



REGULAR MEETING MINUTES

Date: 12/6/2022
Time: 6:00 p.m.
Locations: Teleconference and
City Council Chambers
751 Laurel St., Menlo Park, CA 94025

Regular Session

A. Call To Order

Mayor Nash called the meeting to order at 6:11 p.m.

B. Roll Call

Present: Mueller (joined at 6:44 p.m. and exited at 11:16 p.m.), Nash, Taylor, Wolosin
Absent: Combs
Staff: City Manager Justin I. C. Murphy, City Attorney Nira F. Doherty, Assistant to the City Manager/City Clerk Judi A. Herren

C. Agenda Review

The City Council reordered the agenda pulling item E6. to discuss after regular business.

D. Public Comment

- Joan Miessi requested that the East Palo Alto Sanitary District absorption is agendized for a future meeting.

E. Consent Calendar

- E1. Adopt a resolution to continue conducting the City's Council and advisory body meetings remotely due to health and safety concerns for the public and to authorize the use of hybrid meetings (Staff Report #22-230-CC)
- E2. Adopt a resolution ratifying the Menlo Park Fire Protection District Ordinance No. 50-2022 adopting amendments to the 2022 California Fire Code (Staff Report #22-231-CC)
- E3. Receive and file the Single Audit Report for the fiscal year ended June 30, 2021 (Staff Report #22-232-CC)
- E4. Reject all bids for the minimum point of entry room heating, ventilation, and air conditioning upgrade project and direct staff to rebid the project at a future date (Staff Report #22-233-CC)
- E5. Adopt a resolution of intention to abandon a public utility easement along the rear of properties at 1701 Bay Laurel Drive and 1715 Bay Laurel Drive; determine this action is categorically exempt under California Environmental Quality Act Guidelines Section 15305's Class 5 exemption for minor

alterations in land use limitations (Staff Report #22-234-CC)

- E6. Authorize the city manager to execute an agreement with the West Bay Sanitary District regarding the provision of recycled water service within Menlo Park Municipal Water Service Area; determine this action is exempt from California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15268 (Ministerial Projects) (Staff Report #22-237-CC)

ACTION: Motion and second (Wolosin/ Taylor), to approve the consent calendar excluding item E6., passed 3-0 (Combs and Mueller absent).

E. Consent Calendar

- E6. Authorize the city manager to execute an agreement with the West Bay Sanitary District regarding the provision of recycled water service within Menlo Park Municipal Water Service Area; determine this action is exempt from California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15268 (Ministerial Projects) (Staff Report #22-237-CC)

Public Works Director Nikki Nagaya, West Bay Sanitary District General Manager Sergio Ramirez, and Woodard & Curran representative Dave Richardson made a presentation (Attachment).

- Fran Dehn spoke in support of the agreement.
- Eileen McLaughlin spoke in opposition of the agreement and requested additional mitigations to be considered to protect sensitive wildlife and habitat as part of the flood protection project.
- Pam Jones requested clarification on how this flood protection project would align with other levee construction and flood protection work, and whether this would affect water or sewer rates in the future.
- Sierra Club representative Gita Dev spoke in opposition of the flood protection project in particular the installation of sheetpiles and requested infrastructure not be located in this area due to risk.

The City Council received clarification on the project site location selection, environmental impact report (EIR) and public engagement of the project and mitigations, cost impacts to the customers of Menlo Park Municipal Water and West Bay Sanitary District, impacts from constructions at Bedwell Bayfront Park, and coordination with other projects and OneShoreline.

The City Council discussed providing information and outreach in both English and Spanish.

ACTION: Motion and second (Wolosin/ Nash), to authorize the city manager to execute an agreement with West Bay Sanitary District (WBSD) regarding the provision of recycled water service within Menlo Park Municipal Water (MPMW) Service area and determine this action is exempt from CEQA pursuant to CEQA Guidelines section 15268 (Ministerial Projects) in that approval of the agreement is required by the Water Code section 13850.7, and also, pursuant to CEQA Guidelines section 15307 (Action for Protection of Natural Resources), in that the approval of the agreement would authorize the provision of recycled water within the service area in lieu of potable water, 3-0 (Combs absent and Mueller abstaining).

F. Continued Public Hearing

- F1. Consider the Planning Commission's recommendation to approve the proposed project with modifications and adopt a resolution to 1) certify the final environmental impact report (Final EIR), make the California Environmental Quality Act (CEQA) findings including the Statement of Overriding Considerations for significant and unavoidable impacts, and approve the mitigation

monitoring and reporting program (MMRP), 2) adopt a resolution to amend the General Plan Circulation Element, 3) adopt resolutions to approve the vesting tentative maps for the proposed project, read the title, and waive further reading of ordinances to 4) amend the City zoning map, rezone the project site from R-MU-B and O-B to R-MU-B-X and O-B-X to include the "X" Conditional Development overlay, and approve the conditional development permit and 5) adopt the development agreement, and 6) adopt a resolution to approve the below market rate (BMR) housing agreements for the proposed Willow Village masterplan project located at 1350-1390 Willow Road, 925-1098 Hamilton Avenue and 1005-1275 Hamilton Court, 1399 and 1401 Willow road, and 871-883 Hamilton Avenue (Staff Report #22-228-CC) – **Continued from 11/30/2022**

Planning Manager Kyle Perata made a presentation (Attachment).

The City Council received clarification on incentive based programs to lower traffic daily trip number.

The City Council discussed updated phasing plan, zero/lowest-emissions equipment requirement, conditional development permit to include photographs taken at Samtrans rail corridor, residential to office ratio, traffic impacts and daily trips especially in reference to the office building, and agendizing impact fees at a future meeting.

The City Council went to recess at 7:39 p.m.

The City Council reconvened at 8:28 p.m.

The City Council discussed transportation demand management and removing requirement to construct intersection improvements at Willow Road and Bay Road.

The City Council directed that the annual reporting of the development agreement be transmitted to the City Council and to agendize how impact fees are used in the City.

The City Council went to recess at 8:42 p.m.

The City Council reconvened at 8:58 p.m.

ACTION: Motion and second (Taylor/ Nash), to adopt

- 1) a resolution certifying the final EIR, making the CEQA finding including a statement of overriding considerations, and approve the mitigation monitoring and reporting program; and
- 2) a resolution amending the general plan circulation map; and
- 3) a resolution approving the vesting tentative map;
- 4) a resolution approving the BMR housing agreement; and
- 5) introduce and waive the first reading of an ordinance to rezone the project site to include the "X" conditional development combining district overlay, amending the zoning map, and approve the conditional development permit; and
- 6) introduce and waive the first reading of an ordinance to adopt the development agreement; and include modifications as read into the record to the development agreement and conditional development permit, 4-0 (Combs absent).

G. Regular Business

- G1. Authorize the city manager to execute a community funding agreement and approve budget amendment (Staff Report #22-235-CC)

Interim Finance Director Marvin introduced the item.

The City Council discussed the negotiations with the Stanford project.

ACTION: Motion and second (Mueller/ Wolosin), to authorize the city manager to execute the community funding agreement among City of Menlo Park, Menlo Park City School District and Menlo Park Atherton Education Foundation and approve a budget amendment, passed 4-0 (Combs absent).

H. Study Session

H1. Provide direction regarding revisions to the City's draft Housing Element in response to comments from the State Department of Housing and Community Development (HCD), and potential Zoning Ordinance and El Camino Real/Downtown Specific Plan amendments associated with the Housing Element Update project (Staff Report #22-236-CC)

Principal Planner Tom Smith introduced the item.

- Bryan Shields spoke in support of the consideration of builders of additional housing generated by the housing element.
- Jenny Michele provided comprehensive feedback to the housing element.
- Pam Jones spoke on concerns related to impacts on the environmental other OneShoreline projects and requested information on impacts to City water customer bills.
- Patti Fry spoke in support of open space and on the importance of office and non-residential.
- Adina Levin spoke in support of email sent to the City Council (Attachment).
- Skylar Spear spoke in support of equitable housing and on concerns related to site analysis.
- Katherine Dumont spoke on concerns related to anti-displacement and the current time lime.
- Lorena Cuffy spoke on concerns related to the cost of living and in support of rent control.

The City Council received clarification on incorporating all City Councilmembers input in the housing element, below market rate (BMR) policy related to rent increases, California Department of Housing and Community Development (HCD) response letter, amnesty program for the accessory dwelling units (ADU) policy and delayed enforcement, and impacts to vacancy rates through short-term rental units.

The City Council discussed the proposed anti-displacement policy and programs, staff meeting with HCD before resubmitting the housing element, increasing opportunities for childcare facilities relationships, reviewing fees without dis-incentivizing home building, expanding on anti-displacement programs, revitalizing downtown and downtown parking lots, affordable housing, retaining aesthetic development standards as part of adoption, jobs/housing imbalance and relationship, incorporating/requiring mixed-use residential with commercial and office, long term housing with ADUs, and increasing BMR units requirements and reviewing lieu fees.

ACTION: By acclamation, the City Council extended the meeting past 11 p.m. (Combs absent).

The City Council further discussed anti-displacement strategy details.

The City Council directed review of the proposed anti-displacement actions and modified timeline, creating an ad hoc Anti-Displacement Strategy Subcommittee comprised of Vice Mayor Wolosin and City Councilmember Taylor charged with considering the prioritization of anti-displacement strategies, and a jobs-housing linkage policy.

I. Informational Items

- I1. City Council agenda topics: December 2022 (Staff Report #22-240-CC)
- I2. Transmittal of city attorney billing (Staff Report #22-238-CC)
- I3. Update on the Willow Oaks Park improvement project (Staff Report #22-239-CC)

J. City Manager's Report

City Manager Justin Murphy reported out on Willow Oaks Park pickleball update, Light Up the Season event at Fremont Park, and introduced the new Deputy City Clerk, Sarah Sandoval.

K. City Councilmember Reports

Mayor Nash reported on attending a tri-city meeting with Menlo Park, Palo Alto, and East Palo Alto.

L. Adjournment

Mayor Nash adjourned the meeting at 11:25 p.m.

