



## REGULAR MEETING MINUTES

**Date:** 10/7/2020

**Time:** 6:30 p.m.

**Regular Meeting Location:** Zoom.us/join – ID #997-7506-7654

**A.** Chair Grove called the meeting to order at 6:41 p.m.

**B. Roll Call**

**Present:** Bigelow, Conroy, Grove, Horst, McPherson, Merriman, Pimentel

**Absent:** None

**Staff:** Deputy Community Development Director Rhonda Coffman,  
Management Analyst II Mike Noce, Associate Planner Matt Pruter

**C. Public Comment**

None.

**D. Regular Business**

D1. Approve minutes for the Housing Commission meetings of September 2, 2020

**ACTION:** Motion and second (Bigelow/Conroy), to approve the Housing Commission meeting minutes of September 2, 2020, passed unanimously.

D2. Review of commission/committee policies and procedures, roles and responsibilities

City Clerk Judi Herren made the presentation (Attachment).

D3. Recommendation of a below market rate agreement with HuHanTwo, LLC for 201-211 El Camino Real and 612 Cambridge Avenue (Staff Report 20-006-HC)

Associate Planner Matt Pruter introduced the item.

- Steve Atkinson commented on his letter sent to the Housing Commission (Attachment).

**ACTION:** Motion and second (Horst/McPherson) to recommend the approval of a below market rate agreement with HuHanTwo, LLC for 201-211 El Camino Real and 612 Cambridge Avenue, passed unanimously.

D4. Review and finalize the development of the 2020-2021 Housing Commission workplan

Deputy Community Development Director introduced the item.

**ACTION:** Motion and second (Pimentel/Conroy) to recommend the approval of the Housing Commission workplan including the changes discussed by the commission and staff (Attachment).

**E. Reports and Announcements**

E1. Ad hoc subcommittee reports (10 minutes):

None.

E2. Commissioner updates

Commissioner Merriman reported that many developers organize their development process in a parallel track with a City's general plan review and timeline.

Bigelow spoke about the importance of voting and highlighted the upcoming November 3 election.

E3. Recommended future agenda items.

Commissioner suggested future agenda items:

- Emergency rental assistance
- Presentation on the development process

E4. Staff updates and announcements

Emergency rental assistance program administered by Samaritan House, reported the use of \$74,000 to support 26 households.

Two below market rate (BMR) rental units are available at 650 Live Oak Avenue to households within the 51-60% area median income (AMI) levels.

**F. Adjournment**

Chair Grove adjourned the meeting at 8:47 p.m.

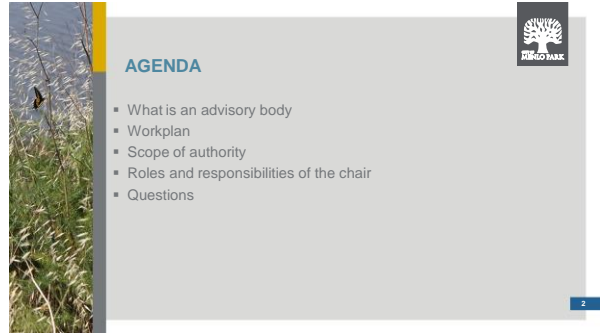
Mike Noce, Management Analyst II, Community Development

Approved by the Housing Commission on November 4, 2020



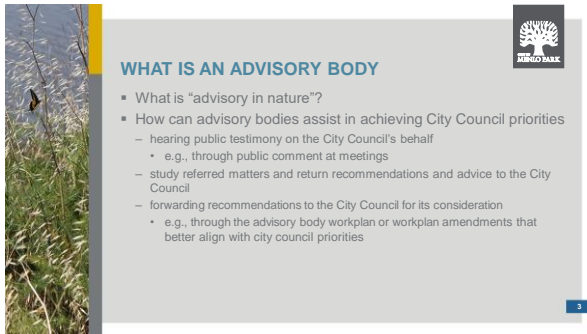
## COMMISSIONS/COMMITTEES POLICIES AND PROCEDURES, ROLES AND RESPONSIBILITIES

City Council Policy #CC-19-0004



### AGENDA

- What is an advisory body
- Workplan
- Scope of authority
- Roles and responsibilities of the chair
- Questions



