



SPECIAL MEETING AGENDA

Date: 3/6/2019
Time: 6:30 p.m.
Arrillaga Family Recreation Center – Cypress Room
700 Alma St., Menlo Park, CA 94025

A. Call to Order

B. Roll Call

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. 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. Introduction of Deputy Community Development Director Rhonda Coffman
- D2. Approve minutes for the Housing Commission meeting of February 6, 2019 ([Attachment](#))
- D3. Review and recommend City Council approval of the 2018 Housing Element Annual Progress Report ([Staff Report #19-001-HC](#))
- D4. Review and discuss changes to the Housing Commission subcommittees and assignments
- D5. Discuss and recommend future agenda items

E. Reports and Announcements

- E1. Subcommittee reports (10 minutes):
 - Anti-Displacement Subcommittee (Grove/Horst/Merriman)
 - Below Market Rate Housing Guidelines Subcommittee (Dodick/Grove)
 - Housing Policy Subcommittee (McPherson/Merriman/Tate)
 - Marketing Subcommittee (McGraw-Scherer/Horst)
 - Notice of Funding Availability Subcommittee (McGraw-Scherer)
- E2. Commissioner reports
 - Sacramento legislative update (Horst)
 - Individual commissioner reports
- E3. Staff updates and announcements

F. Adjournment

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.

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REGULAR MEETING MINUTES - DRAFT

Date: 2/6/2019
Time: 6:30 p.m.
Arrillaga Family Recreation Center – Elm Room
700 Alma St., Menlo Park, CA 94025

A. Chair McGraw-Scherer called the meeting to order at 6:47 p.m.

B. Roll Call

Present: Meg McGraw-Scherer, Karen Grove, Rachel Horst, Nevada Merriman
Wendy McPherson, Michele Tate

Absent: Julianna Dodick

Staff: Interim Housing and Economic Development Manager Clay Curtin,
Management Analyst II Mike Noce

C. Public Comment

- Pamela Jones spoke about the Menlo Park Housing Element and a possible linkage between vacant units and housing shortage challenges.

D. Regular Business

D1. Approve minutes for the Housing Commission meeting of December 12, 2018

ACTION: Motion and second (Merriman/McPherson) to approve the Housing Commission meeting minutes of December 12, 2018. The motion passed (5-0-1-1; Tate abstained, Dodick absent).

D2. Receive and file the updated and quarterly report from Hello Housing for 2018 fourth quarter.

Hello Housing Senior Program Manager Sarah Shimmin introduced and highlighted details of the 2018 fourth quarter report.

Interim Housing and Economic Development Manager Clay Curtin asked that requests for additional information be made through staff, who would then work with Hello Housing.

No action was required for this item.

D3. Discuss and review potential changes to the Housing Commission work plan and priorities list.

Interim Housing and Economic Development Manager Clay Curtin introduced the item.

By acclamation, the Housing Commission requested the following items be added to the priority list:

- a) Review of housing density policies related to downtown Menlo Park with a focus on high-density, transit-oriented development
- b) Lobbying/advocacy work on producing affordable housing in downtown Menlo Park
- c) Just cause eviction ordinance
- d) Community engagement plan related to increased density including the possible participation in the Home For All Community Engagement Pilot Program
- e) Right to remain ordinance
- f) Impact fee waiver for 100% affordable housing projects

Staff will return to the Housing Commission with an updated version of the work plan and priorities list at a future meeting.

D4. Discuss and recommend future agenda items

Interim Housing and Economic Development Manager Clay Curtin introduced the item.

Items to be considered for future agenda items include:

- a) Updates and/or changes to the BMR Guidelines
- b) 2018 Housing Element Annual Progress Report
- c) San Mateo County Fair Housing Report

E. Reports and Announcements

E1. Subcommittee reports (10 minutes):

Anti-Displacement Subcommittee (Grove/Horst/Merriman) – No report

Below Market Rate Housing Guidelines Subcommittee (Dodick/Grove) – Commissioner Grove expressed their goal was to return to the Housing Commission in March with proposed changes to the BMR Guidelines.

Housing Policy Subcommittee (McPherson/Merriman/Tate) – No report

Marketing Subcommittee (McGraw-Scherer/Horst) – The committee plans to return to the Housing Commission with proposals to increase community engagement, which may include information regarding the tenant relocation assistance ordinance.

Notice of Funding Availability (NOFA) Subcommittee (McGraw-Scherer) – No report

E2. Commissioner reports

Commissioner Horst shared a handout (attached) that included California State Legislature bills related to housing. Commissioner Horst gave a brief description of the items listed on the handout and highlighted bills that deal with local control or could affect Menlo Park residents.

Commissioner Grove spoke about a discussion forum she attended regarding the “re-segregation of the Bay Area.” Grove shared that rising housing costs are driving specific populations, primarily low-income and ethnic minorities, out of the Bay Area.

Commissioner Merriman spoke about her participation in the San Mateo County One Day Homeless Count on January 31, 2019. Merriman was joined at the event by Commissioners Tate and Horst.

E3. Staff updates and announcements

Interim Housing and Economic Development Manager Clay Curtin provided the following updates:

- The draft tenant relocation assistance ordinance is expected to be presented to the City Council as a study session on February 12, 2019, and for a first reading on February 26, 2019.
- A candidate has been selected for the Deputy Community Development Director position and is in the background check process. Staff expects the background check process to conclude in February with a potential start date in March.
- The Notice of Funding Availability (NOFA) deadline closed on January 31, 2019. Two applications have been received and are being reviewed.
- A first time homebuyer workshop will be held in partnership with HEART of San Mateo County on Thursday, March 7, 2019, from 6–7 p.m. in the City Council Chambers.

F. Adjournment

Chair McGraw-Scherer adjourned the meeting at 9:06 p.m.

