

HOUSING COMMISSION AGENDA

Regular Meeting
Wednesday, May 06, 2015 at 5:30 PM
City Council Conference Room
City Hall / Administration Building, 1st Floor
701 Laurel Street, Menlo Park, CA 94025

CALL TO ORDER

ROLL CALL - Cadigan, Calder, Clarke (Chair), Dodick (Vice Chair), Tate.

A. PUBLIC COMMENT (Limited to 30 minutes)

Under "Public Comment", the public may address the Commission on any subject not listed on the agenda. Each speaker may address the Commission once under Public Comment for a limit of three minutes. Please clearly state your name. The Commission cannot act on items not listed on the agenda and, therefore, the Commission cannot respond to non-agenda issues brought up under Public Comment other than to provide general information.

B. REGULAR BUSINESS

- **B1.** Recommendation of a Below Market Rate Housing In-Lieu Fee Term Sheet with Tarlton Properties, Inc. for Commercial Linkage Fees for 1315 O'Brien Drive. (Attachment)
- **B2.** Recommendation of a Below Market Rate Housing Agreement Term Sheet with Hunter Properties for 133 Encinal Avenue (<u>Attachment</u>)

C. REPORTS AND ANNOUNCEMENTS

- **C1.** Commission Member Updates
- C2. Staff Updates
- D. INFORMATION ITEMS None.
- E. ADJOURNMENT

This Agenda is posted in accordance with Government Code §54954.2(a) or §54956. Members of the public can view electronic agendas and staff reports by accessing the City website at http://www.menlopark.org and can receive e-mail notification of agenda and staff report postings by subscribing to the "Notify Me" service on the City's homepage at www.menlopark.org/notifyme. Agendas and staff reports may also be obtained by contacting Clay Curtin, at 650-330-6615. (Posted 5/1/15)

At every Regular Meeting of the Commission, in addition to the Public Comment period where the public shall have the right to address the Commission on any matters of public interest not listed on the agenda, members of the public have the right to directly address the Commission on any item listed on the agenda at a time designated by the Chair, either before or during the Commission's consideration of the item.

At every Special Meeting of the Commission, members of the public have the right to directly address the Commission on any item listed on the agenda at a time designated by the Chair, either before or during consideration of the item.

Any writing that is distributed to a majority of the Commission by any person in connection with an agenda item is a public record (subject to any exemption under the Public Records Act) and is available for inspection at the Menlo Park Library, 800 Alma Street, Menlo Park, CA 94025 during regular business hours.

Persons with disabilities, who require auxiliary aids or services in attending or participating in Commission meetings, may call the City Clerk's Office at (650) 330-6620.

MEMORANDUM



DATE: May 6, 2015

TO: Housing Commission

FROM: Kyle Perata, Associate Planner

RE: Agenda Item B1: Recommendation of a Below Market Rate

Housing In-Lieu Fee Term Sheet with Tarlton Properties, Inc.

for Commercial Linkage Fees for 1315 O'Brien Drive.

SITE LOCATION

The project site is approximately 11.2 acres and is identified as Assessor's Parcel Number 055-472-030 ("Property"). The subject property is addressed 1315 O'Brien Drive and is located at the corner of O'Brien Drive and Adams Drive, within the Menlo Business Park. The lot is a through lot, and the rear lot line is adjacent to Adams Court, which also allows access to the site parking lots. The subject site is occupied by one building, containing a combination of warehouse and office uses, comprising approximately 217,770 square feet.

PROJECT DESCRIPTION

The applicant, Tarlton Properties Inc., is requesting a use permit and architectural control for the conversion of an existing, approximately 217,770 square foot building from warehouse and office uses to office, research and development (R&D), and warehousing uses, located within the M-2 (General Industrial) zoning district. The applicant proposes to demolish a portion of the existing building to create two buildings. As part of the project, the applicant proposes to expand the second level within one of the newly remodeled buildings, which would result in the reconstruction of the existing square footage. The total gross floor area is not anticipated to change, but the Group A (Office/R&D) and Group B (Other commercial uses) square footages would shift. The project plans are included for reference as Attachment B. The proposed plans are preliminary and subject to change as staff review proceeds. The use permit and architectural control requires review and approval by the Planning Commission at a public hearing, which has not been scheduled at this time.

Housing Commission Meeting of May 6, 2015 1315 O'Brien Drive BMR Agreement Term Sheet Page 2

The applicant is required to comply with Chapter 16.96 of City's Municipal Code, ("BMR Ordinance"), and with the BMR Housing Program Guidelines adopted by the City Council to implement the BMR Ordinance ("Guidelines"). At this time, the Housing Commission should review the draft BMR In Lieu Fee Agreement Term Sheet and provide guidance to staff, the applicant, and the Planning Commission. The draft Term Sheet would be used to inform the BMR In Lieu Fee Agreement, which would subsequently be reviewed by the Planning Commission.

RESIDENTIAL DEVELOPMENT COMPONENT

Residential use of the property is not allowed in the M-2 (General Industrial) zoning district and subsequently would not be consistent with the Limited Industry General Plan Land Use Designation. The subject site is located within the Menlo Business Park, which is also zoned M-2 (General Industrial), and the adjacent buildings are occupied by a combination of manufacturing, R&D, warehousing, and office uses. The developer does not own any sites in the city that are available and feasible for construction of sufficient below market rate units to satisfy the requirements of the BMR Ordinance. For this specific project, the residential unit equivalent is three units. Based on these facts, staff has found that development of such units on-site or off-site in accordance with the requirements of the BMR Ordinance and Guidelines is not feasible.

BMR HOUSING PROGRAM REQUIREMENT

The developer shall pay the applicable in lieu fee as provided in the BMR Ordinance and Guidelines. The draft BMR Agreement Term Sheet (Attachment A) has been reviewed by City staff for compliance with the BMR ordinance. To streamline the review process for applicants, the draft Term Sheet is being reviewed at this time; however, the formal BMR In Lieu Fee Agreement would be reviewed by the Planning Commission as part of the final actions on the project. The in lieu fee will be calculated as set forth in the table below; however, the applicable fee for the Project will be based upon the per square foot fee in effect at the time of payment and the proposed square footages within Group A and Group B at the time of payment.

Housing Commission Meeting of May 6, 2015 1315 O'Brien Drive BMR Agreement Term Sheet Page 3

	Use Group	Fee/SF	Square Feet	Component Fees
Existing Building - Office Areas	A-Office/R&D	\$15.19	57,687	(\$876,265.53)
Existing Building - Non-Office Areas	B- Non-Office	\$8.24	160,083	(\$1,319,083.92)
Proposed Building- Office/R&D Areas	A-Office/R&D	\$15.19	180,000	\$2,734,200.00
Proposed Building- Non-Office Areas	B- Non-Office	\$8.24	37,770	\$311,224.80
Total Estimated In Lieu Fee				\$850,075.35

RECOMMENDATION

Staff recommends that the Housing Commission recommend to the Planning Commission that they approve the proposed Below Market Rate Housing In-Lieu Fee Term Sheet.

ATTACHMENTS

- A. Draft BMR In Lieu Fee Agreement Term Sheet
- B. Project Plans

V:\STAFFRPT\HC\2015\050615 - BMR Agreement 1315 O'Brien Drive.doc

1315 O'Brien Drive

Draft Below Market Housing (BMR) In Lieu Fee Agreement Term Sheet

- 1. Applicant owns property known as Assessor's Parcel Number: 055-472-030 ("Property"), more commonly known as 1315 O'Brien Drive, Menlo Park;
- 2. Applicant has applied for a use permit to change the uses within the building, which would result in an increase in Group A (Office/R&D) uses within the building. The Subject building is greater than 10,000 square feet in gross floor and therefore, Applicant is required to comply with Chapter 16.96 of City's Municipal Code ("BMR Ordinance") and with the Below Market Rate Housing Program Guidelines ("Guidelines") adopted by the City Council to implement the BMR Ordinance;
- 3. Applicant proposes to demolish a portion of the existing building and create two buildings, while expanding the second level within the front building, which would result in an increase in R&D/office uses at the subject site. However, the proposed project is intended to not result in an increase in the overall gross floor area (GFA) of the subject buildings.
- 4. Property is located within the M-2 (General Industrial) zoning district and the Limited Industry land use designation in the City of Menlo Park;
 - a. Property's land use and zoning designations do not permit residential uses;
- 5. Applicant does not own any other sites within the City that are zoned for residential land uses;
- 6. Consistent with other application for a change of use or new construction within the M-2 zoning district, the applicant is proposing to pay the BMR in-lieu fee:
 - a. The in-lieu fee is estimated at \$850,075.35:
 - b. The equivalent unit requirement is 2.71, which would be rounded to three units, however;
 - i. Zoning does not allow for residential uses;
 - ii. Applicant does not own any property that would allow residential uses;
 - c. Therefore, the applicant is proposing to pay the in-lieu fee, which would be adjusted based on the existing and proposed square footages within Group A and Group B at the time of building permit issuance. The applicable fee per square foot is adjusted annually on July 1. The table in Item 7 shows the proposed in-lieu fee and its calculation.

