



REGULAR MEETING MINUTES

Date: 3/3/2021

Time: 6:30 p.m.

Regular Meeting Location: [Zoom.us/join](https://zoom.us/join) – ID #997-7506-7654

A. Call To Order

Chair Grove called the meeting to order at 6:31 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,
Assistant Planner Chris Turner

C. Public Comment

- Carol Collins spoke about overnight parking requirements and accessory dwelling units.

D. Regular Business

- D1. Approve minutes for the Housing Commission regular meeting on February 3, 2021 ([Attachment](#))

ACTION: Motion and second (Merriman/ Conroy), to approve the Housing Commission regular meeting minutes on February 3, 2021 with edits to public comment, passed unanimously.

- D2. Recommendation of a below market rate housing agreement term sheet with Richard Mielbye for 3723 Haven Avenue ([Staff Report 21-004-HC](#))

Associate Planner Matt Pruter introduced the item.

ACTION: Motion and second (Bigelow/ Horst), to approve the below market rate term sheet with Richard Mielbye for 3723 Haven Avenue, passed unanimously.

- D3. Recommend City Council accept the 2020 housing element annual progress report (APR) ([Staff Report 21-005-HC](#))

Management Analyst II Mike Noce provided a presentation ([Attachment](#)).

ACTION: Motion and second (Bigelow/ Conroy) to recommend to the City Council to accept the 2020 housing element APR, passed unanimously.

Commissioner Merriman recused herself at 8:05pm.

The Housing Commission took a short break from 8:05pm to 8:19pm, reconvening with Commissioner Merriman recused.

- D4. Recommendation for the Housing Commission to recommend \$4.8 million from the Below Market Rate (BMR) housing fund to two Notice of Funding Availability (NOFA) 2020 applicants to support affordable housing activities ([Staff Report 21-006-HC](#))

Deputy Community Development Director Rhonda Coffman introduced the item and applicant presentations (Attachment).

- Pam Jones spoke in favor of ownership units proposed in MidPen Housing's application.

ACTION: Motion and second (Bigelow/Conroy) to recommend an additional \$300,000 from the BMR housing fund be allocated to the 2020 BMR housing fund NOFA, to increase the total funds available from \$10 million to \$10.3 million to fully fund eligible applications received by the City, passed 6-0-1 (Merriman recused).

ACTION: Motion and second (McPherson/ Conroy) to recommend \$1.2 million from the BMR housing fund to Habitat for Humanity Greater San Francisco (HGSF) to support affordable housing preservation through rehabilitation of existing homeowner units, passed 6-0-1 (Merriman recused).

ACTION: Motion and second (Horst/Conroy) to recommend \$3.6 million from the BMR housing fund to MidPen Housing, Inc. to support development of new affordable ownership housing, passed 6-0-1 (Merriman recused).

E. Reports and Announcements

Commissioner Merriman returned to the Housing Commission meeting.

- E1. Ad hoc subcommittee reports (10 minutes):

None.

- E2. Commissioner updates

Commissioner Conroy reported out on the San Mateo County one day homeless count postponement.

Chair Grove shared information about a Menlo Together event related to health on March 7.

Merriman shared information on the extension of the California residential eviction moratorium and shared information on rental assistance programs.

- E3. Recommended future agenda items.

The Commission suggested future agenda items:

- Community land trust programs and information
- Information about inclusionary unit rents

- Regulation updates and information related to smoking in apartment buildings
- Commercial development fees and policies

E4. Staff updates and announcements

Deputy Community Development Director Rhonda Coffman shared information about the housing element interview panel and timeline for the selection of a contracted firm.

F. Adjournment

Chair Grove adjourned the meeting at 9:37 p.m.

Mike Noce, Management Analyst II, Community Development

Approved by the Housing Commission on May 5, 2021

NOVEL CORONAVIRUS, COVID-19, EMERGENCY ADVISORY NOTICE

On March 19, 2020, the Governor ordered a statewide stay-at-home order calling on all individuals living in the State of California to stay at home or at their place of residence to slow the spread of the COVID-19 virus. Additionally, the Governor has temporarily suspended certain requirements of the Brown Act. For the duration of the shelter in place order, the following public meeting protocols will apply.

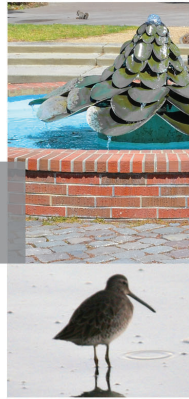
Teleconference meeting: All members of the Housing Commission, city staff, applicants, and members of the public will be participating by teleconference. To promote social distancing while allowing essential governmental functions to continue, the Governor has temporarily waived portions of the open meetings act and rules pertaining to teleconference meetings. This meeting is conducted in compliance with the Governor's Executive Order N-25-20 issued March 12, 2020, and supplemental Executive Order N-29-20 issued March 17, 2020.

