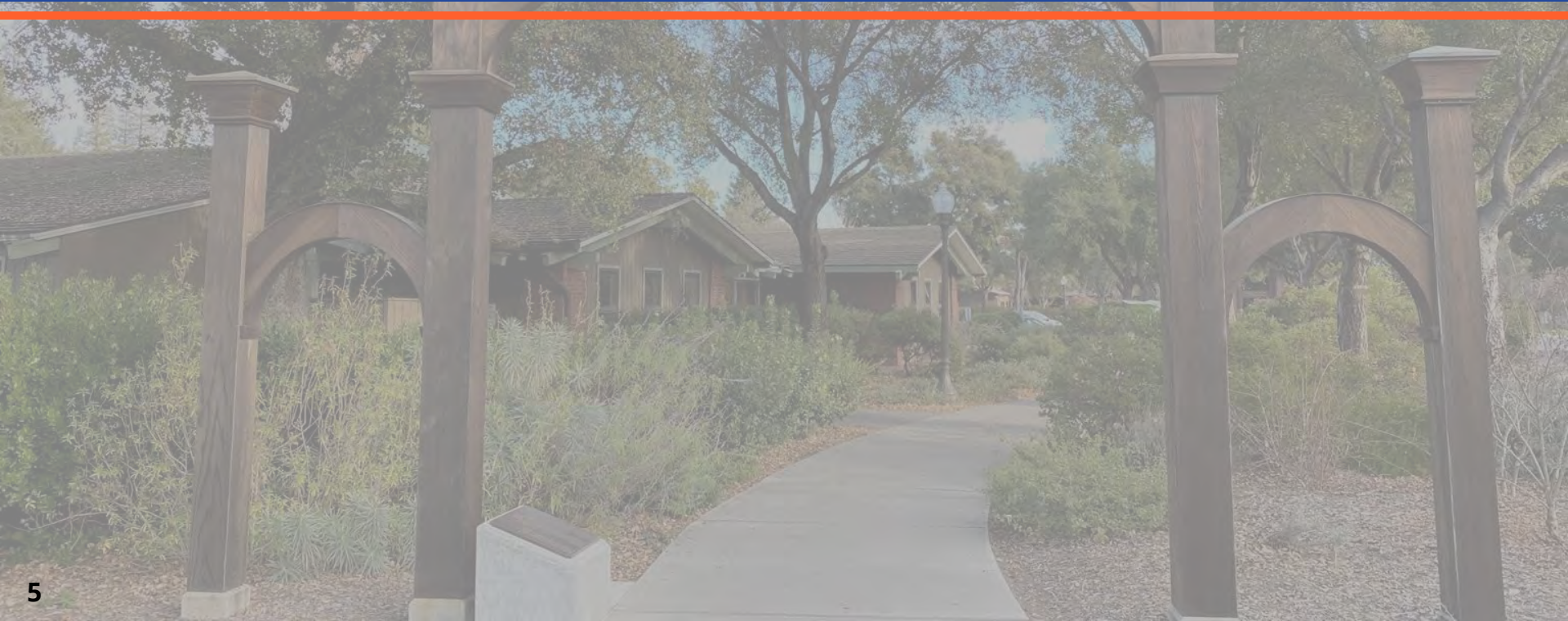
- **Background**
- **Outreach and Engagement Update**
- **Housing Opportunity Sites**
- **Proposed Land Use Strategies**
- **Potential Housing Policies**
- **Staff Recommendations**
- **Next Steps**

- **Review and recommend potential housing opportunity sites and land use strategies for initiating the environmental and fiscal reviews to meet the City's Regional Housing Needs Allocation (RHNA) as part of the Housing Element for the planning period 2023-2031.**

STAFF RECOMMENDATIONS

- **Rezone for approximately 3,700 units dispersed throughout City**
- **Upzone sites within the ECR/D Specific Plan area and remove residential cap of 680 units**
- **Modify AHO to allow for up to 100 du/ac for 100% affordable developments**
- **Remove 10,000-sf minimum lot size for R-3, to allow all R-3 sites up to 30 du/ac**

BACKGROUND



NEW HOUSING NEEDED

	Very Low	Low	Moderate	Above Moderate	Total Units
	(0 – 50%) AMI	(51 - 80%) AMI	(81 - 120%) AMI	(above 120%) AMI	
6th Cycle RHNA	740	426	496	1,284	2,946
30% Buffer	222	128	149	385	884
6th Cycle RHNA with 30% Buffer	962	554	645	1,669	3,830
Pipeline Projects	134	230	230	3,053	3,647
ADUs	26	25	26	8	85
RHNA Credit	160	255	256	3,061	3,732
Total Net New Units Needed	802	299	389	0	1,490

AMI = Area Median Income

FAIR HOUSING CONSIDERATIONS

- Overcoming racial segregation
- Access to:
 - Food
 - Transit
 - Schools
 - Employment
 - Parks



OCTOBER 26 CITY COUNCIL MEETING

- **Presented 4 land use strategies to City Council:**
 - Option A – Moderate upzoning throughout the city
 - Option B – Mixed use development focused on Middlefield/Willow
 - Option C – Mixed use development focused in Downtown/El Camino Real
 - Option D – Mixed use development focused in Downtown/El Camino Real and Sharon Heights

