



REGULAR MEETING MINUTES

Date: 8/14/2023
Time: 7:00 p.m.
Location: Zoom.us/join – ID# 862 5880 9056 and
City Council Chambers
751 Laurel St., Menlo Park, CA 94025

A. Call To Order

Vice Chair Linh Dan Do called the meeting to order at 7:00 p.m.

B. Roll Call

Present: Andrew Barnes, Linh Dan Do (Vice Chair), Andrew Ehrich, Katie Ferrick, Henry Riggs, Jennifer Schindler

Absent: Cynthia Harris (Chair)

Staff: Arnold Mammarella, Architectural Consultant; Eric Phillips, City Attorney's Office; Tom Smith, Principal Planner; Chris Turner; Associate Planner

C. Reports and Announcements

Principal Planner Tom Smith said the City Council at its August 15, 2023 meeting would consider amendments to the community amenities process, resolutions to amend the General Plan and Specific Plan for street closures and updated community amenity regulations and appraisal instructions. He said the City Council would hold a special meeting study session on August 22 to discuss Housing Element update related zoning changes.

D. Public Comment

- Virginia Portillo asked that the Planning Commission consider traffic impacts on Willow Road when reviewing projects in the area.

E. Consent Calendar

- E1. Approval of court report transcript and minutes from June 26, 2023, Planning Commission meeting. ([Attachment](#))

ACTION: Motion and second (Riggs/Ehrich) to approve the Consent Calendar consisting of court report transcript and minutes from the June 26, 2023 Planning Commission meeting; passes 5-1, with Commissioner Barnes abstaining and Chair Harris absent.

F. Public Hearing

- F1. Adopt resolutions certifying the Final Environmental Impact Report (Final EIR), adopting California Environmental Quality Act (CEQA) Findings and Mitigation Monitoring and Reporting Program (MMRP), and approving a use permit for bonus level development in exchange for community amenities and to modify the bird friendly design requirements, architectural control for the proposed buildings and site improvements, and adopt a resolution recommending the City Council approve the below market rate (BMR) housing agreements and vesting tentative map for the proposed 123 Independence Drive Project that would demolish the existing buildings and site improvements and redevelop the project site with 316 rental apartment units, approximately 2,000 square feet of commercial space within the apartment building, and 116 for-sale condominium units with associated open space and other improvements located in the R-MU-B (Residential Mixed Use Bonus) zoning district at 119, 123-125 and 127 Independence Drive, and 1205 Chrysler Drive and 130 Constitution Drive.

The proposal includes a request for an increase in floor are ratio (FAR), height, and density under the bonus level development allowance in exchange for community amenities. The proposed project includes 48 rental units and 18 for-sale townhome units (15 percent of the total units) affordable to low-income households pursuant to the City's BMR Housing Program and Guidelines. In addition, the applicant is proposing to provide eight additional rental BMR units affordable to low-income households as the community amenity in exchange for bonus level development, which would result in a total of 74 BMR units (56 rental units and 18 for-sale townhome units). The applicant is requesting concessions and waivers pursuant to the State Density Bonus Law to allow for the development of for-sale affordable housing units as proposed. Additionally, pursuant to Section 13 of the City's BMR Housing Guidelines, the applicant is requesting modifications to several guidelines. The proposal also includes a vesting tentative map for a major subdivision for parcel management and to create the 316 for-sale townhome units. The City Arborist conditionally approved the removal of 29 heritage trees.

The Final EIR pursuant to CEQA was released on August 4, 2023. The Final EIR for the proposed project does not identify any significant and unavoidable environmental impacts that would result from the implementation of the proposed project. All the comments received during the Draft EIR public comment period are included in the Final EIR and responses are provided to all substantive comments. The Final EIR identifies potentially significant environmental impacts that can be mitigated to a less than significant level (LTS/M) in the following categories: air quality, biological resources, cultural resources, hazard and hazardous materials, noise, and tribal cultural resources. The Final EIR identified less than significant impacts (LTS) in the following categories: aesthetics, energy, geological and soils, greenhouse gas emissions, hydrology and water quality, land use and planning, population and house, public services, transportation, and utilities and services systems. Previously a Notice of Preparation (NOP) was released on September 10, 2021, and included a public review period from September 10, 2021 through October 11, 2021 to solicit comments on the scope and content of the Draft EIR. Through the EIR scoping process the following topic areas were determined not to result in any potential significant effects and were not studied in the project EIR: agriculture and forestry resources, mineral resources, and wildfire. In accordance with CEQA, the certified program-level ConnectMenlo EIR served as the first-tier environmental analysis. Further, this EIR was prepared in compliance with the terms of the Settlement Agreement between the City of East Palo Alto and the City of Menlo Park. The Draft EIR was circulated for a minimum 45-day public review from November 28, 2022 to January 17,

2023. The project location does not contain a toxic site pursuant to Section 6596.5 of the Government Code.

ACTION: Motion and second (Ehrich/Ferrick) to continue Item F1 to the meeting of August 28, 2023; passes 6-0, with Commissioner Harris absent.

G. Study Session

- G1. Study Session/General Plan, Zoning Ordinance, and El Camino Real/Downtown Specific Plan amendments associated with the Housing Element Update project:
Study session to provide an overview and receive feedback on proposed amendments to the General Plan Land Use Element, Zoning Ordinance (Title 16 of the Menlo Park Municipal Code), and El Camino Real/Downtown Specific Plan in association with the implementation of the 2023-2031 Housing Element. The proposed zoning amendments are intended to provide capacity to meet the City's Regional Housing Needs Allocation (RHNA) of 2,946 dwelling units and are generally summarized below. ([Staff Report #23-052-PC](#))

General Plan Land Use Element and map

- Make amendments for consistency with the proposed Zoning Ordinance amendments, including changes in land use designation for applicable housing opportunity sites, addition of new land use designations and modifications to existing designations to reflect increased densities and floor area ratios (FAR).

Zoning Ordinance and map

- Modify the development regulations such as residential density, height and FAR for R-3 zoned properties around downtown and for sites meeting certain criteria;
- Modify and consolidate multiple retail and commercial zoning districts to allow new and mixed-use opportunities along Willow Road, Middlefield Road, Sharon Park Drive and Sand Hill Road;
- Modify the regulations of the Office zoning district (Chapter 16.43 of the Menlo Park Municipal Code) and create a new corresponding O-R (Office-Residential) zoning map designation in the Bayfront Area;
- Modify the regulations of the Affordable Housing Overlay (AHO) (Chapter 16.98 of the Menlo Park Municipal Code) to work in concert with State density bonus law to allow up to approximately 100 dwelling units per acre for 100 percent affordable housing developments; and
- Update Section 16.08.085 of the Zoning Ordinance, "Child daycare homes," to allow large family daycares by-right in residential areas.