- How to participate in the meeting
 - Access the meeting real-time online at:
[Zoom.us/join](https://zoom.us/join) – Regular Meeting ID #997-7506-7654
 - Access the regular meeting real-time via telephone (listen only mode)
at: (669) 900-6833 Regular Meeting ID 997-7506-7654

Subject to Change: Given the current public health emergency and the rapidly evolving federal, state, county and local orders, the format of this meeting may be altered or the meeting may be canceled. You may check on the status of the meeting by visiting the City's website www.menlopark.org. The instructions for logging on to the webinar and/or the access code is subject to change. If you have difficulty accessing the webinar, please check the latest online edition of the posted agenda for updated information (menlopark.org/agenda).



HOUSING ELEMENT ANNUAL PROGRESS REPORT 2020



OUTLINE

- Background
- Summary of housing production
- Milestones



BACKGROUND

- Since 1969, California has required all local governments to adequately plan to meet housing needs of everyone in the community.
- 5th cycle housing element (2015-2023)
 - Provides a blueprint for meeting housing needs
 - Regional Housing Needs Allocation (RHNA)
 - CA Department of Housing and Community Development (HCD)
 - Association of Bay Area Governments
- Menlo Park's RHNA is 655 dwelling units
- Annual Progress Report (APR)
 - Due by April 1st every year
 - Documents housing production amounts and housing-related activities



HOUSING PRODUCTION STATUS

- APR tracks lifecycle of an application
- 256 net new dwelling units in 2020
 - Based on building permits issued
 - 500 El Camino Real/Middle Plaza - 215 total units (8 BMR)
 - 1540 El Camino Real - 27 total units (5 BMR)
- SB 35 exemption
 - One of only 30 jurisdictions in CA (5 counties, 25 cities)
 - Maintaining RHNA production
- ADU creation
 - 13 ADU units issued building permits (increase of 9 units from 2019)
 - Increase likely to changes in state ADU laws that went into effect in 2020, which aimed to streamline ADU permitting



RHNA ALLOCATION PROGRESS

Income level	RHNA 2015-2023	Permits Issued by Affordability						Total units to date	Total remaining RHNA
		2015	2016	2017	2018	2019	2020		
Very low	233	85	45	0	0	1	0	148	85
Low	129	22	4	6	6	16	26	80	49
Moderate	143	0	0	1	2	7	0	11	132
Above moderate	150	712	17	20	26	172	230	1177	Exceeded
Total	655	819	66	35	44	196	256	1416	266

▪ Breakdown of deed/non-deed restricted units included in 2020 APR (Table B)



MILESTONES

- Housing Element APR program areas (Table D)
- BMR housing fund 2020 highlights
- September 2020
 - 1300 Willow Road - \$6.7 million increased to \$9.331 million
 - 58 net new BMR units (140 total BMR units)
- November 2020
 - Notice of Funding Availability (NOFA) released for \$10 million
 - Three proposals received, all from nonprofit housing organizations
 - One proposal approved by City Council in February 2021
 - Acquisition of 6-8 Coleman Place - 14 low income units to be included in 2021 APR



MILESTONES



- Homeless Outreach Team
 - Coordinated outreach and referral of services
 - Housing Division, Police Department and LifeMoves meet weekly
 - Coordination of services for a homeless encampment with 60 individuals
- Grant funding awarded
 - Senate Bill 2 (SB 2) planning grant program
 - \$160,000 for programs that help accelerate housing production
 - Encourage ADU development (amend zoning, create user navigation tools)
 - Potential zoning amendments
 - Local Early Action Planning (LEAP) grant program
 - \$150,000 for activities related to preparing the 6th RHNA cycle (2024-2032)



LOOKING AHEAD



- 2023-2031 housing element
 - In March 2021, an interview panel will evaluate consultant firms
 - Panel comprised of two City Councilmembers, two Planning Commissioners, one Housing Commissioner and two staff members
 - Selected firm will lead the robust and complex housing element update process
- 6th cycle RHNA allocation
 - 3,000 units expected for Menlo Park
 - San Mateo County RHNA allocation estimated at 47,688



THANK YOU



| NEED

- Significant population of vulnerable homeowners in Belle Haven
- Serious repair needs place homeowners at risk of displacement




| PURPOSE

- Preserve affordable homeownership
- Thwart displacement of the most vulnerable
- Stabilize community



| REHAB SCOPE

- Roof Repair or Replacement
- Window Replacement
- Plumbing & Electrical
- Insulation

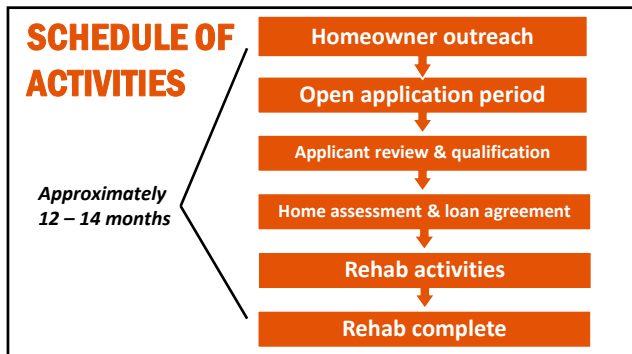


| REHAB GOALS

20 rehabs over three years

- Year one – 5 rehabs
- Year two – 7 rehabs
- Year three – 8 rehabs





LOAN TERMS

- Up to \$75,000 per home
- 0% down
- Deferred for 30 years or until sale or transfer
- Secured with a Deed of Trust