7. The table below provides the estimated in lieu fee:

	Use Group	Fee/SF	Square Feet	Component Fees
Existing Building - Office Areas	A-Office/R&D	\$15.19	57,687	(\$876,265.53)
Existing Building - Non-Office Areas	B- Non-Office	\$8.24	160,083	(\$1,319,083.92)
Proposed Building- Office/R&D Areas	A-Office/R&D	\$15.19	180,000	\$2,734,200.00
Proposed Building- Non- Office Areas	B- Non-Office	\$8.24	37,770	\$311,224.80
Total Estimated In Lieu Fee				\$850,075.35

ATTACHMENT B



MENLO BUSINESS PARK LOT 3

1315 O'BRIEN DRIVE

PRELIMINARY PLANNING APPLICATION

MARCH 31, 2015

SITE INFORMATION	
SITE AREA	487,916 SF/11.2 ACR
ZONING DESIGNATION	M-2

EXISTING BUILDING

GROSS BUILDING AREA (PER APPROVED PERMIT PLAN SET DATED JULY 6, 1987)

FIRST FLOOR	160,083 SQ. FT.
SECOND FLOOR	57.687 SQ. FT.
TOTAL	217,770 SQ. FT.

0.45

FAR

PARKING 276 CARS

BUILDING HEIGHT 35 FEET

PROPOSED PROJECT

FAR

BUILDING 3A:		BUILDING USE AREA:	
FIRST LEVEL	71,250 SQ. FT.	R&D OFFICE	180,000 SQ. FT.
SECOND LEVEL	69,266 SQ. FT.	WAREHOUSE	37,770 SQ, FT.
ROOF LEVEL	4,263 SQ, FT.	TOTAL	217,770 SQ. FT.
TOTAL	144,779 SQ. FT.		
BUILDING 3B:		PARKING PROVISION	
FIRST FLOOR	65,464 SQ. FT.	R&D OFFICE	347 CARS (1/519)
SECOND FLOOR	7,527 SQ. FT.	WAREHOUSE	38 CARS (1/1000)
TOTAL	72,991 SQ. FT.	TOTAL	385 CARS
TOTAL "GBA"	217,770 SQ. FT.	BUILDING HEIGHT	35 FEET (EXCEPT CANOPY)

.45





(EXCEPT CANOPY)

PARKING PROVIDED: 385 STALLS

- **NEW PARKING STALLS** (8'6" x 16'6")
- ←--> 26' WIDE FIRETRUCK ROUTE
- EXISTING PARKING AREAS ARE RE-STRIPED TO COMPLY WITH CURRENT CODE (8'6" x 16'6")
- EXISTING DRIVEWAYS ARE 23' WIDE MIN. AND WILL REMAIN EXCEPT AS INDICATED ON PLAN
- (E) LOW-EMISSION CARPOOL EV
- **EV READY**





20 LANDSCAPE

ADAMS COURT

(E) LANDSCAPE RESERVE TO REMAIN

2-STORY R&DAWAREHOUSE

BLDG

2-STORY R&D BLDG

O'BRIEN DRIVE

PROPERTY LINE

NO LANDSCAPE SETBACK

REMOVE/ REBUILD CURBS

FOR NEW PARKING STALLS

REMOVE ONE LOADING BAY

FOR LANDSCAPING BUFFER.

RETAINING WALL OR RAILING MAY BE REQUIRED

NEW DRIVE-THROUGH, HEAVY LANDSCAPING TO

"NARROWER" DRIVEWAY

ADJUST CONCRETE CURB AND RE-STRIPE PARKING STALLS TO

EXISTING TRANSFORMER AND GAS METERS TO REMAIN

ALLOW FOR 26' DRIVEWAY

NEW TREE-DIAMONDS (MORE THAN EXISTING NUMBER TO PROVIDE MORE SHADE AND TREES)

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1315 O'BRIEN DRIVE, MENLO PARK, CA

Tarlton Properties Inc.

NEW PARKING STALLS (86 X 166)