Judi A. Herren, Assistant to the City Manager/ City Clerk

These minutes were approved at the City Council meeting of January 10, 2023.



BAYFRONT RECYCLED WATER PROJECT

City Council | December 6, 2022





PROJECT BACKGROUND

Date	Milestone
2016	General Plan land use and zoning code update to require use of recycled water in Bayfront Area
February 2019	West Bay completes Bayfront Recycled Water Plan
October 2019	City Council delegated authority to the city manager to negotiate agreement with WBSD for recycled water purveyorship
2020-2021	West Bay completed environmental clearance
May 2022	West Bay presented to City Council
Tonight	Council consideration of agreement with WBSD



KEY POINTS

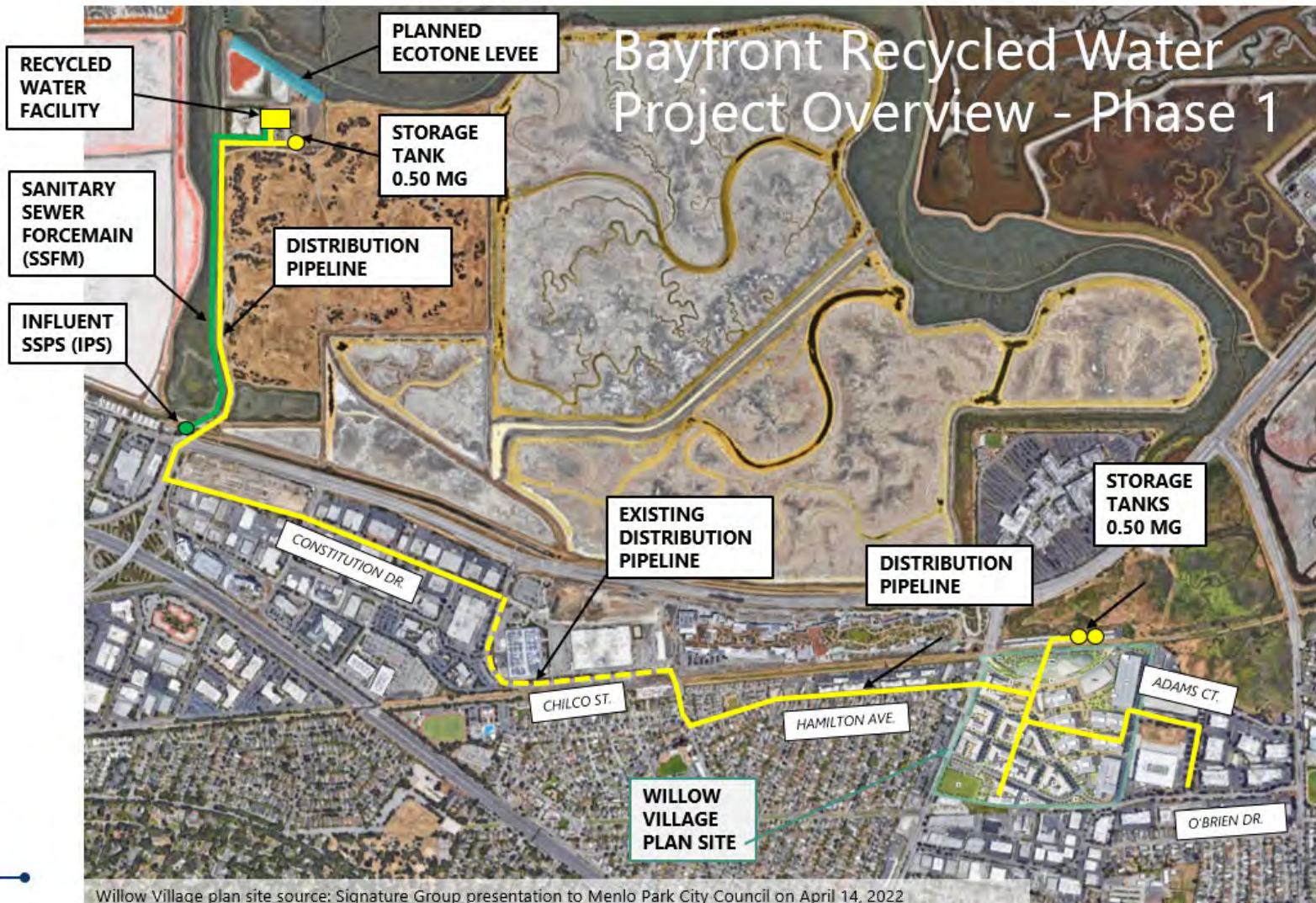
- ▶ **Ecotone Levee** - protection of wastewater flow equalization facilities from sea level rise
- ▶ **Recycled Water Collaboration** between City and West Bay
- ▶ **Benefits and Minimizing Construction Impacts**

ECOTONE LEVEE –PROTECTION OF FLOW EQUALIZATION FACILITY AND RECYCLED WATER EFFORTS



- Flow Equalization Facility (FEF) handles peak flows from Menlo Park and the surrounding community protecting residents from sewer backups and overflows
- Protection of the FEF for it's current use and new recycled water facility
- Levee will minimize chance of sea level rise impacting community, water quality, and habitat
- Coordination with many jurisdictions
- Funding (State, Water Board, and the National Fish & Wildlife Foundation)
- New Facility brings 200 - 300 millions of gallons per year of reclaimed water to the community off-setting potable water demands







BAYFRONT RECYCLED WATER PROJECT PROPOSED DISTRIBUTION SYSTEM



CONSTRUCTION SCHEDULE: BAYFRONT PARK SANITARY SEWER IMPROVEMENT, ECOTONE LEVEE & BAYFRONT RW PROJECT



Key Tasks	2022	2023				2024				2025				2026			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Financing and Agreements																	
Agreement with Developers	◆																
SRF Process																	
PM Contract																	
Permits																	
Environmental (Primarily for Levee Project)																	
LAFCO Process																	
Operating Permit																	◆
Menlo Park MOU	◆																
Design of Diversion Pipelines in Bayfront Expressway and Park Entry																	
Construction (Sanitary Sewer Improvement)																	
Design																	
Get Design-Build Team (RFP, Selection, Negotiations)																	
Design Process (Plant, Pump Station, Recycled Water Pipelines/Storage)						Plant & PS	Pipes/Storage										
Construction (Levee & Ecotone Levee)																	
Post Construction Monitoring (Ecotone Levee)																	
Construction (Pump Station, Plant, Recycled Water Pipelines/Storage)																	
Start-up and Operations																	



Break ground beginning of 2024 ◆

Deliver water beginning of 2026 ◆



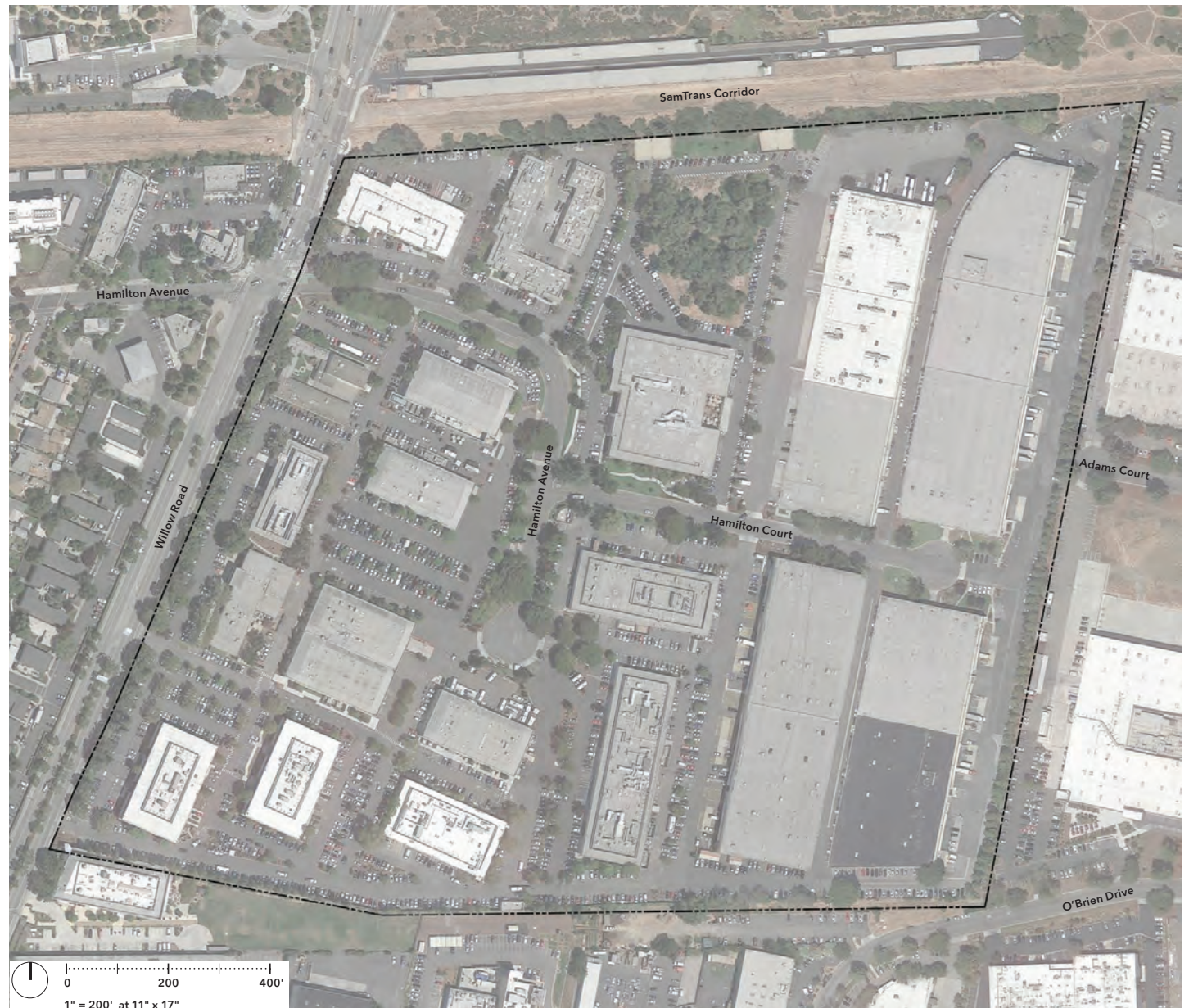
THANK YOU

PHASING

WILLOW VILLAGE

December 6, 2022

Existing Condition



Dates are preliminary and subject to change.

