# **Housing Commission**



#### **SPECIAL MEETING AGENDA**

Date: 3/2/2016 Time: 5:30 pm

**City Hall/Adminstration Building** 

City Council Conference Room, 1st Floor 701 Laurel St., Menlo Park, CA 94025

- A. Call To Order
- **B.** Roll Call Cadigan, Calder, Clarke, Dodick, Tate (Chair)

#### C. Public Comment

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 and address or political jurisdiction in which you live. 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.

#### D. Regular Business

- D1. Recommendation of a Below Market Rate Housing Agreement Term Sheet with Menlo Business Park, LLC for 1430 O'Brien Drive (Staff report # 16-001-HC)
- D2. Recommendation of a Below Market Rate Housing Agreement Term Sheet with 650 Live Oak LLC for 650-660 Live Oak Avenue (Staff report # 16-002-HC)
- D3. Approve the Below Market Rate Housing Agreement Term Sheet with Green Heart Land Co. for 1300 El Camino Real (Staff report # 16-003-HC)
- D4. Housing Element Annual Report/City of Menlo Park: Opportunity to consider and provide comments and/or a recommendation to the City Council on the 2015 Annual Report on the status and progress in implementing the City's Housing Element (2015-2023) (Staff report # 16-004-HC)

#### E. Reports and Annoucements

- E1. Commissioner Updates
  - A. Report from Chair on status of General Plan Update (ConnectMenlo) (attachment)
- E2. Staff Updates
  - A. Oral report from Hello Housing regarding Below Market Rate Program activities

#### F. Informational Items

F1. City Council Work Plan Transmittal and Capital Improvement Program (CIP) process update (attachment)

#### G. Adjournment

Agendas are posted in accordance with Government Code Section 54954.2(a) or Section 54956. Members of the public can view electronic agendas and staff reports by accessing the City website at <a href="https://www.menlopark.org">www.menlopark.org</a> and can receive email notification of agenda and staff report postings by subscribing to the "Notify Me" service at <a href="menlopark.org/notifyme">menlopark.org/notifyme</a>. Agendas and staff reports may also be obtained by contacting the City Clerk's Office at 650-330-6620. (Posted: 02/26/2016)

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 City Clerk's Office, 701 Laurel St., Menlo Park, CA 94025 during regular business hours.

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

# **Community Development**



#### **STAFF REPORT**

Housing Commission Meeting Date:

Meeting Date: 3/2/2016 Staff Report Number: 16-001-HC

Regular Business: Recommendation of a Below Market Rate Housing

Agreement Term Sheet with Menlo Business Park,

LLC for 1430 O'Brien Drive

#### Recommendation

Staff recommends that the Housing Commission recommend approval of the draft Below Market Rate (BMR) Housing Agreement Term Sheet (Attachment A) to the Planning Commission and City Council for the proposed remodel and expansion of an existing research and development (R&D) building at 1430 O'Brien Drive. The project would create a new fitness and health center and café, in addition to R&D spaces, within the existing building.

#### **Policy Issues**

Each BMR Agreement is considered individually. The Housing Commission should consider whether the proposal would be in compliance with the BMR Housing Program requirements.

#### **Background**

#### Site location

The subject site is 3.53 acres in size and located at 1430 O'Brien Drive, just south of the intersection of O'Brien Drive and Adams Drive in the Menlo Business Park. Properties to the north, east, and west are also part of the M-2 (General Industrial) zoning district and contain a mix of office, R&D, and warehouse uses. Adjacent properties to the south are zoned for single-family residential uses and located in East Palo Alto.

#### **Analysis**

#### **Project description**

The existing building is approximately 65,900 square feet of gross floor area, including a partial second floor, and was constructed in 1986. Most recently, the building was used as a multi-tenant space for a variety of life science R&D companies. At this time, the applicant, Menlo Business Park, LLC, is requesting a conditional development permit (CDP) to renovate the existing R&D building and create a new fitness and health center, cafe, and R&D spaces. The existing partial second floor would be expanded by approximately 18,500 square feet into areas of the building which are currently open to the first story below. In addition, the project would provide new landscaping and exterior architectural treatments to enhance the subject property. The fitness center would be available only for use by employees of the twenty buildings in the vicinity owned by Tarlton Properties, while the café would be open to the public.

Select sheets from the project plans are included for reference as Attachment B. The Housing Commission should note that the proposal is still under staff review, and aspects of the design are subject to change before final project actions. Specific modifications may be made to the proposed project that would alter its review process, resulting in approval by the Planning Commission instead of the City Council. In either case, the draft BMR Housing Agreement Term Sheet and the Housing Commission's recommendation would remain applicable to the project.

#### 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 ("Guidelines"). At this time, the Housing Commission should review the draft BMR 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 Agreement, which would subsequently be reviewed by the Planning Commission and ultimately acted upon by the City Council based on the current proposed project.

The subject site is located within the Menlo Business Park, which is zoned M-2 (General Industrial), and the adjacent buildings are occupied by a combination of manufacturing, R&D, warehousing, and office uses. Residential use of the property is not permitted in the M-2 (General Industrial) zoning district and would not be consistent with the Limited Industry General Plan Land Use Designation. For this specific project, the residential unit equivalent is 0.7 units.

As provided in the BMR Ordinance and Guidelines, the developer must pay the applicable in lieu fee or provide an off-site unit or portion thereof. Consistent with other recent BMR Agreements, staff and the applicant desire the flexibility to explore options to potentially secure an off-site unit to meet the project's BMR requirement. Therefore, the draft term sheet allows the applicant flexibility to deliver one off-site unit, combine resources with other applicants to deliver an off-site unit, or pay the applicable in-lieu fee. The applicant would be required to deliver the off-site unit, portion thereof, or pay the applicable in-lieu fee prior to final sign-off of the building permit for this project. Recognizing that the proposed project's unit equivalent is 0.7 units, staff has included the possibility for the applicant to partner with other applicants/developers to contribute its fair share proportion to delivering an off-site unit. With the increase in recent development, staff believes that it is likely that additional developers will be required to pay BMR in-lieu fees or provide partial units. Therefore, the applicant may be able to work with other applicants to combine resources to deliver an off-site unit. In such a case, the project applicant would be required to contribute the equivalent of at least 0.7 units. Based on these options, staff believes that the BMR Agreement should allow the applicant flexibility to explore the provision of an off-site unit or portion thereof, or pay the applicable in-lieu fee to meet its obligation.

The in lieu fee would be calculated as set forth in the table below. The applicable fee for the project would 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.

Table 1: BMR Requirements and Applicant Proposal			
	Fee per square foot	Square feet	Component fees
Existing Building - Office	\$15.57	65,952	(\$1,026,872.60)
Existing Building - Non-Office	\$8.45	0	\$0.00
Proposed Building - Office	\$15.57	74,561	\$1,160,914.77
Proposed Building - Non-Office	\$8.45	9,749	\$82,379.05
BMR In-Lieu Fee Option			\$216,421.18

#### Correspondence

Staff has not received any correspondence regarding the BMR proposal.

#### Conclusion

Given that the residential unit equivalent for the project is 0.7 units, and residential use of M-2-zoned properties is not permitted under current zoning regulations, staff recommends that the Housing Commission recommend approval of the terms stated in the draft BMR Agreement Term Sheet to allow for the delivery of one off-site unit, a portion of an off-site unit, or the payment of the applicable in-lieu fees prior to final of the building permit for the project.

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

The project sponsor is required to pay Planning, Building and Public Works permit fees, based on the City's Master Fee Schedule, to fully cover the cost of staff time spent on the review of the project.

#### **Environmental Review**

The proposed project is being evaluated with respect to compliance with the California Environmental Quality Act (CEQA) as part of the Planning Commission action. BMR direction is not an action under CEQA, so environmental review is not required by the Housing Commission.

#### **Public Notice**

Public Notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting.

#### **Attachments**

- A. Draft BMR In Lieu Fee Agreement Term Sheet
- B. Project Plans (Select Sheets)

Staff Report #: 16-001-HC

Report prepared by: Tom Smith, Associate Planner

Report reviewed by: Kyle Perata, Senior Planner

#### 1430 O'Brien Drive

### **Draft** Below Market Housing (BMR) Agreement Term Sheet

- 1. Applicant owns property known as Assessor's Parcel Number 055-473-160 ("Property"), more commonly known as 1430 O'Brien Drive, Menlo Park.
- 2. Applicant is requesting a conditional development permit (CDP) to renovate and expand an existing an existing research and development (R&D) building to create a new fitness and health center, café, and additional R&D spaces. 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. 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 General Plan land use and zoning designations do not permit residential uses;
- 4. Applicant does not own any other sites within the City that are zoned for residential land uses:
- 5. Consistent with other recent BMR Agreements, Applicant is permitted to satisfy the BMR requirement for the proposed project by delivering one off-site unit, combining resources with other applicants to deliver an off-site unit, or by payment of an in lieu fee;
  - a. The BMR in lieu fee is estimated at \$216,421.18;
  - b. The equivalent unit requirement is 0.7 units:
  - c. Therefore, prior to final sign-off of the building permit, the Applicant may deliver one off-site unit, partner with other applicants to deliver the equivalent of at least 0.7 units toward the creation of an off-site unit, or pay the in lieu fee, which would be adjusted based on the existing and proposed square footages at the time of building permit issuance. The applicable fee per square foot is adjusted annually on July 1. The table in Item 6 below shows the proposed in lieu fee and its calculation.

# 6. The table below provides the estimated in lieu fee:

BMR In Lieu Fee Calculation			
	Fee per square foot	Square feet	Component fees
Existing Building - Office	\$15.57	65,952	(\$1,026,872.60)
Existing Building - Non-Office	\$8.45	0	\$0.00
Proposed Building - Office	\$15.57	74,561	\$1,160,914.77
Proposed Building - Non-Office	\$8.45	9,749	\$82,379.05
BMR In-Lieu Fee Option			\$216,421.18

# MENLO BUSINESS PARK BLDG. 7 **AMENITIES & RENOVATION**

1430 O'BRIEN DRIVE, MENLO PARK, CALIFORNIA 94025 ECEIVED

PLANNING PRE-APPLICATION SUBMITTAL

JANUARY 20, 2016

JAN 2 0 2016







#### PROJECT DATA

	O IEST SITE ADDA	 TAR SEE LEE

b ZONING EESIGNATION	M-2
C BUILDING HEIGHT LIMIT	39-01MAX
d BUILDING SETBACKS REQUIRED FRONT YARD REAR YARD - SIDE YARDS	20101 MIN 20101 MIN 10101 MIN

153,767 SQ FT

193 CARS

#### 2 EXISTING PROJECT

a TOTAL BUILDING AREA

FIRST FLOOR	45,648 90 F	
SECOND FLOOR	19,918 SQ F 65,566 SQ F	
6 FLOOR AREA RATIO (F.A.R.)	426%	
c EXISTING SITE COVERAGE	29.7 %	
d. EXISTING LANDSCAPE AREA COVER	PAGE 215%	
→ EXISTING PAMNG AREA COVERAGE	488%	
f EXISTING BUILDING HEIGHT (TO TOP OF PARAPET)	- 30101MAX	

#### 3 PROPOSED PROJECT

a NEW INTERIOR S.F.

g PARKING PROVISION

TOTAL NEW ADDITION AREA	19,679	SQ. FT.
SECOND FLOOR	18,447	50 FT
FIRST FLOOR	1,232	SQ FT

#### P EXISTING BUILDING TO REMAIN

EXISTING BUILDING AREA TO REMAIN	64,586	50. F
SECOND BLOOP	17.819	90 F
FIRST FLOOR	46,767	SQ F

#### TOTAL BUILDING AREA

NEW BUILDING ADDITION EXISTING BUILDING AREA	19,679 64,596	90 FT
TOTAL NEW BUILDING AREA	84.268	SQ. FT.
NET INCREASE IN FLOOR AREA	19,679	90 FT

#### d PROPOSED FLOOR AREA RATIO

SITE AREA	153,767	SO FT
TOTAL MAX BUILDING AREA FAR	84,572 55 %	90 FT

COTCOOL		
SITE AREA	153 767	so et
BUILDING/SITE COVERAGE AREA	51,101	SQ FT
BUILDING/SITE COVERAGE (DEEED TO SHEET &	11 3 2 3 95	

#### (BASED ON 11 7 YX SO FT )

9 PAYING RATIO: (BASED ON KK, NO. SCI. FT.)

IRREFER TO SHEET 141 (REFER TO SHEET 14)

1430 O'Brien Drive, Menlo Park, CA. 94025

#### PROJECT DATA

FRONT YARD TO BUILDING FRONT YARD SET BACK TO BRIDGE

87:4" (Existing) marin (New) 72'-6" (Existing) 51' (Existing - LEFT) 51' (existing - RIGHT)

#### NOTES ON CODE COMPLIANCE

- THE PROJECT CONFORMS TO THE CITY FIRE REGULATIONS EXISTING FIRE HYDRANT'S ARE PROVIDED TO COVER THE ENTIRE SITE.
- 2 EXISTING CRIVEWAYS 25-0" WILE AT FROKIT AND SICES, AND NEW 25-8" YALE AT REAR, ARE PROVIDED FOR THE MOVEMENT OF FIRE TRUCKS THROUGH THE SITE
- 3 THE PROJECT WILL HAVE FIRE SPRINKLERS AND FIRE EXTINGUISHERS AS RECUIRED BY THE MENUD PARK FIRE DEPARTMENT

#### SHEET INDEX

- FROJECT DATA, SHEET INDEX AND VICINITY MAP
- 2 AERIAL VICIDITY MAP
- 3A TOPOGRAPHIC SURVEY EXISTING SITE
- 3C ALTA TOPOGRAPHIC SURVEY
- 3D EXISTING SITE PLAN
- EXISTING PIRST FLOOR PLAN
- 5 EXISTING SECOND FLOOR FLAN
- EXISTING ROOF PLAN
- 7A EXISTING GFA DIAGRAMS & BUILDING USE
- 8A PROPOSEDISITE PLAN
- 88 PROPOSED SITE PLAN BUILDING SETBACKS
- TEM SITE PLAN
- 9B TEM CAMPUS PLAN
- TO A FROPOSED SHELL FIRST FLOOR FLAN
- 10B PROPOSED TENANT IMPROVEMENT FIRST FLOOR FLAN
- 11A PROPOSED SHELL SECOND FLOOR PLAN
- TIB FROPOSED TENANT IMPROVEMENT SECOND FLOOR PLAN
- 12 PROPOSED ROGEPLAN
- 13 TRASH ENGLOSURE PLANS / ELEVATIONS
- 14 PROPOSED SITE AREA / BUILDING COVERAGE CALCIPLANS
- PROPOSED BUILDING GFA DIAGRAMS
- 16 PROPOSED BUILDING USE CLASPIAMS
- 17 EXISTING BUILDING ELEVATIONS
- 18 PROPOSED BUILDING ELEVATIONS (MATERIALS)
- 19 PROPOSED BUILDING ELEVATIONS
- 20 PROPOSED BUILDING SECTIONS
- 21 PROPOSED BUILDING SECTIONS
- 22 BUILDING ELEMENT CETAILS
- L1 PROPOSEDILANDSCAPE FLAN
- L3 EXISTING TREE INVENTORY TABLE
- C1 FIRE TRUCK TURNING AND FIRE HYDRANT COVERAGE
- \$1 [ROUGH] STRUCTURAL CONCEPT

#### COLOR EXHIBITS

#### CONTACT

#### CHENTICHNER

TARLTON PROFERTIES, INC. 1530 OPRIEN ERIVE, SUITÉ C MENJO PARK, CALIFORNIA 94025 PHONE (650) 330-3600 FAX (650) 330-3676 WEBSITE RON KRIETEMEYER

#### ARCHITECTS

DES ARCHITECTS + ENGINEERS 399 ERACFORD STREET, SUITE 300 REDWOOD CITY, CALIFORNIA 94003 PHONE (650) 364-543 FAX (650) 364-2618 FAX WEBSITE

SUSAN ESCHWEILER / ELKE MACGREGOR

#### PROJECT SCOPE

- ADD NEW SECOND FLOOR EXTERIOR WALKWAY ACROSS THE FROM ELEVATION WITH (3) EXITISTAIRS AND A NEW ELEVATIOR TOWER
- 2 ADD (8) NEW SECOND FLOOR ENTRY DOORS TO CREATE NEW TENANT SUITES
- 3 EEMO (E) SECOND FLOOR, ACO NEW STRUCTURE AND DECK (INCLUDING ADDITIONAL SECOND FLOOR AREA IN HIGH BAY SPACE)
- 4 ADD NEW OCCUPANCY SEPARATIONS
- 5 DEMO (E) FIRST PLOOR INTERIOR WALLS (ADD UPGRADED RESTRICTIONS AT (E) LOCATIONS)
- 6 REMOVE CENTER DRIVEWAY AND PEPLACE WITH LANDSCAPED SEATING AREA
- REMOVE ALL TREES, PLANTING, AND HARDSCAPE ON NORTH SIDE OF BUILDING AND REPLANT WITH DROUGHT TOLERANT PLANTING AND NEW HARDSCAPE
- 8 REPAINT ENTIRE BUILDING
- 9 INFILL FIRST FLOOR RECESSED ENTRIES
- 10 ADD FOOL AT ROOF DECK
- 11 ADD NEW ARE SPRINKLER RISER
- 12 ADD NEW DISTINCTIVE VERTICAL CIRCULATION COPE ELEMENTS

- A EXISTING SITE PHOTOS
- B BUILDING PERSPECTIVE
- C BUILDING FERSPECTIVE
- D. BUILDING PERSPECTIVE

1530 O'Brien Drive, Suite C

Menlo Park, CA 94025

Menlo Business Park Bldg. 7 - Amenities & Renovation PROJECT DATA, SHEET INDEX & VICINITY MAP

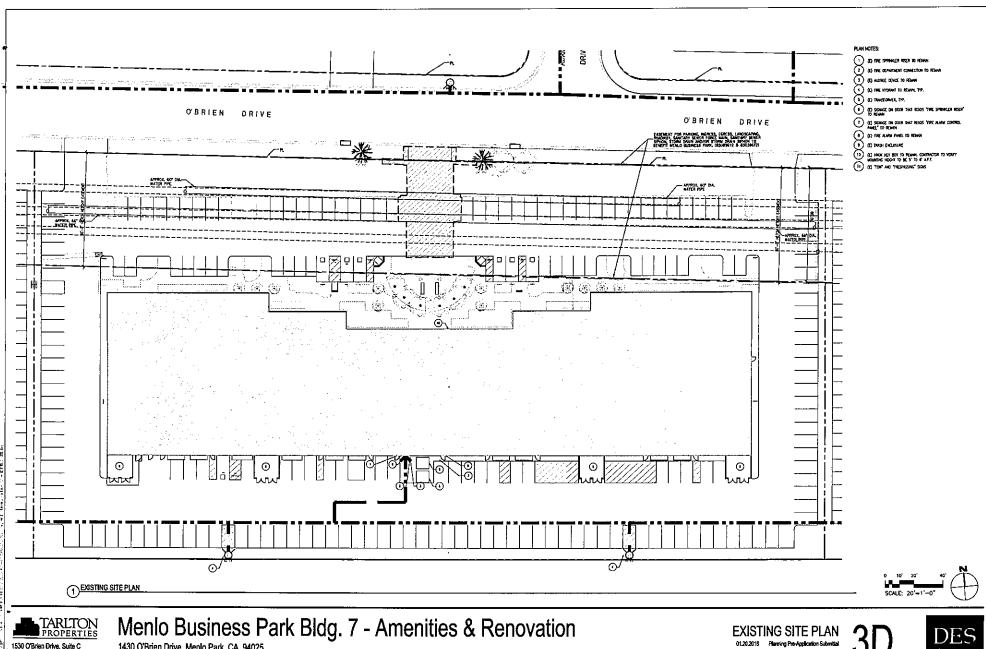




Menlo Business Park Bldg. 7 - Amenities & Renovation
1430 O'Brien Drive, Menlo Park, CA. 94025

AERIAL VICINITY MAP
01.20.2016 Planning Pre-Application Submittal





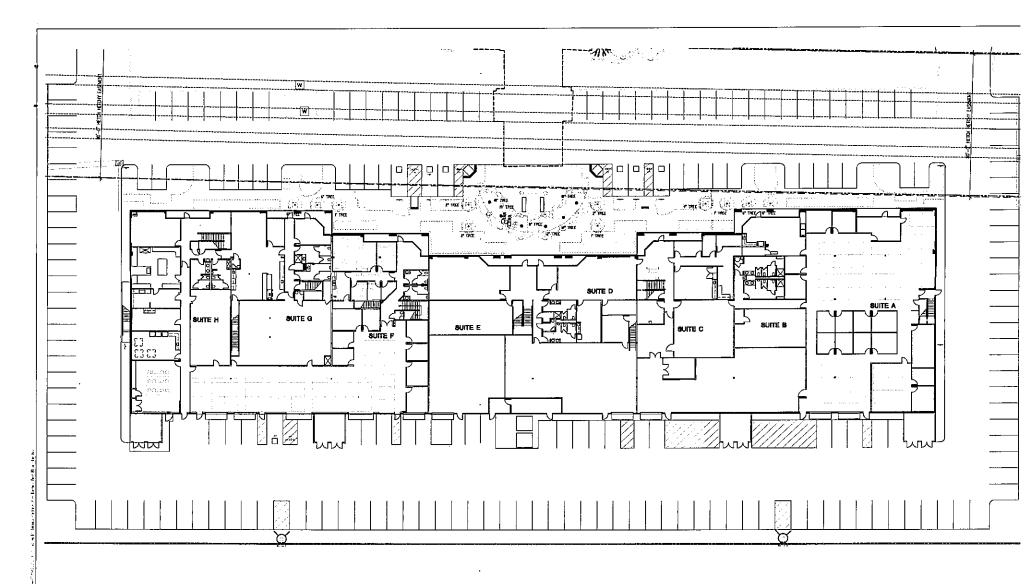


1430 O'Brien Drive, Menlo Park, CA. 94025

DES Project Number; 2730,61

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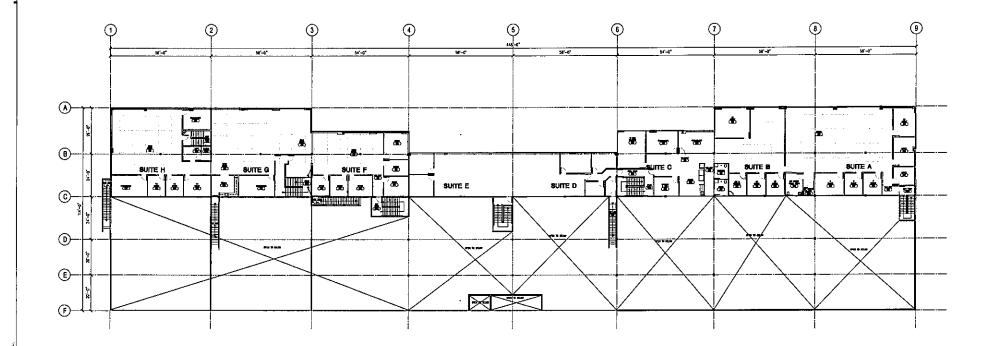


Menlo Business Park Bldg. 7 - Amenities & Renovation 1430 O'Brien Drive, Menlo Park, CA. 94025

**EXISTING FIRST FLOOR PLAN** 01.20.2016 Planning Pre-Application Submittal



DES Project Number: 2730.51





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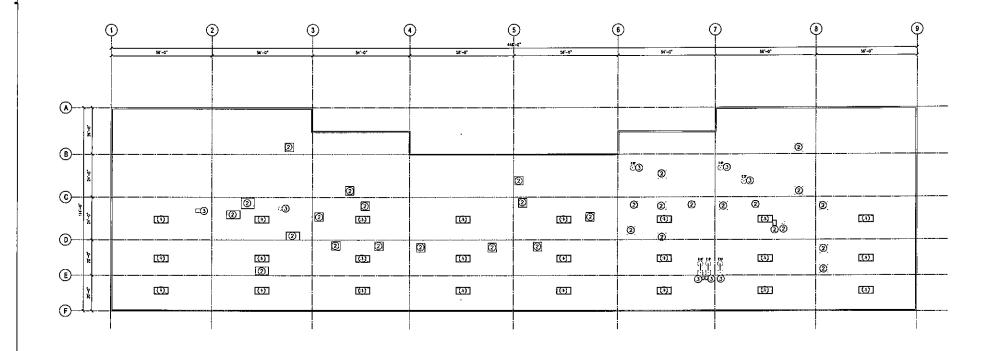


Menlo Business Park Bldg. 7 - Amenities & Renovation 1430 O'Brien Drive, Menlo Park, CA. 94025

EXISTING SECOND FLOOR PLAN 01,20,2018 Plenning Pre-Application Submittal







PLAN NOTES:

(E) SKYLIGHT

(2) (E) RVAC UNIT

(E) FAN

1) EXISTING ROOF PLAN





Menlo Business Park Bldg. 7 - Amenities & Renovation

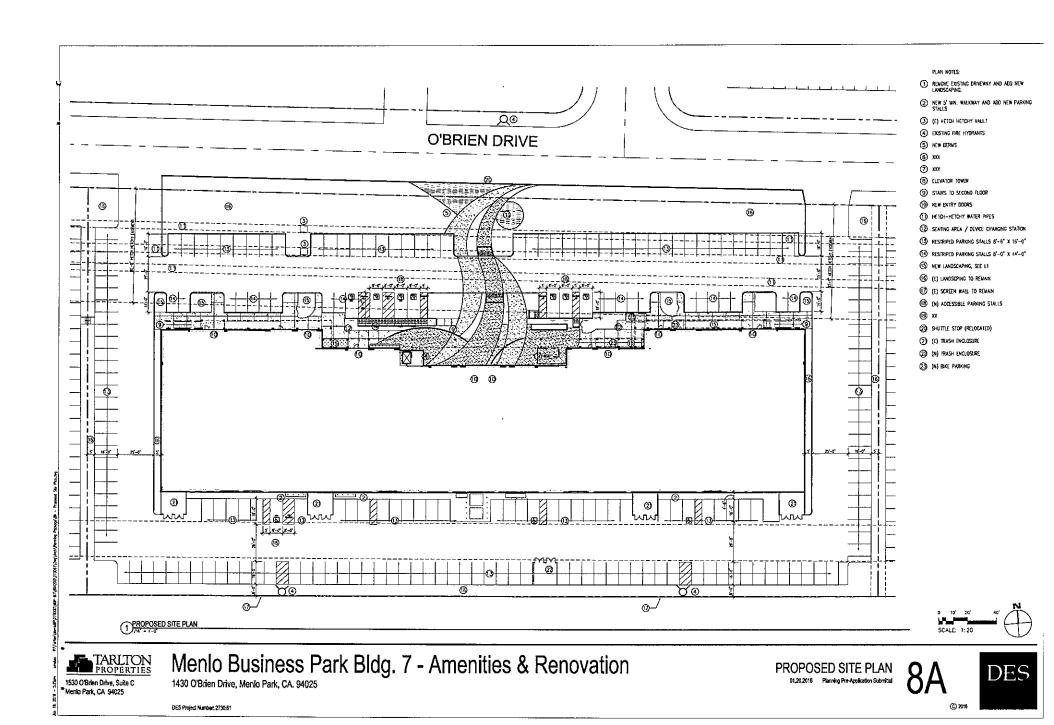
1430 O'Brien Drive, Mento Park, CA. 94025