EXISTING UTILITIES TO REMAIN

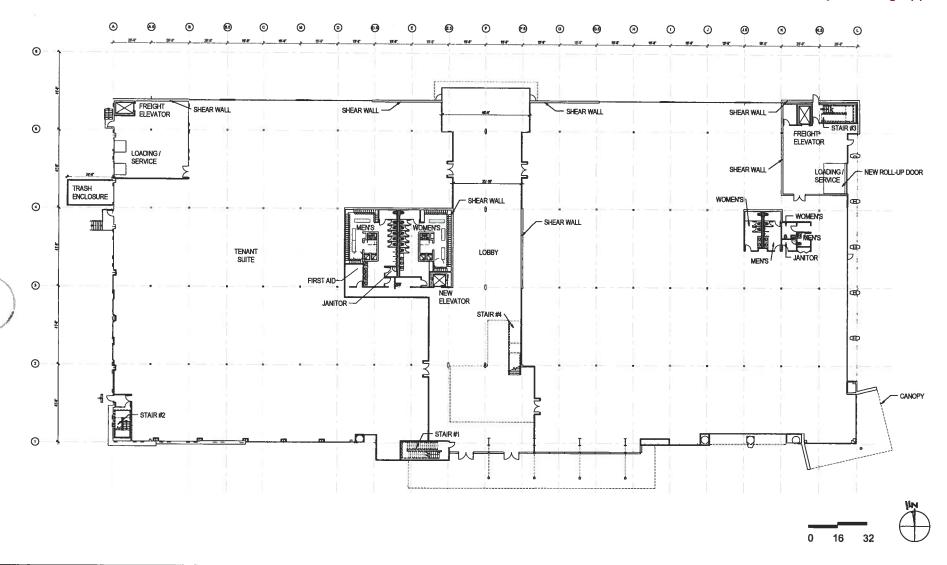
NEW LANDSCAPING AREA

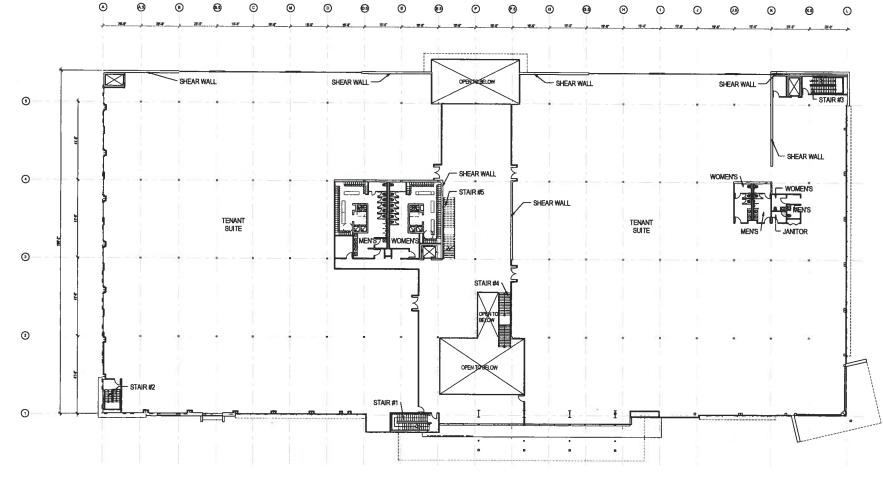
RE-STRIPED PARKING STALLS,

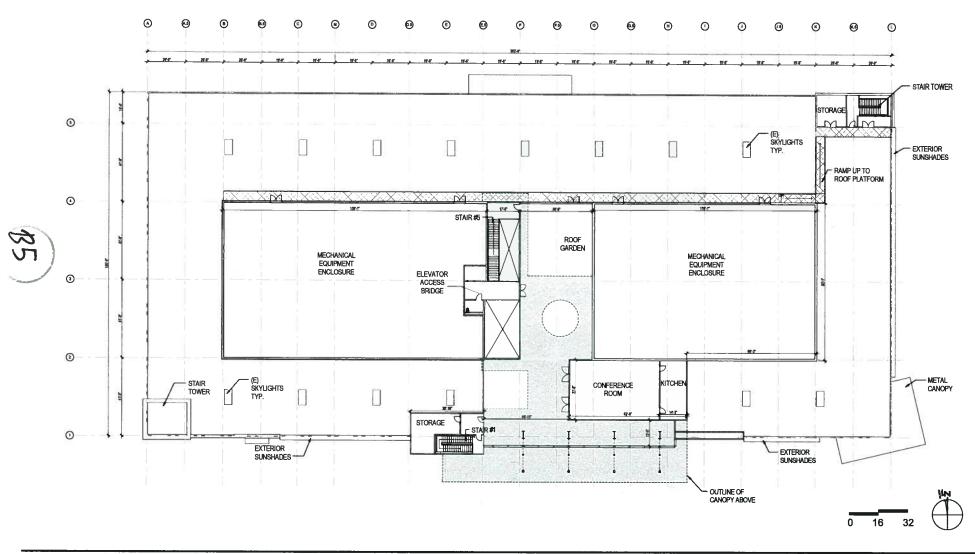
NEW TREE DIAMONDS:

ADJUST CURBS

NEW CURBS AND RAMP



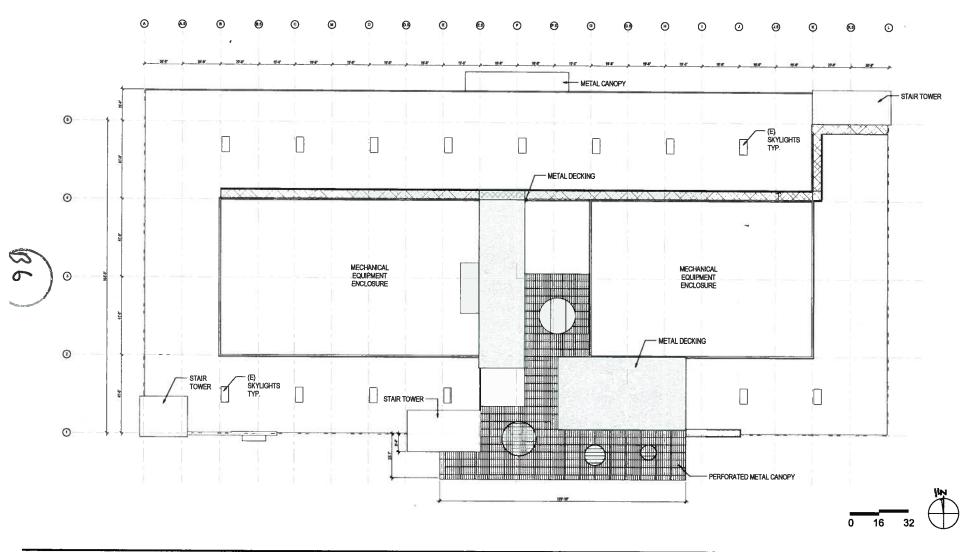






MENLO BUSINESS PARK - LOT 3

1315 O'BRIEN DRIVE, MENLO PARK, CA

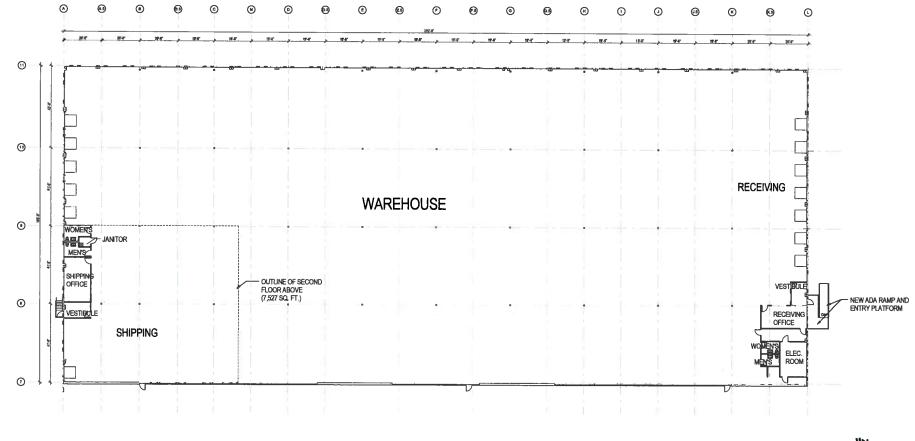




MENLO BUSINESS PARK - LOT 3

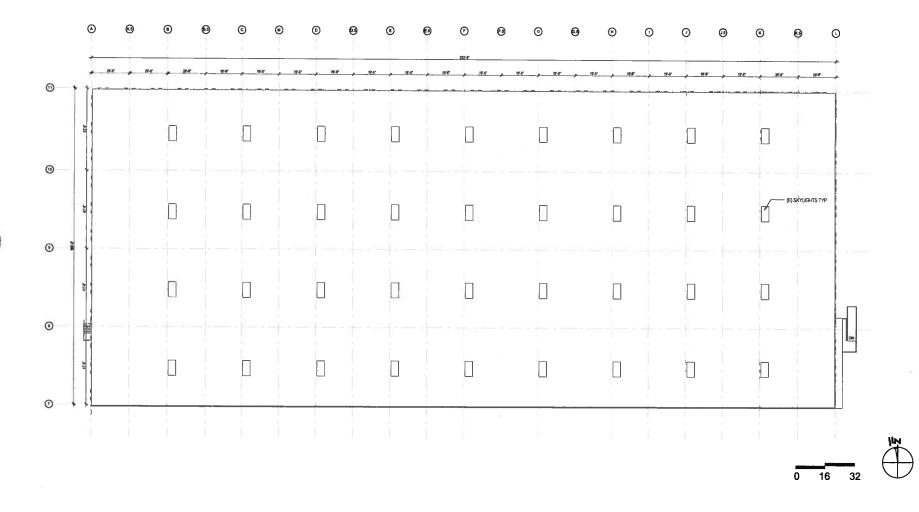
1315 O'BRIEN DRIVE, MENLO PARK, CA

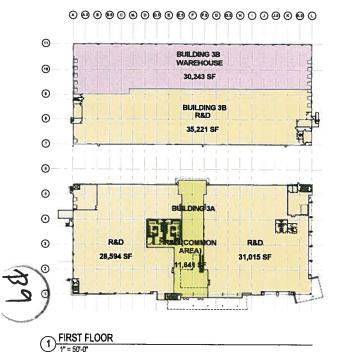












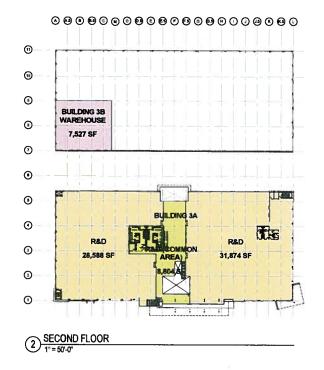
BUILDING 3A FIRST FLOOR:

R&D

71,250 S.F.

BUILDING 3B FIRST FLOOR:

R&D 35,221 S.F. WAREHOUSE 30,243 S.F. TOTAL 65,464 S.F.



BUILDING 3A SECOND FLOOR:

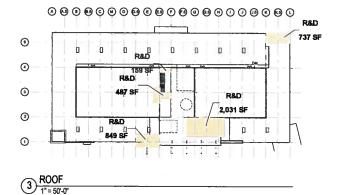
R&D

69,266 S.F.