Conceptual Master Plan

Engineering In Progress

Community Amenities (\$)

In Progress - \$10,000,000
 Completed - \$150,000

Office (approx. seat capacity)

Replacement Office In Progress - 0
 Replacement Office Completed - 0
 New Office In Progress - 0
 New Office Completed - 0

Office (SF)

Replacement Office In Progress - 0
 Replacement Office Completed - 0
 New Office In Progress - 0
 New Office Completed - 0

Accessory Space (SF)

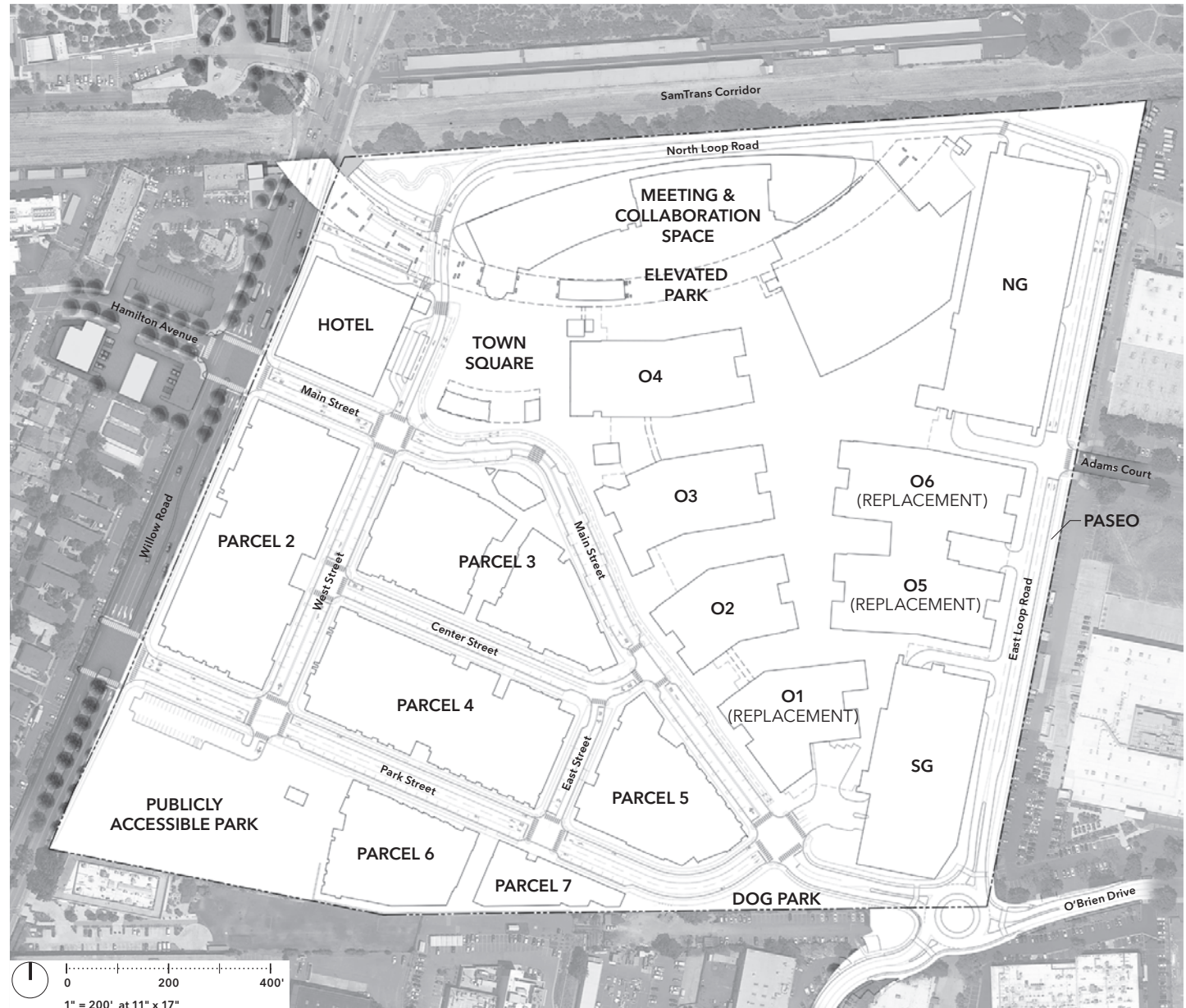
In Progress - 0
 Completed - 0

Housing (units)

In Progress - 0
 Completed - 0



Retail (SF)

In Progress - 0
 Completed - 0



Dates are preliminary and subject to change.

Year 1 H1 2023	Year 1 H2 2023	Year 2 H2 2024	Year 3 H1 2025	Year 3 H2 2025	Year 4 H1 2026	Year 4 H2 2026	Year 5 H1 2027	Year 5 H2 2027	Year 6 2028
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LEGEND		
	Site Infrastructure	In-progress
	Open Space	In-progress

Community Amenities (\$)

In Progress - \$10,000,000
 Completed - \$150,000

Office (approx. seat capacity)

Replacement Office In Progress - 0
 Replacement Office Completed - 0
 New Office In Progress - 0
 New Office Completed - 0

Office (SF)

Replacement Office In Progress - 0
 Replacement Office Completed - 0
 New Office In Progress - 0
 New Office Completed - 0

Accessory Space (SF)

In Progress - 0
 Completed - 0

Housing (units)

In Progress - 0
 Completed - 0









Retail (SF)

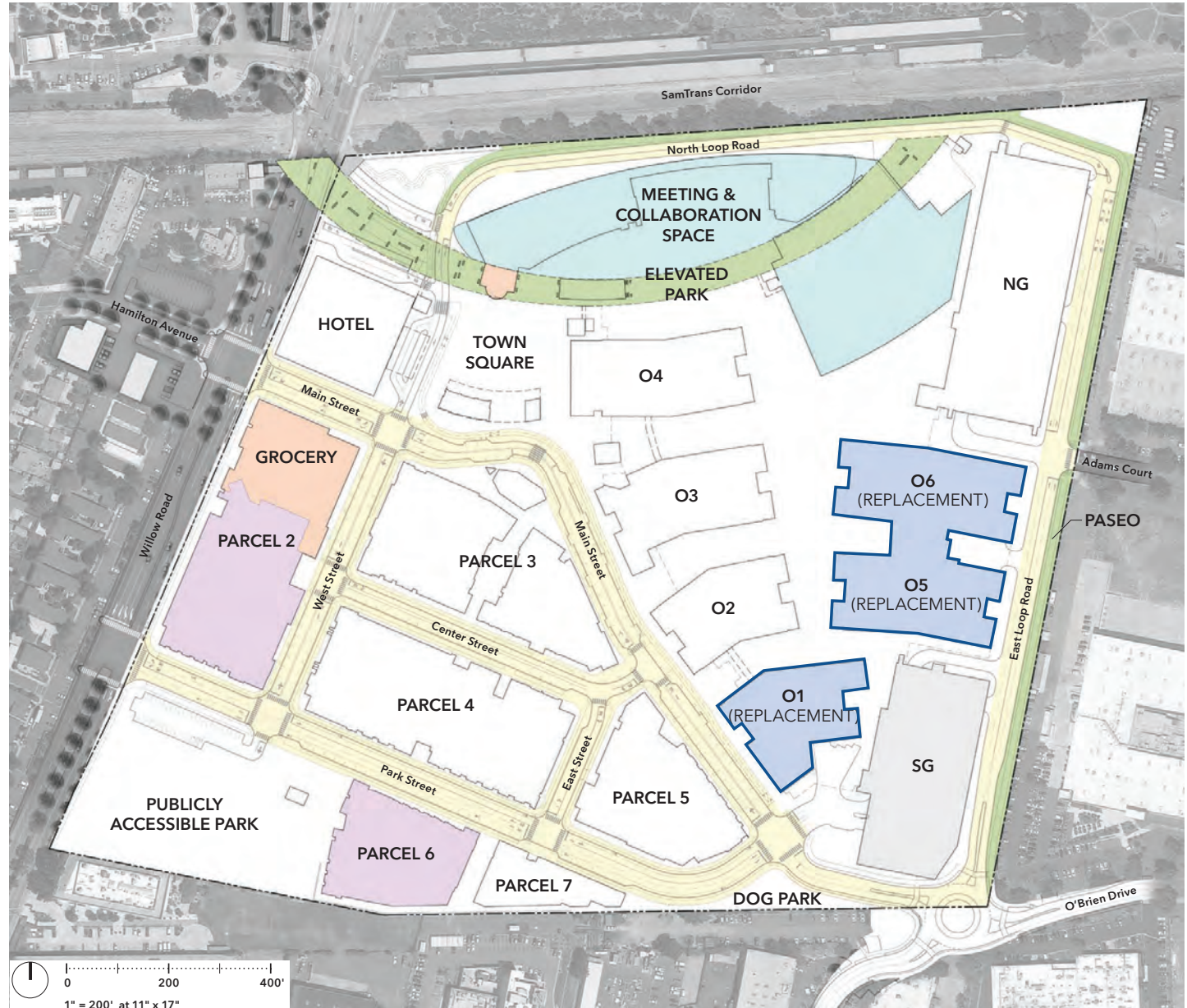
In Progress - 0
 Completed - 0



Dates are preliminary and subject to change.

