Housing Commission



REGULAR MEETING AGENDA

Date: 11/6/2019 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. Approve minutes for the Housing Commission special meeting of September 25, 2019 (Attachment)
- D2. Recommendation of a below market rate housing agreement term sheet with Goldsilverisland, LLC for 661-687 Partridge Avenue (Staff Report 19-006-HC)
- D3. Presentation by Housing Land Trust of Silicon Valley

E. Reports and Announcements

- E1. Subcommittee reports (10 minutes):
 - Below Market Rate Housing Guidelines Subcommittee (Bigelow/Grove)
 - Housing Policy Subcommittee (Conroy/Grove/Horst)
 - Marketing Subcommittee (Bigelow/Horst/McGraw-Scherer)
 - Notice of Funding Availability Subcommittee (Grove/McGraw-Scherer)
 - Secondary Dwelling Unit Subcommittee (McPherson/Merriman)
- E2. Commissioner reports
- E3. Recommend future agenda items
- E4. 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

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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.

For appeal hearings, appellant and applicant shall each have 10 minutes for presentations.

If you challenge any of the items listed on this agenda in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City of Menlo Park at, or prior to, the public hearing.

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.

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Housing Commission



SPECIAL MEETING MINUTES - DRAFT

Date: 9/25/2019 Time: 6:30 p.m.

Arrillaga Family Recreation Center - Cypress Room

700 Alma St., Menlo Park, CA 94025

A. Chair Merriman called the meeting to order at 6:31 p.m.

B. Roll Call

Present: Bigelow (arrived at 6:37 p.m.), Conroy, Grove, Horst, McPherson, Merriman

Absent: McGraw-Scherer

Staff: Deputy Community Development Director Rhonda Coffman, Police Commander

Richard Struckman, Management Analyst II Mike Noce

C. Public Comment

No public comment.

D. Regular Business

D1. Approve minutes for the Housing Commission special meeting of August 7, 2019

ACTION: Motion and second (McPherson/Horst) to approve the Housing Commission meeting minutes of August 7, 2019, passed (4-0-2-1; McGraw-Scherer and Bigelow absent, Merriman abstain).

D2. Informational update by Samaritan House on the Menlo Park Tenant Relocation Assistance Fund and services at the Belle Haven Neighborhood Service Center

Associate Director of Programs and Services for Samaritan House La Trice Taylor shared a verbal presentation.

 Pamela Jones spoke in opposition of the Menlo Park Neighborhood Service Center for Samaritan House office hours. Jones also suggested tenant relocation assistance funds should include more services and help more families in need

The Housing Commission collectively discussed the information that was presented.

D3. Informational update on the City of Menlo Park's Homeless Outreach Team

Rhonda Coffman and Richard Struckman made the verbal presentation.

The Housing Commission requested staff return status updates at future meetings.

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D4. Approve Housing Policy Subcommittee recommendations for potential short-term rental regulations community outreach plan

Commissioner Horst introduced an updated to the commission on the Housing Policy Subcommittee's research and stakeholder outreach efforts regarding short-term rental regulations.

By acclamation, the Housing Commission requested a staff recommendation return for their consideration and incorporate the collection of transient occupancy tax (TOT) and the inclusion of TOT tax revenue being reserved for affordable housing development and preservation projects.

D5. Update and discussion on the Housing Commission's work plan and priorities

Rhonda Coffman provided a status update on the Housing Commission's work plan and priorities.

- E. Reports and Announcements
- E1. Subcommittee reports (10 minutes):

Below Market Rate Housing Guidelines Subcommittee (Bigelow/Grove) – In progress and working with staff on potential edits to the BMR Guidelines.

Housing Policy Subcommittee (Conroy/Grove/Horst) – Report provided during item D4.

Marketing Subcommittee (Bigelow/Horst/McGraw-Scherer) - No report

Notice of Funding Availability Subcommittee (Grove/McGraw-Scherer) – Held a meeting with staff and discussed potential changes in advance of the next NOFA release.

Secondary Dwelling Unit Subcommittee (McPherson/Merriman) - No report

E2. Commissioner reports

Commissioner Horst provided updates and shared information about housing legislation.