Sacramento Housing Bills 2019-20 Session, with emphasis on those that deal with local control or could affect Menlo Park residents

In the Senate

SCA 1 (Allen, Wiener) *constitutional amendment so needs support of 2/3 of both houses and voter approval* Public housing projects

Repeals provisions prohibiting the development, construction, or acquisition of a “low-rent housing project” (public housing) in any manner by any state public body until a majority of the qualified electors of the jurisdiction in which the development, construction, or acquisition of the project is proposed approve the project by voting in favor at an election. **Specifically, it repeals Article XXXIV of the CA Constitution.**

SCA 3 (Hill) *constitutional amendment so needs support of 2/3 of both houses and voter approval* Property Taxation change in ownership: inheritance exclusion

Transfer of the principal residence of a parent or grandparent would receive the Prop 13 tax benefit **only if the transferee uses the residence as his/her principal residence within 12 months after the transfer.** If the transferee does not use the residence as his/her principal residence, **the residence will be assessed at its full cash value as of the date of the transfer.**

SB 4 (McGuire, Beall) Housing (intent language only)

Intent language: to enact legislation that would **limit restrictive local land use policies** and legislation that would **encourage increased housing development near transit and job centers**, in a manner that ensures that **every jurisdiction contributes its fair share to a housing solution**, while acknowledging relevant differences among communities.

SB 5 (Beall/McGuire) Local-State Sustainable Investment Incentive Program

A new version of the old redevelopment agencies/tax increment financing called the Local-State Sustainable Investment Incentive Program. Under this program, some property tax revenue would be directed towards local projects that comply with certain state criteria (affordable housing, anti-poverty measures, transportation, etc.), with approval from the state. Cities, counties, and other districts must apply for funding for these projects.

SB 6 (Beall) Housing production (intent language only)

Intent language to “**encourage housing production throughout the state, including streamlining approval processes, identifying sites, and penalizing local planning that restricts housing production.**”

SB 9 (Beall) Low-income housing tax credits: sale

Extends a restructuring provision to enable more housing to be built with low-income housing tax credits through the Tax Credit Allocation Committee (TCAC). Specifically,

it removes the 2020 expiration date with respect to two provisions related to the allocation and sale of low-income housing tax credits.

SB 13 (Wieckowski) Accessory Dwelling Units (ADUs) (intent language only)

Intent language: **reduce impact fees and other existing barriers for homeowners seeking to create accessory dwelling units** for the purpose of creating additional residential housing within their neighborhoods.

SB 18 (Skinner) Keep Californians Housed Act

Modeled after Keep Oakland Housed, would set aside state funds through Homelessness Prevention and Legal Aid Fund in the State Treasury to provide both direct assistance for households who have fallen behind on their rent, as well as legal assistance for tenants whose landlords may be trying to evict them illegally. **The department shall distribute funds made available for purposes of this chapter in the form of grants awarded on a competitive basis, including grants to cities and counties to establish their own tenant legal aid programs.**

SB 48 (Wiener) CA Right to Shelter (intent language only)

States the intent of the Legislature to enact legislation that creates a right to shelter for unhoused residents throughout the state.

SB 50 (Wiener et al) Equitable Communities Initiative (yeah, it's that one from last year)

SB 827 last year. Requires a city or county to grant, upon request, an “equitable communities incentive” when a development proponent seeks and agrees to construct a residential development that satisfies specified criteria, including, among other things, that the residential development is **either a job-rich housing project or a transit-rich housing project.**

SB 128 (Beall) Enhanced infrastructure financing districts: bonds: issuance

Simplifies the process of issuing bonds, with the intent of enabling the creation of Enhanced Infrastructure Financing Districts (EFIDs). Cities and counties may establish an EFID, with a governing body referred to as a public financing authority, to finance public capital facilities or other specified projects of communitywide significance. **Existing law authorizes the public financing authority to issue bonds for these purposes upon approval by 55% of the voters.** This bill would authorize the public financing authority to issue bonds for these purposes **without submitting a proposal to the voters.**

SB 182 (Jackson) General plans: safety element.

This bill would require the safety element, upon the next revision of the housing element or the hazard mitigation plan, on or after January 1, 2020, whichever occurs first, to be reviewed and updated as necessary to **include a comprehensive retrofit plan.**

SB 196 (Beall) Property taxes: welfare exemption: community land trust.

Provides Community Land Trusts with a property tax exemption from the point of acquisition of property to the point of sale of affordable homes. Specifically, for lien dates occurring on and after January 1, 2020, this bill would provide that a property is within the “welfare exemption” if that property is owned by a community land trust, as defined, and specified conditions are met, including that the property is being or will be developed or rehabilitated as housing.

In the Assembly

ACA 1 (Aguilar-Curry)*constitutional amendment so requires 2/3 majority in both houses and voter approval* Local government financing: affordable housing and public infrastructure: voter approval.

Reduces the local vote threshold for approval of bond and special tax measures from a **two-thirds vote to a 55 percent majority** (the vote threshold that currently applies to all local school district measures) **so that local governments can fund critical infrastructure projects, including broadband expansion, local roads, and affordable housing projects.**

AB 10 (Chiu et al) Tax credits for low-income housing

Increases the state low-income housing tax credit administered by CTAC by **\$500 million each year**, starting in 2020, and would allocate to farmworker housing projects \$25 million per year of that amount. It would also modify the definition of “applicable percentage” (which determines the amount of the credit), which depends on certain characteristics of the qualified building.

AB 11 (Chiu et al) Community Redevelopment Law of 2019

Brings back redevelopment funds/agencies.

AB 14 (Luz Rivas) Multifamily housing program: homeless youths and families

This bill would appropriate an unspecified sum from the General Fund into the Housing Rehabilitation Loan Fund to be expended under the Multifamily Housing Program to fund housing for homeless youths and homeless families in accordance with certain requirements, including that the department prioritize loans to housing projects in disadvantaged communities.

AB 36 (Bloom) Affordable housing: rental prices (intent language only)

Intent language: to enact legislation **in order to stabilize rental prices and increase the availability of affordable rental housing.**

AB 53 (Jones-Sawyer) Rental housing discrimination: applications: criminal records.

This bill would prohibit the owner of a rental housing accommodation from inquiring about, or requiring an applicant for rental housing accommodation to disclose, **a criminal record during the initial application assessment phase**. After the successful completion of the initial application assessment phase, the owner may request a criminal background check of the applicant and consider an applicant's criminal record in deciding whether to rent or lease to the applicant.

AB 68 (Ting) Accessory Dwelling Units

This bill would prohibit a local ordinance from imposing requirements on **minimum lot size, lot coverage, or floor area ratio of an ADU**, and from establishing size requirements **for accessory dwelling units that do not permit at least an 800 square feet unit of at least 16 feet in height to be constructed**. It would also require a local agency to ministerially approve or deny an application for a junior accessory dwelling unit within **60 days** of submission of the application, not 120 (the current timeframe). And it would require a local agency that has not adopted an ordinance for the creation of junior accessory dwelling units **to apply the same standards established by this bill for local agencies with ordinances**.