- **Next Steps**
 - Council requested additional information and will discuss in December 2021
 - Housing Commission provided feedback on affordable housing strategies

HOUSING COMMISSION FEEDBACK

- **Focus on affordable housing strategies to promote affordable housing production in order to meet City's RHNA**
 - 1) Increase inclusionary requirements to 20% with refinements to target lower income levels**
 - 2) Expand the affordable housing overlay (AHO) and modify the AHO to make it competitive with the State's Density Bonus Program**
 - 3) Setting average maximum unit sizes is too complicated but smaller units should be encouraged**
 - 4) Establishing a sliding density scale of units is too complicated and may discourage development**

HOUSING COMMISSION RECOMMENDATIONS

- 5) Increase base density and height limits in the El Camino Real and Downtown Specific Plan area to ensure that the 15% BMR is feasible**
- 6) Reduce parking requirements for housing projects within a ½ of a major transit stop or within the El Camino Real and Downtown Specific Plan**
- 7) Increase the Commercial Linkage fee**
- 8) Include specialized policies/programs for people with disabilities, veterans, and seniors**

ADDITIONAL HOUSING COMMISSION FEEDBACK

- **Minimize displacement to address AFFH**
- **Tenant relocation assistance programs**
- **Rent caps and just cause evictions**
- **Fair Chance ordinance, which limits background checks**
- **Emergency rental assistance**
- **Red tag ordinance, which would provide multiple months of fair market rent to renters in the case of a natural disaster**
- **Rental registry to track rent costs**
- **Include policies provided by Housing Leadership Council of San Mateo County**
- **Safe parking areas for unhoused individuals living in RVs**

OUTREACH AND ENGAGEMENT UPDATE



AFFORDABLE HOUSING DEVELOPERS' INPUT

- **Components of successful affordable housing projects:**
 - Land availability and price
 - High enough zoning densities
 - Funding
- **Key Insights**
 - 0.5-1 ac parcels are suitable for supportive housing
 - 1-5 ac parcels are ideal for 100% affordable housing
 - Ideal density: 50-100 units/ac; 4.0-5.0 FAR



AFFORDABLE HOUSING DEVELOPERS' INPUT

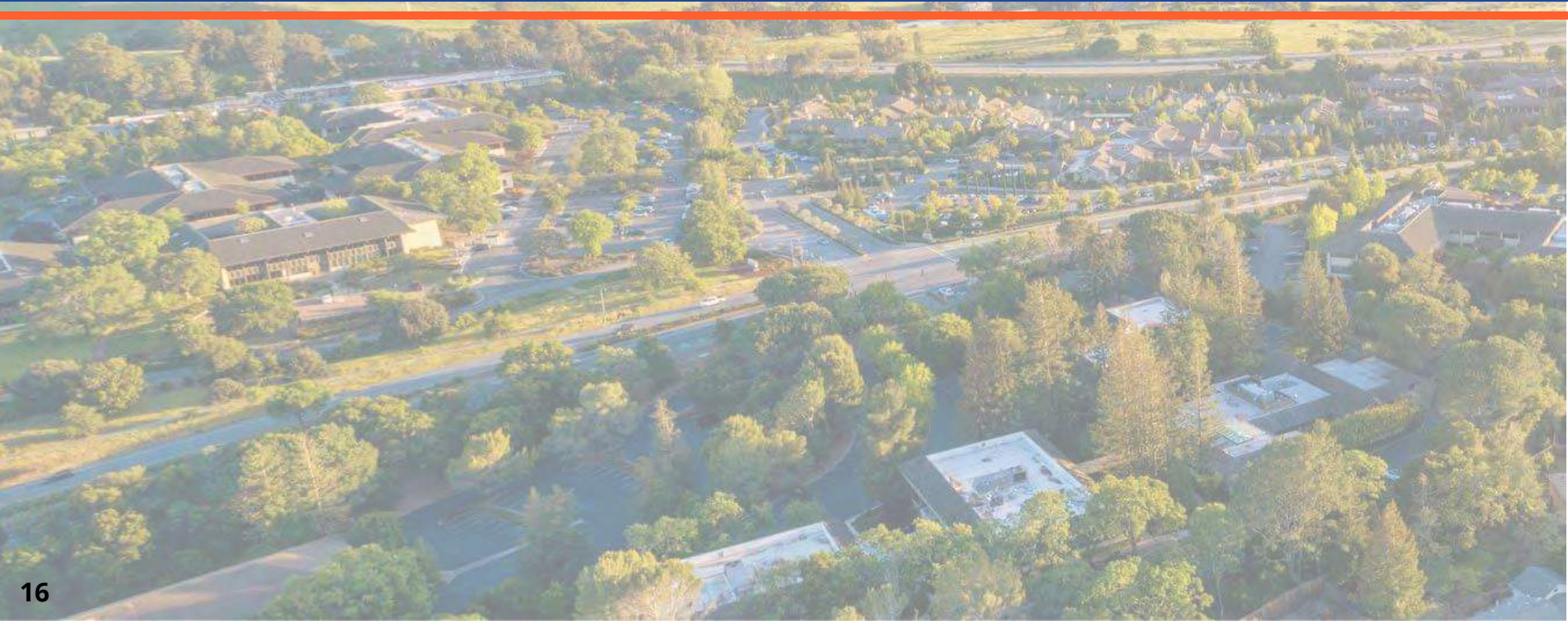
- **Suggested Policies:**
 - **Expand the Affordable Housing Overlay (AHO) District**
 - **Waive fees or other financial hurdles**
 - **Reduce parking standards for low-income projects**
 - **Remove discretionary review**
 - **Senior Housing often has lower parking requirements and more community support**
 - **Provide land grants, possibly through a housing trust program to help offset costs of land**
 - **Provide direct financial support through the City**