Year 1 H1	Year 1 H2	Year 2 H2	Year 3 H1	Year 3 H2	Year 4 H1	Year 4 H2	Year 5 H1	Year 5 H2	Year 6
2023	2023	2024	2025	2025	2026	2026	2027	2027	2028

LEGEND		
	Site Infrastructure	Complete
	Open Space	In-progress
	Office	In-progress
	MCS	In-progress
	Residential	In-progress
	Retail	In-progress
	Garage	In-progress
	Office, Replacement	



Community Amenities(\$)

In Progress - \$102,000,000
 Completed - \$13,000,000

Office (approx. seat capacity)

Replacement Office In Progress - 3,500
 Replacement Office Completed - 0
 New Office In Progress - 0
 New Office Completed - 0

Office (SF)

Replacement Office In Progress - 583,000
 Replacement Office Completed - 0
 New Office In Progress - 0
 New Office Completed - 0

Accessory Space (SF)

In Progress - 419,000 SF
 Completed - 0

Housing (units)

In Progress - 505
 Completed - 0

Retail (SF)

In Progress - 57,000 SF
 Completed - 0

Dates are preliminary and subject to change.

Year 1 H1	Year 1 H2	Year 2 H2	Year 3 H1	Year 3 H2	Year 4 H1	Year 4 H2	Year 5 H1	Year 5 H2	Year 6
2023	2023	2024	2025	2025	2026	2026	2027	2027	2028

LEGEND		
	Site Infrastructure	Complete
	Town Square Infrastructure	In-progress
	Open Space	In-progress
	Open Space	Complete
	Office	In-progress
	MCS	In-progress
	Residential	In-progress
	Retail	In-progress
	Garage	In-progress
	Office, Replacement	
	Office, Net New	

Community Amenities (\$)

In Progress - \$117,000,000
 Completed - \$13,000,000

Office (approx. seat capacity)

Replacement Office In Progress - 3,500
 Replacement Office Completed - 0
 New Office In Progress - 2,175
 New Office Completed - 0

Office (SF)

Replacement Office In Progress - 583,000 SF
 Replacement Office Completed - 0
 New Office In Progress - 368,000 SF
 New Office Completed - 0

Accessory Space (SF)

In Progress - 419,000 SF
 Completed - 0

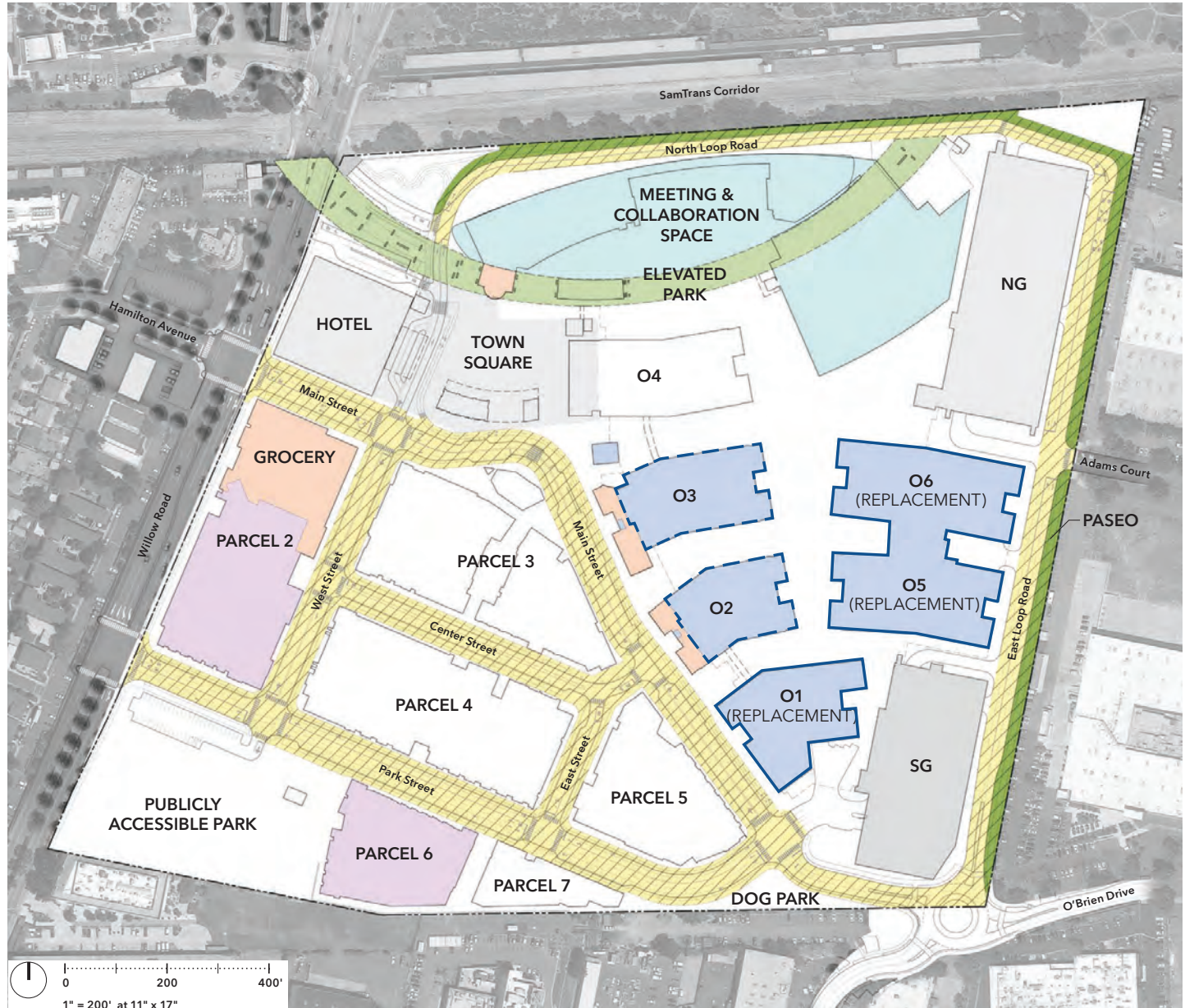
Housing (units)

In Progress - 505
 Completed - 0


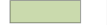












Retail (SF)

In Progress - 72,000 SF
 Completed - 0

Dates are preliminary and subject to change.



Year 1 H1	Year 1 H2	Year 2 H2	Year 3 H1	Year 3 H2	Year 4 H1	Year 4 H2	Year 5 H1	Year 5 H2	Year 6
2023	2023	2024	2025	2025	2026	2026	2027	2027	2028

LEGEND		
	Site Infrastructure	Complete
	Open Space	In-progress
		Complete
	Office	In-progress
		In-progress
	MCS	In-progress
	Residential	In-progress
		In-progress (Podium)
	Retail	In-progress
		In-progress
	Garage	In-progress
		Complete
	Office, Replacement	
	Office, Net New	

Community Amenities (\$)

In Progress - \$143,000,000
 Completed - \$16,000,000

Office (approx. seat capacity)

Replacement Office In Progress - 3,500
 Replacement Office Completed - 0
 New Office In Progress - 2,175
 New Office Completed - 0

Office (SF)

Replacement Office In Progress - 583,000 SF
 Replacement Office Completed - 0
 New Office In Progress - 368,000 SF
 New Office Completed - 0

Accessory Space (SF)

In Progress - 419,000 SF
 Completed - 0

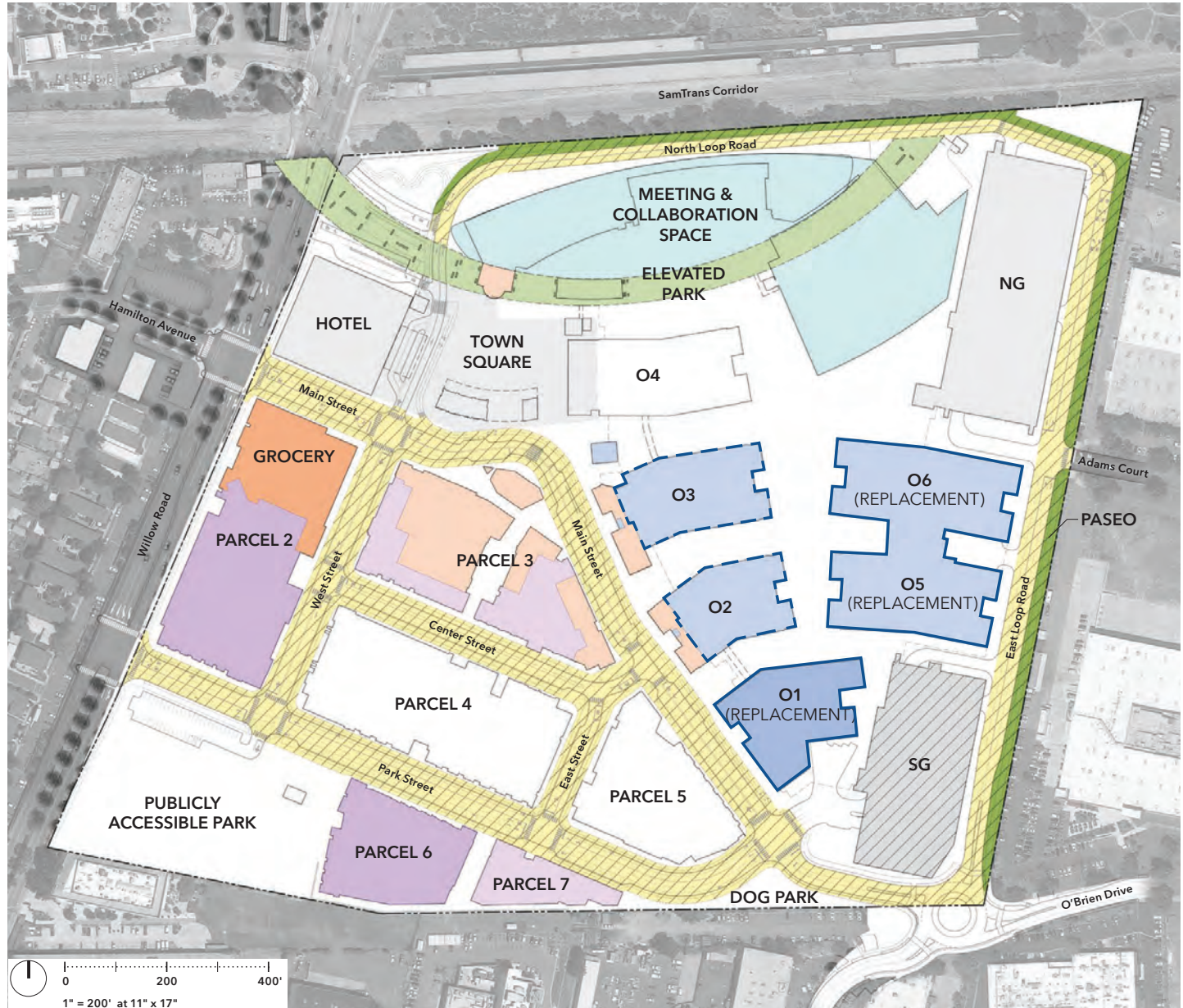
Housing (units)

In Progress - 1,044
 Completed - 0

Retail (SF)

In Progress - 131,000 SF
 Completed - 0

Dates are preliminary and subject to change.