Commissioner Bigelow spoke about an affordable housing event being held at Menlo School on October 23.

Vice Chair Grove shared that she had an op-ed article published in the Almanac newspaper. Grove also spoke about an upcoming event with Richard Rothstein author of The Color of Law.

Chair Merriman provided information about Housing Leadership Day conference hosted by the Housing Leadership Council being held on Friday, October 25.

E3. Recommended future agenda items.

Commissioner suggested future agenda items:

- Parking issues and housing as it relates to Menlo Park
- Stanford Inn redevelopment report and tenant update

Housing Commission Special Meeting Minutes – DRAFT September 25, 2019 Page 3 of 3 $\,$

E4. Staff updates and announcements

Deputy Community Development Director Rhonda Coffman provided the following updates:

- On Tuesday, October 29 the Housing Commission quarterly update with go before City Council
- The Housing Commission's October regular meeting will be cancelled; however, the commission will plan to meet on November 6.
- City Council gave staff approval to move forward with negotiations for the purchase of real property at 1283 Willow Road.

F. Adjournment

Chair Merriman adjourned the meeting at 9:11 p.m.

Mike Noce, Management Analyst II, Community Development

Community Development



STAFF REPORT

Housing Commission

Meeting Date: 11/6/2019 Staff Report Number: 19-006-HC

Regular Business: Recommendation of a Below Market Rate

Agreement Term Sheet with Goldsilverisland, LLC

for 661-687 Partridge Avenue

Recommendation

Staff recommends that the Housing Commission recommend approval of the draft Below Market Rate (BMR) Term Sheet ("Term Sheet") to the Planning Commission and City Council for one on-site BMR for-sale unit as part of a proposed nine-unit residential development at 661-687 Partridge Avenue, as described in the draft Term Sheet (Attachment A).

Policy Issues

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

Background

Site location

The subject property includes three adjacent parcels located at 661, 673, and 685 Partridge Avenue, which would be merged as part of the proposed development. Using Partridge Avenue in the north-south orientation, the subject property is located on the eastern side of Partridge Avenue, between El Camino Real and University Drive. A location map is included as Attachment B.

Most parcels on Partridge Avenue are also zoned R-2 (Low Density), however the properties at the ends of Partridge Avenue, to the north where it intersects El Camino Real and the south where it intersects University Drive, are part of the El Camino Real Downtown Specific Plan and the R-1-U (Single-Family Urban) district, respectively. At the north end of Partridge Avenue, those immediately adjacent to the specific plan parcels are zoned R-3 (Apartment).

Analysis

Project description

The applicant is proposing to demolish the seven existing units and all accessory structures on the three adjacent lots that make up the subject property and construct nine new two-story single-family residences with basements. The proposal includes a request for architectural control, to construct the new units in three architectural styles, and a use permit for excavation within the required setbacks, to accommodate

light wells for the units along the left side and rear of the development. Additionally, the applicant is requesting a heritage tree removal permit for a 17-inch fig tree in the rear left corner of the subject site. The required parking for each unit would be provided in an attached one-car garage and one uncovered space for each. The applicant's BMR proposal letter and select sheets from the project plans are included as Attachments C and D, respectively.

The proposal is subject to additional review and refinement prior to Planning Commission recommendation and City Council action on the overall project, which requires architectural control, a use permit and a major subdivision to create condominium units, in addition to the BMR agreement. The City Council will take final action on all requested entitlements for the proposed project.

BMR Housing Program & related requirements

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") since the project includes more than four residential units. In accordance with the City's BMR Guidelines, for residential developments of five to nine units it is preferred that the developer provide one unit at below market rate on-site. The BMR Ordinance requires the applicant to submit a Below Market Rate Housing proposal for review by the Housing Commission. Due to the fact that the existing residences are located on three separate properties, and none of the three separate properties contain four or more dwelling units, the City Attorney confirmed that the Tenant Relocation Assistance requirements outlined in Chapter 8.56 do not apply.