MARKET-RATE HOUSING DEVELOPERS' INPUT

■ Feedback:

- Some concern over viability of projects if 20% inclusionary is required
- Parking sharing agreements may support lower parking requirements
- Ministerial review helps manage construction costs and reduces uncertainty.
- Support more objective project review guidelines

OPPORTUNITY SITES



HOUSING OPPORTUNITY SITES

- **51 sites, including the following changes:**
 - **Site consolidation for adjacent parcels owned by the same property owner**
 - **Removed parcels that have critical neighborhood-serving grocery stores and sites with limited net new housing potential**
 - **Removed parcels with active project applications**
 - **Added sites in Sharon Heights at Sharon Green Apartments and Seven Oaks Apartments**
- **Site sheets are included in staff report (starting on pdf page 24)**

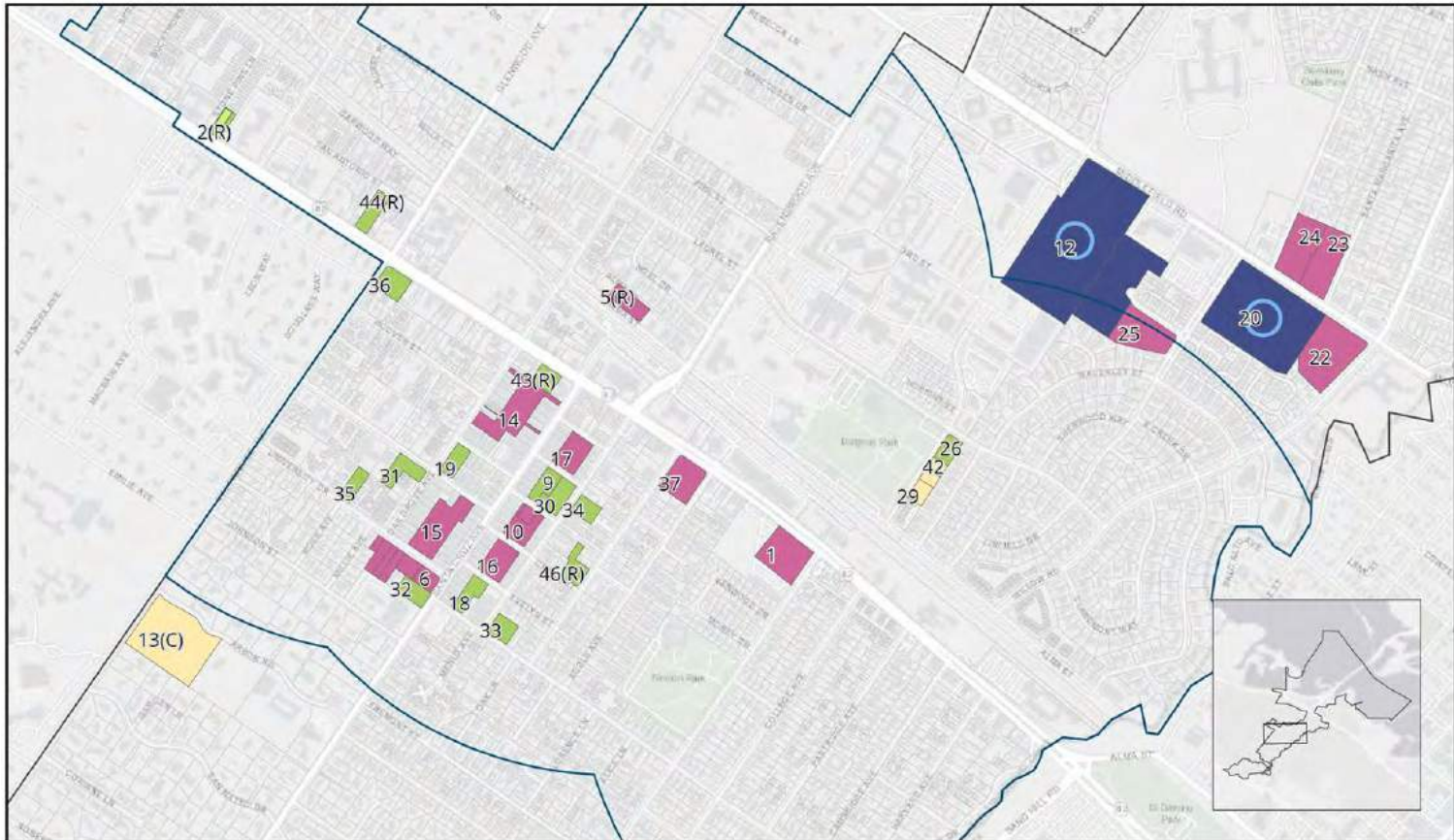
HOUSING OPPORTUNITY SITES

- **Potential Scenario: approximately 11 acres (20%) of affordable housing sites developed as 100% affordable housing at 100 du/ac**