AB 69 (Ting) ADUs - ordinances

This bill would authorize the department (HCD) **to submit written findings to a local agency as to whether a local ordinance complies with state law**, and to notify the Attorney General if the ordinance violates state law. The bill would require a local agency to consider the department's findings and would authorize the local agency to amend its ordinance to comply with state law or adopt a resolution with findings explaining why the ordinance complies with state law, and addressing the department's findings. **This bill would also require the department to propose small home building standards governing accessory dwelling units and homes smaller than 800 square feet by January 2021.**

AB 139 (Quirk-Silva) Emergency and Transitional Housing Act of 2019

This bill would update the state's Housing Element law to reflect the state's **homeless crisis** and the need for every community to better assess the number of individuals and families facing homelessness and implement more targeted transition strategies to long term permanent housing for these Californians.



STAFF REPORT

Housing Commission

Meeting Date:

3/6/2019

Staff Report Number:

19-001-HC

Regular Business:

Recommend City Council acceptance of the 2018 Housing Element Annual Progress Report

Recommendation

Staff recommends that the Housing Commission review and recommend that the City Council accept the 2018 Housing Element Annual Progress Report.

Policy Issues

California Government Code Section 65400 requires the preparation and submittal of the annual progress report to the state Housing and Community Development Department (HCD) and Governor's Office of Planning and Research (OPR). The annual progress report documents past housing-related activities and may identify the timing of upcoming activities, but does not authorize the implementation of programs or expenditure of funds.

Background

Every city and county in California are required 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 state Housing and Community Development Department. This year's annual progress report forms have been updated to incorporate new data requirements pursuant to Assembly Bill 879 and Senate Bill 35. The annual progress report is due by April 1 each year for the calendar year immediately preceding the April 1 reporting deadline. Therefore, this year's report evaluates the status of the implementation programs and housing production for the period between January 1 and December 31, 2018.

On February 25, 2019, the Planning Commission passed a motion by a vote of 5-0-1-1 to recommend the City Council accept the 2018 Housing Element Annual Progress Report. The Planning Commission was supportive of the 2018 annual progress report and highlighted the importance of staff's continued collaboration with local school districts. At the March 6, 2019, Housing Commission meeting, commissioners and the public will have an opportunity to provide comments on the APR. The Planning Commission's and Housing Commission's comments will be forwarded to the City Council for review at its March 26, 2019, meeting.

Analysis

Attachment A includes the 2018 annual progress report. The annual progress report includes a status update of the Housing Element's implementation programs and an inventory of housing applications and production in the City for the 2018 calendar year. This staff report highlights several key accomplishments in 2018 and work items that will be continued in 2019, in more detail below. The annual progress report is a document that reflects on the past year's efforts, and is not intended to establish work priorities for staff.

Through the City Council's annual goal setting session, priorities are set for the upcoming year. The City Council is scheduled to continue to discuss its work plan and project priorities at its March 5, 2019, special meeting.

Implementation programs

Below Market Rate (BMR) ordinance and guidelines update

The City's Housing Element includes program H.4.B, which is to implement inclusionary housing requirements to assist in providing affordable housing in Menlo Park. In April 2018, in response to changes in state law (AB 1505), the City Council adopted an ordinance and updates to the BMR Guidelines to restore the City's inclusionary housing policy for rental projects and to allow the City Council to approve BMR housing with a range of affordability levels to meet unmet Housing Element need. At the same time, the City Council also adopted amendments to the City's density bonus to conform to recent State updates. The update to the BMR housing ordinance furthers the city's affordable housing goals by allowing the City of Menlo Park resume applying inclusionary requirements on rental housing as a condition of development. Subsequently, the City Council adopted modifications to the community amenities requirement in the R-MU-B zoning district. The City Council removed the requirement for 15 percent affordable housing as a required community amenity in response to the City's new inclusionary zoning requirement, which was not in effect for rental housing at the time of adoption of the R-MU zoning district.

Furthermore in June 2018, the City Council adopted a second set of changes to address six different topics in the BMR Guidelines:

1. Definition of a household
2. How to address over-income tenants
3. Aligning the City BMR household income and maximum rent limits with San Mateo County's limits
4. Memorializing the City's current practice of maintaining a BMR Rental Interest List
5. Addressing displaced tenants
6. Standalone BMR project on the same lot as a market rate project with City Council approval

The changes provided clarity and documented practices in application of the BMR Guidelines.

In addition to inclusionary zoning for residential projects, the City's BMR ordinance applies to commercial developments of 10,000 square feet of gross floor area or more. The fee varies by use and is adjusted by July 1 each year. In April 2018, the Housing Commission recommended that the City Council adopt updated commercial linkage fees based upon a nexus study that was prepared in collaboration with other jurisdictions in San Mateo County through 21 Elements. The Housing Commission's work to review and make a recommendation on the BMR Nexus Study is in support of Housing Element program H4.D. The City Council has yet to take action on the commercial linkage fee update, but it is anticipated to be reviewed in 2019.

Anti-discrimination ordinance

Housing Element Program H1.G (Adopt an Anti-discrimination Ordinance) calls for the City to adopt an anti-discrimination ordinance to prohibit discrimination based on the source of a person's income. In June 2018, the City Council adopted an anti-discrimination ordinance, which establishes a right of tenants to be free from discrimination based on a person's income or their use of a rental subsidy, including Section 8 vouchers. The ordinance would prohibit discrimination based on the source of income, wholly or partially, in any real property transaction, including rental of a unit.

Funding affordable housing

The primary purpose of the Below Market Rate (BMR) housing program is to increase the supply and assist in the development of housing that is affordable to very low-, low-, and moderate income households. Compliance with the City's BMR Program can be met with the development of affordable units, the payment of in-lieu fees, or a combination of the two. The BMR Housing Fund is comprised primarily of commercial development in-lieu fees. Payment of BMR fees typically occurs before building permit issuance for a project, unless specific provisions are included as part of the BMR Agreement. In 2018, the City collected approximately \$6.1 million of BMR funds. As of December 4, 2018, it had approximately \$15.8 million of unencumbered funds.