**EXISTING ROOF PLAN** 01,20,2016 Plenning Pre-Application Submittal



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DES Project Number: 2730.61







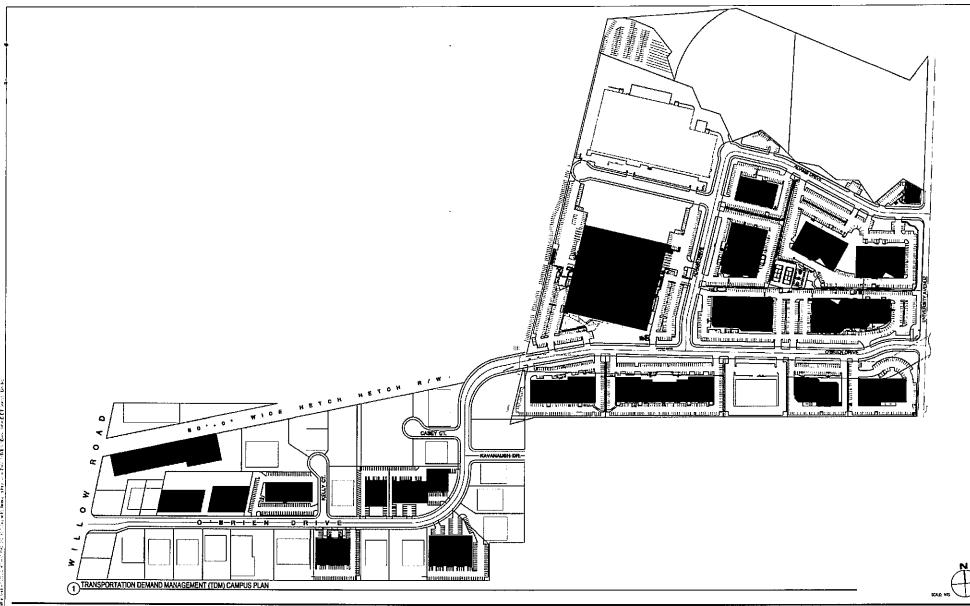
Menlo Park, CA 94025

Menlo Business Park Bldg. 7 - Amenities & Renovation 1430 O'Brien Drive, Menlo Park, CA. 94025

PROPOSED SITE PLAN - BUILDING SET BACKS
01.20,2016 Planning Pre-Application Submittel



DES Project Number: 2730.61





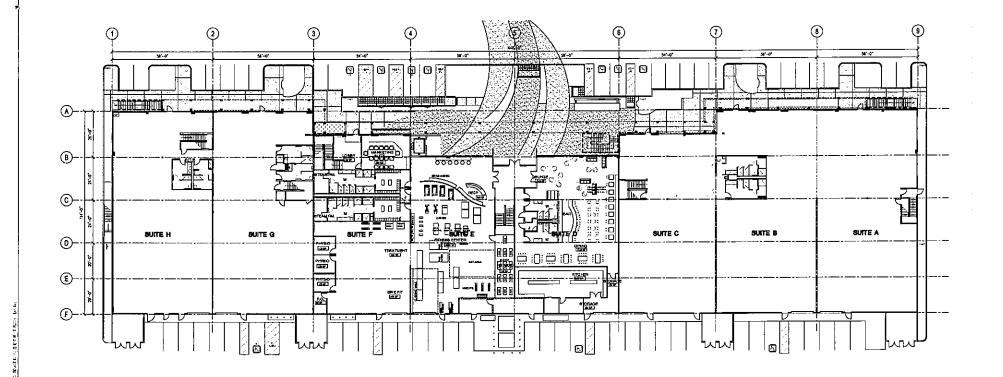
Menlo Business Park Bldg. 7 - Amenities & Renovation

1430 O'Brien Drive, Menlo Park, CA, 94025

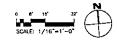
TRANSPORTATION DEMAND MANAGEMENT (TDM) CAMPUS PLAN
01.20.2016 Planning Pre-Application Submittel



DES Project Number: 2730,61



PROPOSED TENANT IMPROVEMENT FIRST FLOOR PO





Menlo Business Park Bldg. 7 - Amenities & Renovation

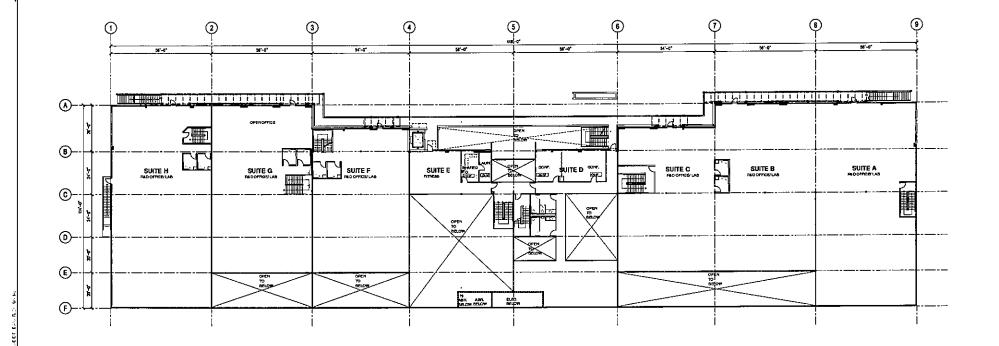
1430 O'Brien Drive, Menlo Park, CA, 94025

DES Project Number: 2730.61

PROPOSED TENANT IMPROVEMENT FIRST FLOOR PLAN 01:20:2016 Planning Pre-Application Submittal

<sup>™</sup> 10B











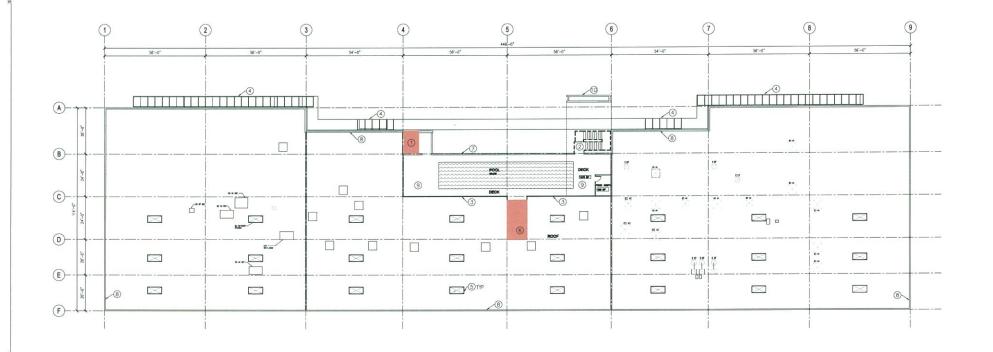
Menlo Business Park Bldg. 7 - Amenities & Renovation

1430 O'Brien Drive, Menlo Park, CA. 94025

DES Project Number: 2730,61

PROPOSED TENANT IMPROVEMENT SECOND FLOOR PLAN
01.20.2016 Planning Pre-Application Submittel





PLAN NOTES:

1 NEW ELEVATOR TOWER 3 NEW ROOF SCREEN

2 NEW OPEN STAIRWAY

7 NEW GLASS GUARD RAIL

4 NEW CANOPY BELOW (5) EXISTING SKYLIGHT TO REMAIN B EXISTING ROOF SCREEN TO REMAIN

6 NEW INTERIOR STAIRWAY

(9) RAISED POOL DECK

(O) NEW ARCHITECTURAL FEATURE

1) PROPOSED ROOF PLAN







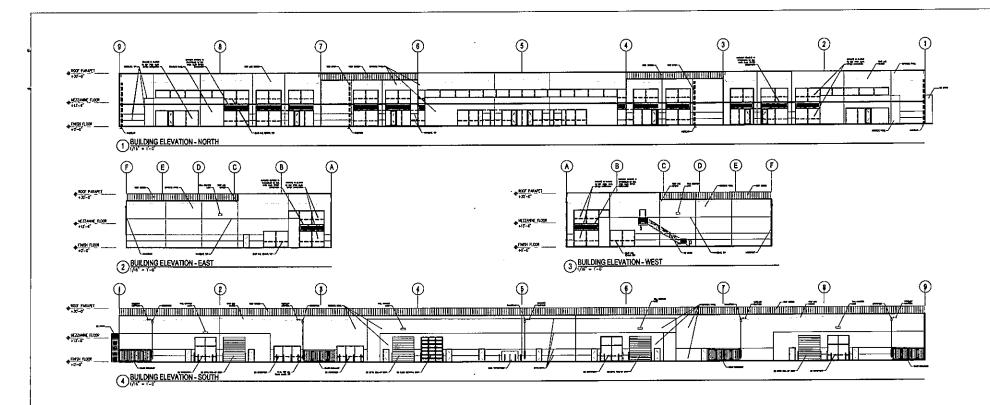
Menlo Business Park Bldg. 7 - Amenities & Renovation

1430 O'Brien Drive, Menlo Park, CA, 94025

DES Project Number: 2730,61

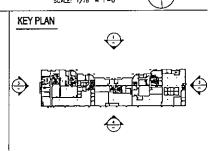
PROPOSED ROOF PLAN 01,20,2016 Planning Pre-Application Submittal

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Menlo Business Park Bldg. 7 - Amenities & Renovation

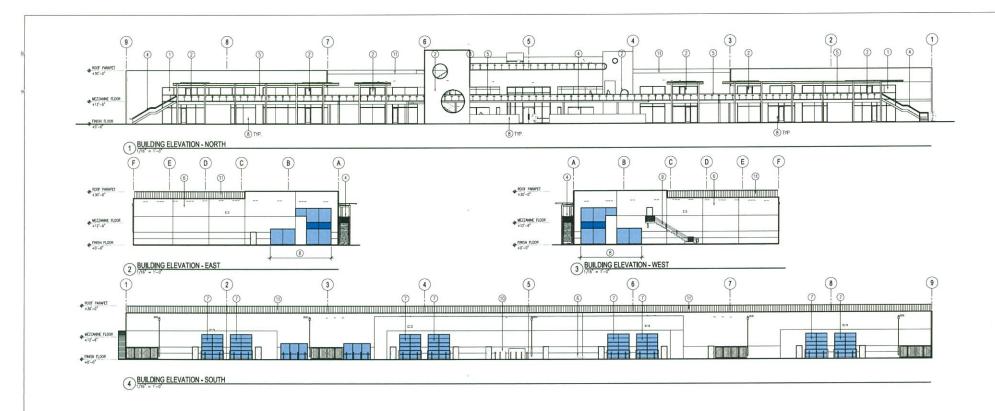
1430 O'Brien Drive, Menlo Park, CA. 94025

1430 Colleti Dilve, Melito Park, CA. 94023

EXSITING BUILDING ELEVATIONS
01.20.2016 Plenning Pro-Application Submittal

17



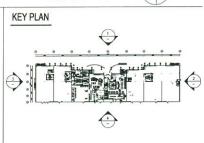






#### KEY NOTES:

- ① NEW WALL OPENINGS W/ NEW STOREFRONT WINDOWS
- 2 NEW SECOND FLOOR ENTRY AND CANOPY
- (3) NEW ELEVATOR TOWER
- 4 NEW OPEN STAIR
- (5) NEW BRIDGE
- (6) EXISTING GAS METERS TO REMAIN
- DISTING ROLL-UP DOOR TO BE REPLACED WITH GLASS ROLL-UP DOOR OR STOREFRONT
   DISTING STOREFRONT (CLEAR AND SPANDREL GLASS) TO BE RE-GLAZED WITH HIGH PERFORMANCE GLAZING
- (9) EXISTING STAIR TO REMAIN
- (1) EXISTING FIRE SPRINKLER MAINS TO REMAIN
- (1) EXISTING ROOF SCREEN TO REMAIN





Menlo Business Park Bldg. 7 - Amenities & Renovation

1430 O'Brien Drive, Menlo Park, CA, 94025

PROPOSED BUILDING ELEVATIONS

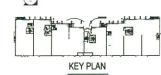
01.20.2016 Planning Pre-Application Submittal

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DES Project Number: 2730,61









# Menlo Business Park Bldg. 7 - Amenities & Renovation

1430 O'Brien Drive, Menlo Park, CA. 94025

Building Perspective
01,20,2016 Planning Pre-Application Submittal













# Menlo Business Park Bldg. 7 - Amenities & Renovation 1430 O'Brien Drive, Menlo Park, CA. 94025

Building Perspective
01.20.2016 Planning Pre-Application Submittal





## Community Development



#### **STAFF REPORT**

**Housing Commission** 

Meeting Date: 3/2/2016 Staff Report Number: 16-002-HC

Regular Business: Recommendation of a Below Market Rate Housing

Agreement Term Sheet with 650 Live Oak LLC for

650-660 Live Oak Avenue

#### Recommendation

Staff recommends that the Housing Commission recommend to the Planning Commission approval of the draft BMR Agreement Term Sheet (Attachment A) for a proposed mixed-use development at 650-660 Live Oak Avenue.

#### **Policy Issues**

Each BMR Agreement is considered individually. The Housing Commission should consider whether the proposal would be in compliance with the BMR Housing Program requirement.

#### **Background**

#### Site location

The subject site is located at 650-660 Live Oak Avenue, just off the El Camino Real corridor. The other nearby El Camino Real-fronting parcels are also part of the SP-ECR/D zoning district and are occupied by a mix of uses, including retail stores, restaurants and cafes, personal services, offices, and a movie theater. The R-3 district is the predominant zoning district along the rest of Live Oak Avenue, and these properties are occupied by a mixture of residential types.

The project site is comprised of two parcels, as described in the following table:

	Table 1: Project Parcels	
	650 Live Oak Ave	660 Live Oak Ave
Zoning District	SP-ECR/D (El Camino Real/Downtown Specific Plan)	R-3 (Apartment)
General Plan Land Use Designation	El Camino Real/Downtown Specific Plan	Medium-Density Residential
Lot Size	22,415 square feet	7,783 square feet
Current Use	Office building	Two Residential Units

Due to Zoning Ordinance requirements for mixed-zoning properties, the parcels would not be merged as part of the project. Each parcel would adhere to its respective Zoning District regulations (setbacks, FAR,

etc.), although the project would represent a unified proposal, with easements and/or deed restrictions used to link certain elements.

#### **Analysis**

#### **Project description**

The applicant is proposing to demolish the existing site improvements and construct a new mixed-use residential-office development. On the 650 Live Oak Avenue parcel, two three-story buildings would be constructed over a two-level underground garage. At the front of this parcel, a mixed-use building would feature non-medical office at the front and five residences (four studios and one one-bedroom unit) at the rear of the first level, with non-medical office on the second and third levels. At the rear of this parcel, a residential building would feature five one-bedroom units and five two-bedroom units, with an outdoor courtyard separating the two structures.

On the 660 Live Oak Avenue parcel, a public plaza would be located at the front of the lot, and two residences would be located at the middle/rear of the lot. The development on this parcel would adhere to the standard R-3 zoning district requirements, with a 0.45 maximum FAR and a parcel-size-based limit of two dwelling units.

The 650 Live Oak Avenue portion of the development would exceed the Base level density/intensity standards of the ECR SW sub-district, as may conditionally be permitted with provision of a negotiated Public Benefit Bonus. The development standards are compared in the following table:

Table 2: Development Comparison				
	Base Level	Public Benefit Bonus Level	Proposal	
FAR (Overall)	1.10	1.50	1.9	50
FAR (Non-Medical Office)	0.55	0.75	0.	75
Dwelling Units/Acre	25	40.0	29	9.2

The Public Benefit Bonus process requires an initial study session with the Planning Commission, which for this project took place on May 18, 2015. Since this meeting, the applicant has changed the initial Public Benefit proposal from a community garden to a public plaza that features a reading/books theme. The Public Benefit proposal also includes the provision of a full BMR unit, where the strict requirement is only for a partial (0.53) unit. The Planning Commission will formally act on the Public Benefit Bonus concurrent with the overall project actions, and a number of outcomes are possible, including:

- 1. The Planning Commission approves the project and Public Benefit as proposed.
- 2. The Planning Commission denies or continues the project in order to allow the applicant to propose an alternate/enhanced Public Benefit.
- 3. The Planning Commission denies or continues the project in order to allow the applicant to propose an alternate Base Level proposal that does not require a negotiated Public Benefit (note: the Base Level requirements were established to achieve numerous inherent benefits to the community).

The Housing Commission will not be providing a recommendation on the merits of the Public Benefit Bonus, although the Commission is being asked to consider both the Public Benefit Bonus project proposal as well as a likely Base Level proposal. Consideration of both scenarios at the current time is intended to prevent the need for an additional Housing Commission meeting, in the event that the applicant ultimately pursues a Base Level proposal.

The Housing Commission should note that the proposal is still under staff review, and aspects of the design are subject to change before final project actions.

#### 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"), as the commercial portion of the project would exceed 10,000 square feet in gross floor area, in both the Public Benefit Bonus Level and Base Level scenarios. The residential portion of the project itself does not create any BMR requirement, due to the fact that it would be rental housing, and the City does not currently have any enforceable BMR requirements for rental residential projects, based on a court case. For the commercial BMR obligations, the BMR Ordinance requires the applicant to submit a BMR Housing proposal for review by the Housing Commission.

The applicant's BMR proposal letter and select project plans are included as Attachments B and C, respectively. The respective requirements and the applicant's proposal for the primary Public Benefit Bonus Level proposal, as well as the potential Base Level alternate proposal are noted in the following table:

Table 3: BMR Requirements and Applicant Proposal		
	Public Benefit Bonus Level	Base Level
Proposed Office sf	16,854	12,360
Existing Office sf	5,996	5,996
Net Office sf	10,858	6,364
BMR Unit Requirement	0.53	0.31
BMR In-Lieu Fee Option	\$169,053	\$99,081
Applicant Proposal	1 BMR Unit	BMR In-Lieu Fee

As noted earlier, the applicant's primary project proposal includes the provision of a BMR unit, with the intent that the Planning Commission will consider the rounding-up of the 0.53-unit requirement to one full unit as one aspect of the Public Benefit. As stated earlier, the Housing Commission is not being asked to comment on the Public Benefit Bonus aspect, although staff believes that the creation of new BMR units is a priority, and that provision of such units in and around the El Camino Real corridor is generally desired. For this project, the proposed BMR unit would be one of the one-bedroom units, which staff believes would address BMR Guidelines requirements for such units to be of similar characteristics to the market-

rate units.

For the potential Base Level scenario, the applicant has relayed that such a project may itself be completely infeasible. However, the applicant has gone on to state that if such a Base Level project is ultimately pursued, the BMR In-Lieu Fee would be the only option that they could propose in order to meet the BMR requirements. The in-lieu fee would be based upon the per square foot fee in effect at the time of payment (currently estimated at \$99,081). Staff would note that this scenario's requirement for 0.31 of a BMR unit would be well below even one-half of a unit, and that the City has not typically required the provision of a full unit for such a partial unit requirement. However, staff has included a condition allowing the applicant to potentially partner with another project to meet this partial requirement via an off-site unit.

At this time, the Housing Commission should review the draft BMR Agreement Term Sheet (Attachment A) and provide guidance to staff, the applicant, and the Planning Commission. The draft Term Sheet would be used to inform the BMR Agreement, which would subsequently be reviewed and acted on by the Planning Commission along with the main project actions. The Planning Commission is the acting body, unless the action is appealed to the City Council.

The draft BMR agreement may be modified prior to Planning Commission action to include updated building square footages or similar adjustments as the applicant continues to refine the project.

#### Correspondence

Staff has not received any correspondence regarding the BMR proposal.

#### Conclusion

Staff believes that the primary proposal's provision of a full BMR unit would meet the BMR requirements, and that the location of this unit in the El Camino Real corridor would be generally considered a positive. For the Base Level scenario, the partial requirement of 0.31 unit would be well below the requirement for a full unit, and could justify the provision of a BMR In-Lieu fee for this requirement. The BMR Agreement would also allow the applicant the flexibility to partner with another project to meet this partial unit requirement in another method. Staff recommends that the Housing Commission recommend to the Planning Commission approval of the terms stated in the draft BMR Agreement Term Sheet.

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

The project sponsor is required to pay Planning, Building and Public Works permit fees, based on the City's Master Fee Schedule, to fully cover the cost of staff time spent on the review of the project.

#### **Environmental Review**

The proposed project is being evaluated with respect to compliance with the California Environmental Quality Act (CEQA) as part of the Planning Commission action. BMR direction is not an action under CEQA, so environmental review is not required by the Housing Commission.

#### **Public Notice**

Public Notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting.

#### **Attachments**

- A. Draft BMR Agreement Term Sheet
- B. 650-660 Live Oak Avenue BMR Proposal
- C. Project Plan Excerpts

Report prepared by:

Thomas Rogers, Principal Planner

#### 650-660 Live Oak Avenue

## **Draft** Below Market Rate Housing (BMR) Agreement Term Sheet

- 1. Applicant owns property known as Assessor's Parcel Numbers: 071-288-550 and 071-288-290 ("Property"), more commonly known as 650-660 Live Oak Avenue, Menlo Park.
- 2. Applicant is requesting architectural control and use permit approval to demolish an existing commercial building (on a parcel zoned SP-ECR/D) and two residential units (on a substandard parcel zoned R-3) and construct a new linked non-medical office and residential mixed-use development.
- 3. The proposal could be developed at either the Public Benefit Bonus or Base Levels, and as such this Term Sheet addresses both scenarios. Possible alternate proposals with substantially similar square footages and/or enhanced BMR proposals may also be considered to be covered by this Term Sheet;
- 4. In either scenario, the commercial component would be greater than 10,000 square feet in gross floor area 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;
- 5. For the primary Public Benefit Bonus Level project:
  - a. The project would include approximately 16,854 square feet of non-medical office and 17 rental dwelling units.
  - b. The proposed increase of approximately 10,858 net square feet of office results in a requirement of 0.53 BMR housing unit;
  - c. Applicant has elected to satisfy the BMR requirement by providing one on-site BMR unit, specifically a one-bedroom unit;
  - d. The characteristics of the BMR unit shall be in conformance with Section 5 of the BMR Guidelines.
  - e. The residential component of the proposal is rental, and as such the BMR unit shall meet the rental requirements set forth in Section 11 of the BMR Guidelines;
- 6. For the alternate Base Level project:
  - a. The project would include approximately 12,360 square feet of non-medical office and 14 rental dwelling units.
  - b. The proposed increase of approximately 6,364 net square feet of office results in a requirement of 0.31 BMR housing unit;

- c. While the Property's General Plan land use and Zoning designations permit residential uses, and the project includes residential units, Applicant has stated that provision of an on-site BMR unit is not financially feasible;
- d. Applicant does not own any other sites within the City that are zoned for residential land uses;
- e. Applicant has elected to satisfy the BMR requirement for the proposed project through payment of an in-lieu fee;
- f. The BMR in-lieu fee is estimated at \$99,081, although the fee will be calculated based on the fee that is in effect at the time of payment;
- g. Prior to final sign-off of the building permit, the Applicant may partner with other applicants to deliver the equivalent of at least 0.31 units toward the creation of an off-site unit, which would result in the waiving or refunding of the BMR in-lieu fee.

#### 650 Live Oak LLC

6272 Virgo Road Oakland, CA 94611

January 3, 2016

City of Menlo Park Thomas Rodgers

Re: 650 Live Oak BMR Housing Proposal

Thomas,

The redevelopment of 650 Live Oak, Menlo Park is currently working its way through the City's Architectural Control Process at the Public Benefit Level. The project is subject to a long-term ground lease, as such, new rental units will be created and there will be no for-sale units.

### Public Benefit Level Proposal

At Public Benefit Level, the project proposes 10,858 sf of new Office Space and 16,609 sf of new Rental Residential space comprised of 4 studio units, 6 one-bedroom units, and 5 two-bedroom units. 0.525 BMR unit would typically be required for this project, however as part of the proposed public benefit package, we propose to provide 1 full BMR unit in the project. We propose that this would be a typical unit, which would be a one-bedroom unit as shown on the attached drawings.

### **Base Level Proposal**

6,364 sf of new Office Space would be created that required 0.307 BMR unit which would pay an inlieu fee of \$75,667.96.

(Note that it is highly unlikely that we would choose to proceed with the redevelopment of 650 Live Oak at the Base Level since the economics are not worth the risk in the current environment. Therefore, the city would be unlikely to realize these funds for Affordable Housing.)