Table 4: Example of RHNA need met through 11 acres of housing opportunity sites developed at 100 dwelling units per acre and remainder from 15% and 20% inclusionary BMR requirement

	15% Inclusionary BMR requirement			20% Inclusionary BMR requirement		
	100% Affordable development	Market-Rate development	Total new housing units	100% Affordable development	Market-Rate development	Total new housing units
Affordable units	1,100	390	1,490	1,100	390	1,490
Market-Rate units	0	2,210	2,210	0	1,560	1,560
Total units	1,100	2,600	3,700	1,100	1,950	3,050

OPPORTUNITY SITES: DOWNTOWN AND MIDDLEFIELD



Potential Housing Opportunity Sites Downtown and Middlefield Page 1 of 3

Acres (# of Sites)

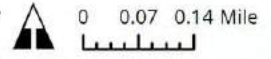
- < 0.5 (6)
- 0.5 - 0.9 (19)
- 1 - 5 (17)
- > 5 (7)

(R) = Reuse Site
 (C) = Religious Facility

Portioned-Off (# of Sites)

- 1 ac. Development (3)
- 2 ac. Development (5)
- 1/2 Mile from Major Transit Stop
- City Boundary

"Portioned-Off" sites have 1 or 2-acre subsections to promote 100% affordable housing on sites that are otherwise too large for feasibility or already contain dense housing, but are suitable for additional 100% affordable housing development.



Projection: NAD83 StatePlane California III FIPS0403 (USFeet)



OPPORTUNITY SITES: SHARON HEIGHTS



Potential Housing Opportunity Sites

Sharon Heights

Page 2 of 3

Acres (# of Sites)

- < 0.5 (6)
- 0.5 - 0.9 (19)
- 1 - 5 (17)
- > 5 (7)

(R) = Reuse Site
 (C) = Religious Facility

Portioned-Off (# of Sites)

- 1 ac. Development (3)
- 2 ac. Development (5)
- 1/2 Mile from Major Transit Stop
- City Boundary

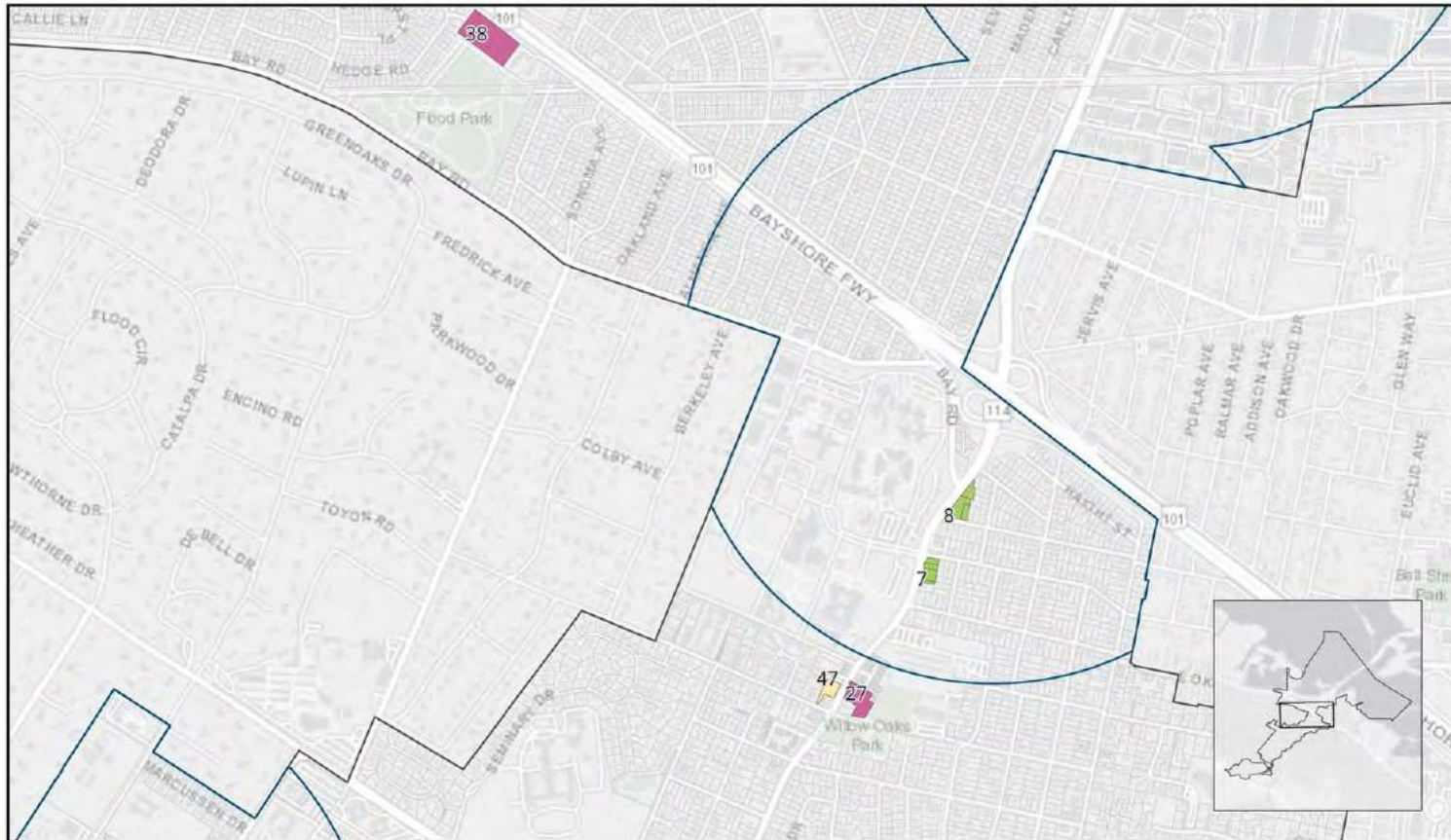
"Portioned-Off" sites have 1 or 2-acre subsections to promote 100% affordable housing on sites that are otherwise too large for feasibility or already contain dense housing, but are suitable for additional 100% affordable housing development.