BUILDING 3B SECOND FLOOR:

WAREHOUSE

7.527 S.F.



BUILDING 3A ROOF:

R&D

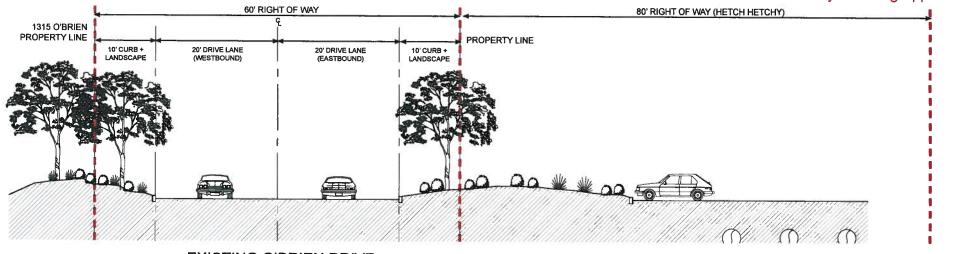
4,263 S.F.

TOTAL BUILDING USE FOR BOTH 3A AND 3B:

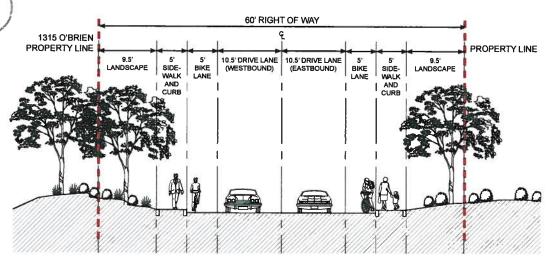
R&D 180,000 S.F. WAREHOUSE 37,770 S.F. TOTAL 217,770 S.F.







EXISTING O'BRIEN DRIVE



COBRIEN DRIVE

PROPOSED O'BRIEN DRIVE



MENLO BUSINESS PARK - LOT 3

1315 O'BRIEN DRIVE, MENLO PARK, CA

Tarlton Properties Inc.

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Proposed Schematic Street Section

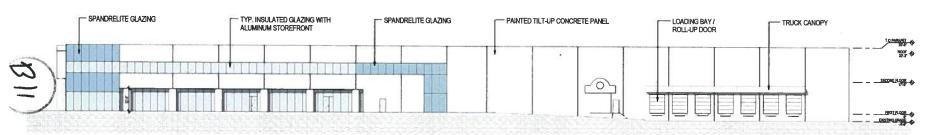




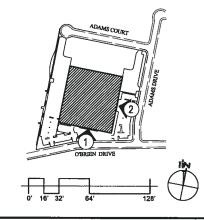


EXISTING SOUTH ELEVATION

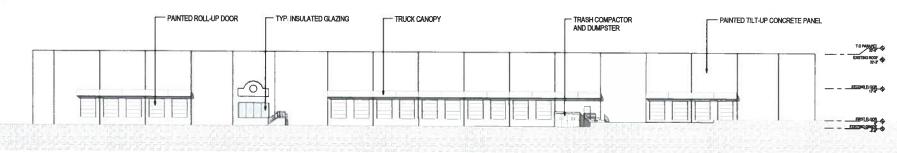
1/32" = 1'-0"



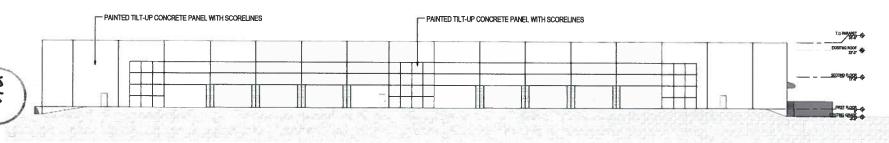
2 EXISTING EAST ELEVATION





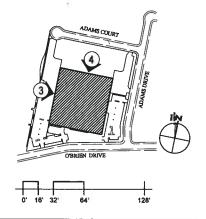


3 EXISTING WEST ELEVATION

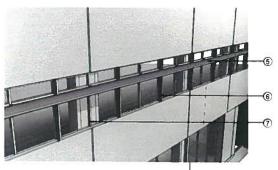


4 EXISTING NORTH ELEVATION

1/32" = 1'-0"







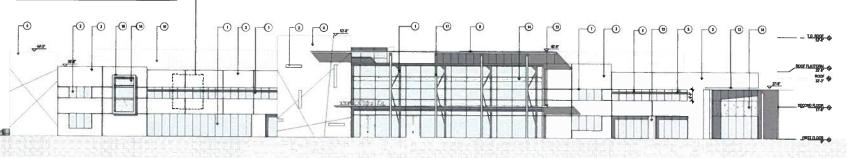
TYPICAL WINDOW/ SUNSHADE DETAIL

MATERIALS/FINISHES

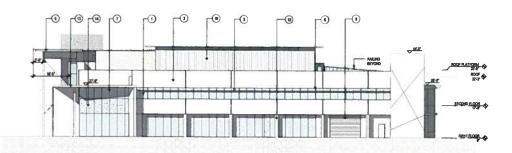
- LOW-E, SLIGHTLY TINTED, DOUBLE GLAZED STOREFRONTS AND GLASS WALLS
- PUNCHED WINDOW OPENINGS WITH LOW-E GLAZING
- PAINTED CONCRETE WALL WITH WALL SCORELINES
- PAINTED BOARD-FORM CONCRETE WITH WALL SCORELINES
- PAINTED METAL SUNSHADES
- PAINTED SNAP-ON METAL FINS/SUNSHADES
- KYNAR FINISH ALUMINUM MULLIONS
- PERFORATED METAL PANEL ROOF CANOPY SUPPORTED BY METAL STRUCTURE

MATERIALS/FINISHES

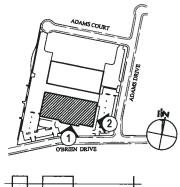
- PAINTED METAL ROLL-UP DOOR
- METAL ROOFSCREEN FOR MECHANICAL EQUIPMENT
- 11 PAINTED CONCRETE SHEAR WALLS TO MATCH EXISTING WALLS
- **EXISTING COLUMNS IN METAL CASING**
- PAINTED METAL CANOPY WITH METAL PANELS
- SANDBLASTED CONCRETE SURFACE OR PERFORATED METAL PANEL BEHIND GLAZING
- PAINTED CEMENT PLASTER FINISH
- 16 PAINTED METAL PANEL
- PAINTED METAL K-BRACES AND COLUMNS

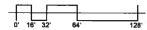


1) BUILDING 3A - SOUTH ELEVATION (FRONT)



2 BUILDING 3A - EAST ELEVATION (SIDE)







1315 O'BRIEN DRIVE, MENLO PARK, CA





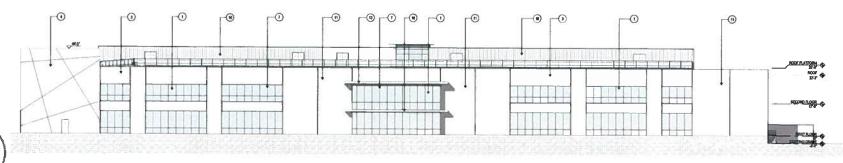


MATERIALS/FINISHES

- LOW-E, SLIGHTLY TINTED, DOUBLE GLAZED STOREFRONTS AND GLASS WALLS
- PUNCHED WINDOW OPENINGS WITH LOW-E
- 3 PAINTED CONCRETE WALL WITH WALL SCORELINES
- PAINTED BOARD-FORM CONCRETE WITH WALL SCORELINES
- PAINTED METAL SUNSHADES
- PAINTED SNAP-ON METAL FINS/SUNSHADES
- KYNAR FINISH ALUMINUM MULLIONS
- PERFORATED METAL PANEL ROOF CANOPY SUPPORTED BY METAL STRUCTURE

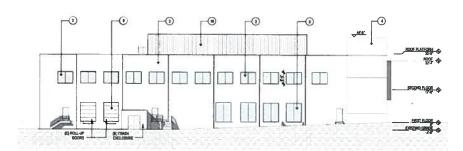
MATERIALS/FINISHES

- PAINTED METAL ROLL-UP DOOR
- METAL ROOFSCREEN FOR MECHANICAL EQUIPMENT
- PAINTED CONCRETE SHEAR WALLS TO MATCH **EXISTING WALLS**
- EXISTING COLUMNS IN METAL CASING
- 13 PAINTED METAL CANOPY WITH METAL PANELS
- SANDBLASTED CONCRETE SURFACE OR PERFORATED METAL PANEL BEHIND GLAZING
- 15 PAINTED CEMENT PLASTER FINISH
- PAINTED METAL PANEL
- PAINTED METAL K-BRACES AND COLUMNS