Sincerely,

Daniel Minkoff, Manager

DMinkoff@MinkoffGroup.com

Vin Malante

415-730-2802

**KEYNOTES LEGEND** 

510.516.0167 www.brick-llp.com

rev date issue

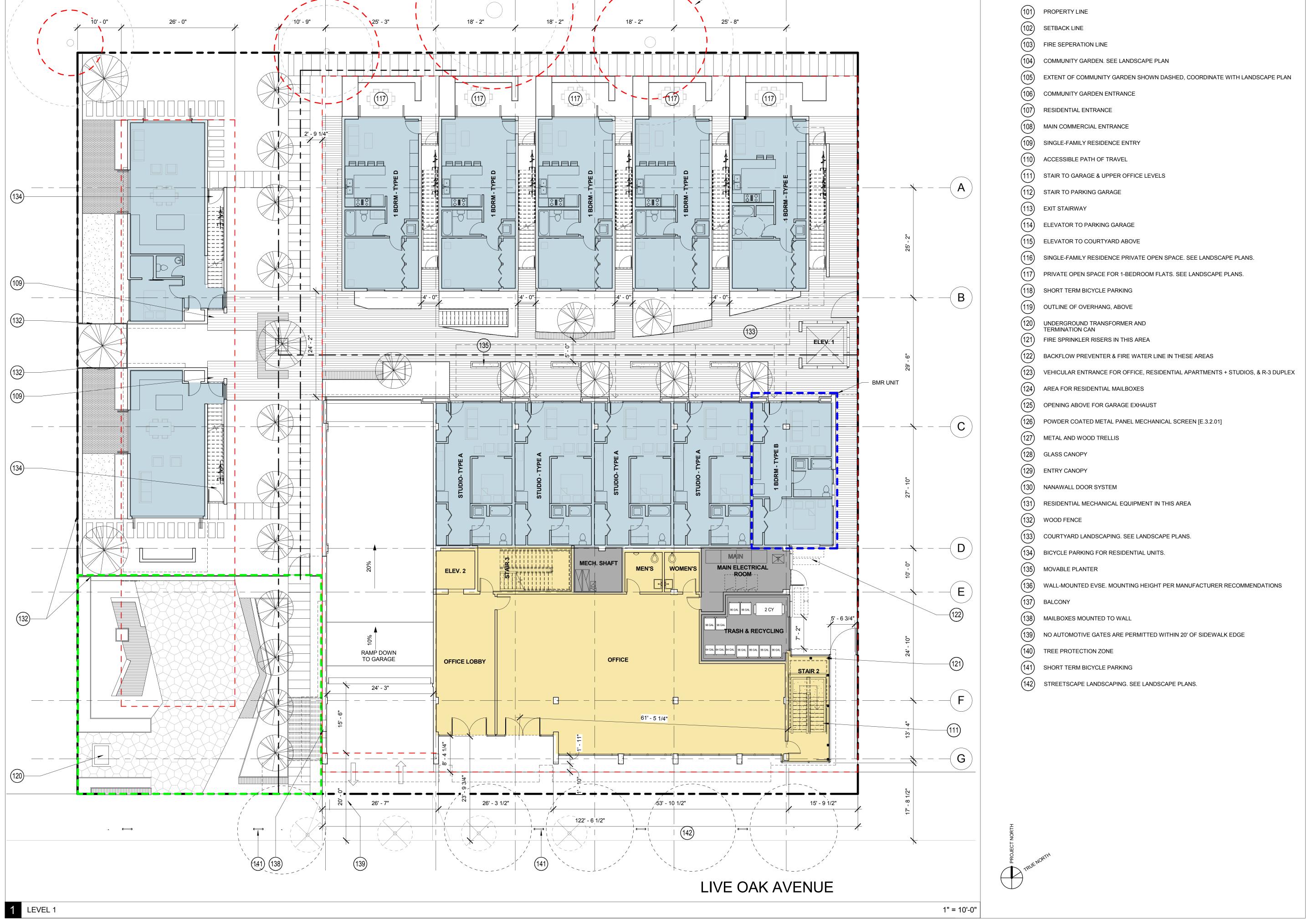
650 live

650 live oak, menlo park, california project number: 14-078

scale: as noted date: 12.11.2105

conceptual design

FLOOR PLAN -LEVEL 1



#### ATTACHMENT C



ARCHITECT brick., lip 1266 68th street, suite 1 emeryville, ca 94608 510.516.0167 www.brick-lip.com

w date issue

650 live

650 live oak, menlo park, california project number: 14-078

date: 12.11.2105

conceptual design

COVER

A0.0

MATERIAL
MANDIAL
MATERIAL
MEDIANE CABINET
MEDIANEAL
MEDIANEAL
METALANEA
MANDIA-ACTURER
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PLYWOOD
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DECK DRAIN
DOUGLAS FIR PHOTOVOLTAIC Q.T. R.
RAD.
R.D.
REF.
REFR.
REINF.
REQD.
RESIL
R.H.
RM.
R.O. RADIUS
ROOF DAIN
REFERENCE
REFRIGERATOR
REINFORCED
REQUIRED
REQUIRED
RESULENT
ROBE HOOK
ROOM
ROUGH OPENING
RESILENT TILE
REDWOOD
RAIN WATER LEADER EXISTING
EACH
EXPANSION JOINT
ELEVATION
ELECTRICAL
ELEVATOR
EMERGENCY
ENCLOSURE
EQUAL ELEC. ELEV. EMERG ENCL. EQ. EQPT. E.W.C. EXP. EXT. EQUIPMENT ELECTRIC WATER COOLER EXPANSION EXTERIOR SOLID CORE SEAT COVER DISPENSER SCHEDULE S.C. SCD SCHED. SCHED. SCHED. SECT. SH. SHWR. SHT. SIM. S.M.S. SND SNV SSD STD. STL. STOR. STRL. SUSP. FIRE ALARM SCHEDULE
SOAP DISPENSER
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GLASS
GROUND
GYPSUM
GYPSUM WALL BOARD
GENERAL TERRAZZO
TONGUE AND GROOVE
THICK
TACKBOARD
TOP OF PAVEMENT/TELEPHONE PANELBOARD
TOILET PAPER DISPENSER
TELEVISION HOSE BIBB HOLLOW CORE HOLLOW METAL HORIZONTAL HOUR T.O.S. T.O.W. TOP OF STEEL TOP OF WALL U.O.N. UNLESS OTHERWISE NOTED INSIDE DIAMETER INSULATION INTERIOR INTRAVENOUS TRACK VINYL COMPOSITION TILE VISUAL DISPLAY BOARD VERTICAL VESTIBULE WITH WATER CLOSET WOOD WITHOUT WATERPROOF KITCHEN WASTE RECEPTACLE WEIGHT LAMINATE LAVATORY LIGHT **ABBREVIATIONS** 

**ABBREVIATIONS** 

ACOUSTICAL ADJUSTABLE AGGREGATE

**GRAPHIC SYMBOLS** GRAPHIC SYMBOLS REPRESENT OBJECTS, ELEMENTS, EQUIPMENT, INSTRUCTIONS, LOCATION, CONVENTIONS, ETC. THEY DO NOT REPRESENT THE SHAPE, SIZE, DIMENSION OF THE ACTUAL OBJECT. EACH DRAWING GROUP (I.E. MECHANICAL, ELECTRICAL) HAS ITS OWN SYMBOLS, ABBREVIATIONS, LEGEND AND NOTES: THE INFORMATION AND SYMBOLS ON THIS DRAWING ARE GENERAL AND APPLY TO ALL DRAWINGS. ROBE HOOK 101 NUMBER OF DOOR IN ROOM) SEE A9.1 FOR DOOR SCHEDULE Ю CLOCK  $\Diamond$ FIRE EXTINGUISHER
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WALL HUNG CABINETS OR SHELVES

LEGEND

BASE CABINET

SETBACKS (NORTH OF LIVE OAK)

FRONT YARD REQUIRED / PROPOSED:

NTERIOR SIDE YARD (FUNCTIONAL REAR)

REQUIRED / PROPOSED:

NITERIOR SIDE YARD REQUIRED / PROPOSED:

REAR YARD SETBACK REQUIRED / PROPOSED: 0 FT AT GRADE, 5 FT FOR UPPER FLOORS / 14 FT 2 INCHES 0 FT AT GRADE, 5 FT FOR UPPER FLOORS / 5 FT 10 FT / 10 FT / 8UILDING PROJECTIONS SYTEND 5-0° (5-0° MAX.) INTO THE SETBACK AREA OPEN SPACE 39% OF OIT AREA (EVES OF T.) (13:09 SO. FT.

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PROJECT INFORMATION

A0.1

**A0.8** 



PERSPECTIVE NIGHT VIEW FROM LIVE OAK

A0.9



Reserved - These Pleas and/or Specifications are intended for the side benefit of the client's of Birck, LLP and may not be used, caused, capied, or reproduced in any form without the express written consent of Birck, LLP.

rev date issue

650 live oak

) live oak, menlo park, california

scale: as noted date: 12.11.2105

conceptual design

PERSPECTIVE VIEW OF COMMUNITY GARDEN

A0.10



ARCHITECT brick., lip 1266 66th street, st

rev date issue

650 live oak

650 live oak, menlo park, californi

scale: as noted date: 12.11.2105

conceptual design

PERSPECTIVE VIEW OF RESIDENTIAL WALKWAY

A0.11

650 live oak

scale: as noted date: 12.11.2105

conceptual design

PERSPECTIVE
VIEW OF
INTERIOR
COURTYARD AND
APARTMENTS
A0.12

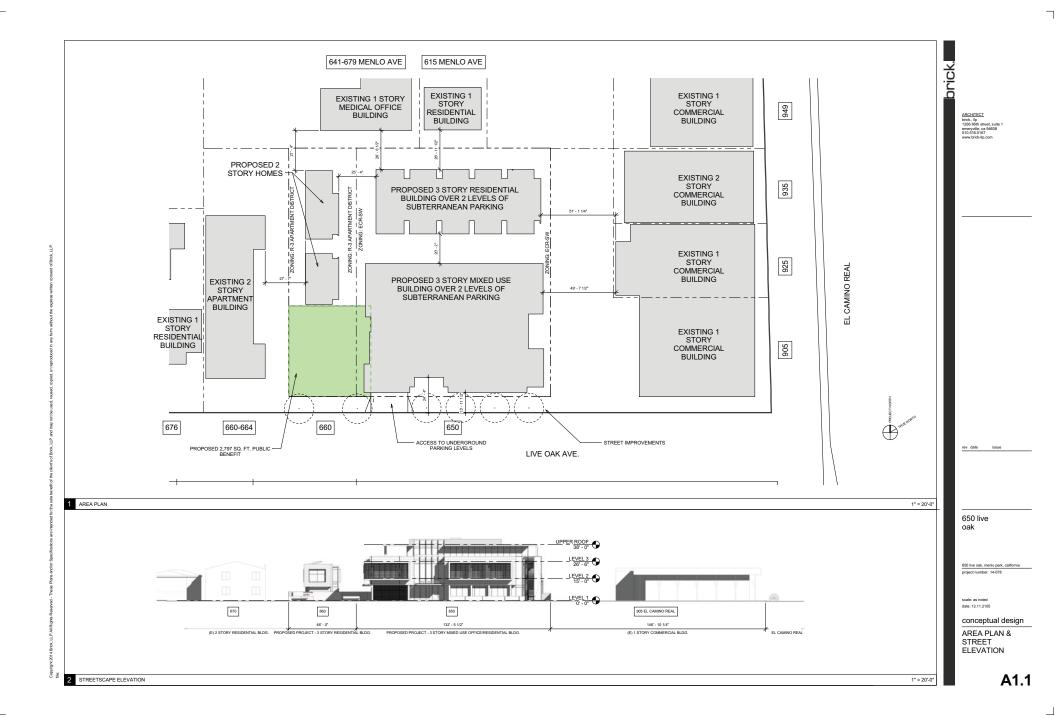
conceptual design CONTEXTUAL SITE PLAN

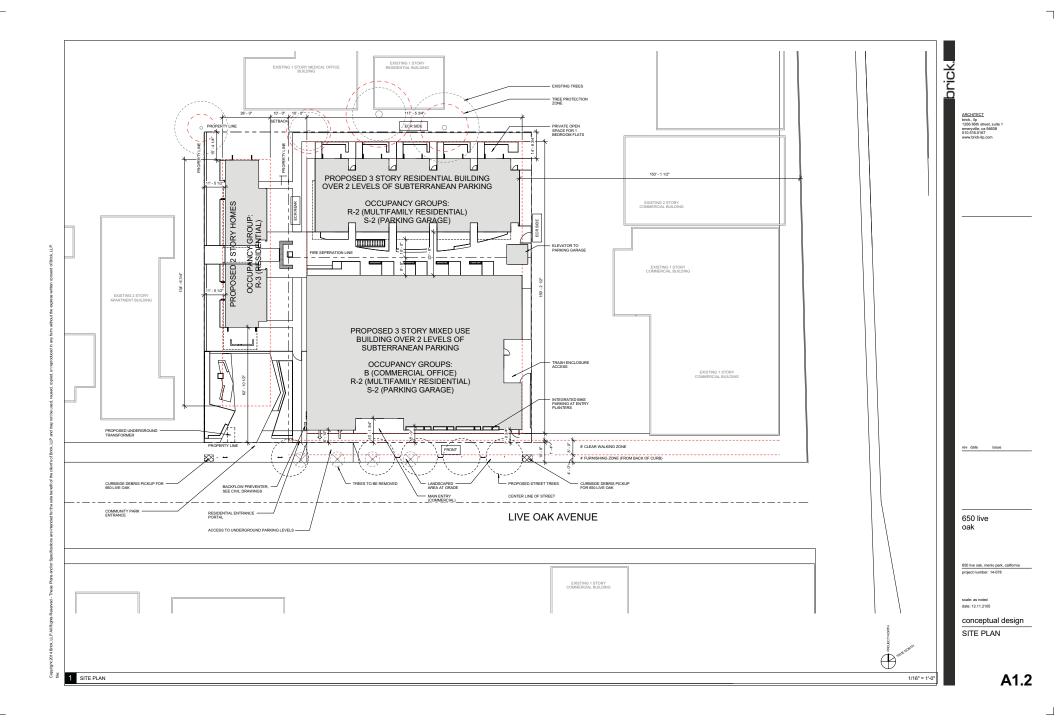


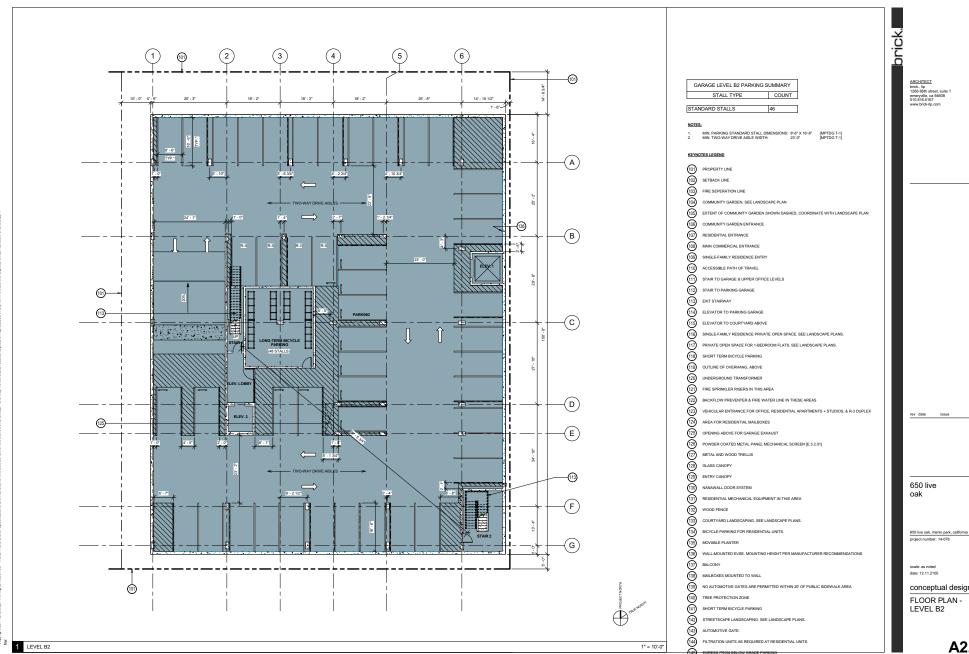
CONTEXTUAL SITE PLAN

1" = 30'-0"

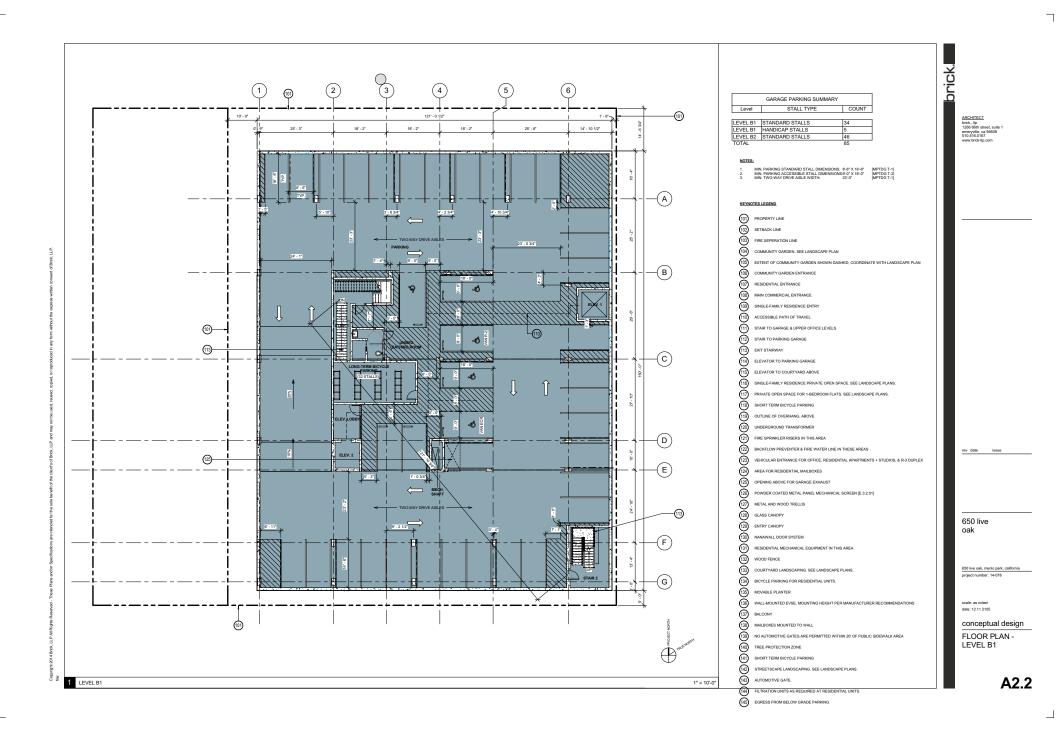
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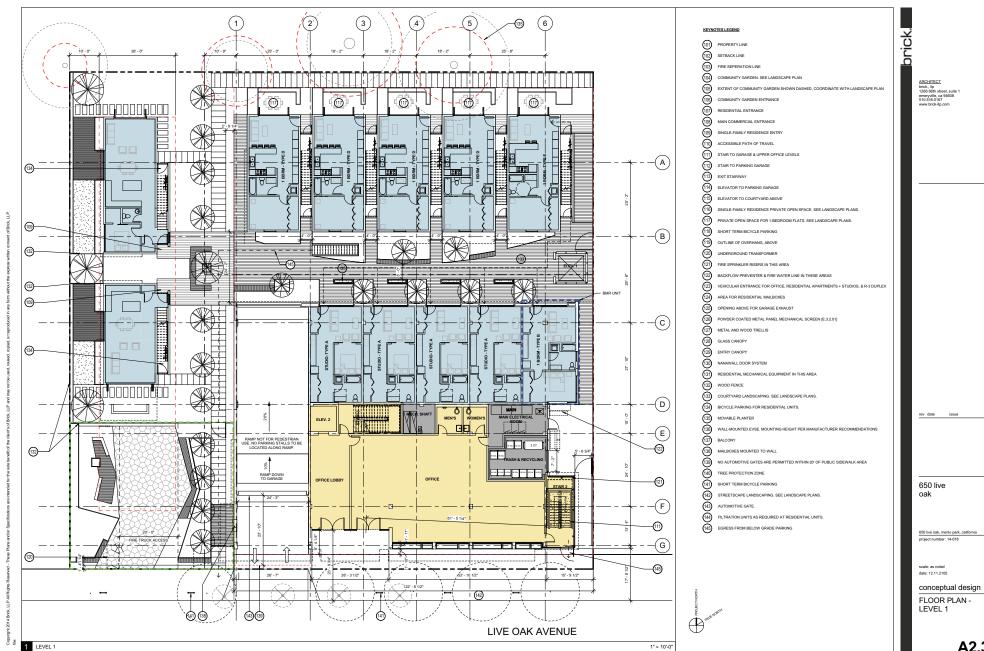


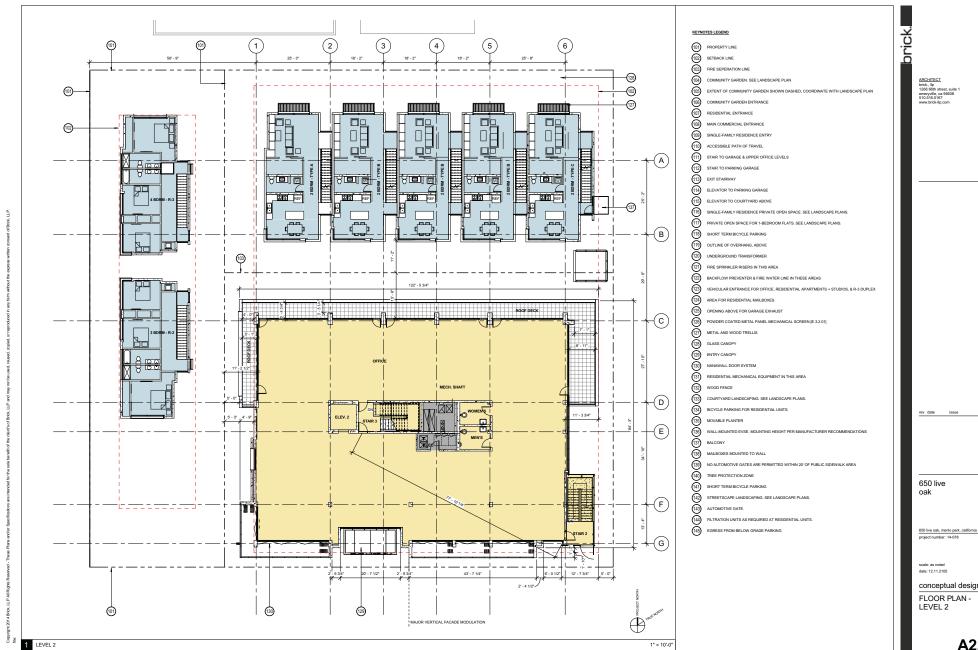




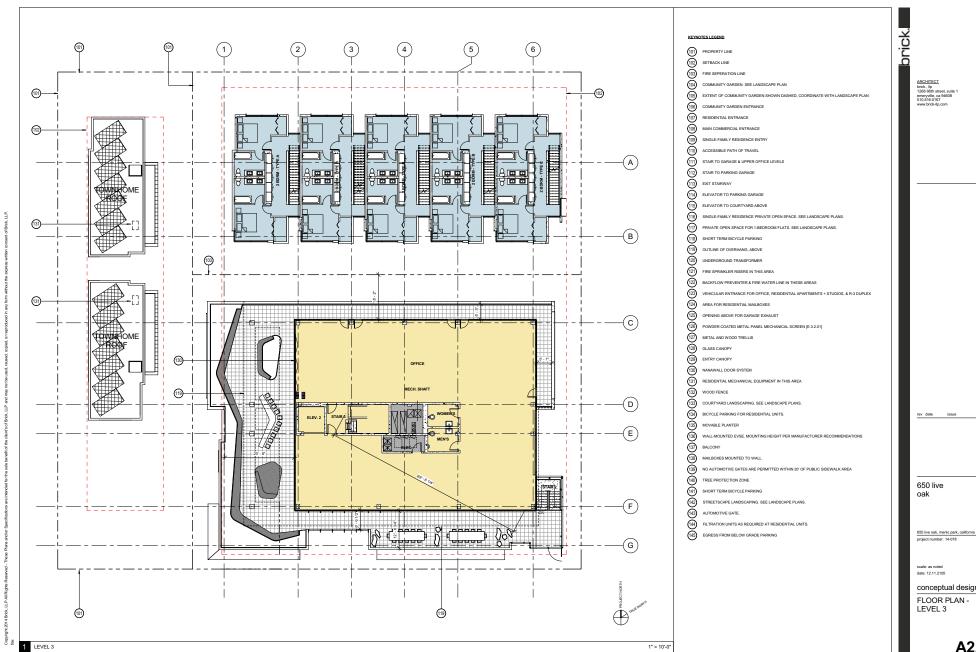
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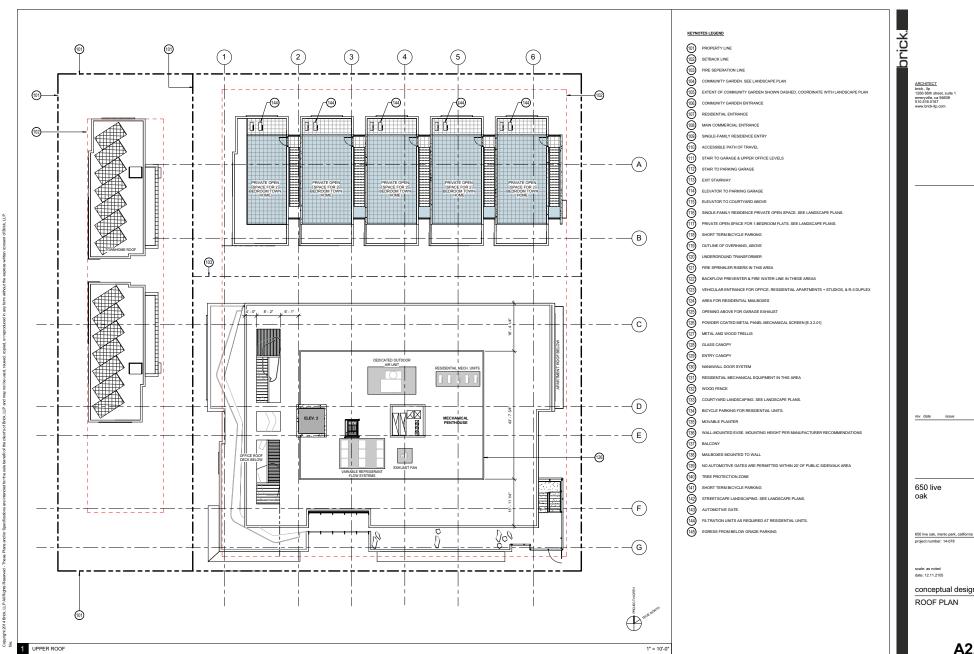