Program H1.H (Utilize the City's Below Market Rate Housing Fund) requires the City to administer and advertise at least every two years the availability of funds in the BMR Housing Fund. The objective of the Notice of Funding Availability (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 October 2018, the City released its third NOFA and announced the availability of approximately \$11.5 million for affordable rental projects in Menlo Park. Eligible projects include preservation of existing affordable housing, new construction and acquisition for developing permanent affordable rental housing for extremely low-, very low-, and low-income households. The projects will be evaluated on a variety of goals and priorities, including length of affordability, consistency with City goals, policies and regulations, location near transit and other services, reasonable cost and demonstrated experience. The application filing deadline was January 31, 2019, and the City received two applications that are under review.

Housing Commission work plan

The Housing Commission is charged with advising the City Council on housing matters, including reviewing and recommending on housing policies and programs for the City, providing input on regional housing issues, and recommendations on Below Market Rate Housing Agreements. Every two years Menlo Park Commissions review their respective work plans and update them with new/updated priorities, projects and goals. On May 23, 2017, the City Council approved the Housing Commission's 2016-2018 work plan, which established a robust set of activities to further advance the goals of the Housing Commission.

The Housing Commission's work plan focuses on four key areas:

1. BMR program funding and compliance
2. Housing projects
3. Policies that prevent residential displacement, promote affordable housing preservation, and encourage affordable housing development
4. Advocacy/Housing Element implementation

In addition to the activities described above, the Housing Commission also provided guidance on a proposed tenant relocation assistance ordinance. The City Council introduced the ordinance at its February 26, 2019, meeting, and will be considered for adoption March 12, 2019. Other topics the Housing Commission is interested in pursuing include, but are not limited to, establishing a program to leverage BMR funds to purchase market rate housing for the creation and preservation of affordable housing and short-term rentals (e.g., Airbnb and VRBO).

Housing production

As part of HCD's SB 35 Statewide Determination Summary, Menlo Park is one of only 24 jurisdictions in

California that has met its pro-rated Lower (Very- and Low) and Above-Moderate Income Regional Housing Needs Assessment/Allocation (RHNA) for the reporting period. This means that Menlo Park is not currently subject to SB 35 (Housing Accountability and Affordability Act), which was passed in 2017 and became effective January 1, 2018, and created a streamlined approval process for housing when cities are not meeting its RHNA.

In 2018, the City issued building permits for 44 net new dwelling units. Of those units, 54 percent of the units were attributed to the 24 townhomes at 133 Encinal Ave., approximately 34 percent of the building permits were for secondary dwelling units (15 units), and the remaining permits were issued for a combination of single-family and multifamily residences. The overall number of secondary dwelling units as well as the overall number of residential building permits slightly increased from 2017. While Table A2 of the APR form includes data on new housing units that have either received entitlements, a building permit or a certificate of occupancy that was issued during the reporting period, only building permits are used for the purposes of determining progress toward RHNA (fields 7, 8 and 9).

Building permits for approximately 407 new residential units are also currently under review - 183 units at 1300 El Camino Real, 215 units at 500 El Camino Real, and nine units at 506-556 Santa Cruz Ave./1125 Merrill St. While some construction has begun at 1300 El Camino Real and 506-556 Santa Cruz Avenue, the permits for the residential units have not been issued and therefore, have not been accounted for in Table A2. These projects will also include affordable units for households of varying income levels and will be counted toward meeting the City's Regional Housing Needs Assessment figure. As part of two negotiated Development Agreements for the projects at 500 El Camino Real project and 1300 El Camino Real, the City will add 28 affordable housing units to the City's inventory. Eight units will be designated for low-income households at 500 El Camino Real and 14 units will also be designated for low-income households at 1300 El Camino Real. An additional six units will be designated as "workforce" housing within the 1300 El Camino Real project. The two required BMR units for 506-556 Santa Cruz Ave./1125 Merrill St. are anticipated to be met at an off-site location also within the Specific Plan Area at 1162 El Camino Real, which is currently under development review. The addition of housing stock and affordable housing units is helping the City meet its Regional Housing Needs Assessment (RHNA). These new units will be located in the central area of the City, which will provide housing in close proximity to transit and services, and disperse the affordable housing units in the City.

In total, 52 net new residential units were entitled in 2018. It is important to clarify that the units that were entitled could be different from the building permits that were issued for the same year so the two numbers would likely differ. The number of units that are entitled in the year is a new reporting category with the 2018 APR form and helps provide a more complete picture of housing in a jurisdiction. The approved 2018 projects include 27 units at 1540 El Camino Real, of which five will be BMR units, nine units at 506-556 Santa Cruz Ave./1125 Merrill St., three units at 840 Menlo Ave., and five net new units at 409 Glenwood Ave., including one BMR unit. The remainder of units approved in 2018 are a combination of secondary dwelling units and single-family homes.

The new APR form also includes a list of residential development applications that were submitted and also deemed complete in the calendar year. While a number of large housing projects or mixed use developments are currently on file, they are not listed in Table A2 because they were not deemed complete in the same year. Examples of those projects include 1,500 proposed multifamily units on the Facebook Willow Village site and 483 multifamily units at a Greystar-owned site at 141 Jefferson Drive.

While the City's housing production during the first three years of the planning period has exceeded the City's Regional Housing Needs Assessment of 655 units, the City continues to seek opportunities for

housing and will strive to meet its numbers for affordable housing. A key component of the General Plan Update adopted in December 2016 was the planning for an additional 4,500 units in the City. Since the adoption of the General Plan Update, the City has received several development or study session applications for residential or mixed use developments in the Bayfront Area that total approximately 2,100 units. All of the proposed projects would be subject to the City's 15 percent BMR requirement.

Looking ahead

The focus on housing continues to remain a community and regional interest. Staff will be continuing to work on 2018-initiated programs, including a tenant relocation assistance program identified in the Housing Commission Work Plan and a BMR study directed by the City Council to evaluate the feasibility of City's 15 percent BMR requirement on various housing product types and sizes. In addition, staff is continuing to coordinate with MidPen Housing on their proposed 140-unit, 100 percent affordable development along the 1300 block of Willow Road. In 2017, the City Council affirmed up to \$6.7 million from the 2015 NOFA for the proposed development, which would utilize the affordable housing overlay to increase the allowed density from 30 dwelling units per acre (du/ac) to 40 du/ac.

During the City Council's 2019 goal setting session, the topic of teacher housing and the development of multifamily housing at the former Flood School site at 320 Sheridan Drive was discussed as a potential project priority. Staff will continue to focus on programs to implement the Housing Element and other work, as directed by the City Council, that supports the production and preservation of the City's housing stock.