Projection: NAD83 StatePlane California III FIPS0403 (USFeet)



OPPORTUNITY SITES: WILLOW AND FLOOD PARK



Potential Housing Opportunity Sites Willow and Flood Park Page 3 of 3

Acres (# of Sites)

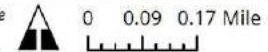
- < 0.5 (6)
- 0.5 - 0.9 (19)
- 1 - 5 (17)
- > 5 (7)

(R) = Reuse Site
 (C) = Religious Facility

Portioned-Off (# of Sites)

- 1 ac. Development (3)
- 2 ac. Development (5)
- 1/2 Mile from Major Transit Stop
- City Boundary

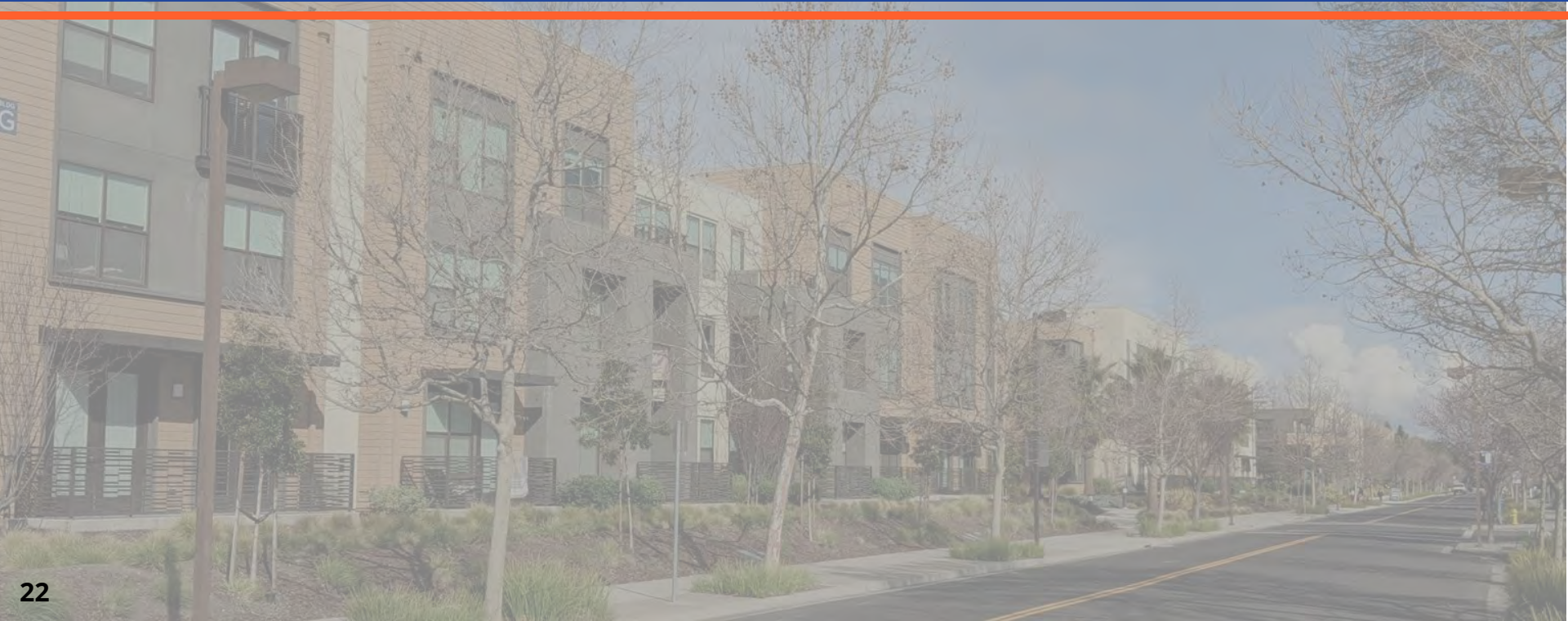
"Portioned-Off" sites have 1 or 2-acre subsections to promote 100% affordable housing on sites that are otherwise too large for feasibility or already contain dense housing, but are suitable for additional 100% affordable housing development.