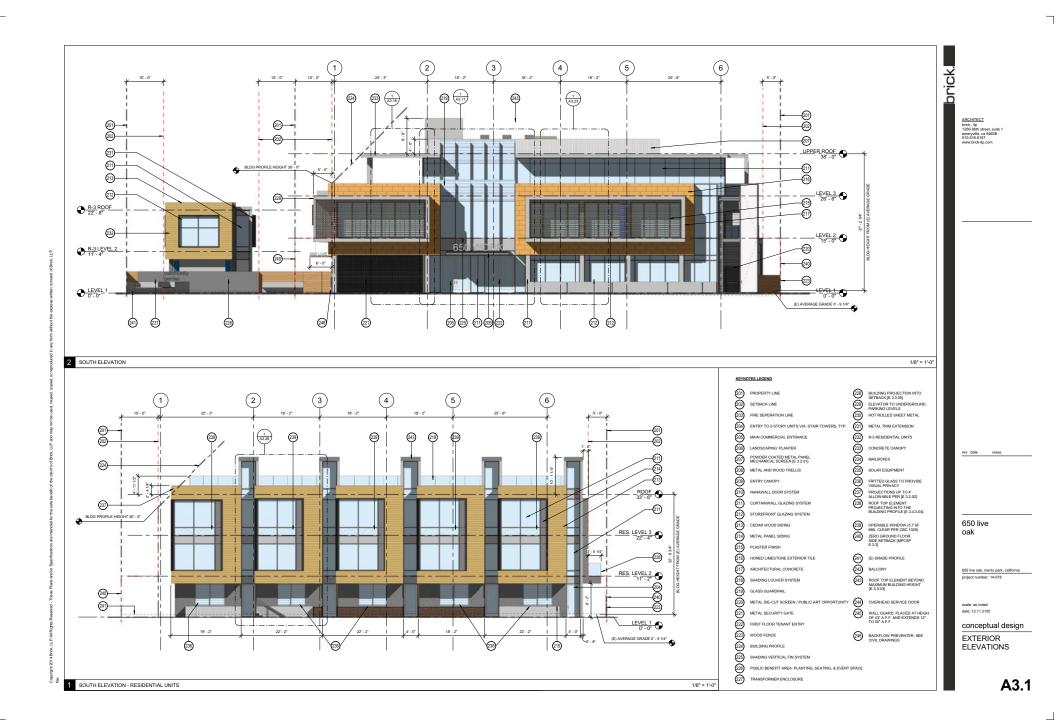
conceptual design FLOOR PLAN -

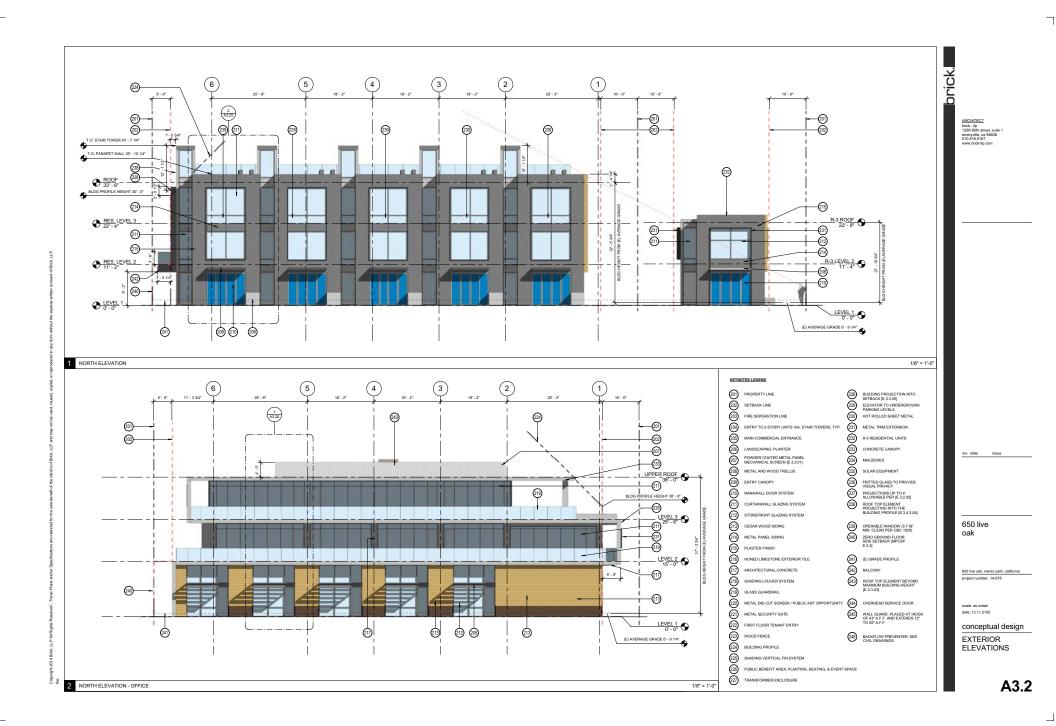


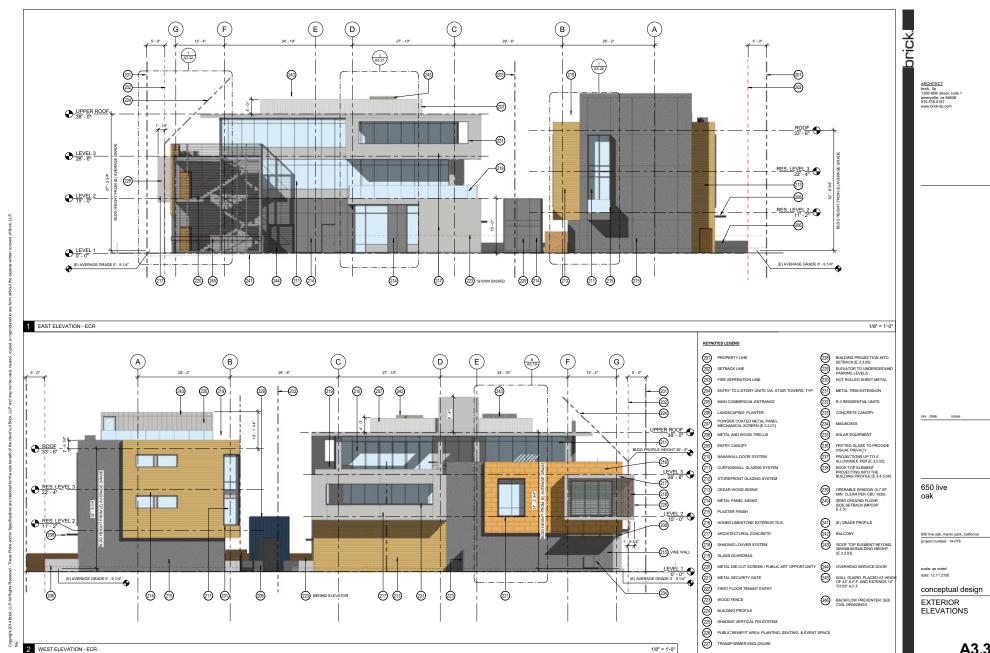
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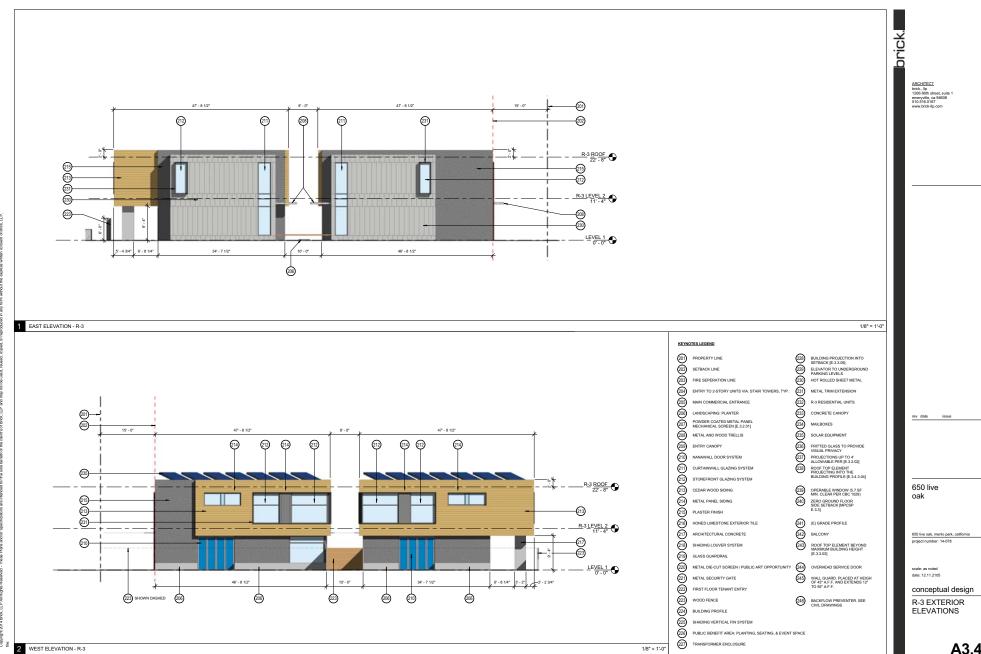
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A3.3



A3.4

# **Community Development**



### **STAFF REPORT**

Housing Commission Meeting Date:

Meeting Date: 3/2/2016 Staff Report Number: 16-003-HC

Regular Business: Recommendation of a Below Market Rate Housing

Agreement Term Sheet with Greenheart Land Company, LLC for the 1300 El Camino Real Project

#### Recommendation

Staff recommends that the Housing Commission recommend to the Planning Commission approval of the draft BMR Agreement Term Sheet (Attachment A) for a proposed mixed-use development at 1300 El Camino Real.

### **Policy Issues**

Each BMR Agreement is considered individually. The Housing Commission should consider whether the proposal would be in compliance with the BMR Housing Program requirement.

# **Background**

#### Site location

The project site consists of 15 legal parcels (11 assessor's parcels) addressed 1258-1300 El Camino Real, 550-580 Oak Grove Avenue, and 540-570 Derry Lane. The project site would be approximately 6.4 acres in size, after a proposed abandonment of Derry Lane, and dedication of a planned extension of Garwood Way (aligning with Merrill Street) and a partial widening of the Oak Grove Avenue right-of-way. The project site is within the El Camino Real/Downtown Specific Plan ("Specific Plan") area, which is designated by the SP-ECR/D zoning district. The other nearby properties are occupied by a mix of uses, including hotel, retail stores, restaurants and cafes, personal services, offices, and residences.

### **Analysis**

## **Project description**

The applicant is proposing to redevelop a 6.4-acre site on El Camino Real and Oak Grove Avenue with up to 217,900 square feet of commercial uses and up to 202 dwelling units. The development would consist of underground parking, with two non-medical office buildings and one residential building above. The office buildings would be oriented toward El Camino Real, while the residential building would be oriented toward Oak Grove Avenue and the extended Garwood Way. Along El Camino Real and Oak Grove Avenue, the ground floors would be occupied by community-serving uses (retail, personal service, etc.). A small surface parking lot would be located along the Garwood Way frontage. Several plaza areas would be accessible to the public.

The applicant's BMR proposal letter and select project plans are included as Attachments B and C, respectively. The development would exceed the Base level density/intensity standards of the ECR NE-R sub-district, as may conditionally be permitted with provision of a negotiated Public Benefit Bonus. The development standards are compared in the following table:

Table 2: Development Comparison				
Base Level		Public Benefit Bonus Level	Proposal	
FAR (Overall)	1.10	1.50	1.50	
FAR (Non-Medical Office)	0.55	0.75	0.75	
Dwelling Units/Acre	32	50	31.6	

The Public Benefit Bonus process requires an initial study session with the Planning Commission, which is tentatively scheduled for March 21, 2016. Due to the fact that the overall project includes elements that will require City Council review, the Public Benefit Bonus will also be evaluated in a study session by the City Council. The applicant's current Public Benefit proposal consists of a \$2,100,000 cash contribution, to be directed to a pending Public Amenity Fund that can be used to implement infrastructure improvements in the Specific Plan area.

The Planning Commission and City Council will formally recommend and act (respectively) on the Public Benefit Bonus concurrent with the overall project actions, and a number of outcomes are possible, including:

- 1. The City Council approves the project and Public Benefit as proposed.
- 2. The City Council denies or continues the project in order to allow the applicant to propose an alternate/enhanced Public Benefit.
- 3. The City Council denies or continues the project in order to allow the applicant to propose an alternate Base Level proposal that does not require a negotiated Public Benefit (note: the Base Level requirements were established to achieve numerous inherent benefits to the community).

The Housing Commission will not be providing a recommendation on the merits of the Public Benefit Bonus, although the Commission is being asked to consider both the Public Benefit Bonus project proposal as well as a likely Base Level proposal. Consideration of both scenarios at the current time is intended to prevent the need for an additional Housing Commission meeting, in the event that the applicant ultimately pursues a Base Level proposal.

The Housing Commission should note that the proposal is still under staff review, and aspects of the design are subject to change before final project actions.

# 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"), as the commercial portion of the project would exceed 10,000 square feet in gross

floor area, in both the Public Benefit Bonus Level and Base Level scenarios. The residential portion of the project itself does not create any BMR requirement, due to the fact that it would be rental housing, and the City does not currently have any enforceable BMR requirements for rental residential projects, based on a court case. For the commercial BMR obligations, the BMR Ordinance requires the applicant to submit a BMR Housing proposal for review by the Housing Commission.

The respective requirements and the applicant's proposal for the primary Public Benefit Bonus Level proposal, as well as the potential Base Level alternate proposal are noted in the following table:

Table 3: BMR Requirements and Applicant Proposal				
	Public Benefit Bonus Level	Base Level		
Net Office sf	199,300	155,000		
Net Other Commerical sf	8,600	0		
BMR Unit Requirement	9.9	7.5		
BMR In-Lieu Fee Option	\$3,175,771	\$2,440,030		
Applicant Proposal	10 BMR Units	7 BMR Units and Partial In-Lieu Fee		
Staff Recommendation	10 BMR Units	8 BMR Units		

The Housing Commission should note that there are some minor discrepancies between the applicant's square footage calculations and the staff summary, although they do not fundamentally change any of the projected requirements. These will be rectified during the detailed staff review. Also, the Housing Commission should note that the non-medical office and community-serving uses square footage could vary somewhat, but the BMR requirements have been calculated per the maximum office scenario, in order to ensure that the more conservative scenario is analyzed.

For both the Public Benefit Bonus and Base Level scenarios, staff believes that the creation of new BMR units is a priority, and that provision of such units in and around the El Camino Real corridor is generally desired. The applicant has not yet prepared diagrams showing the precise location of the BMR units, but the project would be required to address BMR Guidelines requirements for such units to be of similar characteristics to the market-rate units.

For the potential Base Level scenario, the applicant is proposing that the requirement for approximately 7.5 BMR units be addressed by the provision of seven on-site BMR units and the payment of an in-lieu fee for the remaining 0.5-unit obligation. However, staff believes that given the size of the project's residential component (approximately 130 dwelling units), the BMR requirement can be feasibly addressed by providing a full eight on-site BMR units.

The applicant's letter also states that they are interested in potential flexibility regarding possible off-site units, possibly at a greater number than the minimum on-site unit requirement. If the City's BMR program is modified to allow such an off-site program, the applicant could return to the Housing Commission for consideration of a revision to the BMR Agreement.

At this time, the Housing Commission should review the draft BMR Agreement Term Sheet (Attachment A) and provide guidance to staff, the applicant, and the Planning Commission. The draft Term Sheet would be used to inform the BMR Agreement, which would subsequently be reviewed and acted on by the Planning Commission and City Council along with the main project actions.

The draft BMR agreement may be modified prior to City Council action to include updated building square footages or similar adjustments as the applicant continues to refine the project.

### Correspondence

Staff has not received any correspondence regarding the BMR proposal.

#### Conclusion

Staff believes that the proposal's provision of multiple on-site BMR units would meet the BMR requirements, and that the location of these units in the El Camino Real corridor would be generally considered a positive. Staff recommends that the Housing Commission recommend to the Planning Commission approval of the terms stated in the draft BMR Agreement Term Sheet, which includes staff's recommended requirement that the Base Level proposal be revised to include a full eight on-site BMR units.

# **Impact on City Resources**

The project sponsor is required to pay Planning, Building and Public Works permit fees, based on the City's Master Fee Schedule, to fully cover the cost of staff time spent on the review of the project.

### **Environmental Review**

The proposed project is being evaluated with respect to compliance with the California Environmental Quality Act (CEQA) as part of the Planning Commission and City Council action. BMR direction is not an action under CEQA, so environmental review is not required by the Housing Commission. Currently, the project's Draft Environmental Impact Report (EIR) has been released and is under public review, with a public hearing scheduled for the Planning Commission meeting of March 21, 2016. The Housing Commission meeting is not a Draft EIR meeting, and as a result any Draft EIR comments made at this meeting will not be recorded for the future response to comments document.

### **Public Notice**

Public Notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting.

#### **Attachments**

A. Draft BMR Agreement Term Sheet

Staff Report #: 16-003-HC

- B. 1300 El Camino Real BMR Proposal
- C. Project Plan Excerpts

Report prepared by: Thomas Rogers, Principal Planner

## 1300 El Camino Real

# **Draft** Below Market Rate Housing (BMR) Agreement Term Sheet

- 1. Applicant owns 15 legal parcels (11 assessor's parcels) addressed 1258-1300 El Camino Real, 550-580 Oak Grove Avenue, and 540-570 Derry Lane ("Property"), more commonly known as 1300 El Camino Real, Menlo Park.
- 2. Applicant is requesting architectural control approval to demolish existing commercial buildings and construct a new mixed-use development consisting of non-medical offices, residences, and community-serving uses, in the SP-ECR/D zoning district.
- 3. The proposal could be developed at either the Public Benefit Bonus or Base Levels, and as such this Term Sheet addresses both scenarios. Possible alternate proposals with substantially similar square footages and/or enhanced BMR proposals may also be considered to be covered by this Term Sheet;
- 4. In either scenario, the commercial component would be greater than 10,000 square feet in gross floor area 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;
- 5. For the primary Public Benefit Bonus Level project:
  - a. The project would include net increases of 199,300 square feet of office uses and 8,600 square feet of other commercial uses; which would result in a requirement of 9.9 BMR housing units;
  - b. Applicant has proposed to satisfy the BMR requirement by providing 10 on-site BMR units;
  - c. The characteristics of the BMR units shall be in conformance with Section 5 of the BMR Guidelines;
  - d. The residential component of the proposal is rental, and as such the BMR units shall meet the rental requirements set forth in Section 11 of the BMR Guidelines;
- 6. For the alternate Base Level project:
  - a. The project would include net increases of 155,000 square feet of office uses and zero square feet of other commercial uses; which would result in a requirement of 7.5 BMR housing units;
  - b. Applicant has proposed to satisfy the BMR requirement by providing seven onsite BMR units and an in-lieu fee for the remaining partial unit requirement:

- c. Given the overall size of the development at approximately 130 dwelling units, provision of eight full on-site BMR units appears feasible, and as such the BMR proposal shall be revised to provide eight on-site BMR units, in the event that the Base Level project is pursued;
- d. The characteristics of the BMR units shall be in conformance with Section 5 of the BMR Guidelines;
- e. The residential component of the proposal is rental, and as such the BMR units shall meet the rental requirements set forth in Section 11 of the BMR Guidelines;



February 17, 2016

Mr. Thomas Rogers Planning Department City of Menlo Park 701 Laurel Street Menlo Park, CA 940125

Re: Station 1300

**Below Market Rate Housing Plan** 

Dear Mr. Rogers:

This outlines the Below Market Rate (BMR) Housing Plan for Station 1300, a proposed mixed-use development located at 1300 El Camino Real. This proposed BMR Plan includes the following:

- I. Public Benefit & Base Level Project Description
- II. BMR Requirement for the Base and Public Benefit FAR Levels
- III. Proposal to satisfy the BMR Requirement with units within the residential component of the project
- IV. Future Option for BMR Compliance

## I. Public Benefit & Base Level Project Description:

A detailed project description of both the proposed Public Benefit and Base Level Developments is attached as Appendix A. Community Serving Space shown below refers to those uses included in the Downtown Specific Plan Section H and permitted in the ECRNE-R zone (where the proposed development is located) including retail, restaurants, food & beverage, salons, etc. Below is a summary table of the relevant development parameters for each alternative project.

Category	Base Level	Public Benefit
Office Space	155,000 SF	188,900 – 199,300 SF
Community Serving Space	10,000 SF	18,600 – 29,000 SF
Residential Space	145,000 SF	202,100
Residential Units	130	182
Total Gross SF	310,000	420,000
Max Height	38'	48'
Max Façade Height	38'	38'
Number of office stories	2	3

Category	Base Level	Public Benefit
Number of Residential Stories	3	4
Parking	4 Levels Above	2 Levels Underground
	Ground Structure	
Parking Spaces (approximate)	800	1,000
Open Space (% of Site)	20%	49%
Open Spaces >15,000 SF	None	Two
Active Park	None	One (17,800 SF)
Amphitheatre	None	One
LEED	SilverAll	Platinum—Office
		GoldResidential
Net Zero Energy	None	Office

# II. BMR Requirement for the Base and Public Benefit FAR Levels

The BMR requirement for Station 1300 is based on the City's requirement for BMR units when commercial buildings greater than 10,000 GSF are constructed. The City's BMR Requirements are one BMR unit for every 20,600 GSF of office and one BMR Unit for every 37,800 GSF of lesser employment commercial spaces like community serving. Because the residential units will be rental units, there is no City BMR requirement on the residential project per se. Therefore, the BMR requirements for the Public Benefit ("PB") and Base FAR Plans are as follows:

# **REQUIRED BMR UNITS**

Type of Space	PB Max Office	PB Min Office	Base FAR Plan
Office Space	199,300	188,900	155,000
Community Serving (CS)	18,600	29,000	10,000
# of BMR for Office	9.67	9.17	7.52
# of BMR for CS	0.49	0.77	0.26
Total BMR Units	10.17	9.94	7.78

### III. Proposal to Satisfy BMR Requirement

Under the Menlo Park BMR program GLC will provide BMR units on-site.

At the Public Benefit density, the City's Policy would require about ten (10) units set aside. For the Base FAR Plan, seven (7) units would be required plus in-lieu fees for the 0.78 unit obligation. The unit mix for the on site BMR units would be as outlined below:

Unit Type	Public Benefit Apartment Unit %	Public Benefit BMR Unit Mix	Base FAR Apartment Unit %	Base FAR BMR Unit Mix
1 Bdrm X 1 Bath	52%	5	50%	4
2 Bdrm X 2 Bath	44%	5	45%	3
3 Bdrm X 2 Bath	4%	0	5%	0
Total	100%	10	100%	7

The BMR unit mix above will be spread throughout the residential building with each unit getting the right to use a single parking space in the garage. The BMR units will use materials of comparable quality to market rate units and will be indistinguishable from the exterior in compliance with the City's BMR Housing Program Guidelines.

# IV. Future Options for BMR Compliance

We understand that in the future the City may consider changes to its BMR program that may provide additional flexibility for the use of an offsite option to satisfy BMR requirements. We believe that the provision of offsite BMR units would provide an opportunity to increase the supply of BMR units to meet critical housing needs. If such provisions are adopted, we understand that Greenheart would have an opportunity to return to the City with a revised BMR proposal, and that the approval of the currently proposed on-site option would not prejudice the consideration of such an offsite alternative.

However, pending the adoption of such new policies, we ask the City to approve the on site BMR option as described above.

Best Regards,

**Greenheart Land Company** 

Robert M. Burke

ASSIMED.

Principal

#### **EXHIBIT A**

# **Public Benefit Development Description:**

The transit-oriented development will include community serving, residential, and office uses, as well as plazas and open spaces. Over 98% of the parking will be underground, and site access and egress will be via three points on two public streets.

Station 1300 will invite public use and take full advantage of its proximity to the CalTrain station. The goal is to create centers of activity that will serve the community, residents, and daytime users. Station 1300 will have the daytime population (office users) and evening population (residents) needed to invigorate the downtown, nearby and on-site retail areas.

The design of the buildings will draw from the Spanish Eclectic style as interpreted by Pedro de Lemos at Allied Arts and Ramona Street and as reinterpreted at the well-regarded 1600 ECR office building.

Station 1300 is proposed as a public benefit development with a floor area ratio (FAR) of 150%. The maximum building height will be 48 ft. with façade heights not exceeding 38 ft. (For reference, the heights of the building elements at the condominiums at Merrill and Oak Grove, across the street from the Station 1300 apartments are 42 ft. to 46 ft.) The development will conform to all the design standards and regulations set forth in the Specific Plan.

# A. Circulation and Parking

Garwood will be extended to connect Glenwood and Oak Grove and will be aligned with Merrill at Oak Grove to facilitate through traffic. This extension of Garwood will provide the missing link between Encinal and Ravenswood and thereby improve access to downtown and the CalTrain station for bicyclists and pedestrians.

Parking will primarily be underground with two access points on Garwood and one on El Camino Real (ECR). These multiple entrances will result in the distribution of vehicle access and egress between ECR, Glenwood, and Oak Grove, with the use of ECR optional. Of the approximately 1,000 parking spaces, only about 20 will be surface parking at the rear of the site for visitor convenience.

## **B. Plazas and Open Space**

Underground parking allows the site to be opened-up to create plazas, gathering places, and other open spaces that will in total add up to over 48% of the site.

<u>Garwood/Oak Grove Plaza</u>: This will be a high activity area where outdoor restaurant dining, the main residential lobby, pedestrian access to underground retail parking and leasing office come together with the large archway entrance to

the private courtyard that anchors the Garwood/Oak Grove corner. The plaza will face CalTrain station and bring additional activity to the station area.

<u>Garwood Park:</u> This active park will soften the Garwood edge to the rear of the office buildings. It is intended for active recreation like Bocce, and ping pong, as well as chess and picnicking.

<u>Public Office Plaza:</u> The two "C" shaped buildings embrace a large plaza area for office employee, restaurant customer and public use, and is designed for outdoor restaurant dining, relaxation, informal gatherings, and so forth. It is envisioned that it will have the accounterments of a sheltered courtyard that will feature sitting areas, decorative paving, fountains, and landscaped outdoor "rooms". In addition, an outdoor amphitheater for performances is located adjacent to the main plaza.

<u>Other Open Spaces:</u> The commercial and residential structures will be separated by broad landscaped areas that will provide not only a visual buffer, but also a retreat for quiet relaxation.

# **C. Community Serving Uses**

Community Serving Uses include the categories of uses as defined in the Specific Plan, Section H and permitted in the ECRNE-R zone (where the proposed development is located) including retail, restaurants, food & Beverage, salons, etc.,.

Community Serving uses in the entire development will be in a minimum of 18,600 GSF to a maximum of 29,000 GSF located in the following areas:

- Ground Floor of Residential on Oak Grove = 7,900 GSF
- Ground Floor of Office buildings on ECR = minimum of 10,700 GSF to maximum of 21,100 GSF

Our goal is to have one or more quality restaurants on ECR that will use the office plaza dining area. Oak Grove is seen as a possible location for specialty foods and a casual restaurant at the Plaza.

### D. Residential

With the Public Benefit Proposal there will be 182 rental units located in about 202,000 GSF. Rental units will provide housing that is much more affordable than condos or other "for sale" housing in Menlo Park and Palo Alto. The target market is young-professionals, a demographic that is under-served in Menlo Park.

The apartments will be one-bedroom units (52%), two-bedroom units (44%) and a small number of three bedroom units (4%). The design and scale of the apartments (average size less than 900 sf) and the amenities will cater to singles and couples. Units of this size normally do not appeal to families. Multi-family rental data clearly

shows that there will be very few children over the age of 5 living in a community with similar attributes as station 1300.

The residential building will encircle a private courtyard that will include a pool set within a highly landscaped environment. The amenity area will be contiguous with the leasing office and will open onto the pool area, which will include an outdoor kitchen and areas for lounging and entertaining.

In addition, residents will have access to the public open spaces described earlier, and most will have private decks or patios.

### E. Office

Two high-quality Class A+ office buildings are designed to accommodate both tech users who prefer an open office layout and professional office users who prefer private perimeter offices. The buildings will also meet the needs of large as well as small tenants. Depending on the amount of Community Serving uses, the office use will total between 188,900 and 199,300 SF.

On the public street facing facades, the third floors will be set back and feature decks. The ground floor offices will have doors that open onto the plaza to facilitate the indoor/outdoor experience, as well as contributing to active use of the plaza for gatherings and events.

## Base Level FAR Project Description:

At the Base Level FAR of 110%, there would be approximately 310,000 SF of gross building area on the site. Parking would accommodated in an above ground parking structure for the 155,000 SF of office space; 10,000 SF of Community Serving space on the ground floor and approximately 130 apartments.