El Camino Real/Downtown Specific Plan

- Removal of references to a maximum of 680 residential units at full build-out;
- Increases in density, FAR, and height and modifications to other development standards for the Specific Plan subdistricts, as applicable;
- Modifications to parking ratios, including removal of minimum parking requirements for residential uses on sites meeting certain criteria and addition of maximum parking requirements; and
- Modifications to the use of the public parking plazas to allow the development of multifamily residential housing.

Principal Planner Smith reported on the need to do certain zoning amendments by January 31, 2024 to accomplish elements of the Housing Element adopted January 31, 2023 for the period of 2023 to 2031. He said the zoning strategies would allow undeveloped sites from the previous Housing Element by right development and would not be required to go through a discretionary process review and that included 20% or more affordable units as part of the development plan. He said others were to increase densities in the Specific Plan and remove the existing residential cap of 680 units; an increase in the density bonuses that could be achieved with the affordable housing overlay (AHO) for all of the sites in the housing sites inventory in the Housing Element and in the Specific Plan area; rezone commercial sites to allow new opportunities for mixed-use development by giving an increment to be used towards residential use on the site; and remove the 10,000 square foot minimum lot size for R-3 lots around the downtown to allow up to 30 dwelling units per acre density development.

Planner Smith provided an overview of the Specific Plan changes. He said they were looking at eight zoning subdistricts proposed for modification to allow densities of at least 30 dwelling units per acre or more as the Department of Housing and Community Development for the state, HCD, deemed appropriate to accommodate housing for lower income households. He provided a map showing the eight districts to be modified with a minimum density of at least 30 dwelling units per acre, and that the central subdistricts or the downtown and the station area subdistricts would have maximum base densities of 60 dwelling units per acre and maximum bonus densities of 100 dwelling units per acre.

Planner Smith provided a visual of the existing and proposed downtown development standards. He said as newly proposed the base residential density would increase from 25 dwelling units to 60 dwelling units per acre. He said the proposal would keep an existing base Floor Area Ratio (FAR) of 2.0 as the maximum commercial FAR. He said when adding residential that commercial projects would get a .75 increase of FAR for residential only with the maximum commercial FAR of 2.0 or they could use additional FAR for residential. He said to encourage more residential development with higher bedroom counts and more for sale units to accommodate families an increase in FAR was proposed. He said this step up base and public benefit bonus FAR was for developers who provided between 50% and 65% of the overall building FAR towards residential uses and a minimum of 50% two or more-bedroom units and of that 50%, 10% of the units would need to have three or more bedrooms.

Planner Smith said other Specific Plan changes proposed included removing the limit of 680 residential units, establishing a minimum density of 20 dwelling units per acre, and reducing or removing minimum parking requirements. He noted a state law AB 2097 that generally now prohibited minimum parking requirements within .5 miles of major transit stops, which essentially was the entire Specific Plan area.

Planner Smith reviewed the proposed changes for commercial zoning districts noting this was an opportunity to combine a number of the zoning districts under the C-2-B regulations, which would have the effect of simplifying the development process for a number of developments. He said commercial zones not within that proposed C-2-B area would retain current development standards with the added ability to add residential.

Planner Smith referred to the Affordable Housing Overlay (AHO) and said staff was evaluating the affordability levels and affordable unit percentages for development to be eligible to use the AHO and that essentially would build off the state's density bonus law updates to make the AHO more

competitive than what was currently offered under that law. He outlined what was being considered.

Planner Smith said AB 1763 would allow 100% affordable housing projects to have unlimited density and additional three stories or 33 feet height within .5-miles of a major transit stop, that all R-3 properties around the downtown would be allowed density up to 30 dwelling units per acre and all other R-3 properties over two acres would be able to have a density of up to 20 dwelling units per acre; and child daycare homes would be allowed by right in residential areas.

Replying to Commissioner Schindler, Planner Smith said they had discussed preliminarily with LSA, the city's EIR consultant, the proposed increased residential density and it seemed likely that could be accomplished through an addendum to the Supplemental EIR (SEIR), noting that an alternative was studied in the existing SEIR that had looked at an increase or concentrating more of the development in the downtown Specific Plan area. He said they would have to expand on that and do an addendum, but staff felt confident they could accomplish that by the January deadline. He said if the Planning Commission and City Council recommended greater residential density that might potentially require a more substantial EIR revision, which would have the potential to extend beyond January 2024.

Eric Phillips, City Attorney's Office, replying to Commissioner Schindler, said that to have a cushion to make the January 2024 deadline they should look at the densities in the staff report as a ceiling. He said if they wanted as a policy matter to consider additional density then staff recommended that additional density be looked at a later phase so as not to delay adoption of the rezoning as required to remain compliant with the city's Housing Element commitments.

Replying to Commissioner Schindler, Mr. Phillips said the city had not yet received certification of its Housing Element from HCD and state law required that all rezoning necessary and cited in the Housing Element had to be adopted within one year of the original Housing Element deadline - in this instance - January 31, 2024. He said if that was not done state law said the city would not have a legally adequate Housing Element. He said even if the Housing Element had been certified and its policies met all legal criteria that without the zoning in place the Housing Element would no longer be legally adequate. He said that would have numerous legal ramifications including potential lawsuits, fines, loss of zoning control and other undesirable effects that they were looking to avoid.

Replying to Commissioner Schindler, Mr. Phillips said the state was primarily focused on the housing policies and the zoning and would review the Housing Element in detail and require the zoning updates to be done on the schedule that had been in the Housing Element and the commitments the city had made. He said regarding CEQA and environmental analysis that the state was mostly concerned with the procedures used, not necessarily the substance of the environmental review. He said for the most part CEQA was enforced by members of the public or interested parties. He said should the city go forward with inadequate environment review the risk would be that a project opponent might bring a lawsuit to challenge the environmental review process and that could undermine the adoption of the zoning as well. He said if the city went through an environmental review process that was not challenged the state would accept that the city did the environmental review component properly.

Replying to Commissioner Ferrick, Mr. Phillips said the affordable housing overlay zone (AHO) would allow for increased density in exchange for the production of a certain percentage of

affordable housing units and did not necessarily have to be 100% affordable and could be a mixed income project. He said achieving the maximum densities shown in the staff report of up to 100 dwelling units per acres was predicated on the assumption that the project would be using an 80% density bonus. He said to use an 80% density bonus the project would have to be 100% affordable. He said up to 20% of the project could be affordable at moderate income level but at least 80% of the units had to be reserved for lower or below income households to get to that 80% state density bonus increase. He said the way staff was recommending structuring the zoning update was to get to the maximum 100 dwelling units per acres density that a project would use the 80% state density bonus and that did require the project to be 100% affordable. He said there could be smaller bonuses to achieve densities above the base density that would be available to mixed income projects.

Vice Chair Do opened public comment.