Year 1 H1	Year 1 H2	Year 2 H2	Year 3 H1	Year 3 H2	Year 4 H1	Year 4 H2	Year 5 H1	Year 5 H2	Year 6
2023	2023	2024	2025	2025	2026	2026	2027	2027	2028

LEGEND		
	Site Infrastructure	Complete
	Open Space	In-progress
		Complete
	Office	In-progress
		Complete
	MCS	In-progress
	Residential	In-progress
		In-progress (Podium)
	Retail	In-progress
		In-progress
	Garage	In-progress
		Complete
	Office, Replacement	
	Office, Net New	

Community Amenities (\$)

In Progress - \$161,000,000
 Completed - \$32,000,000

Office (approx. seat capacity)

Replacement Office In Progress - 3,500
 Replacement Office Completed - 0
 New Office In Progress - 3,450
 New Office Completed - 0

Office (SF)

Replacement Office In Progress - 583,000 SF
 Replacement Office Completed - 0
 New Office In Progress - 536,000 SF
 New Office Completed - 0

Accessory Space (SF)

In Progress - 419,000 SF
 Completed - 0

Housing (units)

In Progress - 1,044
 Completed - 0

Retail (SF)

In Progress - 146,000 SF
 Completed - 0

Dates are preliminary and subject to change.



Year 1 H1	Year 1 H2	Year 2 H2	Year 3 H1	Year 3 H2	Year 4 H1	Year 4 H2	Year 5 H1	Year 5 H2	Year 6
2023	2023	2024	2025	2025	2026	2026	2027	2027	2028

LEGEND		
	Site Infrastructure	Complete
	Open Space	In-progress
		Complete
	Office	In-progress
		Complete
	MCS	In-progress
	Residential	In-progress (Podium)
		In-progress (Roof)
	Retail	Complete
		In-progress
	Hotel	In-progress
	Garage	Complete
	Office, Replacement	
	Office, Net New	



Community Amenities (\$)

In Progress - \$161,000,000
 Completed - \$32,000,000

Office (approx. seat capacity)

Replacement Office In Progress - 0
 Replacement Office Completed - 3,500
 New Office In Progress - 3,450
 New Office Completed - 0

Office (SF)

Replacement Office In Progress - 0
 Replacement Office Completed - 583,000 SF
 New Office In Progress - 536,000 SF
 New Office Completed - 0

Accessory Space (SF)

In Progress - 419,000 SF
 Completed - 0

Housing (units)

In Progress - 866
 Completed - 178

Retail (SF)

In Progress - 160,000 SF
 Completed - 4,000 SF

Dates are preliminary and subject to change.

Year 1 H1	Year 1 H2	Year 2 H2	Year 3 H1	Year 3 H2	Year 4 H1	Year 4 H2	Year 5 H1	Year 5 H2	Year 6
2023	2023	2024	2025	2025	2026	2026	2027	2027	2028

LEGEND		
	Site Infrastructure	Complete
	Open Space	Complete
	Office	In-progress
	Office	Complete
	MCS	Complete
	Residential	In-progress
		In-progress (Podium)
		Complete
	Retail	In-progress
		In-progress
		Complete
	Hotel	In-progress
	Garage	Complete
	Office, Replacement	
	Office, Net New	



Community Amenities (\$)

In Progress - \$56,000,000
 Completed - \$131,000,000

Office (approx. seat capacity)

Replacement Office In Progress - 0
 Replacement Office Completed - 3,500
 New Office In Progress - 1,275
 New Office Completed - 2,175

Office (SF)

Replacement Office In Progress - 0
 Replacement Office Completed - 583,000 SF
 New Office In Progress - 168,000 SF
 New Office Completed - 368,000 SF

Accessory Space (SF)

In Progress - 0
 Completed - 419,000 SF

Housing (units)

In Progress - 1,105
 Completed - 625

Retail (SF)

In Progress - 160,000 SF
 Completed - 4,000 SF

Dates are preliminary and subject to change.

Year 1 H1	Year 1 H2	Year 2 H2	Year 3 H1	Year 3 H2	Year 4 H1	Year 4 H2	Year 5 H1	Year 5 H2	Year 6
2023	2023	2024	2025	2025	2026	2026	2027	2027	2028

LEGEND		
	Site Infrastructure	Complete
	Open Space	Complete
	Office	Complete
	MCS	Complete
	Residential	In-progress
		In-progress (Roof)
		Complete
	Retail	In-progress
		In-progress
		Complete
	Hotel	Complete
	Garage	Complete
	Office, Replacement	
	Office, Net New	



Community Amenities (\$)

In Progress - \$25,000,000
 Completed - \$162,000,000

Office (approx. seat capacity)

Replacement Office In Progress - 0
 Replacement Office Completed - 3,500
 New Office In Progress - 0
 New Office Completed - 3,450

Office (SF)

Replacement Office In Progress - 0
 Replacement Office Completed - 583,000 SF
 New Office In Progress - 0
 New Office Completed - 536,000 SF

Accessory Space (SF)

In Progress - 0
 Completed - 419,000 SF

Housing (units)

In Progress - 1,105
 Completed - 625

Retail (SF)

In Progress - 67,000 SF
 Completed - 101,000 SF

Dates are preliminary and subject to change.

Year 1 H1	Year 1 H2	Year 2 H2	Year 3 H1	Year 3 H2	Year 4 H1	Year 4 H2	Year 5 H1	Year 5 H2	Year 6
2023	2023	2024	2025	2025	2026	2026	2027	2027	2028

LEGEND		
	Site Infrastructure	Complete
	Open Space	Complete
	Office	Complete
	MCS	Complete
	Residential	In-progress
		In-progress (Roof)
	Retail	Complete
		In-progress
	Hotel	Complete
	Garage	Complete
	Office, Replacement	
	Office, Net New	



Community Amenities (\$)

In Progress - \$0
 Completed - \$189,000,000

Office (approx. seat capacity)

Replacement Office In Progress - 0
 Replacement Office Completed - 3,500
 New Office In Progress - 0
 New Office Completed - 3,450

Office (SF)

Replacement Office In Progress - 0
 Replacement Office Completed - 583,000 SF
 New Office In Progress - 0
 New Office Completed - 536,000 SF

Accessory Space (SF)

In Progress - 0
 Completed - 419,000 SF

Housing (units)

In Progress - 686
 Completed - 1,044

Retail (SF)

In Progress - 4,300 SF
 Completed - 164,000 SF

Dates are preliminary and subject to change.

Year 1 H1	Year 1 H2	Year 2 H2	Year 3 H1	Year 3 H2	Year 4 H1	Year 4 H2	Year 5 H1	Year 5 H2	Year 6
2023	2023	2024	2025	2025	2026	2026	2027	2027	2028

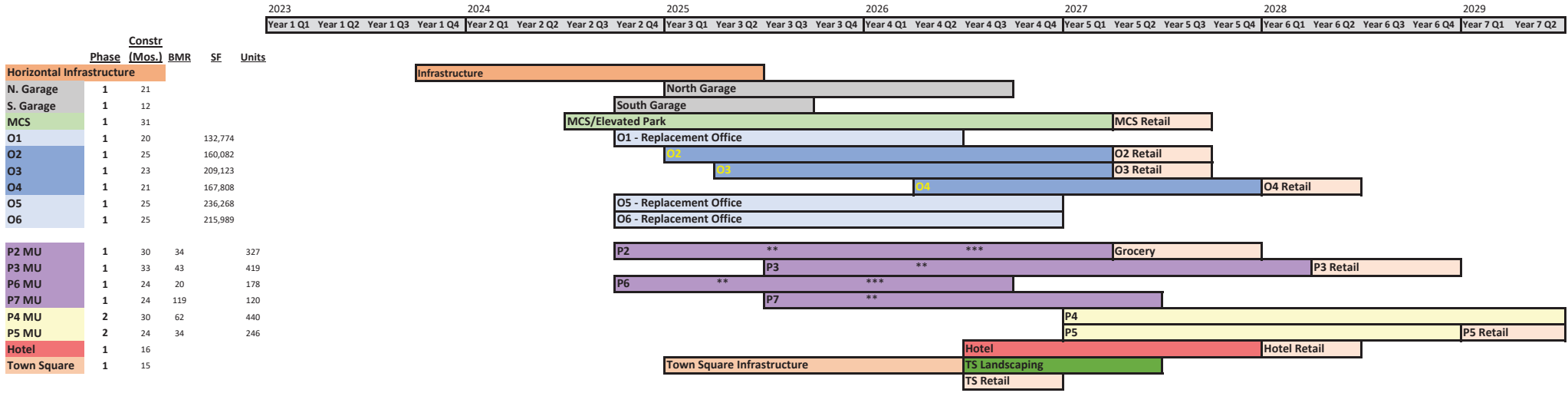
Conceptual Master Plan



Dates are preliminary and subject to change.