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 and will be considered as part of the City's annual Capital Improvement Plan and budget process.

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.

Attachments

- A. 2018 Housing Element Annual Progress Report
- B. Link to: Adopted Housing Element for the 2015-2023 Planning Period – hyperlink:
<https://www.menlopark.org/DocumentCenter/View/4329/Adopted-Housing-Element-2015-2023?bidId=>

Report prepared by:

Deanna Chow, Assistant Community Development Director
Tom Smith, Senior Planner

Michael Noce, Management Analyst II

Report reviewed by:

Kyle Perata, Acting Principal Planner

Clay Curtin, Interim Housing and Economic Development Manager

Mark Muenzer, Community Development Director

Please Start Here

General Information	
Jurisdiction Name	Menlo Park
Reporting Calendar Year	2018
Contact Information	
First Name	
Last Name	
Title	
Email	
Phone	
Mailing Address	
Street Address	
City	
Zipcode	

Submittal Instructions
Housing Element Annual Progress Reports (APRs) forms and tables must be submitted to HCD and the Governor's Office of Planning and Research (OPR) on or before April 1 of each year for the prior calendar year; submit separate reports directly to both HCD and OPR pursuant to Government Code section 65400. There are two options for submitting APRs:
1. Online Annual Progress Reporting System (Preferred) - This enters your information directly into HCD's database limiting the risk of errors. If you would like to use the online system, email APR@hcd.ca.gov and HCD will send you the login information for your jurisdiction. <i>Please note: Using the online system only provides the information to HCD. The APR must still be submitted to OPR. Their email address is opr.apr@opr.ca.gov.</i>
2. Email - If you prefer to submit via email, you can complete the excel Annual Progress Report forms and submit to HCD at APR@hcd.ca.gov and to OPR at opr.apr@opr.ca.gov . Please send the Excel workbook, not a scanned or PDF copy of the tables.

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(CCR Title 25 §6202)

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25 §6202)

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ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation

(CCR Title 25 §6202)

Jurisdiction	Menlo Park	
Reporting Year	2018	(Jan. 1 - Dec. 31)

This table is auto-populated once you enter your jurisdiction name and current year data.
 Past year information comes from previous APRs.
 Please contact HCD if your data is different than the material supplied here

Table B													
Regional Housing Needs Allocation Progress													
Permitted Units Issued by Affordability													
		1	2									3	4
Income Level		RHNA Allocation by Income Level	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total Units to Date (all years)	Total Remaining RHNA by Income Level
Very Low	Deed Restricted	233	84									103	130
	Non-Deed Restricted		1	3	8	7							
Low	Deed Restricted	129	20		2	1						37	92
	Non-Deed Restricted		2	4	4	4							
Moderate	Deed Restricted	143				2						4	139
	Non-Deed Restricted				1	1							
Above Moderate		150	712	17	20	26						775	
Total RHNA		655											
Total Units 44			819	24	35	41						919	361

Note: units serving extremely low-income households are included in the very low-income permitted units totals
 Cells in grey contain auto-calculation formulas

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
 (CCR Title 25 §6202)

Jurisdiction	Merlo Park
Reporting Year	2018 (Jan. 1 - Dec. 31)

Note: + Optional field Cells in grey contain auto-calculation formulas

Table C																	
Sites Identified or Rezoned to Accommodate Shortfall Housing Need																	
Project Identifier				Date of Rezone	Affordability by Household Income				Type of Shortfall	Sites Description							
1				2	3				4	5	6	7	8		9	10	11
APN	Street Address	Project Name*	Local Jurisdiction Tracking ID*	Date of Rezone	Very-Low Income	Low-Income	Moderate Income	Above Moderate - Income	Type of Shortfall	Parcel Size (Acres)	General Plan Designation	Zoning	Minimum Density Allowed	Maximum Density Allowed	Realistic Capacity	Vacant/Nonvacant	Description of Existing Uses
Summary Row: Start Data Entry Below																	

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
(CCR Title 25 §6202)

Jurisdiction	Menlo Park	
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Table D			
Program Implementation Status pursuant to GC Section 65583			
Housing Programs Progress Report			
Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.			
1	2	3	4
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	Annually	Annual Review for the 2017 calendar year was accepted by the City Council on March 27, 2018 and submitted to HCD for review. Using forms provided by HCD, the 2018 Annual Review will be undertaken between February and March 2019, 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 H1.D)	Ongoing	Materials available at the 1st floor counter located at Menlo Park 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	Annually	Materials are available at the 1st floor counter located at Menlo Park City Hall and on the City's Web site. In 2017, the Housing Commission modified its meeting schedule by meeting monthly as opposed to quarterly, and its membership was expanded from five to seven commissioners. In 2018, the Housing Commission conducted twelve meetings. Housing Commission agendas and notices are posted at City Hall and on the City's website. The Commission designated five subcommittees to address the following topics: Anti-Displacement, BMR Housing Guidelines, Housing Policy, Marketing, and NOFA. The City adopted an anti-discrimination ordinance in August 2018. The Housing Commission also approved a recommendation for the City to pass a Tenant Relocation Assistance (TRA) ordinance, which is scheduled for City Council's consideration in 2019. Two community meeting where held in September 2018 to inform residence of the proposed TRA ordinance.
H1.E Undertake Community	Conduct community outreach and	Consistent with program	Materials are available at the 1st floor counter located at Menlo Park City Hall and on
H1.F Work with the San Mateo County Department of Housing	Coordinate with County efforts to maintain and support affordable housing	Ongoing	Continued participation and coordination has occurred as part of the countywide 21 Elements organization. Working with the County Department of Housing and other jurisdictions on housing-related topics such as accessory dwelling units and short-term rentals, and coordination in implementing Housing Element programs. The City adopted a resolution in 2017 and participates in the Home for All Initiative, which is a continuation of the work of the Closing the Jobs/Housing Gap Task Force. Home for All includes "representatives from all sectors of the community and are focused on creating a future where everyone in San Mateo County has an affordable home," (See http://homeforallsmc.com/).
H1.G Adopt an Anti-Discrimination Ordinance	Undertake Municipal Code amendment and ensure effective implementation of anti-discrimination policies and enforcement as needed	2016	Completed. On August 6, 2018, the City Council approved the Anti-Discrimination ordinance. The City will be considering additional ordinances to address housing challenges as part of its ongoing discussion about housing supply, affordable housing and displacement.
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 that the proposed 90-unit senior development is in compliance with the zoning regulations and design standards, and funds were distributed to MidPen for construction in 2016. The project targets extremely low and very low income senior households. In July 2015, the City issued its second 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 received three applications and is working with one applicant on the viability of its application. In July 2017, the City Council affirmed a funding agreement of \$6.7 million towards a project located at the 1300 block of Willow Road for up to 141 units of affordable housing. In October 2018, the City released a NOFA for up to \$11.5 million. The deadline for applications was January 2019.
H1.I Work with Non-Profits	Maintain a working relationship with non-	Ongoing	The City worked closely with MidPen to assist in their application submittal to redevelop
H1.J Update the Housing 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 Conflicts	Resolve rent conflicts as they arise	Ongoing	In January 2017, the City Council referred mandatory mediation and rental relocation assistance to the Housing Commission for prioritization along with 13 other potential anti-residential displacement policy initiatives. The Housing Commission solicited community input over 3 public hearings and recommended a prioritization for the 15 policy initiatives. Mandatory Mediation was given a low priority by the Housing Commission, due in large part to the concerns raised by housing advocates and tenants' rights advocates, who questioned the effectiveness of similar programs in other cities. Conversely, instituting mandatory rental relocation assistance was ranked as a high priority. A draft rental relocation assistance ordinance was recommended for approval by the Housing Commission in October 2018. The item is scheduled for City Council consideration in early 2019. Previously, in December 2016, the City Council adopted an ordinance requiring the option for 12-month lease agreements for apartments with four or more units.
H1.L Update Priority Procedures for Providing Water Service to Affordable Housing Developments	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 Changes to State Housing Element Requirements	Work with other San Mateo County jurisdictions and lobby for modifications to Housing Element law (coordinate with Program H1.B)	Ongoing	Meet with State Representatives 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.