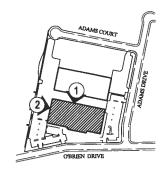


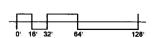


BUILDING 3A - NORTH ELEVATION (REAR)



2 BUILDING 3A - WEST ELEVATION (SIDE)









MENLO BUSINESS PARK - LOT 3

1315 O'BRIEN DRIVE, MENLO PARK, CA



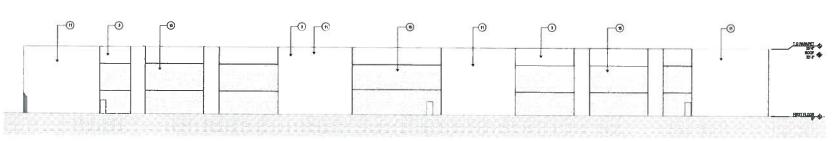


MATERIALS/FINISHES

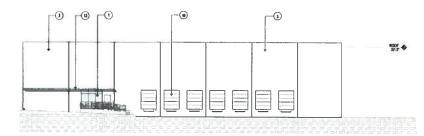
- 1 LOW-E, SLIGHTLY TINTED, DOUBLE GLAZED STOREFRONTS AND GLASS WALLS
- 2 PUNCHED WINDOW OPENINGS WITH LOW-E GLAZING
- 3 PAINTED CONCRETE WALL WITH WALL SCORELINES
- 4 PAINTED BOARD-FORM CONCRETE WITH WALL SCORELINES
- PAINTED METAL SUNSHADES
- 6 PAINTED SNAP-ON METAL FINS/SUNSHADES
- 7 KYNAR FINISH ALUMINUM MULLIONS
- 8 PERFORATED METAL PANEL ROOF CANOPY SUPPORTED BY METAL STRUCTURE

MATERIALS/FINISHES

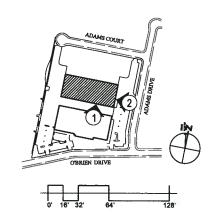
- 9 PAINTED METAL ROLL-UP DOOR
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- 11 PAINTED CONCRETE SHEAR WALLS TO MATCH EXISTING WALLS
- 12 EXISTING COLUMNS IN METAL CASING
- 13 PAINTED METAL CANOPY WITH METAL PANELS
- 14 SANDBLASTED CONCRETE SURFACE OR PERFORATED METAL PANEL BEHIND GLAZING
- 15 PAINTED CEMENT PLASTER FINISH
- 16 PAINTED METAL PANEL
- 17 PAINTED METAL K-BRACES AND COLUMNS



BUILDING 3B - SOUTH ELEVATION
1/32" = 1'-0"



2 BUILDING 3B - EAST ELEVATION





MENLO BUSINESS PARK - LOT 3

1315 O'BRIEN DRIVE, MENLO PARK, CA

Tarlton Properties Inc.

Building 3B: Proposed Schematic Building Elevations



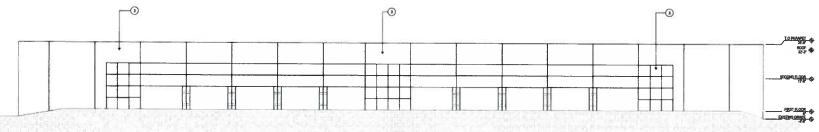


MATERIALS/FINISHES

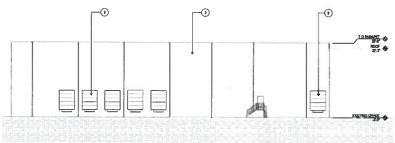
- LOW-E, SLIGHTLY TINTED, DOUBLE GLAZED STOREFRONTS AND GLASS WALLS
- PUNCHED WINDOW OPENINGS WITH LOW-E 2
- 3 PAINTED CONCRETE WALL WITH WALL SCORELINES
- PAINTED BOARD-FORM CONCRETE WITH WALL **SCORELINES**
- PAINTED METAL SUNSHADES
- PAINTED SNAP-ON METAL FINS/SUNSHADES
- KYNAR FINISH ALUMINUM MULLIONS
- PERFORATED METAL PANEL ROOF CANOPY SUPPORTED BY METAL STRUCTURE

MATERIALS/FINISHES

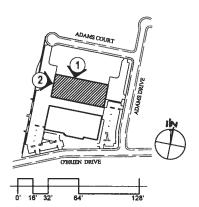
- PAINTED METAL ROLL-UP DOOR
- METAL ROOFSCREEN FOR MECHANICAL **EQUIPMENT**
- PAINTED CONCRETE SHEAR WALLS TO MATCH **EXISTING WALLS**
- EXISTING COLUMNS IN METAL CASING 12
- 13 PAINTED METAL CANOPY WITH METAL PANELS
- SANDBLASTED CONCRETE SURFACE OR PERFORATED METAL PANEL BEHIND GLAZING
- 15 PAINTED CEMENT PLASTER FINISH
- 16 PAINTED METAL PANEL
- PAINTED METAL K-BRACES AND COLUMNS



BUILDING 3B - NORTH ELEVATION



2 BUILDING 3B - WEST ELEVATION





MENLO BUSINESS PARK - LOT 3

1315 O'BRIEN DRIVE, MENLO PARK, CA

MEMORANDUM



DATE: May 6, 2015

TO: Housing Commission

FROM: Jean Lin, Associate Planner

RE: Agenda Item B2: Recommendation of a Below Market Rate

Housing Agreement Term Sheet with Hunter Properties for 133

Encinal Avenue

SITE LOCATION

The project site is approximately 1.7 acres (Assessor's Parcel Number 060-344-270) located at 133 Encinal Avenue in the ECR/D-SP (El Camino Real/Downtown Specific Plan) zoning district. Using Encinal Avenue in an east to west orientation, adjacent uses include attached townhouses to the north, the Caltrain railroad tracks to the east, apartments to the south and offices to the west.

The subject site had previously operated as a commercial nursery, and there are currently three buildings and several storage sheds associated with the nursery use.

PROJECT DESCRIPTION

The applicant, Hunter Properties, is requesting architectural control and tentative map approval to redevelop the subject site with 24 attached residential units. The new development will feature seven residential buildings with between two to five units in each building, as well as a community amenity building. The unit plans include three- to four-bedrooms with two-and-a-half to three-and-a-half bathrooms, and range from approximately 1,698 to 2,132 square feet. Each unit features a two-car garage, where 22 units have garages with side-by-side parking spaces and two units have garages with tandem parking spaces. The unit types are summarized in the table below:

Unit Plan Summary

Bedrooms	Bathrooms	Approximate Square Footage	Number of Units (% of Total Units)
3	2.5	1,698 – 1,874	3 units
		sq.ft.	(13%)
3	3.5	2,108 sq.ft	1 unit
		-	(4%)
4	3.5	1,888 – 1,935	18 units
		sq.ft.	(75%)
4	4	2,131 sq.ft.	2 units
			(8%)
Total Units			24 units (100%)

The excerpts of the project plans are included for reference in Attachment C. The proposed plans are preliminary and subject to change as staff review proceeds. The architectural control and tentative map would require review and recommendation by the Planning Commission, and review and approval by the City Council at future meetings.

BMR HOUSING PROGRAM REQUIREMENT

The applicant is required to comply with Chapter 16.96 of City's Municipal Code, ("BMR Ordinance"), and with the BMR Housing Program Guidelines adopted by the City Council to implement the BMR Ordinance ("BMR Guidelines"). The BMR Ordinance requires the applicant to submit a Below Market Rate Housing proposal for review by the Housing Commission. At this time, the Housing Commission should review the draft BMR In Lieu Fee Agreement Term Sheet and provide guidance to staff, the applicant, the Planning Commission, and the City Council. The draft Term Sheet would be used to inform the BMR In Lieu Fee Agreement, which would subsequently be reviewed by the Planning Commission and City Council.