Illustrative WV Construction Phasing Schedule

12/6/2022



Dates are preliminary and subject to change

** Podium completion
 *** Roof Framing

Notes

- 1 P2 start on or before 1st office building, podium completed prior to CoFo for 1st office building, roof/framing complete prior to CoFo for 2nd office building
- 2 P6 start within 90 days of 1st office building, podium completed prior to CoFo for 1st office building, roof/framing complete prior to CoFo for 2nd office building, obtain CoFo prior to CoFo for 4th office building
- 3 P3 podium completed by the issuance of building permit for 6th office building
- 4 P7 podium completed by the issuance of building permit for 6th office building
- 5 P4 start on or before the 6th office building CoFo
- 6 P5 start on or before the 6th office building CoFo

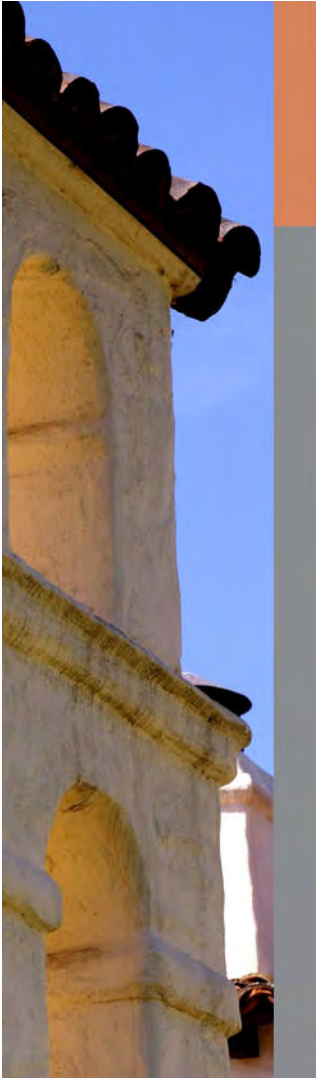


HOUSING ELEMENT UPDATE

December 6, 2022 City Council Study Session

A photograph of a street scene in Menlo Park, showing a sidewalk with outdoor seating (chairs) and buildings with signs like "harvest" and "TABAC". A large orange banner is overlaid across the middle of the image.

PROJECT OVERVIEW



BACKGROUND

- Required 6th Cycle Housing Element Update
 - Plan for city's housing needs from 2023 to 2031
 - Regional Housing Needs Allocation (RHNA) is 2,946 units

- Also includes update to General Plan Safety Element and new Environmental Justice Element

- Housing Element must be adopted by January 31, 2023



NET RHNA

	Very Low	Low	Moderate	Above Moderate	Total Units
6th Cycle RHNA Needs					
6 th Cycle RHNA	740	426	496	1,284	2,946
30% Buffer	222	128	149	385	884
6 th Cycle RHNA + 30% Buffer	962	554	645	1,669	3,830
6th Cycle RHNA Credits					
Pipeline Projects	134	230	230	3,050	3,644
ADUs	26	25	26	8	85
Credits Subtotal	160	255	256	3,061	3,729
Total Net New Units Needed	802	299	389	0	1,490

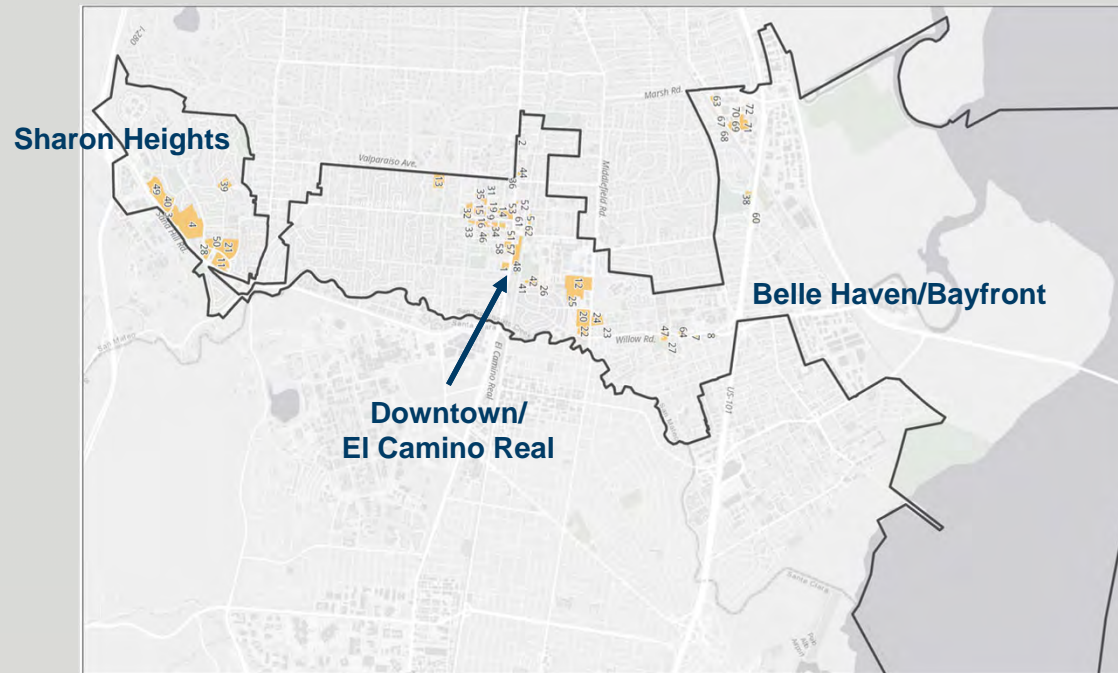
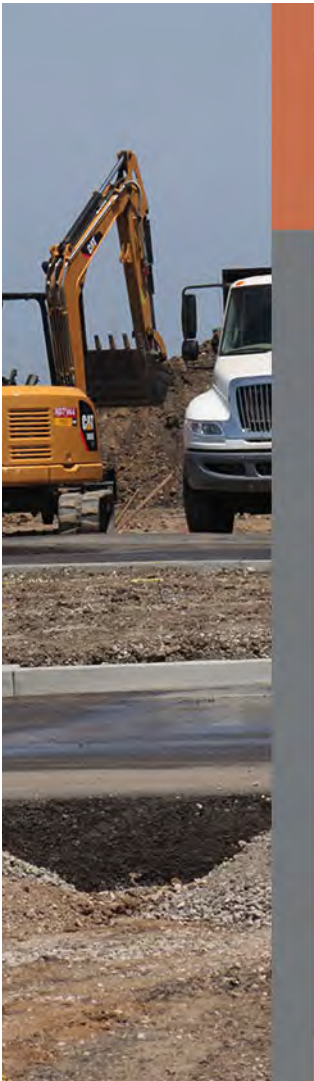


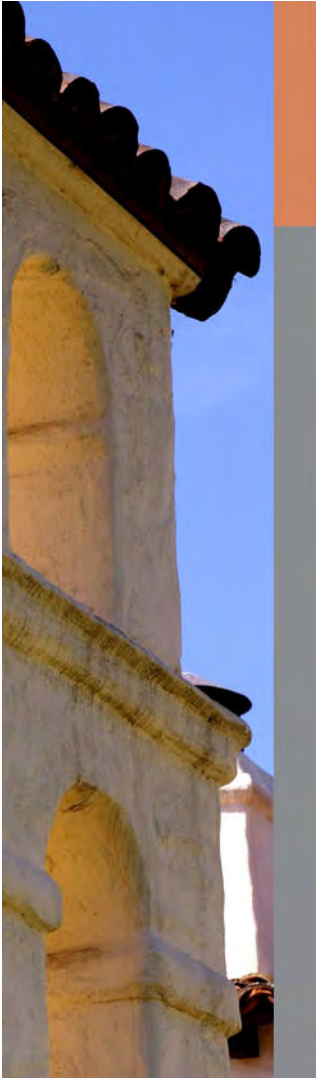
MAJOR LAND USE STRATEGIES

- Affordable RHNA will be met by rezoning for up to 4,000 new units dispersed throughout city
 - The total would accommodate a mix of development types to achieve 1,490 affordable units
 - Primarily in Council districts 2 through 5
- Five key zoning strategies
 - Increase densities in El Camino Real/Downtown Specific Plan area and remove residential cap
 - Increase densities in the affordable housing overlay (AHO)
 - Rezone commercial sites to allow mixed-use development
 - Remove minimum lot size to achieve 30 du/ac on R-3 lots around downtown
 - Re-use sites from current Housing Element



OPPORTUNITY SITES





MEETING PURPOSE

- Study session
 - Provide feedback on revisions to draft Housing Element in response to HCD comments
 - Also an opportunity to provide feedback on potential zoning changes
- No actions will be taken this evening
 - Staff will use comments to prepare:
 - Revised draft Housing Element
 - Draft Zoning Ordinance amendments
 - Draft Specific Plan amendments
 - Draft ordinances to rezone certain housing opportunity sites to allow multifamily residential or mixed use developments

The background of the slide is a photograph of green leaves and a yellow-green fruit, likely a quince, on a branch. The image is partially obscured by a blue vertical bar on the left and a horizontal orange bar across the middle. The text "DRAFT HOUSING ELEMENT" is centered within the orange bar.