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Table D			
Program Implementation Status pursuant to GC Section 65583			
Housing Programs Progress Report			
Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.			
1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
H2.B Promote Energy Efficient/Renewable Programs	50 or more homes and businesses participating in a program	Establish policy and programs by 2017; Participation rate by 2022	In 2017, a major sustainability achievement occurred by making renewable energy available to all residents and business in Menlo Park. In 2017, the City enrolled all Menlo Park PG&E customers in Peninsula Clean Energy (PCE). PCE is a local electricity provider for carbon free renewables, such as wind, water, and solar. Residents are automatically enrolled in PCE with the ability to opt out. At minimum, 50% of PCE's electricity is guaranteed to be from renewable sources, and the cost is comparable to PG&E rates. Additionally, customers can choose to opt up to 100% renewable energy for an increased cost. As a result, 24,098 Menlo Park PG&E customers became PCE customers in 2017: 89% are residential customers receiving at minimum 50% of their electricity from renewable sources <ul style="list-style-type: none">• 11% are commercial customers receiving at minimum 50% of their electricity from renewable sources.• 1.2% opted out of the program and went back to PG&E or other provider• 1.7% customers opted up to receive 100% renewable energy from PCE, offsetting those customers that opted out. In addition to this significant paradigm shift, Menlo Park continued to participate in regional energy efficiency/renewable energy regional programs, such as Home Energy Renovation Opportunity (HERO), Energy Upgrade California, and SunShares.
H2.C Amend the Zoning Ordinance to Protect Existing Housing	Protect existing rental housing as part of infill implementation and other Zoning Ordinance changes	Consider as part of the City's General Plan Update (2014-2017)	The zoning ordinance efforts during the General Plan process focused on the creation of new housing in an area that previously did not allow residential uses. Staff recognizes that potential ordinance changes to limit the loss of residential units or the conversion of units can be strategies to maintain the City's housing stock. This is an ongoing item staff will evaluate along with other housing priorities.
H2.D Assist in Implementing Housing Rehabilitation Programs	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 Shelter for the Homeless	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 Reasonable Accommodation	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 Housing Assistance Programs	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 284 households provided rental assistance in Menlo Park through Section 8 funding.
H3.E Investigate Possible Multi-Jurisdictional Emergency Shelter	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 Housing for Persons Living with Disabilities	Provide housing and services for disabled persons	Ongoing	Continued participation and coordination has occurred as part of the countywide 21 Elements organization. Working with the County Department of Housing and other jurisdictions on housing-related topics such as accessory dwelling units and short-term rentals, and coordination in implementing Housing Element programs. The City adopted a resolution in 2017 and participates in the Home for All Initiative, which is a continuation of the work of the Closing the Jobs/Housing Gap Task Force. Home for All includes "representatives from all sectors of the community and are focused on creating a future where everyone in San Mateo County has an affordable home," (See http://homeforallsmc.com/).
H3.G Develop Incentives for Special Needs Housing	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.
H3.H Continue Support for Countywide Homeless Programs	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 LifeMoves, and continues to participate and support the Housing Leadership Council, and promote staff attendance at Housing Leadership Day sessions and discussions.
H3.I Work with the Department of Veterans Affairs on Homeless Issues	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 low- and very low-income veterans. The development received its certificate of occupancy in December 2015. As opportunities arise, staff will continue to work with the VA.
H4.A Modify R-2 Zoning 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)	In 2016, the City Council began a broader housing discussion of potential policies, particularly to address displacement. In 2017, specific strategies and priorities were reviewed to address displacement by the Housing Commission and City Council. As a result of these discussions, staff was directed to prioritize other modifications such as citywide zoning changes for secondary dwelling units; nonetheless, staff will revisit modifications to R-2 in the future.
H4.B Implement Inclusionary 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 \$6,107,322.00 of BMR in-lieu fees to the City's BMR fund in 2018. The funds will be used to help house extremely low, very low, low and moderate-income households (see Program H1.H). In April 2018, the Council adopted an ordinance and updated the BMR Guidelines to implement inclusionary zoning once again due to State law changes (AB 1505).
H4.C Modify BMR Guidelines	Amend the Zoning Ordinance to require affordable units in market rate developments	2015	Modification to the City's BMR Guidelines will be considered as part of the Housing Commission's 2017-2019 work plan for recommendation to the City Council (see Program H4.D). Housing Commission members and staff worked collaboratively to draft proposed changes to the guidelines. In April and June, 2018 the City Council approved the updated BMR Guidelines. Staff expects the Housing Commission to have additional recommendations for a revision pass on to City Council for approval in 2019 or 2020.