The design of the buildings will be a similar Spanish Eclectic style as outlined in the Public Benefit FAR Plan above.

The Base FAR Plan will have a maximum building & façade height will be 38 ft. The development will conform to all the design standards and regulations set forth in the Specific Plan.

# A. Circulation and Parking

Garwood will be extended to connect Glenwood and Oak Grove and will be aligned with Merrill at Oak Grove to facilitate through traffic.

Parking will be in an above ground parking structure with access points on Garwood and on El Camino Real (ECR). The four-level structure will hold approximately 800 cars.

# B. Plazas and Open Space

The Site plan will comply with the minimum 20% open space requirement utilizing both the ground level open space as well as qualifying private decks as allowed in the Specific Plan. The Base FAR Plan will not have sufficient space for any active recreation areas.

### C. Community Serving Uses

Community Serving Uses include the categories of uses as defined in the Specific Plan, Section H and permitted in the ECRNE-R zone (where the proposed development is located). Community Serving uses in the entire development will be approximately 10,000 GSF on the ground floor of the office buildings and apartments.

#### D. Residential

There will be approximately 130 rental units located in about 145,000 GSF. Rental units will provide housing that is much more affordable than condos or other "for sale" housing in Menlo Park and Palo Alto. The target market is young professionals, a demographic that is under-served in Menlo Park.

The apartments will be one-bedroom units (50%), two-bedroom units (45%) and a small number of three bedroom units (5%). The design and scale of the apartments (average size less than 900 sf) and the amenities will cater to singles and couples. Units of this size normally do not appeal to families. Historical data indicates that there will be very few children over the age of 5.

Residents will have private decks or patios as well as a private courtyard for residents only.

### E. Office

Two high-quality Class A+ office buildings are designed to accommodate both tech users who prefer an open office layout and professional office users who prefer private perimeter offices. The buildings will also meet the needs of large as well as small tenants. The Base FAR Plan is envisioned to have 155,000 GSF of office space.

# ATTACHMENT C







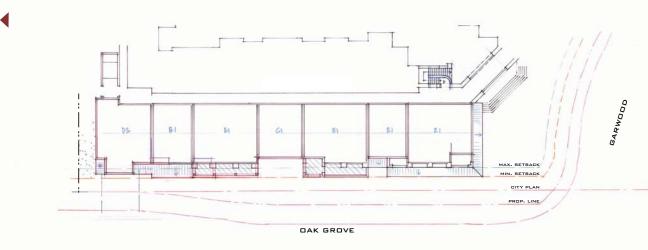


1300 EL CAMINO REAL	Office at El Camino			
Menlo Park, California	Greenheart Land Co.	Date: 07.29.2014	Project No.: 12060	<b>BAR</b> architects

















**1300 EL CAMINO REAL** Menlo Park, California

Mixed-Use at Oak Grove

Freenheart Land Co.

Project No.: 1206

BARarchitects





**1300 EL CAMINO REAL** Menlo Park, California

View from Oak Grove & Garwood Way







BEFORE



AFTER

**1300 EL CAMINO REAL**Menlo Park, California

Visual Impact Study

eenheart Land Co.

Project No : 12060

**BAR** architects

### **Community Development**



### **STAFF REPORT**

Housing Commission Meeting Date:

Meeting Date: 3/2/2016 Staff Report Number: 16-004-HC

Regular Business: 2015 Annual Report on the Status and Progress in

Implementing the City's Housing Element

### Recommendation

Staff recommends that the Housing Commission consider the report and provide comments and/or a recommendation to the City Council on the 2015 Housing Element Annual Report.

### **Policy Issues**

The preparation and submittal of the Housing Element Annual Report to the state Housing and Community Development Department (HCD) and Governor's Office of Planning and Research (OPR) is required by State law. The Annual Report documents past housing-related activities, but does not authorize the implementation of programs or expenditure of funds.

### **Background**

Government Code 65400 requires each governing body to prepare an annual report on the status and progress of implementing the jurisdiction's Housing Element of the General Plan using forms and definitions adopted by the HCD. Housing Element Annual Reports are due April 1 of each year for the calendar year immediately preceding the April 1 reporting deadline. Therefore, this year's report evaluates the implementation programs of the 2015-2023 Housing Element between the time period January 1 and December 31, 2015. This is the first report for the planning period.

As part of the Housing Element Annual Review process, staff will be seeking input from the Planning Commission and Housing Commission prior to presenting the report to the City Council. At the Housing Commission meeting, Commissioners and the public will have an opportunity to provide comments on the Annual Report.

The Planning Commission conducted its review on February 22, 2016. One member of the public spoke and suggested that the item be earlier in the Commission's agenda so more people could listen to the discussion and to also define the income categories in Table A of the report. The commenter shared her support for bicycle and pedestrian improvements as noted in Program H4.T (Explore Bicycle and Pedestrian Improvements) and for higher density housing around the City's hub. In summary, the Planning Commission had several clarifying questions about the Notice of Funding Availability (NOFA), secondary dwelling units, and the status of a few of the programs to be reviewed concurrently with the General Plan Update. One Commissioner noted specifically interest in the work on the following programs: H4.A (Explore the Creation of a Transportation Management Association), H4.I (Create Multi-Family and Residential Mixed Use Design Guidelines), H4.P (Update Parking Stall and Driveway Design Guidelines), and H4.T (Explore Bicycle and Pedestrian Improvements). Most of the Planning Commission's discussion focused on the need to explore mechanisms to encourage development at the higher residential densities

permitted by the Zoning Ordinance and how to achieve more affordable housing at all income levels. The Commission also noted that affordable housing should be part of the public benefit discussion for development projects. The Planning Commission unanimously supported the 2015 Housing Annual Report and recommended that the City Council determine appropriate incentives to create housing for households at or below moderate-income levels.

Along with the Planning Commission's comments, staff will forward the Housing Commission's comments and any additional refinements to the report to the City Council for review, which is tentatively scheduled for March 15, 2016.

### **Analysis**

Attachment A includes the 2015 Housing Element Annual Report. The Annual Report includes a review on the status of implementation programs and consists of an inventory of housing production in the City. This staff report highlights a few key accomplishments and other programs that are in progress and will be continued in 2016, in more detail below.

### **Implementation Programs**

### MidPen Housing

Housing Element Program H4.Q (Achieve Long-Term Viability of Affordable Housing) states that the City should work with non-profits and other project sponsors to implement the City's Preferences for Affordable Housing policy (Policy H4.13). The City has closely coordinated with MidPen Housing on its 90-unit affordable senior development located at 1221 Willow Road. Recognizing the challenges of providing affordable housing in the region, MidPen was able to maximize its resources with the City's financial and technical assistance. The subject site was identified as a housing opportunity site and rezoned for higher density housing with an affordable housing overlay (AHO) as part of the 2007-2014 Housing Element. Through the 2013-2014 Notice of Funding Availability (NOFA) process, the City Council awarded MidPen up to \$3.2 million from the City's Below Market Rate (BMR) housing fund for use towards the development of the project, and further contributed to the feasibility of the project by supporting the abandonment of a portion of right-of-way along Willow Road, a sidewalk easement, and public utility easements (PUE) to address circulation and access challenges of the site. Furthermore, the City granted fee waivers for the processing of the project per the requirements established in the AHO. In exchange for fee waivers and other incentives, the MidPen development is deed restricted for extremely-low (up to 30% of Area Median Income) and very low-income (31% to 50% of Area Median Income) senior households (age 62 years and older). Of the 90 units, 20 units have been established with preferences for people who live and/or work in Menlo Park with deed restriction periods of 55 years. Building permits are anticipated to be issued in the coming weeks, and then the units will be counted towards the City's 2016 Annual Report. The deed restricted units at the lower income household levels serves a void in the City's affordable housing portfolio.

Notice of Funding Availability

Program H1.H (Utilize the City's Below Market Rate (BMR) Housing Fund) requires the City to administer

and advertise at least every two years the availability of funds in the BMR housing fund as it applies to residential, commercial and industrial projects. The objective of the NOFA is to support the acquisition, rehabilitation or new construction of housing that will provide long term affordability. The funding is intended to fill the financing gap between projected total development costs and other available funding sources. In July 2015, the City released its second NOFA, announcing that approximately \$7.8 million of BMR funds are available. As part of this NOFA, the Council supported several changes to the requirements in an effort to increase the interest level and number of responses. The modifications were 1) a reduction in the number of completed affordable housing projects, 2) to encourage, rather than require, that an applicant's previous projects be of similar size and complexity, and 3) to allow an entity to submit as an individual and a team. The City received three applications, which is an increase from the one application received during the 2013 NOFA. Staff is in the process of reviewing the applications and will be scheduling a study session with the City Council in the coming months.

### Affordable Housing Nexus Study

As part of a collaborative effort working with 13 jurisdictions in San Mateo County, San Mateo County and the City of Palo Alto, the City is pursuing an affordable housing nexus study. The nexus study would provide a defensible analysis to maintain legal justification for the City's BMR Housing Program, which includes both inclusionary zoning and affordable housing impact fees for commercial developments. Participation in this effort supports Program H4.D (Update the BMR Fee Nexus Study). Much of the work has been done, but had been put on hold given limited staffing resources. Staff believes that the nexus study can be finalized in time to become part of a larger dialogue around housing that the Council has requested. A study session with the Council to introduce the nexus study framework and other options to address affordable housing and other housing-related issues such as displacement, would be the likely next step and occur in the late Spring. The Housing Commission and Planning Commission will have opportunities to provide input on the nexus study, and the City Council will ultimately have a policy decision to make on whether to modify the City's BMR Program and/or adopt any other housing-related ordinances.

### General Plan Update

The City is engaged in updating its Land Use and Circulation Elements of the General Plan. While the General Plan Update is not an implementation program of the Housing Element, a number of programs have been slated to be considered as part of the General Plan update timeframe. Some of the programs directly relate to or are influenced by the current work of the General Plan and should be implemented concurrently with the Update, while other programs may be more appropriate, given the topic or geographic focus, to be considered for implementation at a future date. For example, Program H4.N (Create Opportunities for Mixed Use Development) seeks to explore opportunities to modify zoning to allow residential uses in commercial zones dependent on proximity to other services and transit and the preservation of viable local-serving commercial uses. Through the General Plan process of identifying desired land uses and locations for such land uses, smaller scale mixed-use developments at key locations along the Willow Road Corridor emerged as a potential change to the area. To implement that, staff may be proposing modifications to the C-2-B zoning district to allow for residential in mixed use developments where residential uses are not currently permitted. Other Programs such as H4.J (Consider Surplus City-Owned Land for Housing) may not be as timely because there is no City-owned surplus land

Staff Report #: 16-004-HC

in the M-2 geographic area of the General Plan Update.

Below is Table 1, which lists the Housing Element programs to be considered as part of the General Plan Update. The Commission may wish to provide input on which programs should be prioritized. Staff will also note that several other Housing Element programs were targeted for the 2016 timeframe. These programs such as H1.G (Adopt an Anti-Displacement Ordinance) and H2.A (Adopt Ordinance for "At Risk" Units) can be further discussed and considered as part of the larger housing dialogue with the Council on various housing strategies and City priorities to addressing housing concerns, tentatively scheduled for late Spring 2016.

Table 1: Housing Element Programs to be Considered During the General Plan Update Timeframe							
Program No.	Housing Element Program						
H2.C	Amend the Zoning Ordinance to Protect Existing Housing						
H3.G	Develop Incentives for Special Needs Housing						
H4.A	Modify R-2 Zoning to Maximize Unit Potential						
H4.I	Create Multi-Family Residential Mixed Use Design Guidelines						
H4.J	Consider Surplus City Land for Housing						
H4.L	Coordinate with School Districts to Link Housing with School District Planning Activities						
H4.M	Review the Subdivision Ordinance						
H4.N	Create Opportunities for Mixed Use Development						
H4.O	Review Transportation Impact Analysis Guidelines						
H.4.S	Explore Creation of a Transportation Management Association						
H4.T	Explore Pedestrian and Bicycle Improvements (coordination with Redwood City)						

As part of the city review of the 2014 Annual Report, staff discussed the potential for several Zoning Ordinance amendments related to the secondary dwelling unit ordinance, the R-3 (Infill Around Downtown) zoning district, and items treated to accessory buildings and structures. These amendments were considered minor "clean up" amendments that would provide clarity and minimize ambiguity, and would not result in an increase in density or intensity in development that was not previously considered. With the staffing levels and priority on the General Plan Update, the El Camino Real/Downtown Specific Plan, and the processing of development projects, staff was unable to bring forward the Zoning Ordinance amendments for consideration in 2015. As part of the General Plan Update process, staff will be considering several housing programs that could trigger Zoning Ordinance amendments. For efficiencies, staff will consider bundling the "clean up" Zoning Ordinance amendments with other housing-related zoning ordinances that may come concurrent with or following the General Plan update.

### **Housing Production**

In 2015, the City experienced unprecedented housing production with the issuance of building permits for 748 net new dwelling units. A majority of the units are located within three large, multi-family residential developments that were previously identified as housing opportunity sites for higher density housing in the 2007-2014 Housing Element. Two of the developments are located along Haven Avenue and one development is on Hamilton Avenue, and all three are expected to be completed in 2016. Of the 394 units in the St. Anton development on Haven Avenue, 37 units will be dedicated affordable to very low- and low-income households.

During 2015, the first residential building permits under the El Camino Real/Downtown Specific Plan were also issued. The project yielded three new residential units at 612 College Avenue. In addition, the City issued an unprecedented number of building permits for secondary dwelling units. Eight building permits were issued for secondary dwelling units. One of the building permits was for the conversion of a detached garage into a secondary dwelling unit, taking advantage of the limited-time conversion provision in the Zoning Ordinance that allows certain nonconformities to remain. Two more applications are pending. The conversion process for legally built and constructed accessory buildings into secondary dwelling units was established in 2015 and extended in 2015 for an additional year. The program will sunset on June 13, 2016, unless the City Council, by resolution, extends the effective date. Staff recommends that the program be extended for an additional year, and will be bring a resolution for the Council's consideration in the next few months.

While the City's housing production for the year exceeds the City's Regional Housing Need Allocation of 655 units for the 8-year planning period, the City's numbers for affordable housing are not yet close to being met. The upcoming study session on housing will be an opportunity to discuss ways to obtain and retain affordable housing in the City.

### **Impact on City Resources**

There are no impacts to City resources besides the preparation of the report. Program implementation may have impacts to staffing resources and/or projects/priorities.

### **Environmental Review**

The Housing Element Annual Report is not considered a project. Implementation of Housing Programs may be subject to the California Environmental Quality Act (CEQA), and each program will be evaluated on a case-by-case basis.

### **Public Notice**

Public Notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting. In addition, the City sent an email update to the subscribers of the Housing Element webpage.

### **Attachments**

- A. 2015 Housing Element Annual Report
- B. Link to: Adopted Housing Element for the 2015-2023 Planning Period (http://menlopark.org/DocumentCenter/View/4329)

Report prepared by: Deanna Chow, Principal Planner

(CCR Title 25 §6202)

Jurisdiction	City of Menlo Park	
Reporting Period	1/1/2015 -	12/31/2015

### Table A

### Annual Building Activity Report Summary - New Construction Very Low-, Low-, and Mixed-Income Multifamily Projects

	Housing Development Information									ncial Assistance or rictions	Housing without Financial Assistance or Deed Restrictions
1	2	3		4	1		5	5a	6	7	8
Project Identifier (may be APN No., project name or	Unit Category	Tenure R=Renter	Affo	Affordability by Household Incomes  Very Low- Low- Moderate- Above		Moderate Above		Total Units  per  Est. # Infill  Units*			Note below the number of units determined to be affordable without financial or deed restrictions and attach an explanation how the
address)		O=Owner	Income	Income	Income	Moderate- Income	Project		See Instructions	See Instructions	jurisdiction determined the units were affordable. Refer to instructions.
3639 Haven Ave. (St. Anton)	5+	R	22	15	0	357	394	394		DB; BMR Ordinance	
1390 Garden Ln.	SDU	R									
220 Haight St.	SDU	R									
746 Hermosa Way	SDU	R									
331 Oak Ct.	SDU	R									
323 O'Keefe St.	SDU	R									
529 Pope St.	SDU	R									
2161 Sharon Rd.	SDU	R									
1475 Woodland Ave.	SDU	R									
SDU Subtotal	SDU	R	3	5	0	0	8	8			
(9) Total of Moderate and Above Moderate from Table A3 ▶ 0					0	346	346	346			
(10) Total by income Ta	(10) Total by income Table A/A3 ► ►				0	703	748	748			
(11) Total Extremely Lo						_			<u> </u>		

<sup>\*</sup> Note: These fields are voluntary

Second Unit (SU) affordability is consistent with the Housing Element assumptions and based on a survey of San Mateo County jurisdictions.

(CCR Title 25 §6202)

Jurisdiction	City of Menlo Park	
Reporting Period	1/1/2015 -	12/31/2015

### Table A2

### Annual Building Activity Report Summary - Units Rehabilitated, Preserved and Acquired pursuant to GC Section 65583.1(c)(1)

Please note: Units may only be credited to the table below when a jurisdiction has included a program it its housing element to rehabilitate, preserve or acquire units to accommodate a portion of its RHNA whichmeet the specific criteria as outlined in GC Section 65583.1(c)(1)

	Affo	rdability by H	ousehold Incon	nes	
Activity Type	Activity Type Extremely Low-Income* Very Low-Income Income		TOTAL UNITS	(4) The Description should adequately document how each unit complies with subsection (c )(7) of Government Code Section 65583.1	
(1) Rehabilitation Activity				0	
(2) Preservation of Units At-Risk				0	
(3) Acquisition of Units				0	
(5) Total Units by Income	0	0	0	0	

<sup>\*</sup> Note: This field is voluntary

Table A3

### Annual building Activity Report Summary for Above Moderate-Income Units (not including those units reported on Table A)

	1. Single Family	2. 2 - 4 Units	3. 5+ Units	4. Second Unit	5. Mobile Homes	6. Total	7. Number of infill units*
No. of Units Permitted for <b>Moderate</b>	0	0	0	0	0	0	0
No. of Units Permitted for Above Moderate	2	3	341	0	0	346	346

<sup>\*</sup> Note: This field is voluntary

(CCR Title 25 §6202)

Jurisdiction	City of Menlo Park	
Reporting Period	1/1/2015 -	12/31/2015

### Table B

### **Regional Housing Needs Allocation Progress**

### Permitted Units Issued by Affordability

	dar Year starting with llocation period. See		2015	2016	2017	2018	2019	2020	2021	2022	2023	Total Units	Total
Inco	me Level	RHNA Allocation by Income Level	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	to Date (all years)	Remaining RHNA by Income Level
Very Low	Deed Restricted	233	22									22	208
very Low	Non-deed restricted	233	3									3	200
Low	Deed Restricted	129	15									15	109
LOW	Non-deed restricted	129	5									5	109
Madada	Deed Restricted	440	0									0	143
Moderate	Non-deed restricted	143	0									0	143
Above Moder	rate	150	703									703	-553
Total RHNA Enter alloca	by COG. tion number:	655	748									748	
Total Units	Total Units ▶ ▶ ▶												-93
Remaining N	Remaining Need for RHNA Period ▶ ▶ ▶ ▶												

Note: units serving extremely low-income households are included in the very low-income permitted units totals.

(CCR Title 25 §6202)

Jurisdiction	City of Menlo Park	
Reporting Period	1/1/2015 -	12/31/2015

### Table C

### **Program Implementation Status**

Program Description (By Housing Element Program Names)	Describe progress of all progra	Housing Programs Progress Report - Government Code Section 65583.  progress of all programs including local efforts to remove governmental constraints to the maint improvement, and development of housing as identified in the housing element.					
Name of Program	Objective	Timeframe in H.E.	Status of Program Implementation				
H1.A Establish City Staff Work Priorities for Implementing Housing Element Programs	Establish staff priorities for implementing Housing Element Programs	Annually	This will be done annually as part of the annual Housing Element review.				
H1.B Review the Housing Element Annually	Review and monitor Housing Element implementation; conduct public review with the Housing Commission, Planning Commission and City Council, and submit Annual Report to HCD	,	Annual Review for the 2014 calendar year was accepted by the City Council on March 24, 2015 and submitted to HCD for review. Using forms provided by HCD, the 2015 Annual Review was undertaken between February and March 2016, and reviewed by the Housing Commission, Planning Commission and accepted by the City Council.				
H1.C Publicize Fair Housing Laws and Respond to Discrimination Complaints	Obtain and distribute materials (see Program 1H.D)	Ongoing	Materials available at the counter at City Hall and on the City's Web site.				
H1.D Provide Information on Housing Programs	Obtain and distribute materials at public locations; conduct staff training	·	Materials available at the counter at City Hall and on the City's Web site. Housing Commission meetings are conducted on a quarterly basis, at a minimum. Agendas and notices are posted at City Hall and on the City's website. A mailer was distributed to all households and businesses in the City to promote the Energy Upgrade California, which allows eligible recipients to receive cash rebates for energy efficiency upgrades.				
H1.E Undertake Community Outreach When Implementing Housing Element Programs	Conduct community outreach and distribute materials (see Programs H1.C and 1H.D)	program timelines	Materials available at the counter at City Hall and on the City's Web site. Housing Commission meetings are conducted on a quarterly basis, at a minimum. Agendas and notices are posted at City Hall and on the City's website. Email notifications are also sent to interested parties. Additional outreach to targeted populations and interested parties depending on program.				
H1.F Work with the San Mateo County Department of Housing	Coordinate with County efforts to maintain and support affordable housing		Coordination has occurred as part of the countywide 21 Elements process, coordination with the Department of Housing and other jurisdictions on a countywide nexus study and coordination in implementing Housing Element programs. The City also maintains a City Council representative on the Closing the Jobs/Housing Gap Task Force, which was established by the County of Board of Supervisors to address the regional affordable housing issues.				
H1.G Adopt an Anti-Discrimination Ordinance	Undertake Municipal Code amendment and ensure effective implementation of anti-discrimination policies and enforcement as needed	2016	No activity to date.				

Jurisdiction	City of Menlo Park					
Reporting Period	1/1/2015 -	12/31/2015				
H1.H Utilize the City's Below Market Rate (BMR) Housing Fund		Accumulate and distribute funds for housing affordable to extremely low, very low, low and moderate income households	Ongoing	The City issued a Notice of Funding Availability (NOFA) in July 2013, and awarded MidPen a loan for up to \$3.2 million for an affordable senior development at 1221 Willow Road in September 2014. In June 2015, the Community Development Director issued a compliance letter indicating the proposed 90-unit senior development is in compliance with the zoning regulations and design standards. In July 2015, the City issued its secon NOFA for new affordable rental projects. Approximately \$7.8 million BMR housing funds are available under the NOFA to support the acquisition, rehabilitation and/or construction of housing that will provide long-term affordability. Staff is in the process of reviewing the three applications received. In late 2015, the 60-unit affordable housing development at 60: Willow Road (at the Veterans Affairs Campus) was completed. The City provided financial assistance to the project with a \$2.86 million loan from the Below Market Rate Housing (BMR) funds.		
H1.I Work with Non-Pr	ofits on Housing	Maintain a working relationship with non-profit housing sponsors	Ongoing	The City has worked closely with MidPen to assist in their application submittal to redevelop its property on the 1200 block of Willow Road from 48 dwelling units to 90 dwelling units, including an application to abandon a portion of the public right-of-way for the proposed project, as well as other supportive documents needed for financing of the project. In June 2015, the City determined the MidPen project to be in compliance with the R-4-S (AHO) standards. The City will continue to undertake outreach to non-profit housing sponsors throughout the 2015-2023 Housing Element period. Annual funding provided to HIP and HEART.		
H1.J Update the Housi	ing Element	Assure consistency with SB375 and Housing Element law	2023	Completed. The City Council adopted the 2015-2023 Housing Element on April 1, 2014, and was certified by HCD on April 16, 2014.		
H1.K Address Rent Co	onflicts	Resolve rent conflicts as they arise	Ongoing	No activity to date. Staff is not aware of any rental disputes that have been brought to the City's attention.		
H1.L Update Priority P Water Service to Afford Developments	rocedures for Providing dable Housing	Comply with Government Code Section 65589.7	2015 and 2020 (as part of Urban Water Management Plan updates)	Program completed in February 2014. No additional work on this program is needed at this time.		
H1.M Lobby for Chang Requirements	es to State Housing Element	Work with other San Mateo County jurisdictions and lobby for modifications to Housing Element law (coordinate with Program H1.B)	Ongoing	Meet with State Representative and other jurisdictions and provided input on proposed legislation as needed.		
H2.A Adopt Ordinance	for "At Risk" Units	Protect existing affordable housing	2016	There are no "at risk" subsidized affordable units in Menlo Park at the current time. "At risk" units are those that appear to be in danger of conversion from subsidized housing units to market rents. No activity to date.		

Jurisdiction	City of Menlo Park			
Reporting Period	1/1/2015 -	12/31/2015		
H2.B Promote Energy E Programs	:fficient/Renewable	50 or more homes and businesses participating in a program	Establish policy and programs by 2017; Participation rate by 2022	The City, in partnership with San Mateo County and BayRen, hosted a home energy upgrade workshop attended by 27 people in April 2015. One hundred Belle Haven residents participated in a solar workshop. The workshop was the result of the City, non-profits Grid Alternatives and Menlo Spark, and Facebook working together. Grid Alternatives presented their solar installation program for low income households and Menlo Spark explained how they had worked with Facebook to make a significant donation, allowing qualifying Belle Haven homeowners to receive free solar systems. 53 households participated in the City's Washing Machine Rebate programs administered by both the Menlo Park Municipal Water District and PG&E. In 2015, a total of 6 Menlo Park properties participated in the HERO Program which is a Property Assessed Clean Energy (PACE) financing program. PACE allows qualified property owners the ability to finance renewable energy and water efficient retrofits through a voluntary special assessment or tax placed on their annual tax bill. The 6 completed projects amount to 946,792 KWh in energy savings, a reduction of 88 tons of GHG emissions, and 308,000 gallons of water saved.
H2.C Amend the Zoning Existing Housing	g Ordinance to Protect	Protect existing rental housing as par of infill implementation and other Zoning Ordinance changes	Consider as part of the City's General Plan Update (2014- 2017)	No activity to date. Staff will be considering whether such changes will be considered as part of the General Plan Update.