Projection: NAD83 StatePlane California III FIPS0403 (USFeet)



PROPOSED LAND USE STRATEGIES



PROPOSED LAND USE STRATEGIES

- **Modify El Camino Real/Downtown SP**
 - **Remove residential development cap**
 - **Increase base level density to at least 30 du/ac across all subareas**
 - **Establish minimum density of 20 du/ac across all subareas**
 - **Review development standards (e.g. height and parking ratios)**
 - **Allow residential development on identified City-owned parking plazas**

PROPOSED LAND USE STRATEGIES

- **Rezone Commercial-Only Sites**
 - **Allow residential uses with a maximum base density of at least 30 du/ac**
 - **Maintain some level of neighborhood-serving commercial uses**
 - **Seeking feedback on whether housing should replace non-residential use, or mix of uses should be provided (and at what levels)**

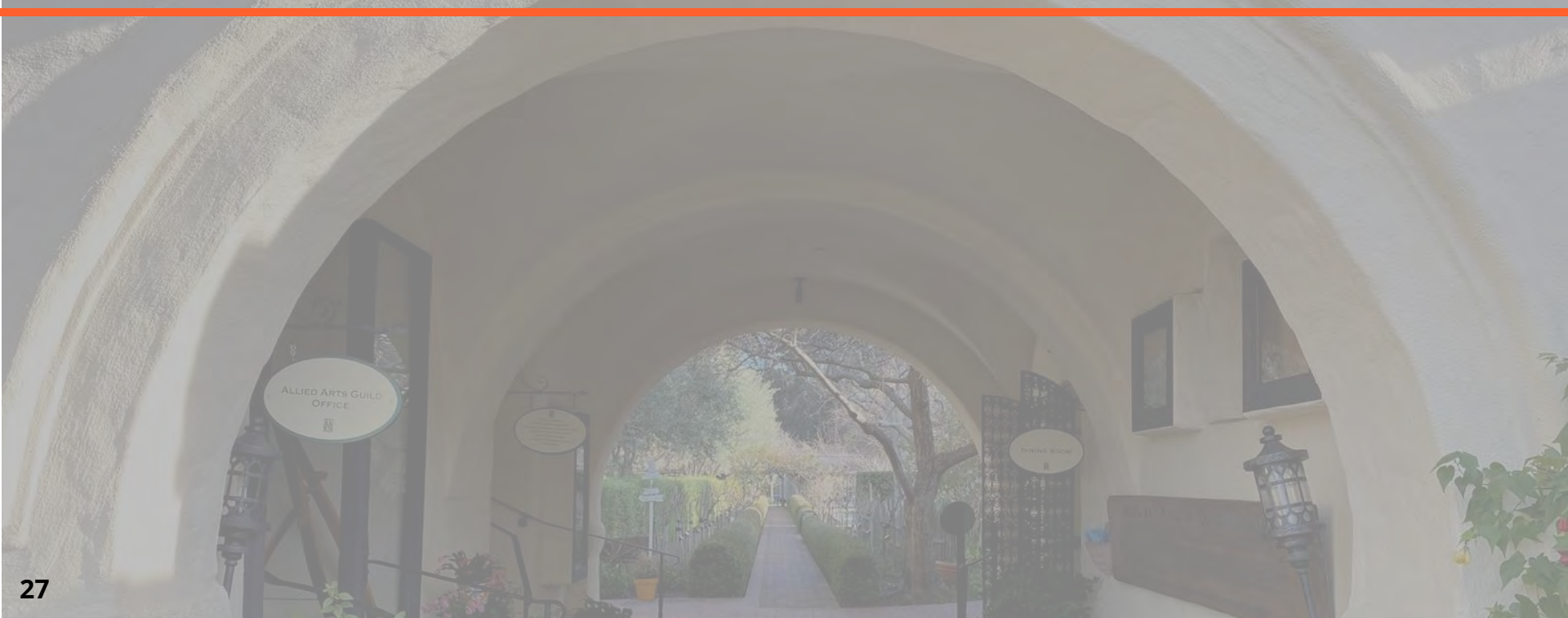
PROPOSED LAND USE STRATEGIES

- **Modify Affordable Housing Overlay**
 - Increase maximum density bonus to 100 du/ac
 - Extend AHO to sites beyond Specific Plan area and R-4-S(AHO)
 - Potential modifications to fee waivers and development standards
- **R-3 Zoning around Downtown**
 - Remove minimum lot size to attain 30 du/ac on R-3 zoning district (currently 10,000 sf)

PROPOSED LAND USE STRATEGIES

- **Other Potential Strategies**
 - **Create opportunities for mixed-use development**
 - Potentially in C-4, C-2, and C-2-A districts
 - **Increase to Below Market Rate Inclusionary Zoning Requirement**
 - Currently, housing developments of 20 or more units have 15% inclusionary requirement (15% of units must be set aside for low-income housing)
 - Potential move to 20% inclusionary from 15%
 - Applicable only for projects of 20 or more units

POTENTIAL HOUSING POLICIES



POTENTIAL HOUSING POLICIES

- **Affordable Housing Strategies**
 - **Increase Commercial Linkage Fee**
- **Cost Reduction Strategies**
 - **Ministerial Review Processing**
 - **Fee Waivers/Reductions**
 - **Reducing Parking Requirements**

AFFORDABLE HOUSING STRATEGIES

- **Increase Commercial Linkage Fee**
 - Fee charged on non-residential development to support new affordable housing projects
 - Grand Nexus Study (2017) recommended increasing the commercial linkage fee to \$25-50 per square foot