Residential use is allowed by the applicable zoning regulations on the subject property. In accordance with the BMR Ordinance, a residential development of 20 or more units is required to provide not less than 15 percent of the units at below market rates to very low-, low-, and moderate-income households. If the number of units required for a residential development includes a fraction of a unit, the developer shall provide either a whole unit or a prorated in lieu payment to account for the fraction of a unit. The BMR obligation for the proposed 24-unit project is 3.6 BMR units. The applicant is proposing to satisfy the project's BMR obligation through the provision of three BMR units on site, and paying the in lieu fee for the remaining 0.6 fraction of a unit.

AFFORDABLE UNIT COUNT

Three of the 24 residential units shall be set aside on site as affordable units. As proposed by the applicant, these three units are designated as Units A, B, and C as shown on the diagram in Attachment A.

CHARACTERISTICS OF THE BMR UNITS

The three proposed BMR units would be distributed throughout the subject site. Unit A would be located in Building A fronting along Encinal Avenue, and would be an end unit that is adjacent to the site's open space amenity and nearest the railroad tracks. Unit B would be located in Building C on the interior of the site, and like Unit A, it would also be an end unit that is adjacent to the site's open space amenity and nearest the railroad tracks. Unit C would be located in Building F in the western portion of the site adjacent to an existing office development, and would be an interior unit within the building. The locations, floor plans, and elevations for each unit are provided in Attachment A. The bedroom and bathroom counts, approximate unit sizes, and garage configurations are summarized in the table below:

Proposed BMR Units Summary

Unit	Bedrooms	Bathrooms	Approximate Square Footage	Garage Type
Α	4	3.5	1,888 sq.ft.	2 side-by-
				side spaces
В	4	3.5	1,888 sq.ft.	2 side-by-
				side spaces
С	4	4	2,132 sq.ft.	2 tandem
				spaces

Other characteristics of the BMR units, including Design and Materials as well as Legal Characteristics shall be as set forth in the BMR Guidelines. According to the applicant, the exteriors of the BMR units would be indistinguishable from those of the market-rate units, and the interiors of the BMR units would be similar to those of the market-rate units, with the exception of upgrades purchased by individual buyers.

IN LIEU FEE UNITS

For the remaining 0.6 fraction of a unit, the applicant is proposing to pay in lieu fees based on the sales price of four market-rate units, identified as Units D, E, F, and G in Attachment A. Site constraints, including the preservation of two existing groves of trees along the rear and development restrictions within the 40-foot wide Hetch Hetchy easement along the right side property line, would

effectively limit the ability to develop more units on the site or to take advantage of the up to three bonus market-rate units for which the development would be eligible. Given that three on-site BMR units are being proposed and that there are unique site conditions that limit the development of additional units, staff believes that it would be appropriate to consider a fee payment for the 0.6 fraction of a unit in lieu of providing an additional BMR unit.

The in lieu fee would be calculated based on three percent of the actual sales prices of each of the four units. A summary of these four units is provided in the table below:

Proposed In Lieu Fee Units Summary

Unit	Bedrooms	Bathrooms	Approximate Square Footage	Garage Type
D	4	3.5	1,935	2 side-by-
				side spaces
E	4	3.5	1,935	2 side-by-
				side spaces
F	3	2.5	1,698	2 side-by-
				side spaces
G	4	4	2,132	2 tandem
				spaces

Staff believes that the locations of the four proposed units upon which to base the in lieu fee payment are evenly distributed throughout the site, and that the size of these units are comparable to other market-rate units in the development.

RECOMMENDATION

While staff believes that the proposed combination of on-site BMR units and in lieu fee payment would be in compliance with the requirements of the BMR Ordinance and Guidelines, staff recommends that the proposed location of the BMR units located adjacent to the railroad tracks (Units A and B) be relocated such that one of the units would not be directly exposed to potential effects of train operations. This change, which has been incorporated into the draft BMR Agreement Term Sheet, would ensure that the BMR units would be representative of the overall development.

Staff recommends that the Housing Commission recommend to the Planning Commission and the City Council that they approve the draft BMR Agreement Term Sheet.

Housing Commission Meeting of May 6, 2015 133 Encinal Avenue BMR Agreement Term Sheet Page 5

ATTACHMENTS

- A. 133 Encinal Avenue BMR Housing ProposalB. Draft BMR Agreement Term SheetC. Excerpts of Project Plans

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April 29, 2015

Ms. Jean Lin Associate Planner, Planning Department City of Menlo Park 701 Laurel Street Menlo Park, CA 94025

Re: Inclusionary Housing Plan - 133 Encinal Avenue, Menlo Park

Dear Jean.

This correspondence outlines the Inclusionary Housing Plan for our 24-unit for-sale residential project for the site located at 133 Encinal Avenue, Menlo Park. This IHP includes the following.

- 1) Project Description
- 2) BMR Requirement for the Project
- 3) Proposal to Satisfy BMR Requirement
- 4) Site Plan
- 5) Landscape Plan
- 6) Elevations
- 7) Floor Plans

1) Project Description:

The 133 Encinal Avenue project involves the redevelopment of an approximately 1.74 acre site located within the Menlo Park El Camino Real/Downtown Specific Plan north of El Camino Real close to the Caltrain tracks, opposite of Garwood Way. The project proposes to demolish buildings associated with a former nursery and to construct twenty four (24) residential units plus one amenity building for future homeowners.

The townhomes consist of 2 duplexes (Buildings E and G) and 5 multifamily buildings (Buildings A, B, C, D, and F). Townhomes range from 2 to 3 floors with 3-4 bedrooms and 2.5-4 bathrooms, averaging 1,950 net square feet. Generous second-floor ceiling heights with open living and dining room plans will create bright and airy living spaces. The homes will have plentiful access to the outdoors as well, with a combination of private decks, front porches, or rear patios. Townhome porches front Encinal, enhancing street liveliness while maintaining resident privacy with layers of transitional elements such as landscaping and private porches. Paseos among the buildings also create an off-street approach and sense of arrival at each front door.

Abundant open space is provided across the project, totaling 31,300 square feet or approximately 41% of the site. Highlights of the landscape plan include heritage redwood and oak groves that will be preserved. Small play elements for children will be integrated among the towering redwoods, and new outdoor furniture will create a contemplative space within the oak grove. Raised planting plots on the northeast edge of the site will also give residents the opportunity to cultivate their own gardens.

Three of the twenty four units (12.5%) are two-story townhome units, while the remaining twenty one units are three-stories. Sixteen of the twenty four units (66.7%) have four bedrooms and three-and-a-half or four bathrooms and range from 1,888 to 2,132 square feet. Eight of the twenty four units (33.3%) have three bedrooms and two-and-a-half bathrooms and range from 1,698 to 2,108 square feet.

In its contemporary craftsman-style architecture, thoughtful detailing will be seen throughout the project in enhanced eaves, trims, balconies, trellises, and porch elements. All the buildings will be in wood frame construction and clad with a combination of wood shingles and lap siding. Two color schemes based on cool, refined grays and warm, light browns will work with the site layout to bring a lively variety and scale to the community.

2) BMR Requirement for the Project:

The on-site BMR requirement is to provide 15% of units as BMR units. For a 24-unit development, the BMR requirement would be 3.6 units.

3) Proposal to Satisfy BMR Requirement:

Three (3) of the twenty four (24) residences shall be set aside on-site as affordable units for "Low Income" families (the "BMR Units"). These 3 units are designated as Unit A, Unit B, and Unit C. These units are chosen for their representation of the different product types offered and desire to spread the units evenly throughout the site. Units A and B benefit from being an "endcap" of their buildings and have three unshared walls. These units have the additional advantage of being next to the landscaped garden plaza and the provided guest parking. Unit C benefits from being one of two units with an open entry courtyard that overlooks a grand paseo between Buildings B & C. This unit is also provided with a private backyard that backs up to dense mature trees along the property line. All three (3) BMR units are 4 bedroom units, the max number of bedrooms in the unit types offered.

All BMR units will be built to the same standards as non-BMR units. The exterior materials used in construction of the BMR Units will be similar and indistinguishable from those to be used on the market rate units. The interior finishes of the BMR Units shall be similar to those of the market rate units, except for upgrades purchased by individual buyers.

The remaining 0.6 unit obligation shall be satisfied through in-lieu fees. The first twenty (20) units are satisfied by provision of three (3) BMR units, therefore, the in-lieu fee would apply to the remaining four (4) units in the development. The location of the four (4) units are designated as Unit D, Unit E, Unit F, and Unit G. These units are chosen for their representation of the different product types offered and decision to spread the units evenly throughout the site.