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Table D			
Program Implementation Status pursuant to GC Section 65583			
Housing Programs Progress Report			
Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.			
1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
H4.D Update the BMR Fee Nexus Study	Update to fees consistent with the nexus of potential impacts on affordable housing need	2015	The City participated in a multi-jurisdictional nexus study that provided a defensible analysis to maintain the legal justification for inclusionary zoning and affordable housing impact fees. The study was reviewed by the City Council in July 2016. In 2017, the City Council requested further action by the Housing Commission which formed a subcommittee to further review the Nexus Study. In 2018, the Housing Commission's Nexus Fee committee provided recommendations to staff.
H4.E Modify Second Dwelling Unit Development Standards and Permit Process	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	<p>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. In addition to ensuring the City's ordinance was 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.</p> <p>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. In 2016, the Planning Commission considered and recommended approval of changes to the secondary dwelling unit ordinance for consistency with State law changes, including the reduction of off-street parking requirements. The Council adopted amendments to the secondary dwelling unit ordinance in February 2017. Building permits for 12 new secondary dwelling units were issued in 2018.</p>
H4.F Establish a Process and Standards to Allow the Conversion of Accessory Buildings and Structures to a Secondary Dwelling Unit	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 2016, the City Council extended the conversion provision for an additional three years. New state law requirements superseded the City's local ordinance in 2017 regarding the conversion of accessory buildings into secondary dwelling units. The City updated its secondary dwelling unit ordinance for consistency with State law in February 2017. The amended ordinance would allow legally permitted accessory buildings to be converted to secondary dwelling units through the non-discretionary process if the accessory building complies with the development regulations of a secondary dwelling unit, with the exception of minimum yards, height, daylight plane, and parking. In 2018, four building permits were approved for conversions from accessory structures and buildings into secondary dwelling units.
H4.G Implement First-Time 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. The City and HEART did not hold any first-time homebuyer workshops in Menlo Park in 2018; however, a workshop is scheduled in 2019 at the City Council Chambers.
H4.H Work with Non-Profits and Property Owners on Housing Opportunity 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 affordable housing providers on potential housing projects in the City. As part of the General Plan Update, zoning amendments were adopted to allow housing and mixed use developments in the C-2-B zone, which provides an opportunity to increase housing supply while adding services to key locations in the City. MidPen has property located in the C-2-B district as well as in the R-4-S (AHO), which allows high density residential and provisions for a density bonus in exchange for affordable housing. In 2017, the City Council committed up to \$6.7 million towards MidPen's affordable housing project in the R-4-S (AHO) district. In 2018, staff worked closely with MidPen to refine their site plan requirements. The authorization to negotiate the funding agreement for up to \$6.7 million along with a right-of-way abandonment is scheduled for City Council consideration in early 2019.
H4.I Create Multi-Family and Residential Mixed Use Design Guidelines	Adopt design guidelines for multi-family and mixed use housing developments	Consider as part of the City's General Plan Update (2014-2017)	As part of the General Plan and M-2 Area Zoning Update, the City Council adopted the new R-MU (Residential Mixed Use) zoning district. The proposed zoning district includes design standards, which include a number of provisions addressing building modulation, height variation, site design, and open space requirements.
H4.J Consider Surplus City-Owned Land for Housing	Identify opportunities for housing as they arise	Consider as part of the City's General Plan Update (2014-2017)	As part of the General Plan and M-2 Area Zoning Update, the geographic focus was on the M-2 Area and there was no City-owned land suitable for housing. As part of a Council study session in May 2016, the Council considered potential ways to redevelop the City-owned parking plazas in the downtown with retail, entertainment and housing options. The main library and downtown garage locations are being explored as possible underutilized sites for housing development. Discussion of these City-owned locations as possible sites began in 2017 in City Council study sessions and community meetings. In April 2018, a City Council Study Session was held and two members of the Council were appointed to a subcommittee focused on working with staff to identifying possible mixed use development options.
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)	Staff worked with the Menlo Park Fire Protection District to develop a draft ordinance to the 2016 Fire Code. The City Council approved a resolution ratifying the Fire District's amendments to the Fire Code in February 2017.
H4.L Coordinate with School Districts to Link Housing with School District Planning Activities	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. In 2017, staff met with a enrollment projections consultant for the Menlo Park City School District to identify pending and approved development in the City. In 2018, City staff have continued to be in contact with school district demographers sharing information on new residential development proposals.
H4.M Review the Subdivision Ordinance	Modify the Subdivision Ordinance as needed	Consider as part of the City's General Plan Update (2014-2017)	No activity to date.