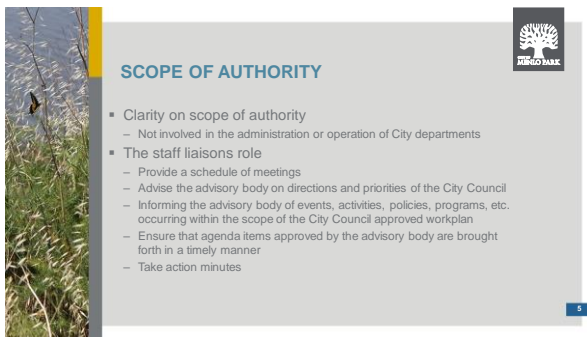
### WHAT IS AN ADVISORY BODY

- What is "advisory in nature"?
- How can advisory bodies assist in achieving City Council priorities
  - hearing public testimony on the City Council's behalf
    - e.g., through public comment at meetings
  - study referred matters and return recommendations and advice to the City Council
  - forwarding recommendations to the City Council for its consideration
    - e.g., through the advisory body workplan or workplan amendments that better align with city council priorities



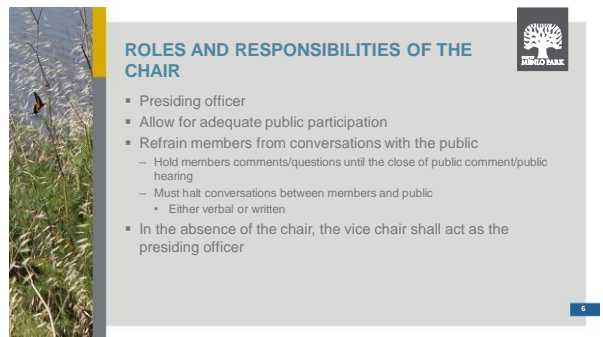
### WORKPLAN

- City Council workplan
  - Lays foundation for the work to be conducted through the year
- Advisory body workplan
  - Supports the priorities set by the City Council
- Workplan process
  - Develop workplan
  - Approve workplan
  - Formally present to City Council
  - Report out quarterly



### SCOPE OF AUTHORITY

- Clarity on scope of authority
  - Not involved in the administration or operation of City departments
- The staff liaisons role
  - Provide a schedule of meetings
  - Advise the advisory body on directions and priorities of the City Council
  - Informing the advisory body of events, activities, policies, programs, etc. occurring within the scope of the City Council approved workplan
  - Ensure that agenda items approved by the advisory body are brought forth in a timely manner
  - Take action minutes



### ROLES AND RESPONSIBILITIES OF THE CHAIR

- Presiding officer
- Allow for adequate public participation
- Refrain members from conversations with the public
  - Hold members comments/questions until the close of public comment/public hearing
  - Must halt conversations between members and public
    - Either verbal or written
- In the absence of the chair, the vice chair shall act as the presiding officer



**THANK YOU FOR YOUR SERVICE  
TO THE MENLO PARK  
COMMUNITY**



**QUESTIONS**

**Noce, Michael R**

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**From:** Coffman, Rhonda L  
**Sent:** Wednesday, October 7, 2020 2:36 PM  
**To:** Coffman, Rhonda L  
**Cc:** Noce, Michael R  
**Subject:** Letter to Housing Commission re BMR Term Sheet/Agreement for 201 ECR/612 Cambridge

Chair Grove and members of the Housing Commission,

Please see the letter below that was submitted regarding agenda item D.3.