Residential use of the property is allowed by the applicable zoning regulations, and the proposed project currently includes nine residential units. The applicant is proposing to satisfy the project's BMR obligation through the construction of one moderate-income level BMR for-sale unit on-site. Based on previous comments by the Housing Commission, staff understands that the creation of the new BMR on-site unit (as opposed to payment of an in-lieu fee) is preferred, and that provision of such units, especially large family units, in and around the El Camino Real corridor is also generally desired.

The proposed BMR unit would be a new four bedroom, three bathroom, two-story unit in a colonial style building with an attached one-car garage and a full basement, located in the center row on the right side of the development. A shared driveway provides access to the one-car garages and uncovered spaces for the three units on the right side of the proposed development. The BMR unit would have the same floor plan as five other units at the front of the site. The three units at the rear of the development share a different floor plan. The total size of the BMR unit would be approximately 2,310 square feet, inclusive of the basement and one-car garage. As shown on the proposed elevations the exterior of the BMR unit would be indistinguishable from those of the market-rate units with the same colonial style. Select plan sheets that include a site plan with project data illustrating the sizes of the units, and floor plans and elevation drawings of the proposed BMR unit are provided in Attachment D. Since the BMR unit would be equivalent in size as to the six market-rate units, staff believes that the requirements for BMR unit characteristics, including the size, location, design and materials as identified in the BMR Guidelines are met by the proposed project.

Density and FAR bonuses and incentives

The R-2 zoning district development standards for R-2 parcels with a lot area over 7,000 square foot allow one dwelling unit per 3,500 square feet of area, which allows eight residential units for this parcel. The Zoning Ordinance allows a developer to build one additional market rate unit and, in the case of a subdivision, to create a legal lot or condominium unit for such additional unit, for each BMR unit provided. With the inclusion of the on-site BMR unit, the applicant is permitted to construct an additional market-rate unit as a ninth unit on the parcel. In addition, an increase in the floor area associated with the residential development project by an amount that corresponds to the increase in allowable density is permitted. The proposed nine-unit development complies with the allowable increase.

To accommodate the increase in allowable density and floor area, the developer may also request exceptions from development regulations of the applicable zoning district, however the proposed project would comply with the Zoning Ordinance and all related requirements, and is not requesting any exceptions with the additional density. Of note, the applicant is not requesting an exception from the parking requirements to reduce onsite parking, which is deemed a preference by staff. Two parking spaces per unit, one of which must be covered are required in the R-2 zoning district. The proposed development provides 18 parking spaces, nine as attached one-car garages and nine uncovered spaces near each unit.

The Zoning Ordinance allows for use permit requests for excavation within the required setbacks. Therefore the inclusion of the use permit request to allow the light wells for the five units along the left side and rear of the development to be built in the left side and rear setback, respectively, is not a request for an exception granted through the BMR housing program.

Summary

At this time, the Housing Commission should review the draft Term Sheet and provide guidance to staff, the applicant, the Planning Commission, and City Council. The draft Term Sheet would be used to inform the draft BMR Agreement, which would subsequently be reviewed by the Planning Commission and acted on by the City Council.

Correspondence

At the time of the preparation of this staff report, staff has not received any correspondence regarding the draft BMR Housing Agreement Term Sheet. Any correspondence received prior to the Housing Commission meeting will be disclosed during the review of this project at the meeting.

Conclusion

Staff believes that the applicant's proposal of one on-site BMR unit meets the BMR Ordinance and BMR Guidelines requirements. Further, the size and location of this BMR unit near the El Camino Real corridor and the Downtown area supports the City's goal of producing housing near transit corridors and community amenities. Staff recommends that the Housing Commission recommend to the Planning Commission and City Council approval of the on-site BMR unit under 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

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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 will be evaluated with respect to compliance with the California Environmental Quality Act (CEQA) as part of the City Council action. BMR direction is not a project 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. Public notification also consisted of courtesy notification by mail of owners and occupants within a 300-foot radius of the subject property.