Jurisdiction	City of Menlo Park	ity of Menlo Park							
Reporting Period	1/1/2015 -	12/31/2015							
H2.D Assist in Implement Rehabilitation Programs	ing Housing	Apply to the County for CDBG funds to provide loans to rehabilitate very low and low income housing (20 loans from 2015-2023)	2015-2023	The County has temporarily stopped administering the CDBG rehabilitation loan program, except in emergency situations.					
H3.A Zone for Emergency Homeless	y Shelter for the	Amend the Zoning Ordinance	2014; concurrent with RHNA 5 Housing Element Update	Completed. Ordinance adopted on April 29, 2014. Ordinance identifies the location of the overlay to allow an emergency shelter for the homeless for up to 16 beds as a use by right and includes standards consistent with State law as established in SB2.					
H3.B Zone for Transitional and Supportive Housing		Amend the Zoning Ordinance	2014; concurrent with RHNA 5 Housing Element Update	Completed. Ordinance adopted on April 29, 2014 to update the definitions of transitional and supportive housing to be consistent with State law and adds transitional, supportive housing and small (6 or fewer) residential care facilities as part of the definition of a "dwelling" in the Zoning Ordinance so these uses are treated the same way as other residential uses as required by State law under SB2.					
H3.C Adopt Procedures for Accommodation	or Reasonable	Amend the Zoning Ordinance and/or modify administrative procedures; create public handout	2014; concurrent with RHNA 5 Housing Element Update	Completed. Ordinance adopted April 29, 2014 to establish procedures, criteria and findings for enabling individuals with disabilities to make improvements and overcome barriers to their housing.					
H3.D Encourage Rental F Programs	Housing Assistance	Provide assistance at current Section 8 funding levels to assist 220 extremely low and very low-income households per year (assumes continued funding of program)	2015-2023	There are 211 households provided rental assistance in Menlo Park through Section 8 and other programs. In addition, many of the tenants at the new 60-unit affordable housing project at the VA Campus receive rental assistance, including project-based HUD VASH (Veterans Affairs Supportive Housing) from the Housing Authority of San Mateo County and HUD-VASH tenant based assistance.					
H3.E Investigate Possible Emergency Shelter	Multi-Jurisdictional	Coordinate in the construction of homeless facility (if determined feasible)	Longer term program as the opportunity arises	There are no plans for a specific facility at this time.					
H3.F Assist in Providing F Living with Disabilities	Housing for Persons	Provide housing and services for disabled persons	Ongoing	Annual funding provided to HIP.					
H3.G Develop Incentives Housing	for Special Needs	Amend the Zoning Ordinance to provide opportunities for housing and adequate support services for seniors and people living with disabilities	Consider as part of the City's General Plan Update (2014- 2017)	The City's Affordable Housing Overlay (AHO), which was established in 2013, was applied to MidPen's 90-unit affordable, senior housing development. Along with financial incentives, the AHO provides density bonuses and a parking reduction for senior housing. Additional Zoning Ordinance amendments will be considered as part of the General Plan Update.					
H3.H Continue Support for Programs	or Countywide Homeless	Support housing and services for the homeless and at-risk persons and families	Ongoing	The City has continued to support HEART and has participated in countywide activities to address homeless needs. In addition, through the City's Community Funding program, the City supports Inn Vision Shelter Network.					

Jurisdiction	City of Menlo Park			
Reporting Period	1/1/2015 -	12/31/2015		
H3.I Work with the Dep on Homeless Issues	artment of Veterans Affairs	Coordination in addressing the needs of the homeless	2014; ongoing thereafter	In January 2014 the City Council authorized a loan increase from the City's BMR funds to CORE Housing for up to \$2.86 million for affordable housing at 605 Willow Road (Veterans Affairs Campus). The development includes 60 dwelling units and would provide permanent housing to extremely lowand very low-income veterans. The development received its certificate of occupancy in December 2015.
H4.A Modify R-2 Zoning	g to Maximize Unit Potential	Amend the Zoning Ordinance to minimize underutilization of R-2 development potential	Consider as part of the City's General Plan Update (2014- 2017)	Issues and strategies to be considered as part of the General Plan Update (2014-2016).
H4.B Implement Inclusi	onary Housing Regulations	Implement requirements to assist in providing housing affordable to extremely low, very low, low and moderate income households in Menlo Park	Ongoing	To comply with the City's BMR Ordinance for commercial and industrial projects, new commercial/industrial development (meeting certain criteria) in the City contributed \$2,387,380.00 of BMR in-lieu fees to the City's BMR fund in 2015. The funds will be used to help house extremely low, very low, low and moderate-income households (see Program H1.H).
H4.C Modify BMR Guid	elines	Amend the Zoning Ordinance to require affordable units in market rate developments	2015	Modification to the City's BMR Guidelines will be considered following completion of the Nexus Study, expected to be reviewed in 2016 (see Program H4.D).
H4.D Update the BMR I	Fee Nexus Study	Update to fees consistent with the nexus of potential impacts on affordable housing need	2015	The City is currently participating in a multi-jurisdictional nexus study that would provide a defensible analysis to maintain the legal justification for inclusionary zoning and affordable housing impact fees. The study is anticipated to be reviewed by the City Council in 2016.

Jurisdiction	City of Menlo Park			
Reporting Period	1/1/2015 -	12/31/2015		
H4.E Modify Second Dw Standards and Permit P	rocess	Amend the Zoning Ordinance to reduce the minimum lot size to create greater opportunities for new second units to be built.  Achieve Housing Element target for new second units (40 new secondary dwelling units between 2015-2023, with 5 per year) — 18 very low, 18 low and 4 moderate income second units.	2014; ongoing thereafter	Concurrent with the adoption of the 2007-2014 Housing Element in May 2013, the City of Menlo Park reviewed a Zoning Ordinance amendment for modifications to the Secondary Dwelling Unit Ordinance in recognition that secondary dwelling units can be a valuable source of affordable units because they often house family members at low or no cost, and many are limited in size and therefore, have lower rents. Besides making the City's ordinance compliant with State law, the Zoning Ordinance amendment included a number of revisions to provide greater flexibility in the development regulations to encourage more development of secondary dwelling units, which exceeds the target of 5 per year.  As part of the Housing Element for the 2015-2023 Housing Element, the City of Menlo Park continued this program to further explore opportunities for additional revisions to the Secondary Dwelling Unit Ordinance. In April 2014, the City Council adopted additional revisions to the secondary dwelling unit ordinance, including increasing the maximum unit size for units that comply with accessibility requirements, establishing a new daylight plane requirement in lieu of the wall height requirement, and providing flexibility in the tenancy requirement. Staff is considering additional amendments to help provide clarity in implementation between attached and detached secondary dwelling units. In 2015, building permits for 8 new secondary dwelling units were issued.
H4.F Establish a Proces the Conversion of Acces Structures to a Seconda		Adopt procedures and requirements to allow conversion of accessory structures and buildings (15 new secondary dwelling units — 6 very low income, 6 low income and 3 moderate income units)	2014; review the effectiveness of the ordinance in 2015	In April 2014, the City adopted an ordinance, that would allow legally permitted accessory buildings that do not meet the setback requirements for a secondary dwelling unit to be converted to a secondary dwelling unit through an administrative permit process. This conversion process through the administrative permit process was set to expire in one year from ordinance adoption, but was extended in May 2015 for one additional year, expiring in June 2016. In 2015, staff received a number of general inquiries about the conversion process. Three applications for a conversion have been submitted thus far, and one building permit was issued in 2015.
,	me Homebuyer Program	Provide referrals	2015-2023	The City is referring first time homebuyers to HEART for down payment assistance since BMR funds are no longer available for this program. Information is available on the City's Housing webpage per Housing Programs H1.C and H1.D.
H4.H Work with Non-Pro	ofits and Property Owners Sites	Identify incentives and procedures to facilitate development of housing affordable to extremely low, very low, low and moderate income households on higher density housing sites	Ongoing	The City continues to work with Mid-Pen Housing to implement the City's Affordable Housing Overlay Zone, which provides incentives for the creation of affordable housing, as part of MidPen's Gateway Apartments project; coordinated with CORE Housing for a 60-unit low income development at the Veterans Affairs facility; and reviewed and implemented State Density Bonus law for the creation of 23 deed restricted affordable units in a new 394-unit rental development on Haven Avenue (St. Anton Partners).

Jurisdiction	City of Menlo Park			
Reporting Period	1/1/2015 -	12/31/2015		
H4.I Create Multi-Family Use Design Guidelines	y and Residential Mixed	Adopt design guidelines for multi- family and mixed use housing developments	Consider as part of the City's General Plan Update (2014- 2017)	Program will be reviewed as part of the General Plan Update (2015-2016). As part of the General Plan Update, staff is proposing design standards as part of a new residential-mixed use zoning designation.
H4.J Consider Surplus ( Housing	City-Owned Land for	Identify opportunities for housing as they arise	Consider as part of the City's General Plan Update (2014- 2017)	No activity to date. Program will be reviewed as part of the General Plan Update (2015-2016).
H4.K Work with the Fire	District	Undertake local amendments to the State Fire Code and approve City Council Resolution ratifying the Fire District's local amendments	2014 (in progress)	The City Council ratified local amendments to the State Fire Code on January 27, 2015
H4.L Coordinate with So Housing with School Dis		Coordinate and consider school districts long-range planning, resources and capacity in planning for housing	Ongoing with Housing Element program implementation. Consider as part of the City's General Plan Update (2014- 2017)	Continued coordination on new residential development (unit type, timing, etc.) and implications for enrollment growth and facility planning with various school districts. Program is included in the 2015-2023 Housing Element and will be considered during the General Plan Update (2014-2016).
H4.M Review the Subdi	vision Ordinance	Modify the Subdivision Ordinance as needed	Consider as part of the City's General Plan Update (2014- 2017)	Program will be reviewed as part of the General Plan Update (2014-2016).
H4.N Create Opportunit Development	ies for Mixed Use	Conduct study and establish regulations to allow housing in commercial zones	Consider as part of the City's General Plan Update (2014- 2017)	Program will be reviewed as part of the General Plan Update (2014-2016). Staff is proposing to allow residential uses in the C-2-B neighborhood commercial zoning district to provide small-scale, mixed-use opportunities in key areas along the Willow Road Corridor.
H4.O Review Transport Guidelines	ation Impact Analysis	Modify Transportation Impact Analysis (TIA) guidelines	Consider as part of the City's General Plan Update (2014- 2017)	The focus of the General Plan Update is the Land Use and Circulation Elements. In July 2015, the City adopted modifications to the TIA for certain projects considering changes of use within the M-2 Area, resulting in streamlined review for certain discretionary projects in the M-2 Area. The M-2 Area is currently the focus of land use changes being analyzed as part of the City's General Plan Update. Additional changes to the TIA will be considered as part of the General Plan Update (2014-2016).
H4.P Update Parking St Guidelines	tall and Driveway Design	Modify Parking Stall and Driveway Design Guidelines	2014	No activity to date. Program will be reviewed as part of the General Plan Update (2014-2016).

Jurisdiction	City of Menlo Park			
Reporting Period	1/1/2015 -	12/31/2015		
H4.Q Achieve Long-Term Housing	•	Establish project managementer ongoing project coord needs	ination are proposed and	As part of the MidPen Affordable Housing Agreement for a 90-unit affordable housing project, 20 units were established with preferences for people who live and/or work in Menlo Park.



### PROPOSED M-2 AREA ZONING

The *ConnectMenlo* project includes zoning regulations and design standards for the M-2 Area. Zoning and design rules help realize the vision expressed in General Plan goals, policies, and programs, including by facilitating high-quality, sustainable development with beneficial space for public use. This memo explains how zoning fits into the *General Plan Update* and describes its purpose and use.

### PROCESS: HOW DID WE GET HERE?

The General Plan Update is a multi-step process. The process began with the creation of the Guiding Principles, which were developed in a collaborative public process and are intended to guide growth and preserve the City's unique features over the next 20 years. Next, the maximum potential development map was drafted, guided by input from the General Plan Advisory Committee (GPAC), members of the public, Planning Commission and City Council. The map showed the types and locations of future land uses and associated building heights, as well as potential infrastructure improvements with the intent of creating a live/work/play environment. The potential total square footage, number of housing units, hotel units, and jobs that could result from the proposed land use changes will be used to analyze potential environmental and fiscal impacts. During the Summer and Fall of 2015, staff and the consultant team were focused on drafting and fine-tuning the General Plan Land Use and Circulation goals, policies and programs. Similar to previous steps in the process, the ConnectMenlo team conducted a number of meetings and community events to engage with the GPAC and community to focus on these items. The proposed General Plan land use designations and goals, policies and programs seek to both preserve the qualities of the city and to accommodate change that can benefit the community through increased revenue that supports services and direct provision of amenities that enhance the quality of life in Menlo Park.

The proposed General Plan Land Use Element contains a number of programs that will be concurrently implemented with the General Plan Update. One of the key items is the development of the Zoning Ordinance Update to create the associated M-2 Area zoning districts for consistency with the proposed General Plan land use designations. Each General Plan land use designation is closely aligned with one or more zoning districts. In general, the General Plan land use designations have remained unchanged, with the exception of the addition of several new categories, including Office, Life Sciences, and Mixed Use Residential, which are all within the M-2 Area. Corresponding zoning districts for Office, Life Science and Mixed Use Residential have been drafted and will be the focus of the upcoming discussions.

### WHAT IS ZONING?

Zoning governs land use. It is a way to manage the physical development of land and specify the areas in which different land uses may be located. The City of Menlo Park zoning regulations are located in the Zoning Ordinance (Title 16 of the Municipal Code), which includes development regulations to control features such as floor area ratio (FAR), building heights, lot coverage, and parking requirements, and in some districts, design standards.

### WHY USE ZONING?

Most US cities use zoning regulations to shape the built environment, and the *ConnectMenlo* process has included numerous discussions on how future development should look and interface with the public realm. Zoning regulations and design standards control the appearance of development, including aspects like block length, lot size, building mass and scale, public and private open space, sidewalks and paseos, building projections and facades, roof planes, and upper-story stepbacks. Often a particular area is zoned as a district so that all development in that area follows the same rules. A primary purpose of the proposed zoning and design rules for the M-2 Area is to promote complementary uses and appearance.

#### WHAT IS CHANGING?

The community vision for the M-2 Area developed through the *ConnectMenlo* process has led to creation of three proposed new zoning districts, as depicted on the Draft M-2 Area Potential Zoning and Street Classifications Map and summarized on the attached Draft M-2 Area Zoning Comparison Table: Office (O), Life Sciences (LS), and Residential-Mixed Use (R-MU). These three districts are intended to encourage the live/work/play environment that this planning process has determined is desirable along Willow Road and in the Jefferson Drive area. The Draft M-2 Area Zoning Comparison Table describes the size, density, and height associated with each zoning district. A smaller portion of the M-2 Area will continue to be governed by existing zoning.

Each of the proposed new districts allow increased potential development on sites that are at least 3 acres, subject to the provision of community amenities desired and described by the community (see the Community Amenities for the Office (O), Life Science (LS) and Residential Mixed Use (R-MU) Zoning Districts document). The new O and LS districts could allow taller buildings and increased building square footage than currently allowed. The O District allows three potential locations for hotel development, as specified in the Preliminary Draft Zoning Map. The R-MU district allows a mix of residential and commercial uses, with a minimum of 20 dwelling units/acre (du/ac) and up to 100 du/ac on sites, subject to providing community amenities. Any residential development seeking a density bonus will be required to provide 15 percent of the total units as affordable to low, very low, and extremely low-income households, in addition to providing community amenities. New design standards, transportation demand management requirements, and green building/sustainable building requirements apply to these zones.

### WHAT IS STAYING THE SAME?

Parts of the M-2 Area already had and will continue to have the following zoning districts: Light Industrial (M-2); Commercial Business Park (M-3); Neighborhood Commercial (C-2-B and C-2-S), and High Density Residential — Affordable Housing Overlay (R-4-S — AHO), in which development has already occurred. The language defining these districts is generally staying the same. However, Neighborhood Commercial (C-2-B) is proposed to allow residential on second floors along Willow Road.

### **NEXT STEPS**

The proposed draft zoning district regulations will continue to be refined through the process. Refinements may be in the form of revisions to other sections (e.g. definitions) in the Zoning Ordinance for consistency and clarity, changes to the format to place topics in an appropriate location either within the Zoning Ordinance and/or other sections of the Municipal Code or documents, as well as modifications to reflect feedback from the public, GPAC, and Planning Commission.

On Thursday, January 14, 2016, the City will be conducting a focus group to discuss the proposed zoning regulations. The input received during the meeting will be shared with the GPAC at its upcoming meeting on January 28, 2016. Guidance from the GPAC will help inform a study session with the Planning Commission in the coming months.

### WHAT IS ATTACHED FOR REVIEW?

- Draft Office (O) Zoning District Regulations
- Draft Life Sciences (LS) Zoning District Regulations
- Draft Residential Mixed-Use (R-MU) Zoning District Regulations
- Draft Community Amenities for the Office (O), Life Sciences (LS) and Residential Mixed Use (R-MU) Zoning Districts Document
- Draft M-2 Area Potential Zoning and Street Classifications Map
- Draft M-2 Area Zoning Comparison Table

### Chapter 16.XX R-MU – RESIDENTIAL MIXED USE DISTRICT

### Sections:

- 16.XX.010 Purpose.
- 16.XX.020 Permitted uses.
- 16.XX.030 Administratively permitted uses.
- 16.XX.040 Conditional uses.
- 16.XX.050 Development regulations.
- 16.XX.060 Additional bonus development regulations.
- 16.XX.070 Community amenities required for bonus development.
- 16.XX.080 Parking standards.
- 16.XX.090 Transportation Demand Management
- 16.XX.100 Maximum block length.
- 16.XX.110 Required street improvements.
- 16.XX.120 Design standards.
- 16.XX.130 Green and sustainable building.
- 16.XX.140 Green building.

### 16.XX.010 Purpose.

The purpose and intent of the Residential Mixed Use district is:

- (1) To provide high density multi-family housing to complement nearby employment.
- (2) To encourage office and ground-floor retail and personal service uses adjacent to or in the same structures as dwellings to promote live/work/play environments.
- (3) To blend with and complement existing neighborhoods through site regulations and design standards that minimize impacts to adjacent uses.
- (4) To provide a quality living environment for its residents.

### 16.XX.020 Permitted uses.

Permitted uses in the Residential-Mixed Use district are as follows:

- (1) Multi-family residential of twenty (20) to thirty (30) dwelling units per acre, which is a required component of any development in the R-MU district;
- (2) Administrative and professional office not exceeding twenty thousand (20,000) square feet of gross floor area;

- (3) Financial services, including banks and other financial institutions;
- (4) Retail sales less than twenty thousand (20,000) square feet of gross floor area and excluding the sale of beer, wine and alcohol;
- (5) Eating establishments, excluding beer, wine and alcohol sales or live entertainment or that are portable (see Section 16.XX.040);
- (6) Personal services, excluding tattooing, piercing, palm-reading, or similar services;
- (7) Recreational facilities privately operated, not exceeding twenty thousand (20,000) square feet of gross floor area;
- (8) Community education/training center, which provides free or low-cost educational and vocational programs to help prepare local youth and adults for entry into college and/or the local job market.

### 16.XX.030 Administratively permitted uses.

Uses allowed in the Residential-Mixed Use district, subject to obtaining an administrative permit, are as follows:

- (1) Eating establishments, including beer and wine only, and/or live music or other live entertainment;
- (2) Child day care center, in accordance with Chapter 16.78.

#### 16.XX.040 Conditional uses.

Conditional uses allowed in the Residential-Mixed Use district, subject to obtaining a use permit per Municipal Code Chapter 16.82, are as follows:

- (1) Multi-family residential exceeding thirty (30) dwelling units per acre, subject to requirements in Section 16.XX.060:
- (2) Home occupations, in accordance with Section 16.04.340;
- (3) Administrative and professional offices larger than twenty thousand (20,000) square feet of gross floor area:
- (4) Research and development uses, not including uses involving hazardous materials;
- (5) Retail sales exceeding twenty thousand (20,000) square feet of gross floor area;
- (6) Hotels in locations not specifically shown on the City Zoning Map;
- (7) Eating and drinking establishments with liquor sales, or that are portable;
- (8) Retail sales greater than twenty thousand (20,000) square feet of gross floor area and/or with alcohol sales;
- (9) Personal services, including tattooing, piercing, palm-reading, or similar services;
- (10) Theater;

- (11) Special uses, in accordance with Chapter 16.78 of this title, including private recreational facilities exceeding twenty thousand (20,000) square feet of gross floor area.
- (12) Bonus development, in accordance with Section 16.XX.060 of this Chapter;
- (13) Public utilities, in accordance with Chapter 16.76 of this title.

### 16.XX.050 Development regulations.

Development regulations in the Residential-Mixed Use district are as follows:

Regulation	Definition	Base-level	Development Seeking Bonus	Notes/Additional Requirements
Minimum lot area	Minimum area of building site (includes public access easements)	20,000 square feet	3 acres	Notes) Additional Regulations
Minimum lot dimensions	Minimum size of a lot calculated using lot lines	100 feet width 100 feet depth	100 feet width 100 feet depth	
Minimum setback at street	Minimum linear feet building can be sited from property line adjacent to street	0 feet	0 feet	See build-to area requirements in Section 16.XX.120(1).
Maximum setback at street	Maximum linear feet building can be sited from property line adjacent to street	20 feet	20 feet	See build-to area requirements in Section 16.XX.120 (1). Maximum setback may be 50 feet along Willow Road for surface parking where ground floor commercial uses are provided.
Minimum interior side and rear setbacks	Minimum linear feet building can be sited from interior and rear property lines	10 feet	10 feet	Interior side setback may be reduced to 5 ft. abutting a private access easement. Interior side setback may be reduced to 0 feet for the entire building mass where there is retail frontage.
Maximum residential floor area ratio	Maximum permitted ratio of residential square footage of the gross floor area of all buildings on a lot to the square footage of the lot	60% to 90%	200%	Floor area ratio shall decrease on an even gradient from 75% for 30 du/ac to 35% for 13.1 du/acre.  Per community amenities requirements of Section 16.XX.070.
Density	The number of dwelling units in an acre	20 du/acre to 30 du/acre	>30 du/acre to 100 du/acre (15 % of du shall be affordable per Section 16.XX.070)	
Maximum commercial floor area ratio	Maximum gross floor area of commercial uses	15%	25%	Commercial permitted subject to residential development.
Maximum height	Maximum building height not including roof utilities and mechanical equipment	40 feet	70 feet	Per community amenities requirements of Section 16.XX.070.
Minimum open space requirement	Minimum portion of the building site open, unobstructed and unoccupied from the ground upward	25%	25%	25% of required open space shall be publicly accessible per Section 16.XX.120 (4). See paseo requirements in Section 16.XX.120 (5). See open space requirements for private open space in Section 16.XX.120 (4).

### 16.XX.060 Additional bonus development regulations.

A development may seek an increase ("bonus") in floor area ratio and/or height as established in Section 16.XX.050 of this Chapter in areas denoted as R-MU district on the City Zoning Map, subject to obtaining a conditional use permit per Chapter 16.82 and providing:

- (1) Community amenities consistent with Section 16.XX.070;
- (2) A minimum of fifteen (15) percent of total units to be affordable housing units for low, very low, and extremely low income households. These units may be provided anywhere in the City of Menlo Park subject to the approval of Planning Commission and are in addition to the City's below market rate requirements per Section 16.96.

### 16.XX.070 Community amenities required for bonus development.

A development eligible for and seeking bonus floor area ratio and/or height per Section 16.XX.060 of this Chapter shall be required to provide one or more community amenities identified in this Section 16.XX.070 pursuant to the following process. Community amenities can be constructed on-site, off-site or provided in the form of an in-lieu fee to be used for reimbursement and only for improvements in the area with the approval of Planning Commission.

- (1) In conjunction with Architectural Control and/or Use Permit review, the applicant shall propose one or more community amenities to be provided to satisfy the provisions of this Section 16.XX.070.
  - (A) The Community Development Director shall recommend, and the Planning Commission shall approve the proposed amenity or amenities to satisfy the provisions of this Section 16.XX.070.
  - (B) Consideration by the Planning Commission shall include differentiation between amenities proposed to be provided on-site that are integral to a development and therefore a part of the development application, review, and permitting process, versus amenities proposed to be provided off-site, which may require a separate discretionary review and environmental review per the California Environmental Quality Act.
  - (C) The applicant shall provide at their expense an appraisal performed within the prior ninety (90) days by a licensed appraisal firm approved by (and with form and content approved by) the Community Development Director that sets a single value per square foot of the finished floor area of the development ("floor area-foot" value) for residential, administrative office, and professional office uses (per Section 16.XX.020 (2)), as well as conditionally permissible research and development and light industrial uses (per Section 16.XX.040 (3-4)).

- (D) If desired, the City or applicant may obtain a second appraisal (at the applicant's expense and subject to Community Development Director approval), and the average of the two appraisals shall be utilized to set the floor area-foot value.
- (E) The project shall provide community amenities that satisfy fifty (50) percent of the FAR foot -value times the gross floor area that is proposed beyond the gross floor area allowed by the base-level zoning (the amount allowed without application of the bonus).
  - (i) For proposals seeking only increased height (but not FAR), the floor area-foot value shall be multiplied by the total square feet of floor area on floors above the base-level height limit. For building stories that begin at or below but then extend above base-level height, ten (10) percent of that gross floor area shall be subject to the requirement to provide community amenities.
  - (ii) The Community Development Director shall recommend and the Planning Commission shall determine whether a portion or all of the required community amenities may be satisfied by inlieu payment into a City fund earmarked for community amenities. Such fund may also be used to reimburse applicants that construct or install amenities in excess of their required obligation.
- (2) Prior to approval of Building Permit Occupancy for any portion of the development, the proponent shall complete (or bond for) the construction and installation of required community amenities, as listed in a resolution adopted by the City Council.
  - (A) Building Permit Occupancy may not be granted until such time as all required amenities and accompanying documentation are certified as complete and accurate by the City Manager or designee, as appropriate based on the type of amenity.
  - (B) All community amenities must be provided within the City of Menlo Park and within the area between U.S. Highway 101 and the San Francisco Bay.

### 16.XX.080 Parking standards.

Development in the R-MU district shall meet the following parking requirements.

Land Use	Minimum Spaces <sup>1</sup> (Per Unit or 1,000 Sq. Ft.)	Maximum Spaces <sup>1</sup> (Per Unit or 1,000 Sq. Ft.)	Minimum Bicycle Parking (Per Unit or 5,000 Sq. Ft.)
Residential Units	1 per unit	1.5 per unit	1.5 long-term <sup>2</sup> per unit; 10% additional short-term <sup>2</sup> for guests
Office	2	3	
Research and Development	15	2.5	_
Retail	2.5	3.3	1 per 5,000 sq.ft. of gross floor area
Financial services	2	3.3	Minimum two spaces
Eating and drinking establishment	2.5	3.3	50% for long-term <sup>2</sup> per Section 16.XX.120 (7)
Personal services	2	3.3	
Private recreation	2	3.3	
Daycare facility	2	3.3	_
Publicly accessible parking lot or structure			One space per 20 vehicle spaces
Other	At Community Transportation Manager discretion	At Transportation Manager discretion	At Transportation Manager discretion

<sup>&</sup>lt;sup>1</sup> See Section 16.XX.120 (7) and the latest edition of best practice design standards in Association of Pedestrian and Bicycle Professionals Bicycle Parking Guidelines.
<sup>2</sup> Long-term parking is for use over several hours or overnight, typically used by employees and residents. Short-term parking is considered visitor parking for use from several minutes to up to a couple of hours.