Thank you,  
Rhonda

Karen Grove, Chair, and Commissioners:  
Menlo Park Housing Commission

Dear Chair Grove and Menlo Park Housing Commissioners:

We represent Hu-HanTwo, the property owner and applicant for the mixed use project at 201 El Camino Real and 612 Cambridge Avenue ("Project"). We are sending this letter concerning the proposed BMR Term Sheet and draft BMR agreement for the Project.

To be clear, we are in general agreement with both the Term Sheet and the draft BMR agreement. However, we were not given an opportunity to review the draft Term Sheet or draft BMR agreement before they were sent out to the Commission, and we have since identified two issues we would like the Commission to consider.

First, the Project includes two townhouses on a separate lot from the 12 unit multi-family, mixed-use building where the two BMR units are to be located. The two townhouses would be mapped as condos, as would the 12 multi-family units, though the intent is to operate them all as rentals for an indefinite period. Although the owner does not have specific plans for the sale of either the townhouses or multi-family unit condos, there is a possible scenario in which the townhouses could be sold as condos while the 12 units within the mixed-use building continued as rentals. To account for this scenario, we would like the BMR agreement to include language which specifically recognizes that the sale of a townhouse does not trigger the sale of any units, including BMR units, in the 12 unit building.

Second, both the Term Sheet and draft BMR Agreement state that when the BMR units are required to be sold, they are required to be sold at the low income level, despite the fact that the City's general policy is that BMR units should be sold at moderate income levels. Based on our discussion with staff over the past few days, we understand that the rationale for requiring the units to be sold at lower income is to increase the chance that a lower income resident who is renting a BMR unit at the time when the BMR would be sold would have a better chance of being able to purchase the unit. (Note, we have no information as to how often lower income renters are able to purchase their units in the event of a conversion.)

We can appreciate the desire to minimize the chance that a low income tenant would be displaced in the event a unit is sold. However, the difference between being able to sell a unit at a low income price versus a middle income price (which, to repeat, is the City's standard practice) represents a significant economic burden on the owner, for a Project which does not have a great expectation of profitability (as documented by BAE's "public benefit" analysis.)

We believe there is a simple change which represents a reasonable compromise between the City's desire to minimize displacement of a low income tenant and the owner's reasonable desire to be able to make a fair return. We are proposing that in the event of a sale of the BMR units, an existing low income tenant would be offered the right to purchase the unit at the low income price. However, if that lower income tenant does not elect to, or is unable to, purchase the unit at a low income price level, then the unit could be sold at a moderate income level. Under this approach, it is possible that both low income tenants could purchase their units at a low income price, or that neither low income tenant would purchase their units and both units would be sold at a moderate income price, or even that one unit would be sold at a low income price and the other sold at a moderate price. In all of these scenarios, the number of displaced tenants would be exactly the same, because any tenant that did not purchase their unit would necessarily be displaced when the unit was sold.

We introduced this alternative to City staff on Monday. Subsequently, at the Planning Commission hearing on Monday night, it was stated that the this alternative would cause a possible problem with the City's accounting of units for RHNA purposes, among other things. However, given that the City's standard policy is to allow BMR units to be sold at a moderate income price, we do not believe a complication in RHNA reporting is enough of a reason to reject our proposed compromise. Of course, it is possible that staff will have some other basis for rejecting our proposed compromise, which I assume they would share with you at tonight's meeting.

In conclusion, as the Term Sheet and draft BMR agreement are now written, they are inconsistent with the City's policy that BMRs can be sold at the moderate income price level. We believe our proposed compromise would allow the owner a chance to sell the units at a moderate income level, while minimizing the necessity for a lower income tenant to be displaced at the time of sale. We understand that the City has a need for both low income and moderate income for sale BMRs, so whether the units are sold at moderate income or low income, they still serve to meet an important need. Finally, we also believe that there is no reason why the owner's decision to sell the townhouses should trigger a need to sell the BMR units.