Attachments

- A. Draft BMR Agreement Term Sheet
- B. Location Map
- C. 661-687 Partridge Avenue BMR Proposal
- D. Excerpts of Project Plans

Report prepared by:

Ori Paz, Associate Planner

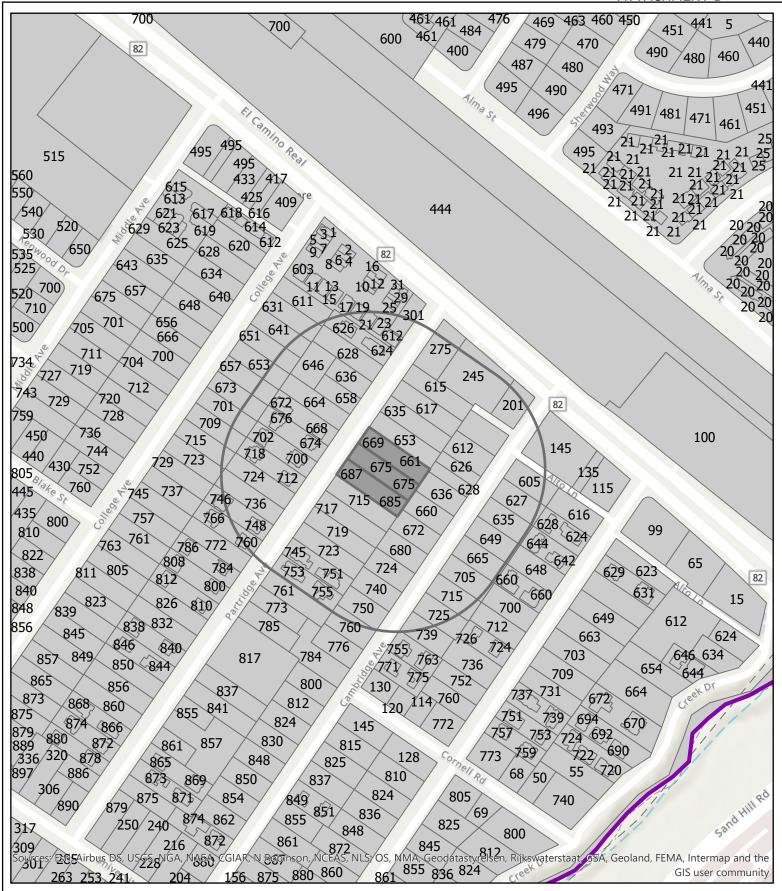
Report reviewed by:

Rhonda Coffman, Deputy Community Development Director, Housing

661-687 Partridge Avenue Draft Below Market Rate Housing (BMR) Agreement Term Sheet

- 1. Applicant owns property known as Assessor's Parcel Numbers: 071-413-120, 071-413-110, and 071-413-100 ("Property"), more commonly known as 661-687 Partridge Avenue, Menlo Park;
- 2. Applicant is requesting architectural control, use permit and major subdivision approval to create nine condominium units by demolishing the seven existing residential dwelling units, merging the three lots and constructing eight units plus one density bonus unit per the provisions of the BMR program on one parcel located at 661-687 Partridge Avenue;
- 3. The project consists of more than four residential units; 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;
- 4. The subdivision of eight new residential units would result in a requirement of one BMR housing unit or in-lieu fee payment.
- 5. Applicant has elected to satisfy the BMR requirement for the proposed project by constructing one on-site "for sale" BMR unit, and would also provide a bonus market-rate unit:
- 6. The characteristics of the BMR unit shall be in conformance with Section 5 of the BMR Guidelines;
- 7. The eligibility requirements for the BMR unit shall be established as set forth in Section 6 of the BMR Guidelines;
- 8. The BMR waiting list for the for-purchase unit shall be established as set forth in Section 7 of the BMR Guidelines;
- The BMR unit purchase process shall be established as set forth in Section 8 of the BMR Guidelines;
- 10. The occupancy requirements shall be established as set forth in Section 9 of the BMR Guidelines:
- 11. The process for resale of the BMR unit shall be established as set forth in Section 10 of the BMR Guidelines; and
- 12. Applicant shall enter into a BMR Agreement memorializing these terms in a form acceptable to the City Attorney, pursuant to section 2 of the BMR Guidelines.