Public Comment:

- Patti Fry said that the focus besides enabling housing was how to encourage housing. She said both the El Camino Real southeast and northeast zoning areas had huge projects that pretty much maxed out to their respective FAR but did not max out the housing. She said attention needed to be focused on having a sliding scale of housing up to a maximum of office. She said the office business practices had changed such that office space per worker had reduced from 300 square feet to about 150 square feet per worker. She said 40% of the total FAR could mean much more office space that would produce many new workers and new demand for housing than the housing units produced. She said she cared passionately about the quality of life in Menlo Park and there was no requirement for a single square foot of retail restaurants on El Camino Real other than 10,000 square feet at the Middle Plaza area. She said to reduce the environmental impacts of the many more housing units they really needed to look at community serving uses at the ground level along El Camino Real, so people did not have to drive elsewhere for those. She requested they make sure the new demand for housing would not exceed the actual amount of housing provided.
- Adina Levin expressed appreciation for the development of a set of strategies with the intent of having a valid Housing Element to generate the housing the city wanted to enable. She supported the interest in keeping to the timeline as delay held significant negative consequences for the city. She noted another timeline besides the January one and that was halfway through the Housing Element at four years. She said that was a short time increment in development years wherein they needed to be keeping up with the Housing Element. She noted a bill in state legislature that if they were not keeping up halfway through that the city might also start to lose control over development and enable developments to be expedited. She said both meeting the deadline and having policies that incented housing were important. She referred to the max of 100 dwelling units per acres for the 100% affordable housing projects and said that basically all the affordable housing development projects they had seen built in recent years had been more than a 100 dwelling units per acre. She also said housing developers were saying more density was needed to have affordable housing generated. She referred to changing from the commercial only zoning to mixed use and said that seemed a healthy strategy, but she questioned if the amount of density was enough to incent development. She said there was no parking minimum close to transit but suggested looking at potentially removing parking minimums elsewhere as well.

- Karen Grove said the 30-foot height limit at Sharon Heights seemed low noting the area was huge and surrounded by buildings she estimated were much taller than 30 feet. She said she did not think any housing would be built with that height limit in that area, which she thought was an excellent place to affirmatively further housing if they could incentivize some affordable housing there. She suggested doubling the height limit for residential development. She said she understood that most San Mateo County cities had not done an SEIR as part of their housing element but rather a negative declaration and noted Daly City, Brisbane, South San Francisco, Burlingame, and Redwood City. She said Redwood City's Housing Element had been approved. She asked if that option was available to Menlo Park and if not, why not. She said she wanted to echo the letter and comments the Planning Commission received from MidPen during the Housing Element update process which was that to achieve extremely low income senior and permanently supported housing for special needs populations they would need up to 150 dwelling units per acre. She said that was a change that was no cost to the city and would follow the advice of their development partner. She said council members and members of the public had toured affordable housing units at densities over 100 and up to about 130 dwelling units per acre. She said they all observed the buildings fit in without standing out, were not overly large and did not feel big or dense. She encouraged increasing the density per acre as it was an important strategy to achieve 100% affordable housing. She said she was surprised the AHO would allow bonus units to be market rate. She asked if there was some way, they could make sure it did not happen that the AHO resulted in more market units.
- Katie Behroozi said she agreed with speaker Fry that they should disincentivize office development as that would further increase housing need and incentivize community serving spaces. She said regarding density bonus she saw that MidPen said 100 dwelling units per acres was not enough. She said a staff report prepared in the earlier days of the Housing Element update showed a summary table of examples of 100% affordable housing on the peninsula and all the ones under construction in various cities were looking at densities of 140 dwelling units per acre in 2021. She said that seemed to indicate that while it might have been possible to get the financing and build some of the very low income and supportive housing projects then it no longer seemed the norm. She said she hoped the city would not inadvertently limit what was able to be built on parcels that could supply more housing for people with disabilities, or lower income, or seniors. She said Crane Place, which was just under a hundred dwelling units per acres, fit seamlessly into a neighborhood street with single story houses so she was sure there were ways to do higher density affordable housing without it being a massive change in the city
- Jaime Vasquez said he was a field rep from Local 217 in Foster City that covered the City of Menlo Park. He recommended use of AB 2011 as an alternative to meet the regional housing needs assessment. He said it encouraged developers and contractors to evaluate hiring local labor, hiring from, or contributing to apprenticeship programs, increasing resources for labor compliance, and providing livable wages.
- Verle Aebi said he and his wife Carol were long time Menlo Park residents and were presently building a single-family house with a detached ADU in the R-3 zoning district. He said as an R-3 property owner and future R-3 resident that increasing the density for R-3 lots of less than 10,000 square feet only in the downtown area from the present maximum of 13 dwelling units per acre to 30 dwelling units per acre was too big of a change and not consistent with goal H2 of the Housing Element to maintain, protect, and enhance existing housing in neighborhoods.

He said the lots on each side of their R-3 property were small, 7,332 square feet, as was theirs. He said the neighboring lots each had four dwelling units for a density of just under 24 dwelling units per acre. He said they were old apartment units built prior to the current R-3 zoning. He proposed limiting the density for lots less than 10,000 square feet to no more than 24 dwelling units per acre for consistency with the present neighborhood. He said that would still almost double the density on those lots for current R-3 zoning. He said any R-3 zoning changes should be applied to all R-3 zoned areas in the city and not just to the Specific Plan and adjacent areas as that would support policy H4.12 for fair share distribution of housing throughout Menlo Park and policy H1.3 neighborhood responsibilities in Menlo Park. He said that would support building more affordable housing throughout the city and not concentrate it near downtown and in east Menlo Park.

Vice Chair Do closed public comment.

Commissioner Schindler said she had previously asked about the timeline for making modifications to the SEIR and how the state would assess whether that was a component of having a compliant Housing Element. She said public comment raised a question about alternatives to ensure CEQA compliance and asked for clarification about the potential of a negative declaration.

Mr. Phillips said the subsequent EIR was prepared for the Housing Element was certified already so it was not necessary to spend more time preparing a new EIR at this point. He said the reason the city did a subsequent EIR rather than some other environmental review document in preparing the Housing Element initially was because of the amount of rezoning that would be required to accommodate the city's regional housing needs assessment. He said the initial study done showed the project had the potential to result in significant and unavoidable effects and in that case, CEQA mandated the preparation of an EIR. He said using a subsequent EIR was a streamlined way of complying with CEQA when the city prepared its Housing Element. He said with the certified SEIR there were several ways the city could use that EIR. He said projects consistent with the density in the certified SEIR and consistent with the General Plan and that included the Housing Element could potentially be exempt from CEQA. He said here they were talking about potentially allowing for densities a little bit higher than were contemplated even in the Housing Element noting direction received previously from the Planning Commission and City Council was to go above and beyond the commitments made in the Housing Element and allow even higher densities in connection with the rezoning. He said that was what led them to look at an addendum to the EIR as there were minor changes needed to it to clarify that certain sites might have higher densities than originally studied but that those changes would not result in any new significant environmental effects. He said as also mentioned the city's EIR consultant had previously done environmental analysis for additional residential production and some upzoning that went beyond the densities and that would allow the use of an addendum, which would be a one-to-two-month process to document and show that the upzoning they would do would not result in new significant effects. He said if the upzoning they were going to do would result in significant impacts but that those could be mitigated then they could do a mitigated negative declaration. He said it took about six to nine months to do a mitigated negative declaration. He said the longest process which they were hoping to avoid would be if there were new impacts associated with the rezoning that could not be mitigated as then they would need to do another subsequent EIR specific to those topics and would be an even longer process than a mitigated negative declaration.