I plan to attend tonight's meeting and will be happy to address this issue further, but I wanted to submit this letter in advance so that you had an opportunity to prepare. I look forward to speaking with you all tonight. Thanks for your consideration.

**Steve Atkinson**  
Counsel

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[steve.atkinson@arentfox.com](mailto:steve.atkinson@arentfox.com) | [www.arentfox.com](http://www.arentfox.com)



**Rhonda L. Coffman**  
Deputy Community Development Director - Housing  
City Hall - 1st Floor  
701 Laurel St.  
tel 650-330-6614  
[menlopark.org](http://menlopark.org)

# HOUSING COMMISSION

City Manager's Office  
701 Laurel St., Menlo Park, CA 94025  
tel 650-330-6620  
[menlopark.org/housingcommision](http://menlopark.org/housingcommision)



## DRAFT WORK PLAN 2020-21

<b>Mission Statement</b>	
<p>We are affordable housing advocates. We make recommendations to the City Council on issues related to housing policy, implement Council policy decisions, and represent the City where needed on housing matters. We are a conduit of information out to the community about affordable housing programs and a conduit of information back from the community regarding housing matters to the City Council.</p>	
<b>Committee Members Listing and Term Expirations</b>	
Lauren Bigelow	April 30, 2023
Curtis Conroy	April 30, 2021
Karen Grove - Chair	April 30, 2022
Rachel Horst – Vice Chair	April 30, 2021
Wendy McPherson	April 30, 2021
Nevada Merriman	April 30, 2021
John Pimentel	April 30, 2024
<b>Priority List</b>	
<p>The Housing Commission has identified the following priorities to focus on during 2020-21:</p>	
<p><b>Summary of common items:</b></p> <ul style="list-style-type: none"> <li>● ADU's – (revise NOFA) near term goal</li> <li>● CLT – preservation of naturally affordable housing (revise NOFA to be over the counter) – near term goal</li> <li>● Develop a mix of affordable housing at all affordability levels including ELI near ECR – longer term goal</li> </ul>	
<b>Overarching</b>	
<p>Need more affordable housing in Menlo Park (west side of 101, west of Middlefield, west of ECR)</p>	

**Work Plan Worksheet**

**Step 1 - Review purpose of Commission as defined by Menlo Park Council Policy CC-01-0004**

Each advisory body has a primary role of advising the City Council on policy matters or reviewing specific issues and carrying out assignments as directed by the City Council or prescribed by law. The Housing Commission is charged primarily with advising the City Council on housing matters. including housing supply and housing related problems. Specific focus areas include:

- Community attitudes about housing (range, distribution, racial, social-economic problems)
- Programs for evaluating, maintaining, and upgrading the distribution and quality of housing stock in the City
- Planning, implementing and evaluating City programs under the Housing and Community Development Act of 1974
- Review and recommend to the Council regarding the Below Market Rate (BMR) program
- Initiate, review and recommend on housing policies and programs for the City
- Review and recommend on housing related impacts for environmental impact reports
- Review and recommend on State and regional housing issues
- Review and recommend on the Housing Element of the General Plan

**Step 2 - Develop or review a Mission Statement that reflects that purpose (*Who we are, what we do, who we do it for, and why we do it*)**

We are affordable housing advocates.

We make recommendations to the City Council on issues related to housing policy, implement Council policy decisions, and represent the City where needed on housing matters.

We are a conduit of information out to the community about affordable housing programs and a conduit of information back from the community regarding housing matters to the City Council.