COMMERCIAL LINKAGE FEE COMPARISONS

	Menlo Park	Santa Clara County ¹	Palo Alto	Mountain View	Foster City
Commercial / Office Linkage Fee	\$20.46/ sf	\$68.50 ² /sf	\$68.50 /sf	\$29.72 /sf for office greater than 10,000 sf	\$27.50 /sf
Other Commercial and Industrial Linkage Fee	\$11.10/ sf	--	\$35 /sf	--	--

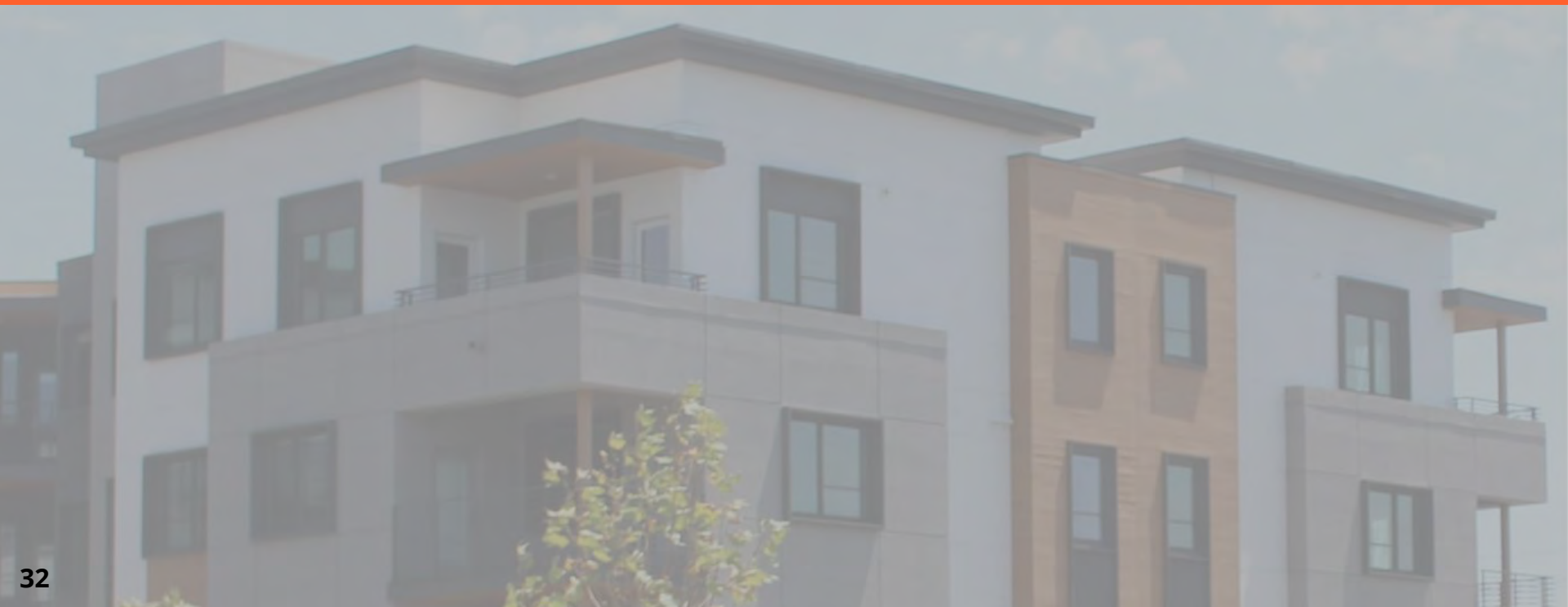
¹ Fees were adopted for the Stanford Community Plan Area

² Applies to all new academic development

COST REDUCTION STRATEGIES

- **Ministerial Review Processing**
 - Ministerial review can provide cost and time savings to developers
- **Fee Waivers/Reductions**
 - Waivers/Reductions for fees on affordable projects aid affordable housing competitiveness for sites
- **Reducing Parking Requirements**
 - Parking is extremely costly, ranging from \$50,000 - \$150,000 per stall (depending on at-grade or structured)

STAFF RECOMMENDATIONS



STAFF RECOMMENDATION

- **Study up to 4,000 units and initiate the NOP**
- **Rezone for approximately 3,700 units dispersed throughout City**
- **Upzone sites within the ECR/D Specific Plan area to at least 30 du/ac at base level and minimum density of 20 du/ac, and remove residential cap of 680 units**
- **Modify AHO to allow for up to 100 du/ac for 100% affordable developments**
- **Remove 10,000-sf minimum lot size for R-3, to allow all R-3 sites up to 30 du/ac**

SEEKING COUNCIL FEEDBACK

- **Modify retail/commercial zoning to allow for residential, as well as other potential development standards to encourage mixed-use development**
 - Evaluate C-2, C-2-A, C-2-B, C-2-S, C-4, and P districts
- **Amend City's BMR ordinance to increase required inclusionary zoning for projects with 20 or more units from 15% to 20%**

NEXT STEPS



2021 *Join us and give
feedback!*

Upcoming Events

Public Release of Notice of Preparation (NOP)
December 20, 2021 (Tentative)