- (1) Parking spaces shall be unbundled from the price of units such that parking is sold or rented separately.
- (2) Parking facilities may be shared at the discretion of the Transportation Manager if multiple uses cooperatively establish and operate the facilities, if these uses generate parking demands primarily during different hours than the remaining uses, and if a sufficient number of spaces are provided to meet the maximum cumulative parking demand of the participating uses at any time. An individual development proposal may incorporate a shared parking study to account for the mixture of uses, either on-site or within a reasonable distance. By virtue of the existing diversity of nearby uses, parcels in the district would effectively have lower parking rates. However, the precise credit would be subject to review and approval based on the specific design and site conditions.

### 16.XX.090 Transportation demand management.

All new or expanded development or a change of use of ten thousand (10,000) or more square feet of gross floor area shall incorporate Transportation Demand Management (TDM) measures necessary to reduce associated vehicle trips to at least twenty (20) percent below standard generation rates for uses on the project site.

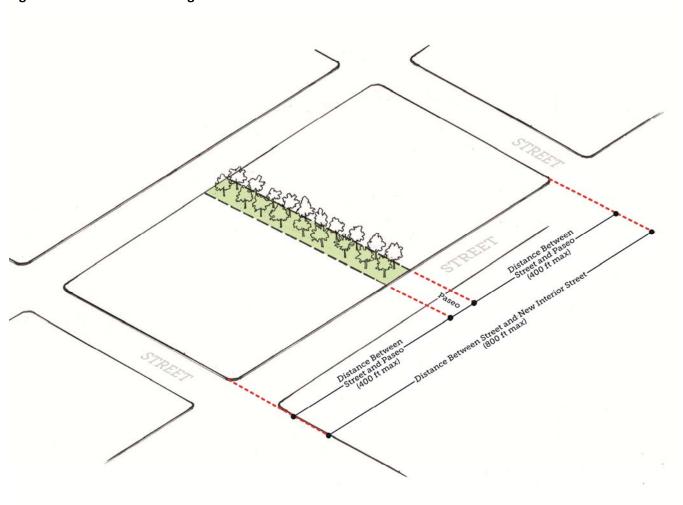
- (1) Eligible TDM measures may include but are not limited to:
  - (A) Participation in a local Transportation Management Association (TMA) that provides documented, ongoing support for alternative commute programs;
  - (B) Appropriately located transit shelter(s);
  - (C) Ten (10) percent of vehicle spaces reserved free of charge for carpools or vanpools;
  - (D) Ten (10) percent of vehicle spaces reserved free of charge for car-share vehicles;
  - (E) Shared, well maintained bicycles provided free of charge to accommodate twenty-five (25) percent of site occupants;
  - (F) Provision or subsidy of carpool, vanpool, shuttle, or bus service, including transit passes for site occupants;
  - (G) Required alternative work schedules and/or telecommuting;
  - (H) Passenger loading zones for carpools and vanpools at main building entrance;
  - (I) Safe, well-lit, accessible, and direct route to the nearest transit or shuttle stop or dedicated, fully accessible bicycle and pedestrian trail;
  - (J) Car share membership for employees or residents;
  - (K) Emergency Ride Home programs;
  - (L) Green Trip Certification.
- (2) Activities receiving TDM credit shall be:
  - (A) Documented in a TDM plan developed specifically for each project and noted on project site plans, if and as appropriate;
  - (A) Guaranteed to achieve the intended reduction over the life of the development, as evidenced by annual reporting provided to the Community Development Director;
  - (B) Required to be replaced by appropriate substitute measures if unable to achieve intended trip reduction in any reporting year, failure to do so will result in revocation of permit;
  - (C) Administered by a representative whose updated contact information is provided to the Transportation Manager.

### 16.xx.100 Maximum block length.

New development in the district shall meet maximum block length standards to support connectivity and circulation. Proposed development seeking approval will be required to provide a minimum of one interior access street connecting to the public right-of-way for every eight hundred (800) feet of continuous block length

or parcel frontage (see Figure 1). Interior access streets shall meet the requirements of the adopted City of Menlo Park Local Access street classification. In addition, one connection is required for every four hundred (400) feet of continuous block length: this connection may be in the form of either an interior access street or a pedestrian paseo pursuant to the standards in Section 16.XX.120.

Figure 1. Maximum Block Length



### 16.XX.110 Required street improvements.

New construction, building additions, and exterior alterations of an existing building involving ten thousand (10,000) or more square feet of gross floor area occurring shall provide street improvements on public street edges of the property that comply with adopted City of Menlo Park street construction requirements for the adjacent street type.

- (1) Improvements shall include curb, gutter, sidewalk, street trees, and street lights.
- (2) Overhead electric distribution lines of less than sixty (60 kilovolts and communication shall be placed underground along the property frontage.
- (3) The Public Works Director may allow fee payment to accomplish needed improvements in coordination with other street improvements at a later date, in an amount based on actual cost of installation and fully repaired surface condition.

### 16.XX.120 Design standards.

New construction and building additions of an existing building involving ten thousand (10,000) or more square feet of gross floor area occurring within the Residential-Mixed Use district shall adhere to the following design standards, subject to architectural control established in Section 16.68.020. For building additions, design standards apply only to the new construction.

- (1) Relationship to the street. The following standards regulate the siting and placement of buildings, parking areas, and other features in relation to the street. The dimensions between building facades and the street and types of features allowed in these spaces are critical to the quality of the pedestrian experience.
- (2) Building mass and scale. The following standards regulate building mass, bulk, size, and vertical building planes to minimize the visual impacts of large buildings and maximize visual interest of building facades as experienced by pedestrians.

Standard	Definition	Base-level	Development Seeking Bonus fronting a Local or Interior Access street	Development Seeking Bonus fronting a Boulevard, Thoroughfare, Mixed- Use Collector, or Neighborhood street	Notes/Additional Requirements
Build-to Area Requirement <b>(see Figure 2)</b>	The minimum building frontage, as a percentage of the street frontage length, that must be located within the build-to area, defined as the area of the lot between the minimum and maximum setback lines adjacent to streets.	Minimum 50% of frontage	Minimum 50% of frontage	Minimum 75% of frontage	
Corner Build-to Area Requirement	The minimum building frontage, as a percentage of the street frontage length, that must be located within the build-to area, defined as the area of the lot between the minimum and maximum setback lines adjacent to streets on a corner lot	Building must be located within build-to area for a minimum of 40 linear feet at property line corner	Building must be located within build-to area for a minimum of 40 linear feet at property line corner	Building must be located within build-to area for a minimum of 480 linear feet at property line corner	Exception: If public plaza is provided pursuant to open space standards in 16.XX.120 (4) and bounded by buildings on at least two sides.
Frontage Landscaping	The percentage of the setback area devoted to	Minimum of 40% (! provide on-site infi		Minimum of 25% (50% of which should	A minimum landscaping bed no less than 3 feet in length or width

Standard	Definition	Base-level	Development Seeking Bonus fronting a Local or Interior Access street	Development Seeking Bonus fronting a Boulevard, Thoroughfare, Mixed- Use Collector, or Neighborhood street	Notes/Additional Requirements
	ground cover and vegetation. Trees may or may not be within the landscaped area. Setback area is the area between the property line and the building.	stormwater runoff.)	No maximum.	provide on-site infiltration of stormwater runoff.) Maximum of 40%.	is required; 5 feet depth is required for infiltration planting. Setback areas adjacent to active ground-floor uses, including lobbies, retail sales, and eating and drinking establishments are excepted. Plants should be climate-adapted species, able to grow to their maximum size without shearing.
Frontage Uses	Allowable frontage uses in order to support a positive integration of new buildings into the streetscape character.	circulation, such as areas, outdoor seat appropriate by the I	entryways or other p ing areas for retail an Planning Commission	oublicly accessible open sp nd eating uses, access to p	g must be used to provide pedestrian laces, e.g., plazas and gathering larking, or other such use determined e a minimum of 60 feet in depth.  Section 16.XX.120 (4).
Surface Parking Along Street Frontage (See Figure 3)	Surface parking may be located along the street if set back appropriately. The maximum percentage of linear frontage of property adjacent to the street allowed to be surface parking.	Maximum of 20%	Maximum of 20%	Surface parking along street frontage not allowed	Surface parking lots shall be set back from the front property line by a minimum of 20 feet. The portion of this area not devoted to driveways shall be landscaped. Trees shall be planted at a ratio of 1 per 400 square feet of required setback area for surface parking.

Figure 2. Build-to Area

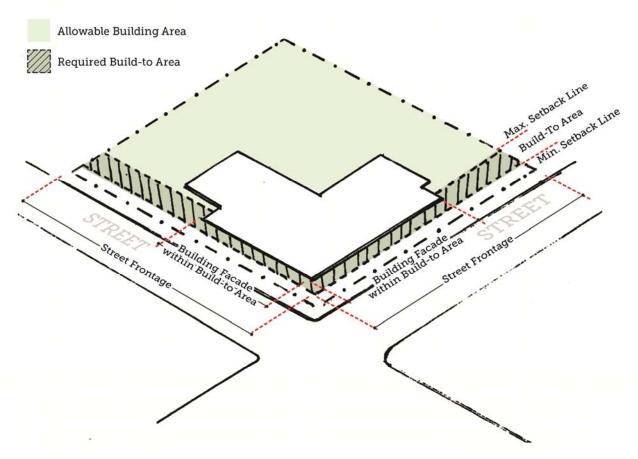
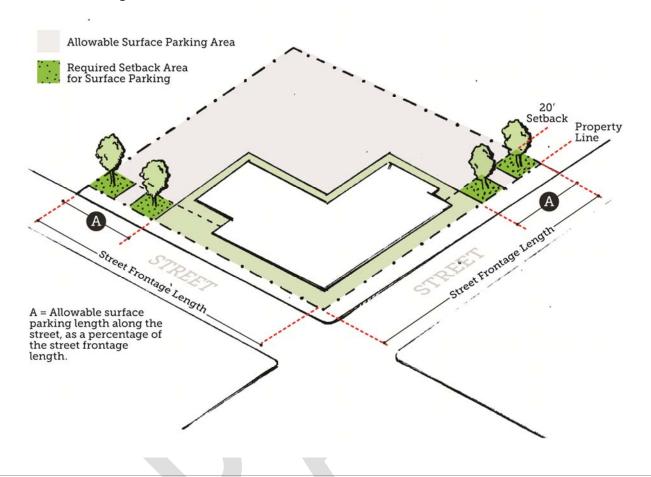


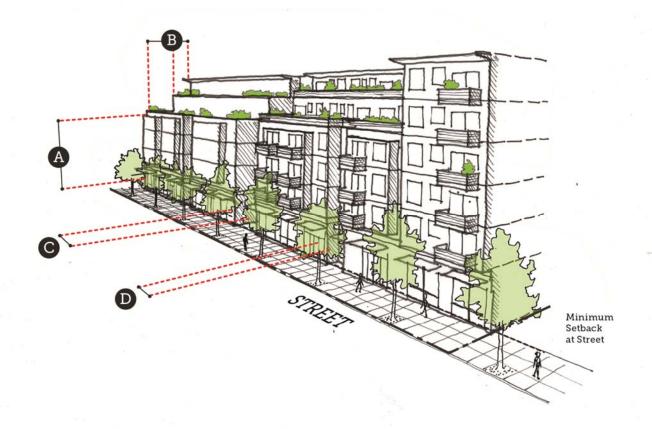
Figure 3. Surface Parking



Standard and Figure 4 Label (in Caps)	Definition	Base-level	Development Seeking Bonus fronting a Local or Interior Access street	Development Seeking Bonus fronting a Boulevard, Thoroughfare, Mixed Use Collector, or Neighborhood street	Notes/Additional Requirements
Base Height  A	The maximum height of a building at the setback line adjacent to the street.	40 feet	45 feet	45 feet	·
Minimum Stepback <b>B</b>	A building's upper story set back above the base- level height.	N/A	15 feet deep for buildings above 45 feet; additional 10 feet for buildings above 55 feet		A maximum of 50 feet of building frontage length may be excepted from this standard in order to provide a significant vertical feature, such as a tower.
Building Projections	The maximum depth of allowable building projections from the required stepback for portions of the building above the ground floor, such as balconies or bay windows.	5 feet	5 feet	5 feet	Only allowed above the ground floor

Standard and Figure 4 Label (in Caps)	Definition	Base-level	Development Seeking Bonus fronting a Local or Interior Access street	Development Seeking Bonus fronting a Boulevard, Thoroughfare, Mixed Use Collector, or Neighborhood street	Notes/Additional Requirements
	A major building modulation is a significant break in the base-level building plane, providing visual variety				Modulation is required regardless of
Building	and reducing large building volumes. In	•	on: Minimum of one reces	ss of 15 feet wide by 10	
Modulation <b>C &amp; D</b>	addition, building breaks can offer modulation and provide spaces for		ion: Minimum recess of 5 fet of façade length	eet wide by 5 feet	Parking is not allowed in the modulation recess.
	entryways and publicly accessible spaces. A minor modulation is a				Building projections with 3 feet to 5 feet depth may satisfy this requirement in-lie of a recess.
	recess in a building plane, providing further visual variety and reducing large building volumes.				

Figure 4. Building Mass and Scale



(3) Ground-floor exterior. The following standards regulate the ground-floor façade of buildings in order to enhance pedestrian experience, as well as visual continuity along the street.

Standard and Figure 5 label (in Caps)	Definition	Base-level	Development Seeking Bonus fronting a Local or Interior Access street	Development Seeking Bonus fronting a Boulevard, Thoroughfare, Mixed Use Collector, or Neighborhood street	Notes/Additional Requirements
Building Entrances <b>A</b>	The minimum ratio of entrances to building length along a street.	One entrance every 100 feet of building length.	One entrance every 100 feet of building length.	Two entrances every 100 feet of building length.	Locate stairs adjacent to building entrances and elevator.
Ground-floor Transparency <b>B</b>	The minimum percentage of the ground-floor façade area that must provide visual transparency, such as clear-glass windows, doors, etc.	30% for residential uses; 50% for commercial uses	30% for residential uses; 50% for commercial uses	70%	Windows shall not be opaque or mirrored.
Minimum Ground Floor Height Along Street Frontage C	The minimum height between the ground-level finished floor to the second level finished floor along the street.	N/A	15 feet	15 feet	15 feet is required for commercial uses and common building entrances for multifamily buildings.  Where individual residential units face a street, finish floor shall be elevated 24 inches minimum above sidewalk level.
Garage Entrances	Width of garage entry/door along street frontage	Maximum 12- foot opening for one-way entrance; Maximum 24- foot opening for two-way entrance.	Maximum 12-foot opening for one-way entrance; Maximum 24-foot opening for two-way entrance.	Maximum 12-foot opening for one-way entrance; Maximum 24-foot opening for two-way entrance.	Not to exceed more than two one-way entrances or one two-way entrance per property along a street.
Awnings, Signs, and Canopies	The maximum depth of awnings, signs, and canopies that project horizontally from the face of the building.	7 feet	7 feet	7 feet	A minimum vertical clearance of 8 feet from finished grade to the bottom of the projection is required.

- (4) Open space. All development in the Residential-Mixed Use district shall provide a minimum amount of open space equal to twenty-five (25) percent of the total lot area, with a minimum amount of publicly accessible open space equal to twenty-five (25) percent of the total open space area.
  - (A) Publicly accessible open space consists of areas unobstructed by structures with a mixture of landscaping and hardscape that provides rest, seating, places for gathering, passive and/or active recreation, pedestrian circulation, or other similar use as determined by the Planning Commission. Publicly accessible open space types include, but are not limited to, plazas, forecourts and entryways, and outdoor dining areas. Publicly accessible open space must:

Figure 5. Ground-floor Exterior



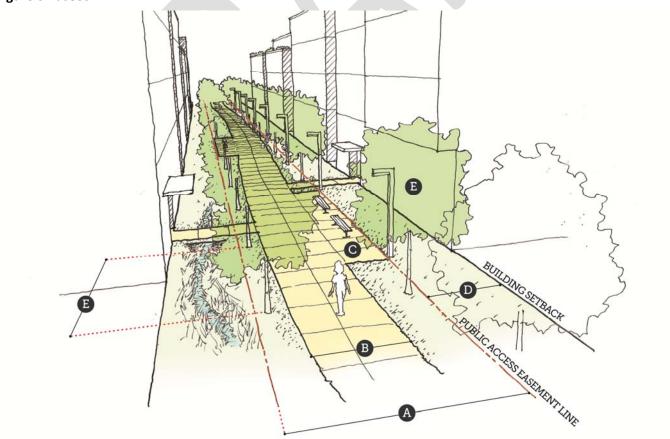
- (i) Contain site furnishings, art, or landscaping;
- (ii) Be on the ground floor or podium;
- (iii) Include portions visible from a public right-of-way such as a street or paseo;
- (iv) Have a paved, direct pedestrian connection to a public right-of-way.
- (B) Quasi-public and private open spaces, which may or may not be accessible to the public, include patios, balconies, green roofs, and courtyards.
- (C) Residential developments shall have a minimum of one hundred (100) square feet of open space per unit created as common open space or a minimum of eighty (80) square feet of open space per unit created as private open space, where private open space shall have a minimum dimension of six (6) feet by six (6) feet. In case of a mix of private and common open space, such common open space shall

- be provided at a ratio equal to one and one-quarter (1.25) square feet for each one (1) square foot of private open space that is not provided.
- (D) Depending on the number of dwelling units, common open space shall be provided to meet the following criteria:
  - (i) Ten (10) to fifty (50) units: minimum of one (1) space, twenty (20) feet minimum dimension (four hundred (400) sf total, minimum).
  - (ii) Fifty-one (51) to one hundred (100) units: minimum of one (1) space, thirty (30) feet minimum dimension (nine hundred (900) sf total, minimum).
  - (iii) One hundred one (101) or more units: minimum of one (1) space, forty (40) feet minimum dimension (one thousand six hundred (1,600) sf total, minimum).
- (E) Open space are encouraged to be integrated as part of building modulation and articulation to enhance building façade and should be sited and designed to be appropriate for the size of the development and accommodate different activities, groups and both active and passive uses.
- (F) All open spaces shall interface with adjacent buildings via direct connections through doors, windows, and entryways.
- (G) All open spaces shall be incorporated into the landscaping design of the project and include trees and sustainable stormwater features.
- (H) Frontage landscaping does not count towards open space requirements.
- (5) Publicly accessible pedestrian paseos. In the R-MU district, development on blocks longer than four hundred (400) feet shall provide at least one public access easement for a publicly accessible local access street or pedestrian paseo per Section 16.XX.100. A pedestrian paseo is defined as a walkway that connects between a public street and public parking areas or another public street through one or more parcels. Paseos may be located within the required side setback areas. Paseos may not be located within the minimum setback at street except where it connects to that street and meets the following standards.

Standard and Figure 6 label		Required Paseo per	
(in Caps)	Definition	Section 16.XX.100	Notes/Additional Requirements
Paseo Width <b>A</b>	The minimum dimension in overall width of the paseo, including landscaping and hardscape components.	20 feet	
Pathway Width <b>B</b>	The minimum and maximum width of the hardscape portion of the paseo, which provides the pathway for pedestrians.	10 feet minimum; 14 feet maximum	

Standard and Figure 6 label (in Caps)	Definition	Required Paseo per Section 16.XX.100	Notes/Additional Requirements
Furnishing Zones <b>C</b>	Requirements for pockets of hardscape areas dedicated to seating, adjacent to the main pedestrian pathway area.	Minimum dimension of 5 feet wide by 20 feet long, provided at a minimum interval of 100 feet.	Furnishing zones must include benches or other type of seating and pedestrian-scaled lighting.
Paseo Frontage Setback <b>D</b>	The minimum setback for adjacent buildings from the edge of the paseo property line.	5 feet	A minimum of 50% of the setback area between the building and paseo shall be landscaped (50% of which should provide on-site infiltration of stormwater runoff.) Plants should be climate-adapted species, able to grow to their maximum size without shearing, and provide screening of at least 1-3 feet in height.
Trees <b>E</b>	The size and spacing of trees that are required along the paseo.	Small canopy trees with a maximum mature height of 40 feet and canopy diameter of 25 feet, planted at maximum intervals of 40 feet.	Trees must be planted within the paseo width, with the tree canopy allowed to overhang into the setback.
Landscaping	The minimum percentage of the paseo that is dedicated to vegetation.	20%	On-site infiltration of stormwater runoff is required.
Building Entrances	The minimum ratio of entrances to building length along the paseo.	One entrance every 100 feet of building length along the paseo.	Entrances must be connected to the paseo by a paved path.
Surface Parking	The maximum percentage of the parcel length along the paseo where surface parking may be located.	40%	Surface parking lots shall be set back from the paseo/side property line by a minimum of 20 feet as shown Figure 8.
Lighting	Pedestrian-oriented street lamps.	One light fixture every 40 feet.	Use energy efficient lighting per Title 24. Lights shall be located a minimum of 20 feet from trees.

# Figure 6.Paseos



- (6) Building design.
  - (A) Buildings shall be oriented to the street such that main entrances and major portions of buildings facing the street shall be parallel to the street..
  - (B) Utilities, including meters, backflow prevention devices, etc., shall be concealed or integrated into the building design to the extent feasible.
  - (C) Building additions and exterior alterations exceeding ten thousand (10,000) square feet of gross floor area and new construction projects shall include dedicated, screened, and easily accessible space for recycling, compost, and solid waste storage and collection.
  - (D) Trash and storage shall be enclosed and located at the side or rear of buildings or in the side or rear setback areas.
  - (E) Materials and colors of utility, trash, and storage enclosures shall match or be compatible with the primary building.
  - (F) Building materials shall be durable and high-quality to ensure adaptability and re-use over time. Glass paneling and windows shall be used to invite outdoor views and introduce natural light into interior spaces. Stucco shall not be used on more than fifty (50) percent of the building facade. When stucco is used, it must be smooth troweled.
  - (G) Building façades of multi-family residential buildings shall group similar size repetitive elements such as windows into larger building forms, separated by building recesses or other elements as required in 16.XX.120 (2) and shown in Figure 4.
  - (H) Windows and glass doors in residential units within five hundred (500) linear feet of railroad tracks shall be constructed with double paned glass to reduce potential rail noise.
  - (I) Roof planes shall vary across buildings, including a four-foot minimum height modulation to break visual monotony and create a visually interesting skyline as seen from the street or above the street (see Figure 7).
  - (J) Rooftop elements including mechanical equipment, stair and elevator towers shall be concealed in a manner that incorporates building color and architectural and structural design and shall not exceed fourteen (14) feet above maximum building height nor twenty (20) percent of roof area.

Figure 7. Roof Planes



#### (7) Access and parking.

- (A) Shared entrances to parking for retail and residential uses shall be used where feasible.
- (B) Service access and loading docks shall be located on local or interior access streets and to the rear of buildings, and shall not be located along a publicly accessible open space.
- (C) Above-ground garages shall be concealed or screened from public street view by being located behind buildings in the interior portion of the parcels. When site constraints require parking garages to be located adjacent to the street, they shall be wrapped with active uses on the ground floor.
- (D) Garage and surface parking access shall not be located along a publicly accessible open space.
- (E) Surface parking lots shall be buffered from adjacent buildings by a minimum six (6) feet of paved pathway or landscaped area (see Figure 8, label A).

- (F) Surface parking lots shall be screened with landscaping features such as trees, planters, and vegetation, including a twenty (20) foot deep landscaped area along sidewalks, as measured from the setback line adjacent to the street (see Figure 8, label B).
- (G) All buildings shall allocate a percentage of total parking spaces to electric vehicle (EV) parking as provided and consistent with Section 16.XX.130.
- (H) Surface parking lots shall be planted with at least one (1) tree with a minimum size of a twenty-four (24) inch box for every eight (8) parking spaces (see Figure 8, label C). Required plantings may be grouped where carports with solar panels are provided.
- (I) Bicycle parking for guests (short-term) and for residents and employees (long-term) shall be required. Short-term bicycle parking shall be located within fifty (50) feet of building entrances. Long-term bicycle parking facilities shall protect against theft and inclement weather, and consist of a fully enclosed, weather-resistant locker with key locking mechanism or an interior locked room or enclosure. Long-term parking shall be provided at the street-level of public parking garages or surface parking lots within twenty (20) feet from main entrances. Bicycle parking shall be (see Figure 9):
  - (i) Consistent with the latest edition of the APBP Bicycle Parking Guide;
  - (ii) Designed to accommodate standard six (6) foot bicycles;
  - (iii) Paved or hardscaped;
  - (iv) Accessed by an aisle in the front or rear of parked bicycles of at least five (5) feet;
  - (v) At least five (5) feet from vehicle parking spaces;
  - (vi) At least thirty (30) inches of clearance in all directions from any obstruction, including but not limited to other racks, walls, and landscaping;
  - (vii) Lit with no less than one (1) footcandle of illumination at ground level.
- (J) Pedestrian connections shall be provided, with a minimum hardscape width of six (6) feet, to sidewalks to all building entries, parking areas, and publicly accessible open spaces, and shall be clearly marked with signage directing pedestrians to common destinations.
- (K) Entries to parking areas and other important destinations shall be clearly identified for all travel modes with such wayfinding features as marked crossings, lighting, and clear signage.

Figure 8. Surface Parking Access

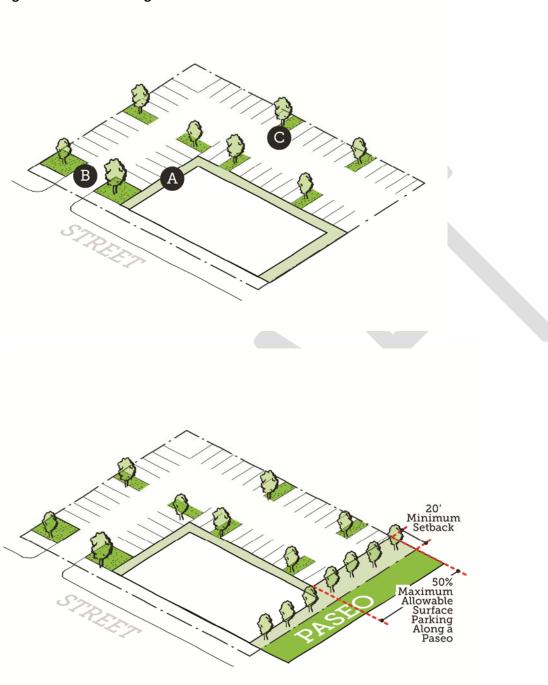
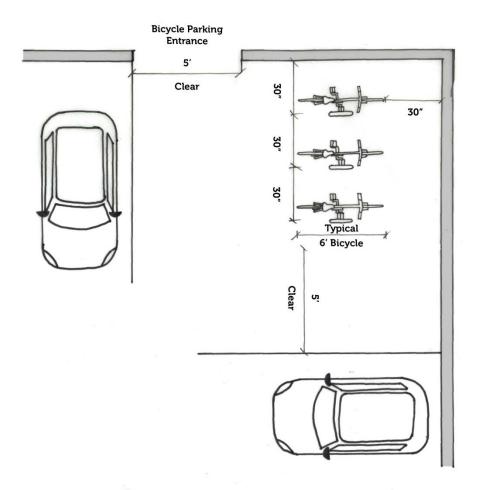


Figure 9. Bicycle Parking



(8) Design standards compliance review. Architectural Control and Planning Commission review and approval is required for compliance with the standards of this Section 16.XX.120 prior to issuance of a building permit.