**Step 3 - Discuss any priorities already established by Council**

**Step 4 - Brainstorm goals, projects or priorities of the Committee**

<u>Brainstorm goals, projects or priorities of the Committee</u>	<u>Benefit, if completed</u> <i>Edits highlighted</i>	<u>Mandated?</u> <i>by State/local law or by Council direction</i>	<u>Policy change?</u> <i>At Council level</i>	<u>Resources needed for completion</u> <i>(Staff, subcommittees, funds)</i>	<u>Estimated Completion Time</u>	<u>Measurement Criteria</u> <i>(How will we know how we are doing?)</i>
<p><b>Increase production of Accessory Dwelling Units (ADUs):</b></p> <ul style="list-style-type: none"> <li>• Streamline and simplify by making process easier and less expensive</li> <li>• Provide funds to assist property owners to</li> </ul>	<p><b>Increase supply of housing</b></p> <ul style="list-style-type: none"> <li>• Make ADU's accessible to wider range of people</li> <li>• Increase health and safety of current occupants (of</li> </ul>	<p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p>	<p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p>	<ul style="list-style-type: none"> <li>• Produce ADU development process navigation tools (resources: staff, ad-hoc, consultants)</li> </ul>	<p>2021</p>	<ul style="list-style-type: none"> <li>• Navigation tools developed</li> <li>• ADU/JADU production increase (beyond baseline for past few years, tie to HE?)– can we say what is our baseline?</li> </ul>



<p>develop (or convert unpermitted) ADU/JADU's through the BMR Housing Fund with grants and loans</p> <ul style="list-style-type: none"> <li>• Create incentives for property owners to deed restrict affordable housing units (long term affordability)</li> </ul>	<ul style="list-style-type: none"> <li>• unpermitted conversions)</li> <li>• Help existing lower income households create ADU's to supplement income, produce more housing units and create opportunities for multi-generation living</li> </ul>			<ul style="list-style-type: none"> <li>• Develop ADU/JADU funding program for lower income homeowners (resources: staff, ad-hoc, non-profit organizations, community land trusts)</li> </ul>		<ul style="list-style-type: none"> <li>• Funding program developed and implemented, funds issued.</li> </ul>
<p><b>Partner with and support Community Land Trusts (CLTs):</b></p> <ul style="list-style-type: none"> <li>• Provide funding support to CLT's to acquire units offered for sale for conversion to deed restricted affordable (in perpetuity)</li> <li>• Look into community land trust in greater detail to consider additional opportunities for affordable housing preservation (develop expertise)</li> <li>• Develop programs or process w/CLT to produce affordable housing (e.g. ADU's, rental, ownership)</li> </ul>	<ul style="list-style-type: none"> <li>• Promote community stability through affordable housing preservation activities (e.g. prevent foreclosure and displacement)</li> <li>• Increase housing production through ADU development</li> <li>• Program w/CLT will allow city to be competitive and agile in housing acquisition for preservation</li> </ul>	<p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p>	<p>Yes <input type="checkbox"/></p> <p>No <input type="checkbox"/></p>	<ul style="list-style-type: none"> <li>• Development and partnerships (staff, ad-hoc, community land trusts)</li> </ul>	<p>2020-2021</p>	<ul style="list-style-type: none"> <li>• Provided access to BMR funds for acquisition of rental housing or other housing production activities (e.g. ADU/JADU loan program, home ownership program, etc.)</li> <li>• Gained a better understanding of the CLT models and programs</li> <li>• Mastery of CLT concept by staff and HC ad-hoc; scan of field for local-serving CLT organizations; evaluation and due diligence of local-serving CLT organizations; selection of a CLT to partner with; partnership agreement in place; program established and funded; preservation and/or production projects completed.</li> </ul>