Commissioner Schindler noted a staff report reference that this item would come back to the Planning Commission in late fall/early winter and then to City Council. She said she would like that changed so it came back to the Planning Commission no later than the middle of October and to City Council before Thanksgiving to allow for feedback and voting to close well before the December/January holidays. She said the proposed timeline did not resonate with her in her Planning Commission experience and it needed to be accelerated.

Commissioner Riggs referred to questions from the public about where upzoning was proposed and one was why the El Camino Real South-East was not expanded and a question this evening why the proposed Sharon Heights Shopping Center was not greater than 30 feet in height.

Planner Smith said the El Camino Real South-East subdistrict had current base densities from 40 dwelling units per acre to a bonus level of 60 dwelling units per acre and had 60-foot height allowance. He said regarding Sharon Heights they had looked at maintaining existing regulations and C-2 zoning would essentially become the Sharon Heights Shopping Center parcel and it would be the only parcel in the city zoned C-2. He said it would give some flexibility to implement zoning standards there that they thought would help achieve the goals. He said their thought was to keep things in line with what they currently were and add FAR but expanding height allowances was something to consider for that site.

Commissioner Riggs referred to the section on reusing sites from the previous Housing Element and that those would become by right buildable areas. He said changes involved in by right were architectural review and local impacts. He asked if this was saying that if no action had been taken by the landowner by January 2024 that the city would have to take any proposal that came before it like what was happening with the Sunset project.

Planner Smith said that those would have to provide 20% or more affordable units, but he believed a state housing law provision required by right for sites not previously developed during the last Housing Element cycle.

Mr. Phillips said even though sites would be allowed to develop by right if they provided 20% affordability that they would be subject to all the City's objective standards but just would not have to go through a discretionary process. Replying further to Commissioner Riggs, Mr. Phillips said a project would be able to use the state density bonus and still qualify for by right approval.

Commissioner Ehrich said that affordable housing developers the city had worked with in the past were saying 150 dwelling units per acres was the standard they were looking at. He asked if they were to change the AHO to meet that density level then what level of environment review would that trigger and whether that was something they could do with an amendment or whether more would be required.

Planner Smith said staff's understanding was going above the 100 dwelling units per acre would require more major revisions to the EIR, which was the longer process, of six to nine months, to achieve that. He said they were especially concentrating on affordable housing on the city parking lots, which was one of their strategies, and in some of the downtown areas, AB 1763 would allow 100% affordable housing projects within .5 mile of a major transit stop so essentially anywhere downtown could have unlimited densities. He said if an affordable housing developer wanted to go above 150 dwelling units per acre, then he thought they would be able to in that area.

Replying to Commissioner Ehrich about increased density projects and getting onto Planning Commission agenda and potential delay, Planner Smith said generally more complex projects took longer to go through the development process to construct. He said with some of the higher densities and more complex mixed use they had seen in the Bayfront area that those sometimes extended over several months or more or even over a year to get entitlements. He said higher densities could generate a number of new and more complex projects throughout the city but there were state law provisions. He said they had had SB 330 projects come in and if those were doing two-thirds or 100% residential those locked themselves into review based on meeting all the objective standards so there were some streamlining provisions out there that helped. He also noted the provision for sites identified but not developed that could be built by right as previously described by legal counsel. He also said in some of the R-3 and R-4 zoning districts they were looking at not requiring those to get use permits. He said in two to three years implementing programs from the Housing Element would continue that work on streamlining processes.

Commissioner Ehrich said he strongly encouraged staff to recommend anything it could to streamline the process and not require review. He said the discussion had been full over the past years and the zoning changes should be written to make it as easy as possible to implement their intent. He said regarding R-1 applications the Planning Commission saw that were within reasonable ranges and approved fairly quickly that if an increase in backlog was anticipated with these proposed zoning changes that he would be interested in exploring small but potentially meaningful changes to R-1 zoning to reduce the number of projects coming before the Planning Commission to clear agenda space and staff time to advance larger, more complicated projects.

Commissioner Ferrick said it was hard to get 100% affordable housing on privately owned land, which was expensive to buy, and asked if the new proposed densities would get to 3,000 units, 50% of which were to be affordable.

Planner Smith said what they studied in the Housing Element and assigned for different sites were 2,834 affordable units they were looking at in terms of development potential and they thought would be implemented as of the December 2022 densities proposal. He said he did not think they had run the numbers for how the density increase option would increase those numbers above but that was something he thought they could put together as additional information in the future, but it obviously would be more than the 2,834 included in the Housing Element.

Commissioner Ferrick asked if that was looking at inclusionary or 100% affordable.

Planner Smith said they went site by site looking at different factors and characteristics. He said there were different provisions set in place by HCD and state housing law as to what types of sites lent themselves more to being developed with affordable units. He said there was a certain size of .5 to 2-acres and looking at different environmental constraints, they went through a rating process for each of those sites along those factors, and then calculated the number of units, which was how they got to the 2,834 units. He said in the project SEIR they studied a 4,000 units potential to provide a buffer.

Commissioner Ferrick asked if they were thinking roughly 72% would be affordable. Planner Smith said somewhere in that range of the 4,000. Commissioner Ferrick said that seemed high from the standpoint that most projects had 15% affordable housing. She asked how the limits set in the proposed rezonings were compatible with AB 1763 and that parcels near transit had unlimited density. She asked why they were setting limits if they were not allowed to.

Planner Smith said they anticipated they would get different development types with some market rate, some mixed with something significantly more than the BMR requirement and partially market rate. He said state housing laws would apply to the 100% affordable projects so the densities they were proposing were for those mixed affordability projects and what they could achieve.

Commissioner Ferrick referred to the section regarding FAR increase on page 69 of the staff report and three bullet points of criteria. She asked what the intent of the 1000 square foot unit size was when in a later paragraph it said they wanted to incentivize homes for larger sizes of families.

Architectural Consultant Mammarella said they were looking at a 1000 square foot net housing size as an average unit housing size as the mix of units being looked at were 50% two and three-bedroom, and at least 10% three-bedroom with the goal of creating a more diverse housing stock. He said that was the minimum square footage needed to get those ratios in terms of the net unit size to be a functional development. He said they looked at many different developments built to that standard to come up with that. He said setting smaller standards that they probably would get more developments with higher ratios of studio and one-bedroom units. He said it was a tradeoff that could be explored between what was allowed for the step up or extra FAR to accomplish that versus non-step up that allowed building slightly smaller units.