A use permit can be requested to seek a modification from one or more of the standards.

#### 16.XX.130 Green and sustainable building.

In addition to meeting all applicable regulations specified in Municipal Code Title 12 (Buildings and Construction), design and construction of any new structure, improvement remodel, or renovation of ten thousand (10,000) or more square feet shall be required to comply with the following provisions.

- (1) Green building.
  - (A) Achieve LEED Interior Design + Construction Gold rating for tenant improvements and/or interior remodeling projects.

- (B) Achieve LEED Building Design + Construction Gold rating for core and shell and/or substantial remodeling, redesign, and /or construction and new building.
- (C) Achieve LEED Operations + Maintenance Gold for existing building upgrades.
- (D) Achieve LEED Neighborhood Development Gold for new land development or redevelopment projects containing residential and/or non-residential uses incorporating one or more large parcels.
- (E) All new or redeveloped parking areas of five (5) parking stalls of more shall install a minimum of one Electric Vehicle (EV) charger or in 10 percent of the parking stalls, whichever is greater.
- (F) Applicants shall plan developments in order to maximize retention of heritage trees on-site, in accordance with the City's Heritage Tree Ordinance, and provide a replacement ratio of four (4) to one (1) if removal is approved, and ensure long term health of existing heritage trees and replacement trees for a period of no less than five (5) years, and disclose this responsibility if any portion of the property title is transferred to another tenant or owner. A bond or deposit may be required to ensure the health of the trees and/or replacement of the tree(s).

#### (2) Energy.

- (A) All applicants shall calculate the energy use of the proposed construction (building and parking lighting, HVAC, and EV Chargers after efficiency measures) and off set a minimum of 80 percent or the maximum extent feasible if lesser than 80 percent with on-site solar power or other on-site energy production as may be approved by the City.
- (B) After construction, building owners shall annually submit actual building energy usage in a format required by the City. Building specific energy use shall be held private, however aggregate energy use for the zone may be reported publically by the city.
  - (i) Buildings exceeding their planned energy use shall be required to increase efficiency, reduce consumption or increase energy production as required to equal their original plan.
  - (ii) Buildings that exceed their original energy use plan and do not implement the above mitigations within six months shall be subject to fees equal to the current commercial retail rate per kwh in the amount their annual current use exceeds their planned use. The fees shall be collected by the City and used to provide community energy efficiency programs.
- (C) As part of any site improvements such as landscaping or parking lot modifications, shade tree planting on southwest and western sides of buildings is required to reduce energy use.

#### (3) Exterior lighting.

- (A) For buildings adjacent to the Open Space and Conservation District, illumination levels shall be defined by Title 24 and / or the "light pollution" credit as defined by the LEED BD + C rating system, whichever is more stringent.
- (B) All building design and construction shall position outdoor lighting and incorporate cut-off controls to reduce off-site light pollution.
- (C) Lighting in parking areas shall be screened and controlled so as not to disturb surrounding properties.
- (D) Timers and light sensors shall be installed in order to reduce energy consumption and light pollution.

#### (4) Water use efficiency.

- (A) Single pass cooling systems shall be prohibited in all new buildings.
- (B) All new buildings shall be built and maintained without the use of well water.
- (C) All new buildings shall prepare water budget calculations following the methodology approved by the City and shall be reviewed and approved by the City. Following twelve (12) months of full building occupancy, the City shall monitor the water consumption and conduct a comparison of the existing water use to the estimated water budget. In the event that the building's water consumption exceeds the water budget, a water conservation program shall be implemented. The City shall impose fees if the water reduction goals are not met. The fees shall be used by the City for water conservation efforts.
- (D) Potable water shall not be used for dust control on construction projects.
- (E) Potable water shall not be used for decorative features, unless water recirculates.

#### (5) Recycled Water.

- (A) New buildings shall provide dual plumbing for the internal use of recycled water.
- (B) Recycled water shall be used for all landscape irrigation.
- (C) Developments and buildings two hundred and fifty (250,000) square feet or more in gross floor area shall use alternate water sources, with the exception of blackwater, for toilet and urinal flushing and shall evaluate the feasibility of using recycled water for cooling needs. If deemed feasible by the City, the use of recycled water for cooling purposes shall be required.

#### (6) Stormwater.

(A) New developments that include pavement areas over five hundred (500) square feet shall use permeable pavements.

- (B) Applicants shall submit a trash management plan to the City that includes steps on minimizing litter and preventing trash from entering the City's creeks, water ways, storm drains, or the bay. This plan will describe litter can placement in the parking, pedestrian, and other outdoor areas that may produce litter, and describe maintenance procedures for ensuring no litter reaches the City's creeks, water ways, storm drains, or the bay. The building owner /manager shall submit an annual monitoring report to the City for review. Facilities that do not meet the annual reporting requirement shall be deemed to be in noncompliance and shall be fined. The fees shall be used to fund the City's trash management efforts.
- (7) Hazard mitigation and sea level rise resiliency.
  - (A) All new buildings shall develop a Hazard Mitigation and Sea Level Rise Resiliency Plan that identifies and addresses the risks associated with climate change for their site, including rising sea level and increases in dramatic weather events (such as extreme heat, drought or flooding). The plan shall propose mitigations to address these risks and shall contribute a proportionate fair share, as determined by the City and based on a study, to be used for the funding of sea level rise protective measures, such as the Strategy to Advance Flood Protection, Ecosystems and Recreation along the Bay (SAFER Bay) project. The plan shall be consistent with any studies and guidelines developed by San Mateo County and the City and shall be reviewed and approved by the City.
  - (B) All new buildings shall be constructed so that the first floor elevation is located above projected sea level rise for the expected tenure of the building. The building design and protective structures shall not create adverse impacts on adjacent sites.
- (8) Waste management.
  - (A) Applicants shall submit a zero-waste management plan to the City, which will cover how the applicant plans to minimize waste to landfill, and recycle and compost wastes from the demolition, construction and occupancy phases of the building.
    - (i) Applicants shall follow guidelines set forth by the City's franchised solid waste hauler regarding space required to sort, load and collect solid waste, recycling and compostable materials in accordance with California Public Resources Code 42648 and 42905 and 42911.
    - (ii) Applicants shall follow guidelines set forth by the City's franchised solid waste hauler regarding sorting and collect recyclable materials in accordance with California State Law Chapter 476, Statutes of 2011 (Chesbro, AB 341), during building operations.

- (iii) Applicants shall follow guidelines set forth by the City's franchised solid waste hauler regarding sorting and collecting compostable materials in accordance with California State Law Chapter 727, Statutes of 2014 (AB 1826 Chesbro).
- (9) Bird-safe design.
  - (A) No more than ten (10) percent of façade surface area shall have non-bird-safe glazing.
  - (B) Bird-safe glazing includes opaque glass, covering of clear glass surface with patterns, paned glass with fenestration patterns, and external screens over non-reflective glass.
  - (C) Occupancy sensors or other switch control devices shall be installed on non-emergency lights and shall be programmed to shut off during non-work hours and between 10 pm and sunrise.
  - (D) Placement of buildings shall avoid the potential funneling of flight paths towards a building façade.
  - (E) Glass skyways or walkways, freestanding glass walls, and transparent building corners shall not be allowed.
  - (F) Transparent glass shall not be allowed at the rooflines of buildings, including in conjunction with green roofs.

# Community Amenities for the Office (O), Life Sciences (LS) and Residential Mixed Use (R-MU) Zoning Districts

## Summary

Any development eligible for and seeking bonus floor area and/or height in the Office, Life Sciences or Residential Mixed Use zoning districts shall be required to provide one or more community amenities. All community amenities must be provided within Menlo Park in the area between U.S. Highway 101 and the San Francisco Bay.

At the time of submission of a project proposal for Architectural Control and/or Use Permit review, the Community Development Director shall recommend and the Planning Commission shall determine which amenities listed herein (which may be updated from time to time by the City Council) shall be required to fulfill a development's obligation to provide community amenities. The proponent may suggest one or more amenities for consideration.

Community amenities may be constructed on- or off-site, or may be satisfied by payment of a fee into a City fund earmarked for community amenities, which may also be used to reimburse applicants that construct or install amenities in excess of their required obligation. Proposed off-site amenities may require separate discretionary and environmental review from that of the proposed development.

# Appraisal

The proponent shall provide at their expense an appraisal performed no more than 90 days prior to submission of the project application by a licensed appraisal firm approved by, and with form and content approved by, the Community Development Director that sets a single value per square foot of the finished floor area of the development ("floor area-foot" value) for administrative office, professional office, research and development, light industrial uses, and/or residential uses.

If desired, the City or applicant may obtain a second appraisal (at the applicant's expense and subject to Community Development Director approval), and the average of the two appraisals shall be utilized to set the floor area-foot value.

The project shall provide community amenities that satisfy fifty (50) percent of the FAR foot-value times the gross floor area that is proposed beyond the gross floor area allowed by the base-level zoning (the amount allowed without application of the bonus).

For proposals seeking increased height (but otherwise not FAR), the floor area-foot value shall be multiplied by the floor area of all stories that exceed the base-level height limit.

## **Completion of Amenities**

Prior to approval of building occupancy for any portion of the development, the proponent shall complete construction and installation of required community amenities. Occupancy shall not be granted until such time as all required amenities are certified as complete and accurate by the Community Development Director, Public Works Director, and/or Building Official, as appropriate based on the type of amenity.

# **Eligible Amenities**

### **Transit and Transportation Improvements**

- Lighting and landscaping and sidewalks to fill in gaps and improve walkability beyond those required on site and adjacent streets in Title 16.
- Traffic calming on neighborhood streets that addresses cut-through traffic with design features.
- Bike trails, paths, or lanes to connect existing and new facilities and the Bay Trail beyond those required in Title 16.
- A bike/pedestrian path along the Dumbarton Rail corridor.
- A trolley system on the existing Dumbarton rails from Redwood City to a station near Willow
   Road
- New technology for public use like pod cars and transit that uses new tracks or structures.
- Additional bus stops and shelters or increased bus frequency and shuttles.

## Community-serving Retail

- A full-service grocery store roughly 60,000 square feet or larger providing a range of goods, including fresh fruits, vegetables, and meat and dairy products, plus guaranteed stocking and operation for at least five years.
- A full-service pharmacy that fills prescriptions and offers convenience goods.
- A bank or credit union branch with an ATM.

## **Jobs and Training at Menlo Park Companies**

 Education and enrichment programs that enable Menlo Park students and young adults to be competitive in the local and regional job market, including at tech companies.

DRAFT January 7, 2016 Page 2

- Job training programs and/or and education center that provide(s) residents with needed job skills.
- Paid internships at local companies and scholarships to local youth to become trained for highwage jobs.

#### **Social Service Improvements**

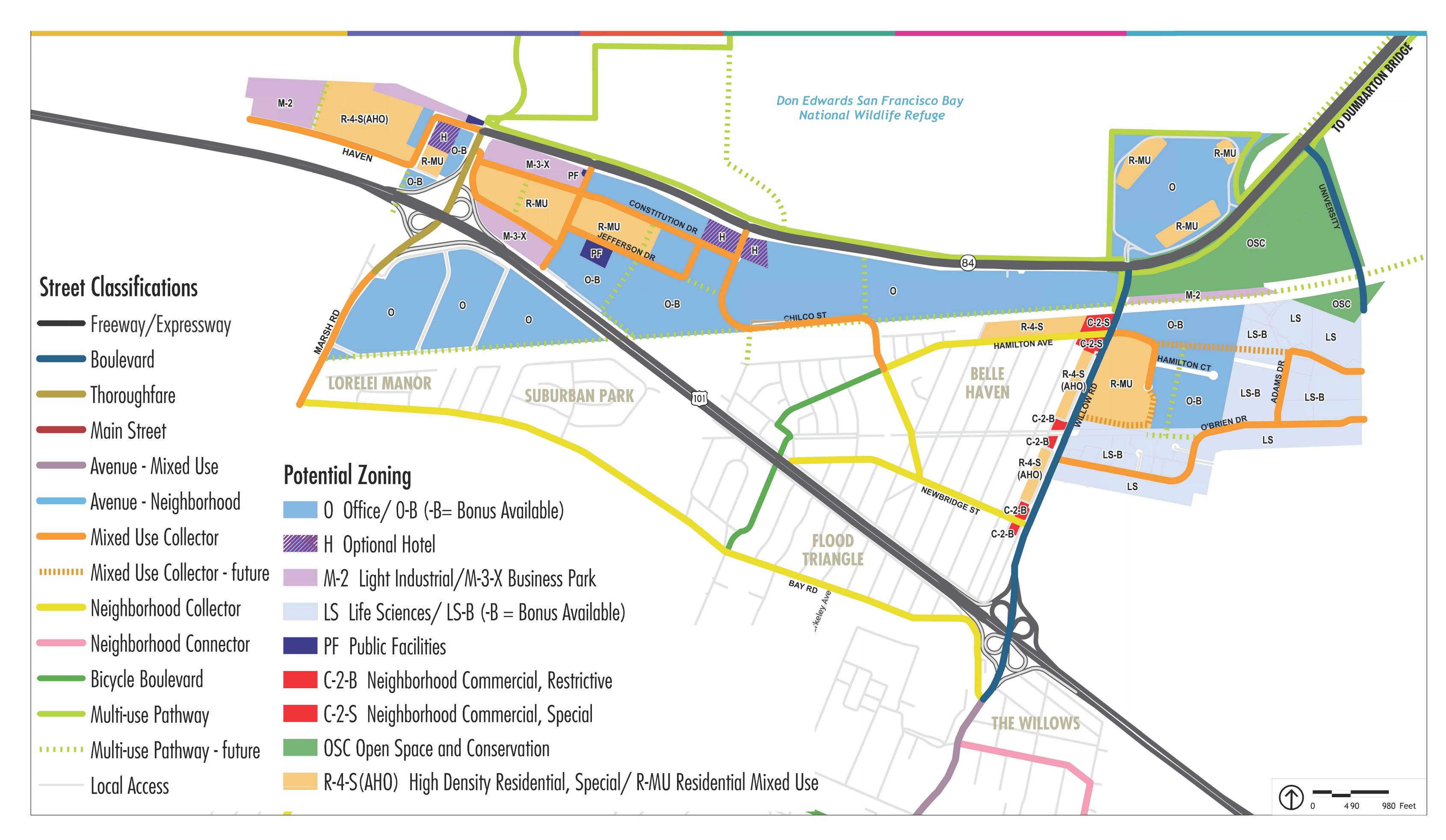
- Improvements to the quality of student education and experience.
- A medical center providing health care services and outpatient care.
- Expanded library programs and activities, especially for children.
- High-quality, deed-restricted affordable housing units integrated into new development above and beyond the required affordable units (fifteen percent of total units)
- Expanded services at the Senior Center, including more aides and programs.
- Added restroom at Onetta Harris Community Center.
- Belle Haven pool remodel for year-round use with a new heating system and changing areas.

### **Energy, Technology, and Utilities Infrastructure**

- Existing overhead power lines installation underground.
- Subsidies for private home energy upgrades, renewable energy, and water conservation.
- Enhanced WIFI, broadband, and related access for residents and businesses.
- Soundwalls between Highway 101 and Kelly Park.

## Park and Open Space Improvements

- Trees along streets and parks to increase tree canopy beyond what is already required on adjacent streets in Title 16.
- Access to Bedwell Bayfront Park and trail improvements within it.
- Space for community members to grow their own produce and flowers.
- A dedicated, enclosed park where dogs can run free.





# ATTACHMENT City Manager's Office



#### **MEMORANDUM**

Date: 2/26/2016

To: Commission Members

From: Alex D. McIntyre, City Manager

Re: City Council Work Plan Transmittal and Capital Improvement Program

(CIP) process update

The City Council adopts its work plan at the beginning of the year. The work plan is the guiding document for the initiatives and projects staff will be working on throughout the next 12-18 months. Some of these items are typically not funded until the adoption of the budget later in June. At the Jan. 29, 2016, City Council special meeting, the City Council was provided with an update on the work plan items for 2015. Many of the items on the work plan and many of the currently funded CIP projects for 2015 are ongoing. The ongoing work plan items combined with CIP projects that are currently funded were combined for a draft work plan for Council to review for 2016.

The list was grouped into themes and priority levels to help categorize the items. The themes are as follows in no specific order:

- Improving Menlo Park's multimodal transportation system to more efficiently move people and goods through Menlo Park
- Responding to the development needs of private residential and commercial property owners
- Realizing Menlo Park's vision of environmental leadership and sustainability
- Maintaining and enhancing Menlo Park's municipal infrastructure and facilities
- Attracting thoughtful and innovative private investment to Menlo Park
- Furthering efficiency in city service delivery models
- Providing high-quality resident enrichment, recreation, discovery and public safety services

The City Council approved the work plan for 2016, which includes approximately 70 items, some of which include multiple components. The work plan is included as Attachment A.

In previous years, as a part of the annual budget development process, the City updated its Five-Year Capital Improvement Plan (CIP), even though only the first year of CIP is funded by Council. The CIP typically represents recommendations for short-and long-range public investment in infrastructure development, maintenance, improvement and acquisition. The CIP provides a link between the City's Infrastructure Master Plan, various master planning documents, and various budgets and funding sources, and provides a means for planning, scheduling, funding and implementing capital and comprehensive planning projects over the next five years. Typically, a capital project is defined as a project costing more than \$25,000.

Since, the Council has already approved the work plan and prioritized the initiatives

and projects for the year and due to the current number and complexity of projects, there isn't the intent to add additional items to the CIP. The focus for the year is to work toward completion of the work plan items approved by Council including the CIP projects. It is important to note that some of the items in the work plan are not currently funded and they will be proposed as part of the upcoming budget for fiscal year 16-17. There may be a few CIP items added for FY16-17, but they will mainly be based on legal requirements. Other items that were previously listed in the CIP for FY16-17 and not included in the Council work plan will be shifted to the next fiscal year.

Staff capacity has continued to be a limiting factor to the Council work plan and CIP implementation. The staffing for work plan and CIP projects comes from a variety of areas and continued vacancies have impacted available resources. This has affected the work plan and CIP schedules for many of the City's projects. We are in the process of filling these positions and finding the right talent to execute the work plan. It should be noted that these positions function as high-level project managers who work with contract engineering firms for design and construction of projects.

The CIP process should be a continuous discussion. It is important for the commissions to continually think about projects throughout the year and to discuss the merits of those projects including how they fit into the overall master plans within the City. The Council will be provided regular updates on the work plan items throughout the year. These updates can service as an opportunity and check in for the commissions to discuss any future projects that might be important to the City in the context of master plans and issues that arise.

Thank you, as always, for your valuable support of the Council's efforts to meet their goals of responsible fiscal management of the City's resources and infrastructure.

Respond	Responding to the development needs of private residential and commercial property owners				
Number	Source	Description	Lead Department		
		Extremely Important			
1	WP	Complete the General Plan Update	Community Development		
2	WP	Process complex development projects	Community Development		
	Very Important				
3	WP	Implement Downtown/El Camino Real Specific Plan biennial review	Community Development		

Realizing Menlo Park's vision of environmental leadership and sustainability					
Number Source Description			Lead Department		
	Important				
4	CIP	Community Zero Waste Policy Draft	City Manager's Office		
5	CIP WP	Install EV charging stations as part of the Climate Action Plan	City Manager's Office		
6	WP	Update the Heritage Tree ordinance	City Manager's Office		

Attracting	Attracting thoughtful and innovative private investment to Menlo Park				
Number	Source	Description	Lead Department		
		Extremely Important			
7	WP	Implement Housing Element programs	City Manager's Office Community Development		
		Very Important			
8	WP	Expand downtown outdoor seating program	City Manager's Office		
		Important			
9	WP	Implement the Economic Development Plan	City Manager's Office		
10	CIP WP	Implement Downtown/El Camino Real Specific Plan streetscape (paseo, parklets)	City Manager's Office Public Works		

Providing high-quality resident enrichment, recreation, discovery and public safety services					
Number	Source	Description	Lead Department		
		Extremely Important			
11	WP	Create a community disaster preparedness partnership (MenloReady) with residents, businesses and schools utilizing the existing agreement with the Menlo Park Fire Protection District	Police		
12	WP	Complete the Belle Haven Pool facility analysis for year-round operations	Community Services		
		Very Important			
13	WP	Complete the Belle Haven Action Plan Phase III implementation	Community Services		
14	WP	Enhance Community special events	Community Services		
15	WP	Maintain City Council-approved cost recovery levels in all Community Services programs	Community Services		
16	CIP	Undertake a community process to rank potential projects for Measure T funding	Community Services		
17	WP	Develop a Bedwell Bayfront Park operations / maintenance plan to enhance use, improve access and determine a sustainable funding source for ongoing maintenance	Community Services		
	Important				
18	WP	Develop an implementation plan for the Sister City and Friendship program	City Manager's Office		

ımber	Source	Description	Lead Department
		Extremely Important	
19	CIP	Complete Belle Haven Youth Center playground replacement	Community Services Public Works
20	CIP WP	Install bicycle and pedestrian improvements on Chilco Street	Public Works
21	CIP	Maintain citywide sidewalk repair program	Public Works
22	CIP	Maintain citywide street resurfacing program	Public Works
23	CIP WP	Improve Haven Avenue streetscape (bike lanes, complete sidewalk gaps, new pedestrian bridge over Atherton Channel) (grant funded)	Public Works
24	CIP	Adopt Urban Water Management Plan update	Public Works
25	CIP WP	Complete sidewalks on Santa Cruz Ave	Public Works
26	CIP WP	Develop a water master plan	Public Works
27		a. Add an additional emergency water well	
28		b. Develop a recycled water program	
29		c. Enter into an agreement with West Bay Sanitary District for the Sharon Heights Recycled Water Project	
		Very Important	
30	CIP	Repair and Upgrade the Bedwell Bayfront Park leachate collection system	Public Works
31	CIP	Install Library landscaping	Public Works
32	CIP	Replace Police radio infrastructure	Public Works
33	CIP WP	Address downtown parking garage - prioritize location, develop design concepts - consider Oak Grove bike lanes	Public Works
34	CIP	Enter into an agreement with Redwood City and the Salt Pond Restoration Project for the Bayfront Canal Bypass Project	Public Works
35	CIP	Design Pope/Chaucer bridge improvements	Public Works
		Important	
36	CIP	Construct restroom at Jack Lyle Park	Public Works
37	CIP	Replace Library interior wall fabric	Public Works
38	CIP	Replace Nealon Park sports field sod and irrigation system	Public Works
39	CIP	Address Nealon Park dog park	Public Works
40	CIP	Replace Willow Oaks dog park and install restroom	Public Works
41	CIP	Initiate Downtown utility undergrounding	Public Works
42	CIP	Complete library space needs study	Public Works

Furtherin	Furthering efficiency in city service delivery models				
Number	Source	Description	Lead Department		
		Extremely Important			
43	WP	Complete the classification and compensation study and work with labor units to address the study's findings	Administrative Services		
44	CIP WP	Complete the Information Technology Master Plan and:	Administrative Services		
45		a. Implement key best practices			
46		b. Launch a selection process for replacement of mission critical systems including an enterprise resource planning (ERP) business management system for the city including administrative and land development operations			
47		c. Identify and implement interim upgrades to existing business systems as a bridge to their replacement			
48	WP	Complete a fee study for solid waste and water utilities	Administrative Services Public Works		
49	CIP WP	Complete administration building space planning	Public Works		
		Very Important			
50	WP	Complete an updated cost allocation plan, user fee study for non-utility operations, and cost recovery models for non-development related services	Administrative Services		
	WP	Implement recommendations from the department operational reviews:	Community Services Library		
51		Develop and implement strategic plans for the Library and Community Services departments			
52		Revise and update departmental policies and procedures in the Library and Community Services departments			
53		Develop and improve cooperative relationships with community stakeholders (school districts, community groups, etc.)			
		Important			
54	WP	Analysis and prioritization of alternative service delivery model goals, what outcome is desired (financial, service changes, etc.) and what metrics determine success	City Manager's Office		
55	WP	Assess current staffing levels in the Administrative Services department, realign existing resources, and add resources where necessary to support the organization's current and future needs for technology, financial, and human resources support	Administrative Services		
56	WP	Improve community communications	City Manager's Office		
57	WP	Initiate organizational study for development services utilizing industry best practices	City Manager's Office Community Development Public Works		
58	WP	Initiate organizational study for Public Works maintenance services	City Manager's Office Public Works		

Improving Menlo Park's multimodal transportation system to move people and goods through	
Menlo Park more efficiently	

Number	Source	Description	Lead Department		
		Extremely Important			
59	WP	Develop and implement transit improvements (study transit options including enhancements to existing shuttles and transportation management associations, install new shuttle stop signs and amenities)	Public Works		
60	CIP WP	Study and prioritize Willow Road transportation improvement options	Public Works		
61	CIP WP	Work with Caltrans and regional funding partners to design and begin construction on 101/Willow Road interchange	Public Works		
62	CIP WP	Construct Citywide Bicycle and Pedestrian Visibility Project (add green colored pavement to existing high-use corridors at conflict points and downtown bike racks) (grant funded)	Public Works		
63	CIP WP	Construct Menlo Park-Atherton Bike/Pedestrian Improvements Project (Valparaiso Avenue Safe Routes to School project) (grant funded)	Public Works		
64	CIP WP	Construct Menlo Park-East Palo Alto Connectivity Project (add Class III bike routes and sharrows to connecting streets and fill sidewalk gaps on O'Connor Street and Menalto Avenue) (grant funded)	Public Works		
65	CIP WP	Prepare Project Study Report for Ravenswood Avenue/Caltrain Grade Separation Project (grant funded)	Public Works		
66	CIP WP	Explore Dumbarton Rail Corridor activation / re-use	Public Works		
67		Install bus shelters at the Senior Center and on Willow Road between U.S. 101 and Bayfront Expressway	Public Works		
		Very Important			
68	CIP WP	Coordinate with regional agencies on High Speed Rail project, including environmental review	Public Works		
69	CIP WP	Begin design and implement El Camino Real Corridor Study	Public Works		
70	CIP	Design and construct Sand Hill Road signal modification project	Public Works		
71		Establish a crosswalk policy	Public Works		
		Important			
72	CIP WP	Work with Caltrain to complete Peninsula Corridor Electrification Project design review	Public Works		

		•	
Number	Source	Description	Lead Department
73		Explore adoption of a minimum wage ordinance	City Manager's Office