133 ENCINAL AVENUE

MENLO PARK, CA KTGY # 2014-0032

04.29.2015

KTGY Group, Inc. Architecture+Planning 580 Second St., Suite 200 Oakland, CA 94607 510.272.2910 ktgy.com



Hunter Properties Inc. 10121 Miller Avenue, Suite 200 Cupertino, CA 95014 408.255.4100



LANDSCAPE & WATER EFFICIENCY DESIGN INTENT STATEMENT

THE LANDSCAPE DESIGN INCORPORATES PRINCIPLES INCLUDED IN THE "BAY FRIENDLY LANDSCAPE GUIDELINES" & WILL COMPLY WITH THE CITY OF MENLO PARK'S DESIGN GUIDELINES & MUNICIPAL CODE.

PLANTS ARE GROUPED BY HYDROZONE, EXPOSURE & LOCAL CLIMATIC CONDITIONS. THE PLANTING DESIGN ALLOWS FOR THE PLANTS TO REACH THEIR NATURAL, FULL-GROWN SIZE AND PLANTS THE NEED FOR EXCESSIVE PRUNING OR HEDGING.

SELECTED TREES HAVE BEEN CHOSEN TO PROVIDE A VARIATION OF HEICHTS, WIDTHS, COLORS, TEXTURES, AND CHARACTER. TREE LOCATION AND ORIENTATION HAVE BEEN DESIGNED FOR MAXIMUM AESTHETIC EFFECT AND PASSIVE SOLAR BENEFITS.

VEGETATED SWALES AND BIORETENTION TREATMENT AREAS WILL BE PLANTED WITH APPROVED WATER CONSERVING. CAREX PANSA OR ALTERNATIVE CRASS SPECIES, AND PERIMETER SHRUBS THAT ARE ADAPTED TO BIO-SWALE CONDITIONS.

THE TREES, SHRUES AND TURF PRANTING AREAS WILL BE DESIGNED FOR MAXIMUM WATER CONSERVATION. THE LANDSCAPE ESTMATED TOTAL WATER USE WILL NOT EXCEED THE PROJECTS MAXIMUM WATER ALLOWANCE, AS SPECIFIED BY THE THE STATE OF CALIFORNA'S 2010 MODEL WATER EFFICIENT LANDSCAPE OSDINANCE.

THE PLANTING & IRRIGATION DESIGN WILL COMPLY WITH THE STATE OF CALIFORNIA'S 2010 MODEL WATER EFFICIENT LANDSCAPE ORDINANCE & THE CITY OF MENLO PARK'S MUNICIPAL CODE 12.44

THE PLANTS HAVE BEEN SELECTED UTILIZING THE STATE OF CALIFORNIA'S 2010 MODEL WATTE EFFICIENT LANDSCAPE ORDINANCE FLANT LIST, WICCUS III, NOP PLANTS ARE USED THAT ARE CONSIDERED INVASIVE IN THE THE REGION AS LISTED BY THE CALIFOC.

SF PUC RIGHT OF WAY:

CARDEN PLOTS (RAISED PLANTERS), CITRUS AND SELECTED SHRUES AND CROIGNDCOVER ARE ALLOWABLE PRE THE SAN PRANCSCO PUBLIC UTILITIES COMMISSION RIGHT OF WAY REQUIREMENTS, FENCES AND TRELUS FEATURE ARE SUBJECT TO SPIUC REVIEW AND APPROVAL. LANDSCAPE PLANS WILL CONFORM TO SPIUC REQUIREMENTS AND REVIEW.

BUILD IT GREEN LANDSCAPE ITEMS:

- NO DIVISION PLANT SECULS USD ON PROJECT.

 7354-0 PLANTS ARE WATER CONSERVING CALIFORNIA
 MATTIES OR MIDIERRANIAN SECULS USD PLANT TACTO OR G.8

 TORI DE TALL TESCUL WITH WATER USE PLANT TACTO OR G.8

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 TORI DE TALL TESCUL WITH WATER USE PLANT TACTO OR G.8

 TORI DE TALL TESCUL WITH WATER USE PLANT TACTO OR G.8

 TRANTS ARE CERCULTOS.

 TAMOS PLANT CONTROL PROJECT AND SHEW AREAS HAVE SEPARATTE WISE CRICUITS.

 LOW TUDO SPRINGLE HADDS ARE USED ON PROJECT.

 2" COMMONT AGODO INTO SOIL.

 3" OF MILCO AGODO INTO SIGN.

 3" OF MILCO PLANT CALIFORNIA PLANT CRICUITS.



CONCEPTUAL LANDSCAPE PLAN

MENLO PARK, CA

TALA # 1416

4.04.2015

Hunter Properties Inc. 10121 Miller Avenue, Suite 200 Cupertino, CA 95014 408.255.4100

VAN DOHN ABLE LANDSCAPE ARCHITECTS, INC. 81 14TH STREET, SAN FRANCISCO, CA ZP 94103 PH (415) 864-1921 FAX (415) 864-4796





Below Market Rate Unit

*Elevation faces Southern Pacific Railroad and has been designed for smaller openings.

1. Front Elevation - Encinal Avenue



3. Rear Elevation

4. Left Elevation

2. Right Elevation*

133 ENCINAL AVENUE

BMR Unit A

Hunter Properties Inc. 10121 Miller Avenue, Suite 200 Cupertino, CA 95014 408.255.4100

CONCEPTUAL ELEVATIONS - BUILDING A

MENLO PARK, CA KTGY # 2014-0032

580 Second St., Suite 200 Oakland, CA 94607 510.272.2910



04.29.2015

KTGY Group, Inc. Architecture+Planning ktgy.com







Below Market Rate Unit

*Elevation faces Southern Pacific Railroad and has been designed for smaller openings.

1. Front Elevation

2. Right Elevation*





3. Rear Elevation

4. Left Elevation

133 ENCINAL AVENUE

Hunter Properties Inc. 10121 Miller Avenue, Suite 200 Cupertino, CA 95014 408.255.4100

CONCEPTUAL ELEVATIONS - BUILDING C

04.29.2015

MENLO PARK, CA KTGY # 2014-0032

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Below Market Rate Unit

1. Front Elevation



4. Left Elevation

2. Right Elevation

133 ENCINAL AVENUE

Hunter Properties Inc. 10121 Miller Avenue, Suite 200 Cupertino, CA 95014 408.255.4100

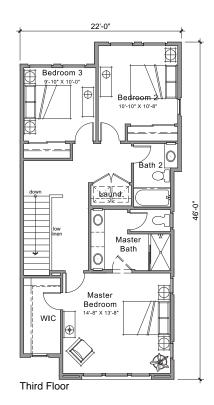
CONCEPTUAL ELEVATIONS - BUILDING F

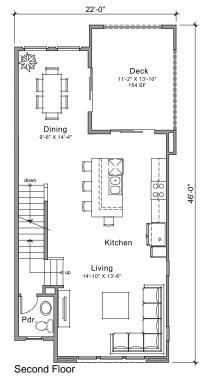
MENLO PARK, CA KTGY # 2014-0032

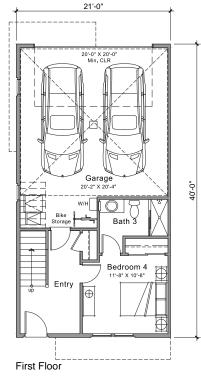
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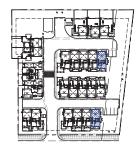






Plan 1 Alt. - BMR Units A & B 4 Bedroom / 3.5 Bath 1,888 Net SF

CONCEPTUAL FLOOR PLANS - PLAN TYPE I ALT



Key Map n.t.s.