Commissioner Ferrick referred to wording in the last bullet point she referenced that said, "or provide all for sale units." She asked if that meant the project was for sale and that it would not have to meet any of the other criteria. Planner Smith said the idea was to meet the other criteria but with an option of providing all for sale units versus 50% of the units with two or more bedrooms, inclusive of the 10% with three or more bedrooms with the idea being to encourage for sale housing and so the city was not just getting all rental units.

Commissioner Ferrick referred to the C-1 and C-2 zoning recommendations and asked how that protected community serving retail such as the Willow Market. Planner Smith said they had left it fairly open at this point to get a variety of types of proposals. He said in certain cases someone might want to only utilize a site for commercial; someone might want to build some residential, but they had not established any firm requirement in there about providing a certain amount of commercial use or retail. He said with direction from the commission and council he thought it was something they could explore more.

Commissioner Ferrick asked if the Commission wanted to make a recommendation for instance to double the height allowance of the Sharon Heights Shopping Center was that something very specific and kind of small compared to the whole Housing Element update and feasible to do within the timeline. Planner Smith said with the example of the C-2 parcel and increasing height there that was completely doable within the anticipated timeframe. He said those kinds of tweaks, changes, and specific recommendations were helpful to staff.

Commissioner Ferrick asked about the comment on why the R-3 zoning change proposed downtown was not considered citywide. Planner Smith said lots 10,000 square feet or greater could achieve 30 dwelling units per acres density. He said the thought was when scaling down from downtown and with the density increase option on the table with even taller heights that it would make sense to continue that scaling down into single family districts by offering that additional bump in density. He said they chose 30 dwelling units per acres because that was what

they needed to set it at for HCD to acknowledge that these sites could be used to meet the city's RNHA.

Vice Chair Do asked if there was state law allowing 100% affordable housing projects to have unlimited density then the question was why the city was even trying to impose some limitations. She said the answer was that allowance was only for projects within a .5-mile radius of major transit. She also said another state law did not require parking minimums for any project in the same area and allowing an additional 38-foot height. She asked if staff could show a map of that .5-mile radius, which staff did.

Commissioner Riggs noted a comment that 6,000 square feet of residential to 1,000 square feet of office meant the housing jobs imbalance was not improved by approving a project with six times the amount of residential square footage as the office component had. He said that was important to keep in mind. He said they were primarily talking housing, but the zoning changes were connected to office. He said regarding parking it was proposed to go to zero public parking referring to AB 2097. He said although it was only a .5 mile walk that if people on the back of Burgess Park were not currently walking to the station on a regular basis, they would not do so after zoning changes were made. He said their goal would be that at least 80% of people involved in this .5-mile transit would be using said transit. He noted moving more of the office space, particularly east of Highway 101, to mixed use. He said that sounded great but there were reasons why housing clustered together and office clustered together with the most obvious being they wanted people to be able to walk to neighborhood serving retail. He said each time they created a housing node surrounded by industrial and office it was an island dependent on automobiles and that went against their purposes here.

Commissioner Riggs said to be on record he was all in favor of expanding the 680 dwelling unit cap for the Specific Plan. He said the points he wanted to emphasize had to do with height. He said having this proposal at Willow Road and Middlefield Road as an attention getter, he did not know if anyone would be building anything 120 feet high and he certainly hoped not. He said it raised questions about what they wanted in their city and did they want six-story buildings like those on El Camino Real in Redwood City. He said some might see that as solving a problem so it was a good thing, and some might think that they had never envisioned Menlo Park being that way. He said he thought they had to have a goal of what was acceptable to them and the residents they represented. He said he would be very surprised if that would be more than four stories in the C-2 zone and also if it was as high as six stories downtown and on El Camino Real. He said ten or so years ago there were renderings done of the city's parking lots and how they would look with four stories of housing on top of three stories of parking. He said the market for the four-story housing would demand two levels of parking for residents and one level to maintain existing downtown parking lot spaces. He said for 20 years the current capacity of the downtown parking lots had been criticized for not being enough at lunch hour and clearly an anchor on anyone thinking about developing on Santa Cruz Avenue. He said it did not make sense to demolish a 5,000 square foot retail building and then put another 5,000 square foot building up in the air so parking could be provided underneath as that was infeasible economically. He said when the housing and parking structure idea was proposed it was seven stories in height, and people realized that from five blocks away they would be looking at massive towers. He said here they were discussing numbers and not three carefully designed buildings on the Stanford property that did not exceed four stories. He said they were talking big apartment blocks that would be seen a half a mile away. He asked if they wanted that and whether the negative reaction of downtown residents would be much different than it was 11 years ago. He said as a planning commission he

thought they needed to have a better handle on what they were willing to support. He said he appreciated that staff were doing their best to respond to a state mandate in a city that did not want it. He said their representative Josh Becker did not approve of this. He said he thought their council and their senator needed to work to adjust these assembly and senate bills that had put them in a position where to get 30 units per acre that were affordable, they had to allow 71 market rate units in the 100 units per acre. He said he thought that someone had to accompany whatever they had to do tonight with a statement that they did not know if the residents supported this level of housing growth as he knew his neighbors did not.

Commissioner Barnes said he appreciated the step up of FAR and any incentivization of for sale units. He said he thought home ownership was a really important component to many things and if part of what they were doing was to work on equity through the Housing Element that providing opportunities for people to buy homes was important so that renting classes were not created in perpetuity. He said increasing the height at Sharon Heights was a very good idea. He said regarding process and delay that design guidelines would help reduce the review approval process and provide clarity and understanding about what was being delivered in the city. He referred to the five over two concept of concrete podium of two stories for parking and five stories of wood construction and how that related to height limit and the viability of actual production.

Mr. Mammarella referred to housing of about seven stories built up and down the peninsula that used this formula. He said one reason was that five stories were the maximum number of floors that a developer was allowed to build in that type of wood frame construction. He said to go beyond that was essentially high-rise construction and costs went up considerably. He said that did not necessarily mean they had to accept a seven-story wall noting in the Specific Plan area there were building profiles and step backs and such to use to regulate the look. He said that those five over two buildings would at maximum height be about 85 feet. He said the building community were familiar with that concept and had figured out the formula and how to make it work. He said it was the least expensive form to get fairly high density.

Commissioner Barnes asked about public understanding of what was being proposed. He said reading the mailer about this meeting it was hard to understand what these changes would mean in terms of buildings, heights, densities, what could get built, what it meant to one personally in daily life and to the city on an aggregate level. He said ConnectMenlo process had an emphasis on visually conveying to the public what densities would look like often with a schematic rendering. He said that was a tangible way for the public to understand what was being considered. He said he did not know about the amount of market rate housing being contemplated because a Housing Element rested in the concept of affordable housing as a must for the community. He asked staff what their sense was of the community's understanding of the changes proposed.