DRAFT HOUSING ELEMENT



BACKGROUND

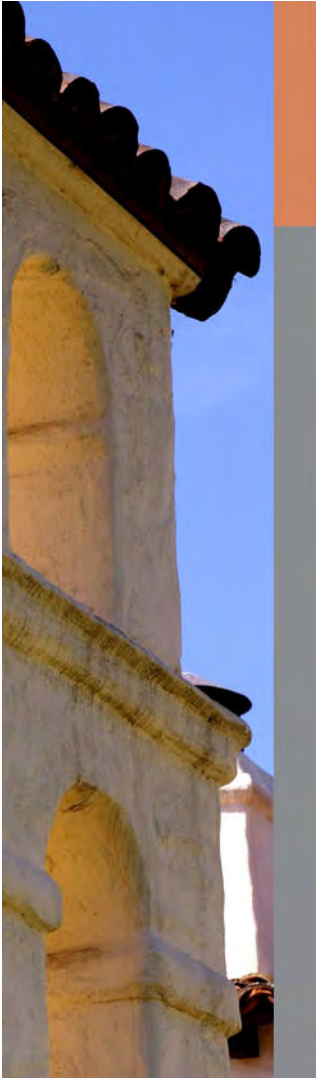
- May 2021 - Present: Outreach through project galleries, survey, pop-up events, focus groups, community meetings, and other methods
- May 11, 2022 - Initial draft Housing Element circulated for public review
- May 16, 2022: Joint Planning Commission and Housing Commission meeting to review draft Housing Element
- June 6, 2022: City Council meeting to review draft Housing Element
- July 25, 2022: City submitted initial draft Housing Element to HCD, beginning 90-day state review period
- October 21, 2022: City received letter from HCD with list of requested revisions
- Late October - Present: Project team has been developing second draft Housing Element



HCD COMMENTS

- Initial draft Housing Element addresses many requirements

- Majority of comments were in the following topic areas:
 - Affirmatively furthering fair housing (AFFH)
 - Housing sites inventory and realistic capacity
 - Analysis of constraints that would reduce housing development
 - Addressing programs with more specificity and concrete action



PROPOSED HOUSING ELEMENT CHANGES



- Chapters 3, 4 and 5 have been updated to provide more narrative and data regarding AFFH concerns and disparity between areas north and south of U.S. 101
- Chapter 4 includes table of fair housing issues and actions the City will take to address the issues
- Chapter 5 includes responses to identified constraints, many of which are now addressed as programs in to be implemented through 2031



PROPOSED HOUSING ELEMENT CHANGES

- Chapter 7 includes an update to HCD’s realistic capacity methodology to estimate unit production on the housing opportunity sites
- Site capacity is set as: Acreage x Density x Adjustment

Total Adjustment Factors for Housing Opportunity Sites						
Geography	Land Use Controls	Realistic Capacity	Typical Densities	Infra. Availability	Enviro. Constraints	Total
Specific Plan Area	0.95	0.80	0.90	1	1	0.684
Elsewhere in City	0.95	0.90	0.95	1	1	0.812

- City is also able to apply proposed density increases from Affordable Housing Overlay
- Changes to the methodology increase total units from 2,108 to 2,906



PROPOSED HOUSING ELEMENT CHANGES



- Chapter 8 updated with new and revised programs
 - Consider City-owned land for housing (downtown parking lots)
 - Streamlined project review for 100 percent affordable housing
 - Anti-displacement strategy
 - Amend BMR housing regulations to consider increasing requirements
 - Zoning text amendments for special needs housing
 - Others



TENTATIVE UPCOMING MILESTONES

- December 2022 – Release of draft Environmental Justice and Safety Elements
- December 19, 2022 – Close of Draft SEIR public comment period
- January 12, 2023 – Housing Commission and Planning Commission recommendations
- January 31, 2023 – City Council adoption hearing

The background of the slide is a photograph of a building with a tiled roof and several arches. The building is light-colored, possibly stucco, and the arches are filled with a warm, golden light. The sky is a clear, bright blue. On the left side of the image, there are two vertical bars: a wider one in a muted purple color and a narrower one in a darker purple color. A semi-transparent teal rectangular box is overlaid across the middle of the image, containing the text "POTENTIAL ZONING CHANGES" in white, bold, sans-serif capital letters.

POTENTIAL ZONING CHANGES

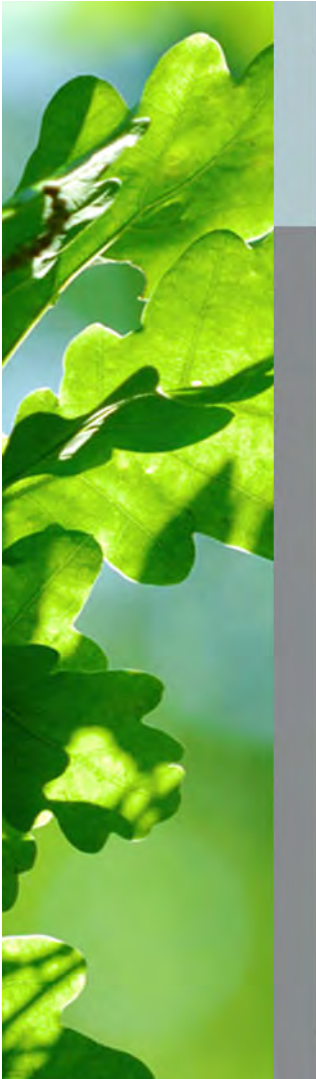


PROPOSED SPECIFIC PLAN RESIDENTIAL DENSITIES



Specific Plan Existing and Proposed Subdistrict Residential Densities (in du/ac)				
Subdistrict	Existing Base Density	Proposed Base Density	Existing Bonus Density	Proposed Bonus Density
Downtown (D)	25	40	40	60
Downtown Adjacent (DA)	18.5	30	25	50
El Camino Real North-East (ECR NE)	25	30	40	50
El Camino Real North-East Low Density (ECR NE-L)	20	30	30	40
El Camino Real North-West (ECR NW)	25	30	40	50
Station Area East (SA E)	50	50	60	80
Station Area West (SA W)	50	50	60	80
El Camino Real South-West (ECR SW)	25	30	40	50

Note: Density, FAR, and height would remain as-is for the ECR SE and ECR NE-R subdistricts.

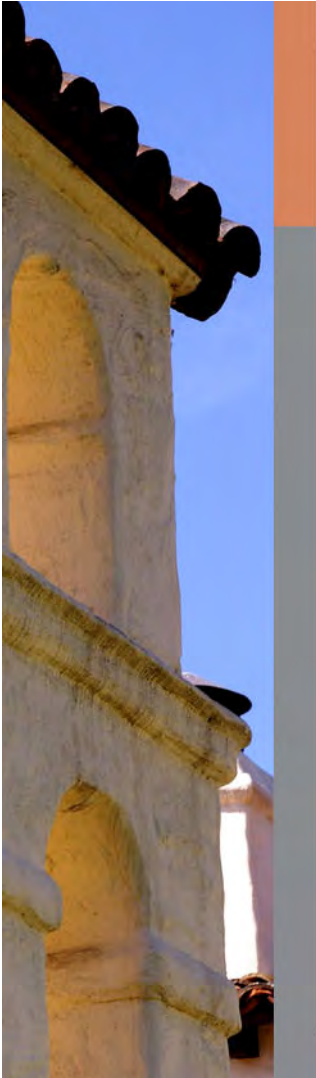


PROPOSED DOWNTOWN DEVELOPMENT STANDARDS



Select Existing and Proposed Development Standards for Downtown Subdistrict		
Development Standard	Existing	Proposed
Maximum Base FAR	2.00	2.00
Maximum Public Benefit Bonus FAR	2.25	2.25
Maximum Step Up Base FAR	N/A	2.40*
Maximum Step Up Public Benefit Bonus FAR	N/A	3.00*
Base Residential Density	25 du/ac max.	20 du/ac min. / 40 du/ac max.
Public Benefit Bonus Residential Density	40 du/ac max.	20 du/ac min. / 60 du/ac max.
Maximum Building Height	38 ft	50-60 ft**
Maximum Public Façade Height	30 ft	38 ft

*Step up FAR would be available to developments that provide between 50 percent and 65 percent of the overall building FAR toward residential uses and one of the following options: a) a minimum 50 percent of units with two or more bedrooms including 5 percent of units with three or more bedrooms, or b) all for-sale units.
 **The maximum height for buildings with a residential density of 20 to 40 du/ac would be 50 feet. For buildings with a density over 40 du/ac, 60 feet would be the maximum.



OTHER PROPOSED SPECIFIC PLAN CHANGES

- Development standards for six other subdistricts would be modified
- The limit of 680 residential units in the Specific Plan area would be removed
- A minimum density of 20 du/ac would be required to set a basic floor for residential development
- Minimum parking rate would be removed; maximum parking rates may be established

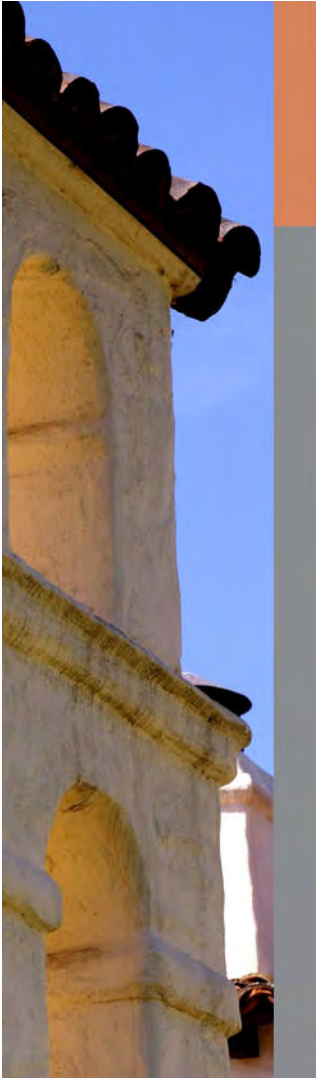




PROPOSED COMMERCIAL ZONING DISTRICTS



Commercial Districts Existing and Proposed Residential Densities (in du/ac)		
District	Proposed Change	Proposed Density
Administrative and Professional, Restrictive (C-1)	Add new residential mixed use regulations	30 du/ac max.
Administrative and Professional (C-1-A)	Combine with C-2-B	30 du/ac max.
Administrative, Professional and Research, Restrictive (C-1-C)	Maintain	AHO/Carveout Only
Neighborhood Shopping (C-2)	Combine Most Parcels with C-2-B	30 du/ac max.
Neighborhood Shopping, Restrictive (C-2-A)	Combine with C-2-B	30 du/ac max.
Neighborhood Mixed Use, Restrictive (C-2-B)	Maintain	30 du/ac max.
Neighborhood Commercial, Special (C-2-S)	Combine with C-2-B	30 du/ac max.
General Commercial (C-4)	Combine with C-2-B or similar	30 du/ac max.
Office (O)	Rezone portion to new O-R district	20-30 du/ac max.