Below Market Rate Unit

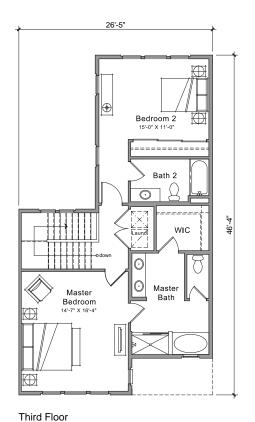
133 ENCINAL AVENUE

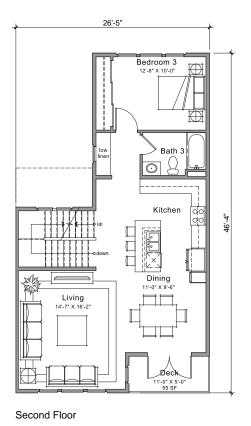
MENLO PARK, CA KTGY # 2014-0032

04.29.2015









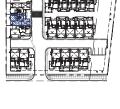
Entry

Garage
10:-10" X 40:-4*

Bath 4

Bedroom 4
12:-3" X 10:-0"

First Floor



Below Market Rate Unit

Plan 6 - BMR Unit C 4 Bedroom / 4 Bath 2,133 Net SF

133 ENCINAL AVENUE

Hunter Properties Inc. 10121 Miller Avenue, Suite 200 Cupertino, CA 95014 408.255.4100

CONCEPTUAL FLOOR PLANS - PLAN TYPE 6

MENLO PARK, CA

04.29.2015

KTGY Group, Inc. Architecture+Planning 580 Second St., Suite 200 Oakland, CA 94607 510.272.2910 ktgy.com



133 Encinal Avenue

Draft Below Market Housing (BMR) Agreement Term Sheet

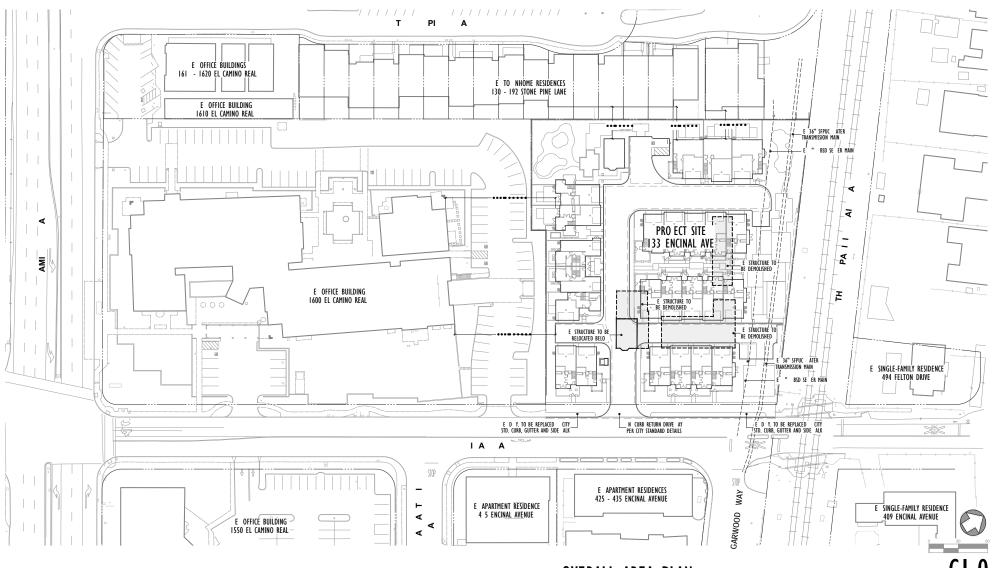
- 1. Applicant owns property known as Assessor's Parcel Number: 060-344-270 ("Property"), more commonly known as 133 Encinal Avenue, Menlo Park.
- 2. Applicant is requesting architectural control and tentative map approval to demolish existing garden nursery buildings and construct 24 attached townhouse-style residential units and associated site improvements in the SP-ECR/D (El Camino Real/Downtown Specific Plan) zoning district. As a residential development consisting of five or more for-sale units, the proposed project is required to comply with Chapter 16.96 of City's Municipal Code ("BMR Ordinance") and with the Below Market Rate Housing Program Guidelines ("BMR Guidelines") adopted by the City Council to implement the BMR Ordinance.
- 3. In accordance with the BMR Ordinance and Guidelines, a residential development of 20 or more units is required to provide not less than 15 percent of the units at below market rates to very low-, low-, and moderate-income households. If the number of units required for a residential development includes a fraction of a unit, the developer shall provide either a whole unit or a prorated in lieu payment to account for the fraction of a unit. The BMR obligation for the proposed 24-unit project is 3.6 BMR units.
- 4. Applicant has elected to satisfy the BMR requirement for the proposed project through a combination of providing three on-site BMR units and payment of an in lieu fee. The in lieu fee would satisfy the BMR requirement for the remaining 0.6 BMR unit. Given that three on-site BMR units are being proposed and that there are unique site conditions that limit the development of additional units, staff believes that it would be appropriate to consider a fee payment for the 0.6 fraction of a unit in lieu of providing an additional BMR unit.

The in lieu fee payment would be calculated based on three percent of the actual sales price of four market-rate units. The table below summarizes how the Applicant proposes to satisfy the BMR requirement:

Proposed Units	BMR Requirement	BMR Proposal
20 units	15% of proposed units (3.0 BMR units)	3 on-site BMR units
4 units	15% of proposed units (0.6 BMR units)	In lieu fee based on 3% of sales price of 4 units
TOTAL: 24 units	3.6 BMR units	3 BMR units and In lieu fee for 4 units

- 5. The proposed location of the BMR units adjacent to the railroad tracks (Units A and B) should be relocated such that one of the units would not be directly exposed to potential effects of train operations.
- 6. The residential in lieu payment shall be established as set forth in Section 4 of the BMR Guidelines. Applicant proposes to pay residential in lieu fees based on the sales price of Units D, E, F, and G as shown in Attachment A.
- 7. The sales price for the BMR units shall be established as set forth in the BMR Guidelines.
- 8. The characteristics of the BMR units shall be in conformance with Section 5 of the BMR Guidelines.
- 9. The eligibility requirements for the BMR units shall be established as set forth in Section 6 of the BMR Guidelines.
- 10. The BMR unit purchase process, buyer selection, and sale procedures shall be established as set forth in Section 8 of the BMR Guidelines.
- 11. The occupancy requirements for owner-occupied BMR units shall be established as set forth in Section 9 of the BMR Guidelines.
- 12. The process for resale of BMR units shall be established as set forth in Section 10 of the BMR Guidelines.

ATTACHMENT C



133 ENCINAL AVENUE
Hunter Properties Inc.

10121 Miller Avenue, Suite 200 Cupertino, CA 95014 408.255.4100 OVERALL AREA PLAN

MENLO PARK, CA

.2 .2014 4.06.2015 2 d SUBMITTAL





2. Elevation A



1. Encinal Avenue Elevation

133 ENCINAL AVENUE

Hunter Properties Inc. 10121 Miller Avenue, Suite 200 Cupertino, CA 95014 408.255.4100

STREETSCAPE ELEVATION

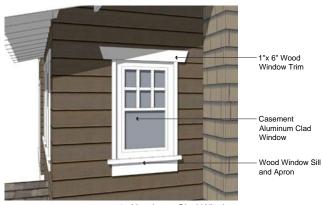
04.06.2015

MENLO PARK, CA

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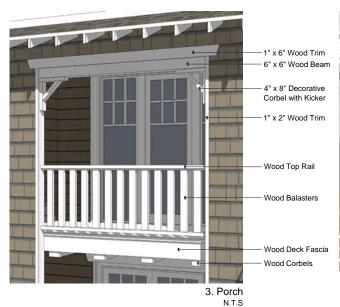




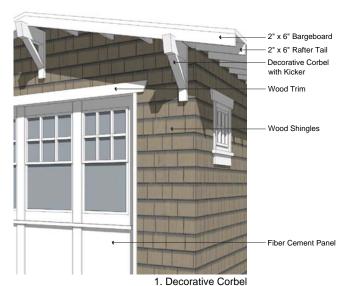
4. Aluminum Clad Window



Key Elevation: Building A - Front



8"x 8" Wood Column Cap - 6" x 6" Wood Column Post 8" x 8" Wood Column Base Stone Veneer Wood Entry Gate 2. Entry Porch Column



N.T.S

CONCEPTUAL DETAILS

04.06.2015

133 ENCINAL AVENUE **Hunter Properties Inc.** 10121 Miller Avenue, Suite 200 Cupertino, CA 95014 408.255.4100

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N.T.S





Key Elevation: Building A - Rear



133 ENCINAL AVENUE

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CONCEPTUAL DETAILS

04.06.2015

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