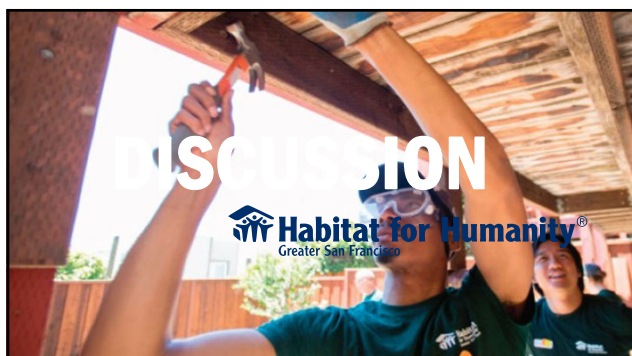
BUDGET

Sources	
City of Menlo Park Housing Funds	\$1,200,000
Private Philanthropy	\$28,000
In-kind Labor (Volunteer)	\$47,000
Corporate Sponsorships	\$35,000
Total Sources	\$1,310,000

Uses	
Materials/labor for repairs and rehabs	\$982,500
Permits and fees	\$52,400
Outreach and marketing	\$58,950
Eligibility, underwriting, & closing costs	\$85,150
Habitat Greater SF Administrative Costs	\$131,000
Total Uses	\$1,310,000

EXPERIENCE

- 90+ repairs & rehabs in EPA & Belle Haven since 2012
- 20+ years of GC construction leadership for new builds & repairs in San Mateo County
- In-house loan officers



SOURCES AND USES				
	FY22	FY23	FY24	Total
Sources				
City of Menlo Park Housing Funds	\$300,000	\$420,000	\$480,000	\$1,200,000
Private Philanthropy	\$8,000	\$10,000	\$10,000	\$28,000
In-kind Labor (Volunteer)	\$13,500	\$16,500	\$17,000	\$47,000
Corporate Sponsorships	\$6,000	\$12,000	\$17,000	\$35,000
Total Sources	\$327,500	\$458,500	\$524,000	\$1,310,000
Total homes repaired per year	5	7	8	20
Uses				
Home Repair & Rehab Costs (Materials/Labor)	\$245,625	\$343,875	\$393,000	\$982,500
Permits and Fees	\$13,100	\$18,340	\$20,960	\$52,400
Outreach and marketing	\$14,738	\$20,633	\$23,580	\$58,950
Eligibility, underwriting, and closing costs	\$21,288	\$29,803	\$34,060	\$85,150
Habitat Greater SF Administrative Costs	\$32,750	\$45,850	\$52,400	\$131,000
Total Uses	\$327,500	\$458,500	\$524,000	\$1,310,000



335 PIERCE ROAD AFFORDABLE OWNERSHIP PROPOSAL

MENLO PARK HOUSING COMMISSION
FEBRUARY 3, 2021

PROPOSAL OVERVIEW

- 335 Pierce Road is an existing 4-plex and vacant lot
- Replaced by 12 two-bedroom for sale townhomes
- Affordable to Low Income Residents
- Community Control via Community Land Trust
- Replicable and scalable model
- Simple financing strategy



WHY NOW?

Timing is Right

- MidPen can relocate current residents to Gateway
- Housing Element Process

Policy Alignment

- Y Plan
- Jan 2020 Housing Inventory and Supply Study
- 2021 Housing Commission Work Plan
- SB 196



HOW IT WORKS

Resources	Community Benefits
NOFA Funding of \$3.6MM	<ul style="list-style-type: none"> • Turns 4 affordable homes in to 12 affordable homes • Supports the formation of a Belle Haven CLT • Proof of concept
Community Land Trust	<ul style="list-style-type: none"> • Community self determination • Community control of land = asset building • A permanently affordable community asset • Increased affordability via reduced property tax obligation • Mitigates displacement
Homeownership	<ul style="list-style-type: none"> • Purchase price can support development cost less land • Wealth Building via: <ul style="list-style-type: none"> • Principle over time • Controlled equity return • Mortgage Interest Tax Deduction • Homeowners become community stewards

ZONING

	Current R-3 (DB)	Proposed R-4-S (AHO)
Density	13.1 du/ac	30 du/ac
Front Yard Setback	15%; 20 ft. min.	10 ft.
Side Setback	15 ft.	10 ft.
Rear Setback	15%; 15 ft. min.	10 ft.
Maximum Height	35 ft.	40 ft.
Maximum FAR	35% to 75%	60% to 90%
Parking	2 spaces per unit (1 covered)	2 spaces per unit
Number of Homes	8	12

NEXT STEPS

- Community outreach and coordination to stand up a Belle Haven CLT
- Coordinate with Menlo Park on rezoning via the Housing Element
- Entitlements, construction, and delivery of homes



THANK YOU

BUILDING COMMUNITIES. CHANGING LIVES.



MidPen has a well-established and successful working relationship with the City of Menlo Park. We look forward to continuing our partnership with the City to explore this innovative new model for scalable affordable homeownership.