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Table D			
Program Implementation Status pursuant to GC Section 65583			
Housing Programs Progress Report			
Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.			
1	2	3	4
Name of Program	Objective	Timeframe in H.E	Status of Program Implementation
H4.N Create Opportunities for Mixed Use Development	Conduct study and establish regulations to allow housing in commercial zones	Consider as part of the City's General Plan Update (2014-2017)	As part of the General Plan and M-2 Area Update approval in December 2016, the Council adopted zoning amendments to the C-2-B zoning district to allow residential uses to create mixed-use opportunities in key areas along the Willow Road Corridor and created the R-MU zoning district. A number of properties that were previously zoned for commercial and industrial uses were rezoned with the new zoning district to create opportunities for higher density housing and mixed use developments. Consideration of the amended C-2-B and the new R-MU zoning districts will continue on an as-needed basis. Staff has received interest to redevelop properties in both zoning districts with residential and mixed use developments.
H4.O Review Transportation Impact Analysis Guidelines	Modify Transportation Impact Analysis (TIA) guidelines	Consider as part of the City's General Plan Update (2014-2017)	In December 2016, the City Council adopted a new Circulation Element, recognizing that work on the Transportation Master Plan (TMP) was a high priority. Work on modifications to the TIA will be considered a future program and may be informed by the work of the Transportation Master Plan that is underway. A consultant team was hired in 2017 to lead the TMP effort and an 11-member city-led Oversight and Outreach Committee (OOC) was formed to help guide the process. The TMP OOC has held seven (7) public community meetings thus far and the TMP is projected to be adopted by end of 2019. A consultant team is expected to be hired in 2019 to lead the effort of revising the city's current TIA Guidelines. An updated version of the TIA Guidelines is projected to be adopted by June 2020.
H4.P Update Parking Stall and Driveway Design Guidelines	Modify Parking Stall and Driveway Design Guidelines	2014	In 2017, the City began a preliminary review of draft parking stall and driveway design guidelines. Input and recommendations would be combined and a draft memo of recommendations, design guidelines and modifications would be presented for consideration in the future. Review of these guidelines is still underway.
H4.Q Achieve Long-Term Viability of Affordable Housing	Establish project management and other ongoing project coordination needs	As developments are proposed and ongoing thereafter	The City continues to partner with Hello Housing to administer the City's BMR list and to coordinate with project sponsors on qualifying tenants for affordable housing in the City per the BMR Guidelines. In 2018, construction began on a townhome development, which will include 3 deed restricted BMR ownership units. These units are family oriented with 4 bedrooms and located close to transit.
H4.R Modify Overnight Parking Requirements to include the R-4-S Zoning District	Modify Section 11.24.050 [Night Parking Prohibited] of the Municipal Code as needed	2014	In October 2015, the City Council approved the removal of on-street parking along the north side of Haven Avenue as part of the Haven Avenue Streetscape Project. Identified as housing opportunity sites in the Housing Element, two parcels along Haven Avenue are currently being redeveloped with 540 multi-family residential units. The objective of the Haven Avenue Streetscape Project is to provide a direct connection for bicyclists and pedestrians between the Bay Trail and the City of Redwood City's bikeway and sidewalk network by constructing sidewalks and bicycle facilities along Haven Avenue. The removal of on-street parking is helping facilitate the enhanced multi-modal improvements along this corridor.
H4.S Explore Creation of a Transportation Management Association	Explore creation of a Transportation Management Association	Consider as part of the City's General Plan Update (2014-2017)	As part of three new zoning districts for the former M-2 Area, transportation demand management measures are required to reduce the number of vehicle trips by at least 20 percent below standard generation rates based on the use of the site. The possible creation of a TMA was subject to ongoing discussion in 2017 with potential topics such as transportation alliances and regional coordination, collaboration of businesses and/or institutions, and coordination of TMA with TDM policies for new developments. In 2018, staff performed outreach with local businesses and neighboring cities to gain insight on whether to establish a local or sub-regional TMA. The City will release an RFP (request for proposal) in Spring 2019 to assist with the decision.
H4.T Explore Pedestrian and Bicycle Improvements	Coordinate with Redwood City on potential pedestrian and bicycle improvements	Consider as part of the City's General Plan Update (2014-2017)	The City was awarded a grant from the San Mateo County Transportation Authority (Measure A funds) to implement the Haven Avenue bicycle/pedestrian improvements. The improvements include new facilities to a key corridor that connects Menlo Park, San Mateo County and Redwood City. The project area includes Haven Avenue between Marsh Road and the Redwood City boundary, an area where several properties were recently rezoned to higher density housing. Through work on the Transportation Master Plan, improvements in the area can be identified. In addition, as part of the Menlo Gateway hotel and office project, pedestrian and bicycle improvements will be implemented. Bike lanes along a portion of Haven Avenue have been installed. Recently, the City has been awarded multiple grants to improvement the existing bicycle/pedestrian networks. These improvements include: new sidewalk facilities on Pierce Road and Oak Grove Avenue, and new bicycle facilities on San Mateo Drive and Ringwood Avenue. Additionally, the ongoing Transportation Master Plan will serve as an update to the City's existing Sidewalk Master Plan and Comprehensive Bicycle Development Plan.

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Note: + Optional field

Cells in grey contain auto-calculation formulas

Table E									
Commercial Development Bonus Approved pursuant to GC Section 65915.7									
Project Identifier				Units Constructed as Part of Agreement				Description of Commercial Development Bonus	Commercial Development Bonus Date Approved
1				2				3	4
APN	Street Address	Project Name ⁺	Local Jurisdiction Tracking ID ⁺	Very Low Income	Low Income	Moderate Income	Above Moderate Income	Description of Commercial Development Bonus	Commercial Development Bonus Date Approved
Summary Row: Start Data Entry Below									

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Table F									
Units Rehabilitated, Preserved and Acquired for Alternative Adequate Sites pursuant to Government Code section 65583.1(c)(2)									
This table is optional. Jurisdictions may list (for informational purposes only) units that do not count toward RHNA, but were substantially rehabilitated, acquired or preserved. To enter units in this table as progress toward RHNA, please contact HCD at APR@hcd.ca.gov. HCD will provide a password to unlock the grey fields. Units may only be credited to the table below when a jurisdiction has included a program in its housing element to rehabilitate, preserve or acquire units to accommodate a portion of its RHNA which meet the specific criteria as outlined in Government Code section 65583.1(c)(2).									
Activity Type	Units that Do Not Count Towards RHNA ⁺ Listed for Informational Purposes Only				Units that Count Towards RHNA ⁺ Note - Because the statutory requirements severely limit what can be counted, please contact HCD to receive the password that will enable you to populate these fields.				The description should adequately document how each unit complies with subsection (c)(7) of Government Code Section 65583.1 ⁺
	Extremely Low-Income ⁺	Very Low-Income ⁺	Low-Income ⁺	TOTAL UNITS ⁺	Extremely Low-Income ⁺	Very Low-Income ⁺	Low-Income ⁺	TOTAL UNITS ⁺	
Rehabilitation Activity									
Preservation of Units At-Risk									
Acquisition of Units									
Total Units by Income									

Jurisdiction	Menlo Park	
Reporting Year	2018	(Jan. 1 - Dec. 31)

Permitted Units Issued by Affordability Summary		
Income Level		Current Year
Very Low	Deed Restricted	0
	Non-Deed Restricted	4
Low	Deed Restricted	6
	Non-Deed Restricted	1
Moderate	Deed Restricted	0
	Non-Deed Restricted	4
Above Moderate		37
Total Units 44		52

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

Entitlement Summary	
Total Housing Applications Submitted:	8
Number of Proposed Units in All Applications Received:	8
Total Housing Units Approved:	9
Total Housing Units Disapproved:	0

Use of SB 35 Streamlining Provisions	
Number of Applications for Streamlining	0
Number of Streamlining Applications Approved	0
Total Developments Approved with Streamlining	0
Total Units Constructed with Streamlining	0

Units Constructed - SB 35 Streamlining Permits			
Income	Rental	Ownership	Total
Very Low	0	0	0
Low	0	0	0
Moderate	0	0	0
Above Moderate	0	0	0
Total	0	0	0

Cells in grey contain auto-calculation formulas