Planning Commission Scoping Session
Late January, 2022

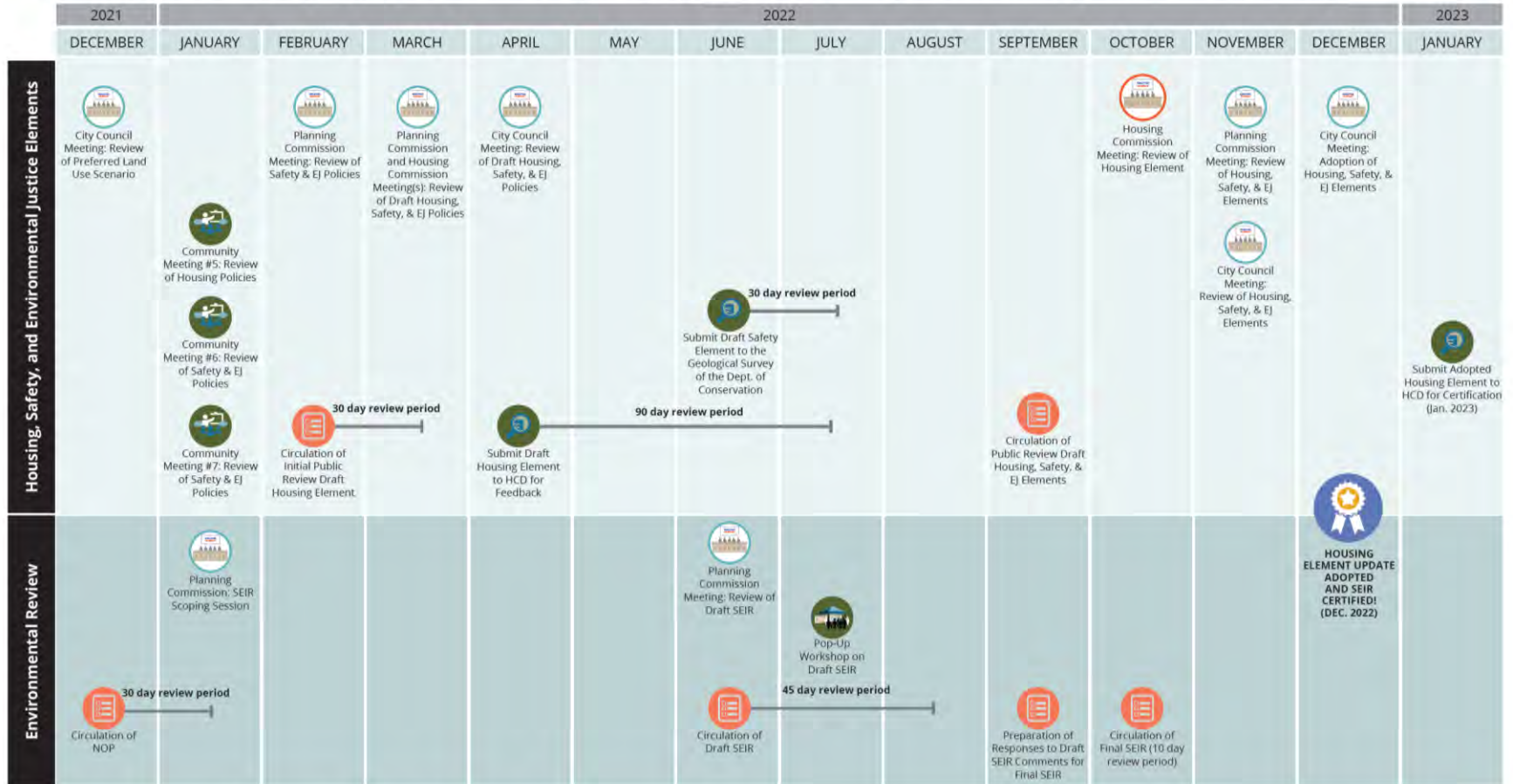
NEXT STEPS



CITY OF MENLO PARK HOUSING ELEMENT UPDATE PROJECT SCHEDULE



The City of Menlo Park is updating its required Housing Element and Safety Element, and preparing a new Environmental Justice Element. Collectively, these are referred to as the "Housing Element Update."



NOP - Notice of Preparation SEIR - Subsequent Environmental Impact Report
 EJ - Environmental Justice HCD - California Department of Housing and Community Development

UPDATED DECEMBER 2021

THANK YOU!



Questions



Comments

Thank you for your time and commitment to the City of Menlo Park!

menlopark.org/housingelement

	Sites	Acres of Housing Development	Maximum Units (Market-Rate Development Units)	Affordable Units in Market-Rate Development (15% BMR Ordinance)	Max. Realistic Affordable Units (100% Affordable Development)
Council District					
1	0	0	0	0	0
2	4	5	150	28	439
3	18	22	678	127	2,003
4	18	16	482	85	1,605
5	10	13	384	74	1,268
Total	50	55	1,693	315	5,315

	Sites	Acres of Housing Development	Maximum Units (Market-Rate Development Units)	Affordable Units in Market-Rate Development (15% BMR Ordinance)	Max. Realistic Affordable Units (100% Affordable Development)
School District					
Las Lomas School District	10	13	384	74	1,268
Menlo Park Elementary School District	38	39	1,201	218	3,747
Ravenswood City School District	2	4	108	22	301
Total	50	55	1,693	315	5,315