<p><b>Increase Density/Zoning</b> (density and height):</p> <ul style="list-style-type: none"> <li>• Downtown and west side of town, along ECR and Willow road (already have high density east of 101)</li> <li>• Allocate time and resources to big picture opportunities to create affordable housing (e.g. USGS site, school site)</li> <li>• Support housing production near transit</li> <li>• <b>Prioritize production of ELI and VL income housing near ECR/transit corridor</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>Increase housing production dispersed throughout the City</b></li> <li>• <b>Affordable housing production</b></li> <li>• AFFH (except for last bullet)</li> <li>• Traffic reduction</li> <li>• Achieve climate goals</li> </ul>	<p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>	<p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>	<p>Staff, HC ad-hoc, HC, PC, CC, consultants, City Attorney</p>	<p>2020-2021</p>	<ul style="list-style-type: none"> <li>• Zoning amended</li> </ul>
<p><b>Identify sites where affordable housing can be built on publicly owned land and high opportunity sites</b></p> <ul style="list-style-type: none"> <li>• Development of affordable housing on the downtown parking lots</li> <li>• Explore partnerships with school districts and faith based organizations. Help them rezone for affordable housing</li> <li>• Consider downtown library area as a site for affordable housing, potentially as part of a library renewal project</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Affordable housing production</b></li> <li>• AFFH</li> <li>• Traffic reduction</li> <li>• Achieve climate goals</li> </ul>	<p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>	<p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>	<ul style="list-style-type: none"> <li>• Obtain site inventory of City/Publicly owned land (resources: staff, consultants)</li> <li>• Review current use and zoning (resources: staff, ad-hoc, consultants)</li> <li>• Make recommendations (resources: staff, HC, ad-hoc, consultants)</li> </ul>	<p>2020-2021</p>	<ul style="list-style-type: none"> <li>• Site inventory complete, available to public</li> <li>• Study session or other public meeting to review current use and zoning</li> <li>• HC votes on recommendations</li> </ul>
<p><b>Administration/Strategies</b></p> <ul style="list-style-type: none"> <li>• <b>Amend/updated NOFA (annual and over the counter)</b></li> </ul>	<ul style="list-style-type: none"> <li>• <b>OTC NOFA will allow us to fund project in a timely and opportunistic manner</b></li> </ul>	<p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>	<p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>	<ul style="list-style-type: none"> <li>• Amend NOFA (staff, ad hoc)</li> <li>• Update BMR Guidelines (staff, ad-hoc)</li> </ul>	<ul style="list-style-type: none"> <li>• Fall 2020</li> </ul>	<ul style="list-style-type: none"> <li>• NOFA issued</li> <li>• BMR update recommendations passed by HC</li> </ul>

<ul style="list-style-type: none"> <li>• Update BMR Guidelines to include funding programs and administrative updates:             <ul style="list-style-type: none"> <li>○ ADU/JDU loan program</li> <li>○ Foreclosure prevention program</li> <li>○ First time homebuyer program</li> </ul> </li> <li>• Review BMR proposals and make recommendations to PC and CC</li> </ul>	<ul style="list-style-type: none"> <li>• ADU/JDU loan program will expand ADU opportunity to lower income, lower wealth residents. (AFFH)</li> <li>• Foreclosure prevention – prevent displacement, community stability, improved health and equity</li> </ul>					<ul style="list-style-type: none"> <li>• Recommendations approved by PC/CC</li> </ul>
<p><b>Community Engagement</b></p> <ul style="list-style-type: none"> <li>• Expand engagement with monolingual Spanish speaking community members</li> <li>• Housing Element update – host/co-host educational events/workshops on the housing element process</li> </ul>	<ul style="list-style-type: none"> <li>• Increase diversity of community participation and input</li> </ul>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	<ul style="list-style-type: none"> <li>• Resources: staff, funding for community organization partners, interpreters, ad-hoc</li> </ul>	2020-2021	<ul style="list-style-type: none"> <li>• Three monolingual Spanish-inclusive community meetings by end of 2021</li> </ul>
<p><b>Step 5 - Prepare final work plan for submission to the City Council for review, possible direction and approval and attach the worksheets used to determine priorities, resources and time lines.</b></p>						
<p><b>Step 6 - Once approved, use this plan as a tool to help guide you in your work as an advisory body.</b></p>						
<p><b>Step 7 - Report out on status of items completed. Provide any information needed regarding additional resources needed or/and to indicate items that will need additional time in order to complete.</b></p>						