Planner Smith said they had attempted to do considerable communications throughout the process from the beginning of the Housing Element through mailers to every address, website updates, and notices in the newspaper. He noted that a lot of that was text heavy. He said they were trying to give a better, clear explanation to the public about what they were working on and what they were trying to achieve. He said a lot of outreach had been done for this meeting. He said residents and developers called, stopped by and generally their questions were about their properties and what the proposed zoning changes would mean for them. He said they received a mix of correspondence on it expressing both opposition and support.

Commissioner Barnes commented on the importance of providing the information related to the proposed zoning changes in a way that people could understand more completely.

Vice Chair Do said related to Commissioner Barnes' comment that she thought visuals would help everyone. She said she saw somewhere a series of projects of different densities, and she was surprised at how the same density might look different depending on the type of project it was such as affordable units or senior housing with very small units versus a market rate with larger units, and how much bigger it could look. She suggested seeing visuals of options because density depending on the project specifics could be very different in its expression and scale.

Vice Chair Do recessed the meeting for a short break.

Vice Chair Do reconvened the meeting.

Commissioner Ferrick referred to page 74 of the staff report and the example of AHO application and a C-1 zone parcel with 80% bonus. She asked was that where staff were talking about 30 units, 100% affordable, that could qualify a project for the various layers of density. She said she heard another comment that the other 71 units would not need to be affordable but could be market rate. She said her understanding was those had to have a range of affordability levels even within bonus units that were 71 in cumulative total.

Mr. Phillips said her explanation he thought was correct. He said ordinarily when a project was using state density bonus those bonus units did not have to be affordable as those were providing additional market rate development to help underwrite the affordability. He said that level of bonus however capped out at 50% density bonus. He said to get the 80% state density bonus and that was what was shown on the page referred to by Commissioner Ferrick then the project had to be 100% affordable including the bonus units. He said affordable in this context meant 80% of the units had to be no higher than 80% of the area median income and up to 20% of the units could be between 81% and 120% of the area median income. He said a project could have deeper affordability than that as well.

Commissioner Ferrick asked if it were a project of 30 units that were 100% affordable and market rate was wanted for the balance then the most that could be added would be 15 units. Mr. Phillips said that was correct in using the state density bonus the developer would get a 50% bonus, which on 30 units was 15 bonus units.

Commissioner Ferrick said her views on housing, affordable housing, heights, and densities had evolved over the last decade. She said the lack of affordable housing in their community and surrounding communities impacted all of them negatively. She said she felt it viscerally when her children were not able to afford to live here or when PG&E workers came from Salinas to do work at her residence. She said the traffic was worse because of it. She said because cities had not decided to show their own leadership in affordable housing the state had stepped in. She said some saw it as heavy handed, but she viewed it as a singular opportunity to kind of correct the path they had been on for 100 years. She suggested they do what they could do to make it right and to retain as much control as they could, so they did not end up with outlandish project proposals. She expressed appreciation for whoever had passed the Menlo Towers in 1973 as it was about nine or ten stories with 62 larger kind of luxury units on about a 2-acre parcel and had not ruined the fabric of the community. She said it was possible to design in a way that did not cause such detrimental damage to what people's perceptions were. She said they needed housing

and they needed to do it in a responsible way that was going to continue an excellent quality of life that was not exclusionary to the people who either bought before 1990 or were of the 1% wealthiest people in the world. She said she hoped they could look toward a recommendation to Council to look at the increased density options and potentially then tweak either further stages or specific things easier to tweak within the time frame they needed to stay within to come up with a balance. She said she wanted to hear other commissioners' thoughts about the maximum height in Sharon Heights noting the importance of housing throughout the city and not just in one part of it.

Vice Chair Do suggested creating a generous umbrella in their numbers and not just deferring to the state law required unlimited density for affordable housing and possibly going beyond the 100 dwelling units per acres max. She suggested being more proactive with the zoning to create a more inclusive vision like Commissioner Ferrick described. She referred to a public commenter's point similarly to expand the parking minimums again which went into law within the .5-mile radius of transit and suggested that it was not saying there was no parking rather to let the market and developer decide what parking was need. She said the city in imposing minimum parking requirements in the past might have caused projects in the past to be overparked.

Replying to Commissioner Ehrich, Commissioner Ferrick said she did not mean to call out Willow Market, but her question had to do with groceries and community serving businesses. She said they had heard from residents in District 1 how important grocery stores were to local communities. She said if the owner of a parcel like that of Willow Market wanted to fully redevelop with mixed use of residential on top and commercial retail on bottom that mix might not support a store like a grocery store or other neighborhood serving retail. She said she just wanted to make sure that the changes would not inadvertently harm neighborhood serving retail.

Commissioner Ehrich said for the record that he thought the proposals were generally well thought out and reflected the type of community they wanted to be. He mentioned the closing of a bakery in Palo Alto that had been in business for 50 years because the owners were unable to find people to work there, and a lack of affordable housing in the area was the main reason. He said that city recently voted or made it known that they were against this latest bill from the state to support affordable housing, and he hoped Menlo Park would not make the same mistake not only because of the far-reaching reasons of equity but also because of the impacts it would have on their community. He said communities always changed and they had to keep that in mind.

Commissioner Ehrich said he had a few specific changes to propose. He said he supported raising the height limit for residential development in Sharon Heights. He said he agreed with a speaker's comment that it would make sense to expand R-3 zoning and remove the restriction in R-3 zoning to all R-3 parcels in the city. He said he thought the density proposed in May for R-3 was 30 dwelling units per acre. He said the planning commission considered the affordable housing plan on Veterans Affairs land on Willow Road and he believed all the commissioners were in favor of that development, which was 30 dwelling units an acre. He said since the proposed change would consolidate a number of zoning districts to C-2B that they also consider removing parking minimums for C-2B areas. He said he agreed with Vice Chair Do's point that having no minimums was not intended to restrict or to say no parking would be built rather proposing that developers be allowed to decide what was necessary. He said generally he was in favor of exploring whether they could move expeditiously and not delay passing the changes in time for the January deadline and still look at increasing particularly the affordable housing overall to get to 150 units per acres

recognizing potential legal impediments to that. He said he encouraged the city council to recommend studying those changes as well.