ATTACHMENT B





CITY OF MENLO PARK

LOCATION MAP 661-687 Partridge Avenue

Scale: 1:3,000 Drawn By: OP

Checked By: RLC

Date: 11/06/19



661-687 PARTRIDGE AVENUE BELOW MARKET RATE (BMR) UNIT (rev)

This property of .0655 acres, Zoned R-2, qualifies for a development consisting of 8 units and after discussions with Planning it was determined that 9 single family homes would be allowed if one of them was designated as a Below Market Rate Unit.

We appreciate the opportunity to have 9 custom homes on the property, rather than 8, and recognize the need for below market rate homes in Silicon Valley.

We feel it is important to ensure this home looks no different from the others in the development. The front 6 homes are essentially the same floor plan and we have selected one of these to be the BMR unit.

Therefore, in the creation of the site plan, unit 6 was designated as the BMR unit, one of the 3 middle units. Unit 6 has approx 2092sf and includes the same features as other units in the development - with living room, dining room and $\frac{1}{2}$ bath on the first floor, master suite, bedroom and bathroom on the 2^{nd} floor, family room with wet bar, 2 bedrooms, laundry and 2 full bathrooms in the basement with a 1 car garage – 4 bedrooms and 4.5 bathrooms.

There will be no identifiable characteristics of the BMR unit to separate it from the other custom homes in the development. This home will be built to the same construction standards and have the same interior design components (such as appliances, lighting, flooring, cabinetry, etc.) as the other homes in the project.

The owner has reviewed the city's BMR Ordinance and Guidelines, Chapters 15.36, 16.04 and 16.96 and understands the need to comply with all the related requirements.

The owner understands that a BMR agreement will be executed with the City prior to issuance of the building Permits.



NINE NEW HOUSES FOR:

GoldSilverIsland, LLC

661 - 687 PARTRIDGE AVENUE, MENLO PARK, CA.

CIVIL ENGINEER

Green Civil Engineering Ambrose Wong 204 E 2nd Avenue, Suite 820 San Mateo, CA 94401 510-368-9863 green-eng@hotmail.com

LANDSCAPE ARCHITECT

Mara Young 650-327-2644 marayoung@gmail.com

OWNER

Goldsilverisland Properties, LLC Ying-Min Li 577 Salmar Avenue, Suite 107 Campbell, CA 95008 yingminli@hotmail.com 408-896-3369

ARCHITECT

HOMETEC Architecture, Inc. Richard A. Hartman, AIA 555-B Meridian Avenue San Jose, CA 95126 408-995-0496 hometecarch@gmail.com

SOILS ENGINEER

CAPEX Engineering Gary Hou, PE POB 14198 Fremont, CA 94539 510-668-1815 capexinc888@gmail.com

ARBORIST

Kielty Arborist Services Kevin R. Kielty POB 6187 San Mateo, CA 94403 650-515-9783 kkarbor0486@yahoo.com

SURVEYOR

WILSON LAND SURVEYS Ken Wilson, LLS 408-427-2279 Kenw@wilsonlandsurveys.com

SHEET INDEX

TITLE SHEET SITE AREA PLAN SITE PLAN, SITE DATA 661 EXISTING FLOOR PLAN, ELEVATIONS 669 EXISTING FLOOR PLAN, ELEVATIONS

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ELEVATIONS SECTIONS, ROOF PLAN UNIT #9 FLOOR PLANS ELEVATIONS

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AREA CALCS, FRONT, MIDDLE UNITS AREA

CALCS, REAR UNIT, STREET SCAPE

TITLE SHEET MAP SHEET PRELIM GRADING & GRADING PLAN PRELIM STORMWATER DRAINAGE PLAN PRELIM STORMWATER CONTROL PLAN

PRELIM UTILITY PLAN DETAILS

SURVEY 1,2 EXISTING CONDITIONS PRELIM LANDSCAPE PLAN

REVISIONS

GoldSilverisland, I

Date 6 - 26 - 19 19-002

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