OTHER PROPOSED COMMERCIAL ZONING DISTRICT CHANGES



- 10,000 square-foot minimum lot size requirement for R-3 properties located around downtown would be removed
- “Carveout” residential development would be permitted on certain housing opportunity sites included in the City’s 6th Cycle RHNA housing inventory.
 - Intent would be to allow housing development of one or two acres that could be located anywhere on the applicable parcels



PROPOSED AFFORDABLE HOUSING OVERLAY CHANGES



- Designed to encourage development of affordable units for low, very low, and extremely low income households
- Would be expanded to include all 6th Cycle RHNA housing opportunity sites, in addition to the Specific Plan area
- Would be modified to work in combination with the state density bonus law on a site
- AHO density bonus for any applicable site would be set at 55 du/ac minus the base density of the underlying zoning for the site. By applying the AHO:
 - Developments that qualify for the maximum state density bonus of 50 percent could achieve a development with a total density of up to 83 du/ac
 - 100 percent affordable developments that qualify for the state density bonus of 80 percent achieve a development with a total density of up to 99 du/ac



PROPOSED AFFORDABLE HOUSING OVERLAY CHANGES

- Examples

Example AHO Application to C-1 Zoned Parcel with 80 Percent State Density Bonus

Acres	Max Density	Max Base Units	AHO Density Bonus	AHO Bonus Units	Base Units + AHO Bonus Units	80% State Density Bonus Units	Total Units	Total Density
(A)	(B)	A*B=(C)	55-B=(D)	A*D=(E)	C+E=(F)	F*.80=(G)	F+G=(H)	H/A=(I)
1.0	30 du/ac	30 units	25 du/ac	25 units	55 units	44 units	99 units	99 du/ac

Example AHO Application to C-1 Zoned Parcel with 50 Percent State Density Bonus

Acres	Max Density	Max Base Units	AHO Density Bonus	AHO Bonus Units	Base Units + AHO Bonus Units	50% State Density Bonus Units	Total Units	Total Density
(A)	(B)	A*B=(C)	55-B=(D)	A*D=(E)	C+E=(F)	F*.50=(G)	F+G=(H)	H/A=(I)
1.0	30 du/ac	30 units	25 du/ac	25 units	55 units	28 units	83 units	83 du/ac



PLANNING COMMISSIONER COMMENTS

- Proposed changes to densities, FARs, and heights in Specific Plan area should increase further
- Create adequate open space and recreation facilities on- and off-site for new developments
- Set building façade heights near low-density residential lower than max building heights
- Remove minimum parking rates and explore max rates in Specific Plan area
- Consider removing requirement for certain single-family residents to obtain use permits
- Combine parcels of similar size in C-1-A, C-2, C-2-A, C-2-B, C-2-S, and C-4 zoning districts into single district with C-2-B mixed-use zoning as a starting point



THANK YOU



December 6, 2022

Re: Agenda Item H1 - Housing Element

Dear Council Members and staff,

Thank you for considering updates to the City's housing element as we move toward the deadline for submission to the state.

Menlo Together and HLC are eager to see the City submit a housing element that fulfills our legal mandate and addresses the intent of the law to spur the creation of housing at all income levels, especially affordable housing, and to affirmatively further fair housing.

A solid Housing Element will enable our city to be home to people of different ages, incomes, and abilities. It will also retain the land use control that we have. If the Housing Element is not accepted, the City will lose control over housing developments that meet certain criteria through the "Builders Remedy". And if we underperform, SB35 will enable similar project streamlining for developments that include affordable housing.

We had earlier sent a letter that commented on the Housing Element Sites as well as Policies and Programs, and follow up letters responding to the HCD Review of our Draft Housing Element:

[June 3, 2022 - Opportunity Sites and Programs](#)

[November 13, 2022 - Tenant Protections](#)

[November 13, 2022 - Opportunity Sites and Production-related Programs](#)

With regard to Sites, we still see significant weaknesses. With regard to Policies and Programs, the staff recommendation has significant improvements but there are important clarifications and improvements required.

Sites

The recommendations in the staff report include mathematical changes that make our site inventory appear to generate more affordable housing than the prior draft. However, the city has not yet added new sites or changed policies as needed to make current sites feasible for new homes. The numerical changes do not address the underlying constraints to development on the city's chosen sites.

- Willow Village

- As mentioned in item 3c from our Nov 13th letter, the realistic capacity must be adjusted down by a minimum of 44% (42+96), with more analysis of other risks to the project such as the recent layoffs at Meta. We see these changes have not been made or addressed.
- Sand Hill sites
 - The city's housing element uses transparent legal gimmicks to justify inclusion of the Sand Hill sites in the inventory, such as counting some of the sites for exclusively above moderate-income housing. Under current zoning, no housing will be built on these sites, and they should be rezoned significantly or removed from the inventory.
- Downtown.
 - The staff report notes that changes to Downtown are at the discretion of the Council. We strongly support making changes now. **For years Council and Staff have said that the time to revisit and upzone Downtown is during the Housing Element. That time is now.**
- Constraints on sites
 - Development standards. On p H-1.15 of the staff report, in response to HCD's letter, the city commits to reviewing and updating development standards in Program H4.M. However the timelines and objectives of H4.M only mention parking standards. **The city needs to set a timeline and clear objectives for updating development standards (FAR, height, lot coverage, etc.) to align with all other housing element goals and changes.**
 - FAR. The recommendation justifies the city's FAR policies by asserting that they are similar to nearby cities. However, HCD has identified FAR as a constraint to development in those cities.
- Methodology
 - We remain concerned about the lack of supporting evidence, and contradicting evidence that landowners will be willing to redevelop.
 - The City has increased the number of projected affordable units in its site inventory by applying the Affordable Housing Overlay. The Housing Element analysis assumes every parcel located within the overlay will use it to the maximum allowable extent, in combination with the state density bonus program. **There is no historical evidence to justify this happening.**
 - Numerous non-vacant sites are assumed to accommodate 100% very low income housing. This remains implausible; Menlo Park has no track record of similar development, as affordable housing almost always includes some low- and moderate-income housing. Menlo Park should adjust its affordability assumptions to reflect past development trends.
 - We continue to request that any sites where the property owner has expressed a clear disinterest in developing housing be removed. The housing element recognizes that Divco, the owner of 2400 Sand Hill Road (Quadrus, Site #4) and 2700 Sand Hill Road (Site #49), requested removal of its sites from the inventory due to disinterest in developing housing at proposed densities.
 - In contrast, two other property owners, David Bohannon and First Church of Christ, Scientist, requested inclusion of their properties in the inventory at realistic densities.
 - We request that staff make public the per-site projections (i.e. site sheets) so that the public has a chance to review and comment on specific sites, just like with previous drafts.

Policies and Programs

- We note with appreciation the increased rigor and additions made to Program H.2.E. Anti-Displacement Strategy, and ask that the city clarify the contradictions between section H.2.E and Table 4-24 Fair Housing Issue, Contributing Factors, and City Actions section C, in favor of the more robust descriptions in Program H2.E.
- Significant public funds will be required for 100% affordable housing to pencil out. Menlo Park issued \$10M from our BMR Fund in early 2021 and needs to replenish the coffers. The Housing Element must prioritize increasing commercial impact and in-lieu fees (Program H4.D), and revamping the BMR Guidelines to ensure we produce BMR homes that meet the needs of the populations most impacted by housing insecurity.
- H1.I, "Utilize the City's Below Market Rate Housing Fund," promises to release a NOFA at least every 2 years, starting with a \$2 million NOFA in 2023. We already have a commitment to release a NOFA at least every two years, and we were due to release one by November 2022. In addition, the housing element does not describe how the NOFA funds will be prioritized or leveraged.
- H2.C, "Assist in Implementing Housing Rehabilitation" Program should be very specific about what actions are required to achieve the desired outcomes. The City allocated \$1.2M for this Habitat for Humanity program in January 2021 as part of the November 2020 NOFA. Nearly two years later, we should know precisely what is needed, by when, and by whom, in order to achieve this program's promise to improve health and safety for our lower income Belle Haven seniors.
- H2.E, "Anti-Displacement Strategy," needs clearer commitments and more aggressive implementation timelines.
 - We would like to see a commitment to implement effective anti-displacement programs on a much shorter timeline than articulated. If not, many people will be displaced between now and 2027, the current milestone for completion
 - Much community outreach has been completed. Review the feedback, and act. Follow the lead of front-line organizations in the Anti-Displacement Coalition.
 - Commit to implementing "Just Cause for Eviction for tenants of any tenure" rather than a plan to consider the program.
 - Per our previous letter and the [letter sent to several cities from the San Mateo County Anti-Displacement Coalition](#), we hope to see the current item, "Increase the time of rent relocation assistance" changed to "**Expand relocation payments for all no-fault evictions to cover a minimum of four months rent.**" As explained in the ADC letter, "State law only provides for relocation payments equal to one month of the tenant's rent, which is inadequate to cover the costs of moving, security deposits, first and last month's rent at a new rental unit, and increased rent levels. These are all unplanned expenses for the tenant, and the tenant should be reasonably compensated commensurate with the loss of their housing through no fault of their own. A local just cause ordinance should cover a minimum of four months of the tenant's rent to cover the full costs of relocation for all no-fault evictions, with additional payments for tenants who are low-income, disabled, elderly, have minor children, or are long-term tenants.
 - We agree with the goal to "Create an eviction monitoring and data collection program". We would like to see more detail and an accelerated timeline.

- H4.G, "Consider City-Owned Land for Housing," makes a concrete commitment to build 345 affordable units on a (mostly) reasonable timeline, which we appreciate. On an optimistic schedule, affordable housing developments take ~4 years; **it is unrealistic to claim those projects will be completed in 2028**, the HE's current projection.
- H4.L, "Modify El Camino Real/Downtown Specific Plan," commits to "adopt" changes rather than "consider" them, a small but important change. Still, **a base density of 30 du/ac is too low to incentivize any type of housing**. This is backed by letters from both market rate and affordable developers, including MidPen and David Bohannon.
 - Furthermore, we would like to see more evidence justifying the proposed complex web of bonuses and incentives for downtown zoning, rather than a more bold and general approach of significantly loosening all constraints such that development is irresistible.
- Program H4.O describes a potentially impactful SB 10 overlay. We see this as an opportunity to make every neighborhood more inclusive by creating a diversity of housing types everywhere in the city. **We encourage the broadest possible application of the SB10 overlay.**

Thank you for your consideration

The Menlo Together Team