Commissioner Schindler said regarding the AHO she understood the reasons for keeping the number at 100 dwelling units per acre, but she would like staff to consider 150 dwelling units noting that had been raised by commentators and requested by affordable housing developers. She said she thought looking at this was worth the exercise even with the environmental impact consideration. She said staff had run the numbers and considered density and tiers of affordability and assumptions were made about how likely these projects would be built. She said in public feedback and planning commission and city council feedback on the Housing Element there was a desire to increase the density and take a good hard look at how realistic the yield numbers were. She suggested that again they think about a higher density of the 150 units per acre and balance that by relooking at the yield numbers as that would affect the range of impact number and might keep the city within the comfort zone for the environmental impact report. She said she thought it was very important to set a ceiling as high as possible for the people who would make affordable housing a reality by setting a ceiling at 150 dwelling units per acre. She said if affordable housing developers then built at a lower density than that that was part of their business equation. She said if she got it correctly that their local bonus needed to be 180 to get to the total number of 150 dwelling units per acre with the state bonus density. She said she strongly supported the introduction of a minimum density of 20 dwelling units per acre. She said before she had greater clarity on the environmental impact options, she might have asked for some of the densities to be increased. She said she would emphasize her prioritization of the AHO as where densities should be increased as it more thoroughly addressed the city's goal of equitable dense development as the AHO as proposed covered all the Housing Element sites and the Specific Plan area. She said she would not specifically weigh in on any of the building heights, facades, FAR corresponding to the proposed densities in part because the staff report indicated those things were still getting public feedback. She said that further fed her heightened anxiety that they could have trouble meeting the timeline of January 2024 and fueled her desire to see this back again by mid-October. She said she strongly supported the use of the step up FAR to not take anything away from commercial development and instead give an incentive for adding residential development. She asked that they consider the requirements for realizing the step up FAR noting the three bullet points of criteria. She said she would be in favor of not necessarily making all three of those required to realize the step up FAR. She said related to changes across the whole Specific Plan she supported reducing and removing parking minimums. She said she was withholding judgment on the idea of placing a maximum on the parking as it was hard to give feedback without specifics which staff reported indicated was still a work in progress. She said she would want to see the specifics as well as the supporting analysis for that. She said she was supportive of the range of proposals about taking commercial only zones and expanding those to allow for residential in a mixed-use context. She said commissioners had asked about how to protect neighborhood specific uses such as markets. She said staff had mentioned a minimum requirement for commercial or retail in the downtown and asked if there could be a minimum requirement for commercial / retail in some of those neighborhood specific locations that would help protect local commercial use.

Planner Smith said that was something they could explore to add some sort of provision to protect and encourage neighborhood retail and not just with full scale housing and loss of opportunities there.

Commissioner Schindler expressed her enthusiastic support and pride in seeing Menlo Park move to compliance with the state as it related to by right development of large child daycares in homes noting the critical importance of high quality childcare for strong economies and strong families.

Commissioner Barnes said they were looking at what in the zoning package benefitted market rate versus what benefitted deep affordability levels. He said for 100% affordable they needed to go big on those projects. He said for zoning writ large they also needed to look at what they saw in the ConnectMenlo exercise they went through. He said if they looked at the numbers in the levels of affordability they got out of that virtue of the BMR inclusionary requirements for those properties they saw huge disparities in what was delivered at market rate and what was delivered that could be considered affordable. He said he thought the discussion the community needed to have was where 100% affordable housing would go. He said there was not an affordable housing development that would get tax credit funded at the heights of what the zoning changes allowed. He said the conflation he thought they were trying to solve was whether they were adding market rate housing through what they were proposing in the zoning or were they adding 100% affordable housing which was what the staff report said they were solving for. He said it said in a sense they were solving for regional housing needs within the deeply affordable housing units. He said they were not messaging to the community the market rate units they would be adding, and he knew the community wanted 100% affordable and deeper affordability units. He said he built housing for people that were intellectually and developmentally disabled or unhoused but not market rate. He said the zoning they were talking about contributed to market rate housing. He said he wanted to make sure that he articulated a distinction between wanting to walk through density change versus that not being against affordable housing in their community cause.

Commissioner Ferrick said she had tried to make the point that they should not send some sort of statement they were against doing this Housing Element update altogether as that was not a productive mode for the city to go to. She said regarding the PG&E worker example she used from the top of her head that she was sure there were a range of affordability levels one of those workers might or not qualify for. She said the point was that they needed more affordable housing of all kinds and probably some more market rate housing that would come with it.

Commissioner Barnes said it was not the PG&E worker example but the contrast between one thing to be a better community and also realizing that market rate would be added, and his point was that the discussion they were having with the community.

Replying to Vice Chair Do, Planner Smith referred to discussion around the height for the Sharon Heights Shopping Center and that he heard 60 feet mentioned at one point. He asked if there was a specific height in mind.

Commissioner Riggs said the current zoning would allow 60 dwelling units and 60-foot height on El Camino Real southeast. He said he did not think they had said anything about Sharon Heights other than that the existing 30-foot limit did not make sense in the context of this discussion.

Vice Chair Do said one of the public commentators might have mentioned 60 feet. She said she thought it might make sense to do something in line with a different area but something that approached what was being suggested for other areas where the height had been increased to achieve densities for housing development.

Commissioner Barnes said he thought he had brought up the 60-foot height as it was 30 feet currently and he did not think going to 60 foot was a problem.

Commissioner Riggs said Sharon Heights residents had provided considerable testimony over the years and more pushback as he understood it from them than from any other neighborhood. He said it would be a council decision, but he thought at least three or four of the commissioners suggested that Sharon Heights could be taller.

Commissioner Ferrick said there seemed general consensus that the city council should consider increasing if not doubling the height. She said as a matter of equity across the city that should happen and noted that the area already had a lot of height up there naturally.

Planner Smith said they would look at height increases and something in line with the density that was proposed there.

Commissioner Riggs said he wanted to make sure his vote was noted to emphasize for sale units when they were able to encourage one over the other. He said he thought that was always a plus for a community. He said he also had been a long-time childcare in homes proponent.

Commissioner Ehrich said the overall density increase option spelled out in Attachment B was something he would support. He said his suggestions were changes with that as a baseline.

Vice Chair Do said the density increase option allowed for up to 100 dwelling units per acre and established parity with the Bayfront development area and that was a great starting point to amend double standards for other parts of town versus the Bayfront area. She said she agreed with the feedback they had received from people in the trade saying that 150 dwelling units per acre was what was necessary for affordable housing. She said she was supportive of that or what that number was and while staff recommended that might not be able to happen now, she thought they should go for that in the big picture. She said she was surprised at how certain projects with smaller units could look so much smaller in scale than you would think at that density level and suggested having those visuals to explain to people. She said rather than wait until a project was built with a number of floors and folks came out in reaction to find a way to get them to react sooner than later. She suggested again eliminating the parking minimums citywide, and to be bold and not just wait for state law to kick in, and to be more generous and forward thinking with the zoning regulations.

Commissioner Barnes referred to the 100 dwelling units per acre and asked if it was staff's understanding that what was being talked about on the dais was specific to 100% affordable housing projects or if that was across all projects.

Planner Smith said his understanding was they were talking specifically about the corridor downtown in the station area and those areas having the most density that would go up to 150 and then scaling back from that throughout the subdistricts in the Specific Plan area. He said it was also specific to the AHO as well and would lock it into 100% affordable. He said in general the maximum density in the Specific Plan area and the downtown and station area subdistricts would be market rate and any mix of affordable. Replying to a question from Commissioner Barnes, Planner Smith said with the downtown parking lots they had a little different option as they could set the parameters for what they wanted that development to look like as it was city owned land.

He said because of the unlimited density for 100% affordable housing it might be well above 100 or 150 dwelling units if that was what the city chose.

Replying to Commissioner Barends, Mr. Mammarella said if you had all residential development in about seven stories in that five to two limit, 125 dwelling units per acres was probably achievable in that with approximately 50% two- and three-bedroom units. He said the size and shape of the lot, step backs and things like that all came into play. He said talking about 100 dwelling units per acre in the downtown area that they were also talking about a component of commercial within that. He said going above seven stories was a different building type. He said if you looked at 20 to 25 units per floor depending on the unit size you could calculate the density.

Commissioner Barnes noted for staff that from his perspective he could support greater than 100 dwelling units per acre for affordable housing developments if they could make it work but for the city writ large except for the parking plazas and where expressly permitted by overriding state law, or within .5 miles of major transit stop, he would not support that density if it were not for affordable housing. He said he thought that said the city would build more market rate high rises and that would not get them where they wanted to be with the Housing Element.

Vice Chair Do said she would agree with that and noted the letter that stood out to her was from a 100% affordable housing developer. She said she was not going to say what numbers, just that the 150 dwelling units per acre was from a 100% affordable housing developer so she would certainly not try to apply that number across the board to market rate. She said she believed Commissioner Schindler made the point of letting them push for affordable housing and focusing on the affordable housing overlay. She said she also thought staff had kind of echoed that and she thought it was an important clarification.

Commissioner Schindler said she did specifically reference the AHO as the tool for pursuing greater density of roughly 150 dwelling units per acre. She said it was the best tool she saw for addressing affordable housing although she recognized through all the nuanced discussion tonight that it was not perfect in that it guaranteed only affordable housing under certain scenarios. She said she was comfortable with that level of nuance because it was the best tool she had seen to address delivering a high volume of affordable housing. She said just to put a very crisp point on her position that she was okay with it even if there was a component of market rate included in that density. She said she would hope based on the feedback they had heard from affordable housing developers that they would end up with 98.5% to 100% affordable housing.

Commissioner Ferrick referred to a mixed-use development and the example she heard from Commissioner Barnes walked through how high a building would be at the higher unit density. She said it sounded like it was also a mixed use with parking below and some retail. She asked what would be allowed if they went with the density increase option. She said for example if a developer said they wanted to do a project of 100% affordable and max out the units, could they also add retail and other commercial uses that would increase the height further or did the height cap still stay. She said she thought based on the example projects they had all been sent that they could fit a project of that size in about a four to five story envelope.

Planner Smith said once the density bonuses came into play that developers could ask for certain incentives or concessions and one of those could be additional height to make it work that they could develop at the density entitled to under the density bonus.

Commissioner Ferrick asked if the Option C density increase went through if a developer could even ask for more if they wanted to and if that would be discretionary.

Planner Smith said there would be certain incentives that they could request as part of the application such as requesting increased FAR, additional stories or height, parking changes and things like that. He said those would come in as part of the application and consideration of granting those would be made if those were deemed to make the project work.

Replying further to Commissioner Ferrick, Mr. Phillips said concessions being awarded through the AHO and under the state density bonus were reviewed and approved by the same decision-making body that was approving the underlying entitlement. He said when the state bonus was implicated there were modest thresholds the developer had to show to demonstrate eligibility. He said once they did technically there was discretion to turn it down, but it was a very limited discretion. He said there were only very specific circumstances primarily related to health and safety issues that could be used to turn down incentives, concessions, and waivers.

Commissioner Ferrick said she thought density increase option C with a few specific tweaks hit the right tenor of achieving what they needed to for housing goals while keeping a kind of a level of local discretion over the kind of massive looking projects.

Planner Smith said in essence that was what staff thought was needed to achieve affordable housing especially developments.

Mr. Phillips said the balance they were trying to strike was to find the right level of regulation that got to the project they were looking to have for the right outcome, but that supported the densities so there was less need for a project to ask for those incentives, concessions, and waivers.

Commissioner Ehrich referred to outreach to developers and said he believed it was at a prior meeting that Commissioner Riggs made a good point that there had been lots of historical efforts to revitalize the area around Santa Cruz Avenue and developers had not always taken that opportunity. He asked what staff had heard from developers. He asked whether the density being proposed would properly incentivize developers to build the things the city was saying it could build.

Planner Smith said they had done outreach in the past. He said several commissioners had rightly pointed out that affordable housing developers especially had said generally that they would appreciate more density and he thought the 150 range was the number they had heard at that time. He said they had had a number of contacts for different sites throughout the city for the Housing Element. He said what they typically heard back from Specific Plan property owners was an interest in understanding what additional density would be permitted on those sites.

Commissioner Riggs said they were logically focused on housing here, but a prime intent of the Specific Plan was to see Santa Cruz Avenue revitalized with new buildings. He said they had had very little construction on Santa Cruz Avenue in the last nine years. He said as he mentioned earlier that it did not make sense to demolish 5000 square feet and build 5000 square feet again and the need to build parking underneath. He said there was no additional parking and only the city's parking lots that they were discussing using to build housing. He asked if they were doing anything in these proposed zoning changes to upzone the commercial on Santa Cruz Avenue and for that matter on Menlo Avenue and Live Oak Avenue.

Planner Smith said the FARs currently allowed for commercial uses would be maintained and they had no proposal to expand on that so any additional increment of FAR would go towards a residential, essentially a mixed-use proposal for a site.

Commissioner Riggs said the FAR was expanded to 2.0 instead of 1.0 but a developer could not build another level unless it met the parking requirements. He asked if they were adjusting the parking requirements or were they considering a parking structure downtown.

Planner Smith said since there would not be parking requirements in this area effectively that a zero-parking requirement would come into play for any of these sites in the Specific Plan area.

Commissioner Riggs said however landowners in that area had observed there was no parking at lunchtime and with that why would a commercial property owner double the FAR of their property on Santa Cruz Avenue.

Planner Smith said what they were hoping would happen was that by increasing the potential residential uses in the downtown area that more foot traffic would be created with more people living above commercial uses and more need for services and retail in the downtown area. He said they were trying to do this without drastically increasing VMT in some of those areas. He said the idea was to create more mixed-use opportunities for people who would be new additions to the downtown.

H. Informational Items

H1. Future Planning Commission Meeting Schedule

- Regular Meeting: August 28, 2023

Planner Smith said for the August 28 agenda they would have four single-family residential projects, an architectural control application for some exterior building changes and the continued 123 Independence Drive project.

- Regular Meeting: September 11, 2023

I. Adjournment

Vice Chair Do adjourned the meeting at 10:41 p.m.

Staff Liaison: Thomas Smith, Principal Planner

Recording Secretary: Brenda Bennett

Approved by the Planning Commission on September 18, 2023