



PLANNING COMMISSION MINUTES

Regular Meeting
October 15, 2012 at 7:00 p.m.
City Council Chambers
701 Laurel Street, Menlo Park, CA 94025

CALL TO ORDER – 7:00 p.m.

ROLL CALL – Bressler, Eiref, Ferrick (Chair), Kadvany (Vice Chair), O'Malley, Onken, Riggs

INTRODUCTION OF STAFF – Rachel Grossman, Associate Planner; Justin Murphy, Development Services Manager; Leigh Prince, City Attorney's Office; Jeffery Baird, Baird + Driskell Community Planning

A. REPORTS AND ANNOUNCEMENTS

- A1.** Update on Pending Planning Items
 - a. Facebook West Campus – City Council, October 30, 2012

Development Services Manager Murphy said the Planning Commission had held a study session (September 24, 2012) on the Facebook West Campus project. He said the item would be considered by the City Council on October 30, 2012 to establish parameters for development agreement negotiations. He noted there would be a Community Outreach meeting on October 18, 2012 at the Belle Haven Senior Center.

B. PUBLIC COMMENTS

Ms. Janet Davis, Menlo Park, said she wanted Commissioner Bressler to recuse himself (from consideration of the preliminary draft Housing Element) because of a conflict of interest. She said his wife has been circulating a petition threatening to sue the City, which she said was a direct conflict of interest and unethical.

Ms. Prince, City Attorney's Office, said her office looked at the issue raised by Ms. Davis. She said the complaint was that Mr. Bressler's wife was biased, therefore he should recuse himself. She said the Housing Element Update was a legislative matter and not a quasi-judicial matter. She said Mr. Bressler and/or his wife might have opinions about the sites listed for housing but that did not legally automatically preclude his participation in this matter as a Planning Commissioner. She said they also considered the complaint from the perspective of having a conflict of interest. She said California Fair Political Practices Commission or FPPC promulgates rules establishing when officials have a conflict of interest. She said the fact that some of the proposed listed sites were located about 490-plus feet from Mr. Bressler's residence raised a

presumption of conflict of interest but not an actual conflict of interest. She said the City Attorney's Office and City staff have reviewed the issue and did not anticipate it would impact the value of Mr. Bressler's property, would not increase cut through traffic on his street or create noise or other impacts that might impact his property to a greater or lesser extent than anyone else in the City. She said this was generally referred to as the public exemption. She said based on both the bias and the conflict of interest rules, Mr. Bressler could participate in the Commission's consideration of the Housing Element.

C. CONSENT

C1. Approval of minutes from the September 10, 2012 Planning Commission meeting

Commission Action: M/S Riggs/O'Malley to approve the minutes from the September 10, 2012 Planning Commission meeting.

Motion carried 6-0-1 with Commissioner Kadvany abstaining.

D. REGULAR BUSINESS

D1. General Plan Amendment/City of Menlo Park: Update of the Housing Element of the General Plan. Review and comment on the Preliminary Draft Housing Element of the General Plan for consideration by the City Council at its meetings of October 22 and 23, 2012.

The Housing Element of the General Plan is the City's long-range plan for housing goals, policies, programs and actions to rezone adequate sites for housing. The Planning Commission's comments will serve as a recommendation to the City Council. The City Council is scheduled to review the Draft Housing Element on October 22 and 23, 2012. The City is scheduled to submit the Draft Housing Element to the State Department of Housing and Community Development (HCD) for review and comment not later than October 31, 2012 in compliance with a court order. In early 2013, the City will consider the comments from HCD and prepare a Final Draft Housing Element, as well as associated General Plan Amendments and Zoning Ordinance Amendments and Rezonings, after public hearings by the Planning Commission and City Council. Additional noticing will be conducted for the future public hearings.

Development Services Manager Murphy said staff had received correspondence since the publication of the staff report and noted that correspondence had been distributed to the Commission and was available to the public on the table in the back of the room. He said copies of the presentation were also on the table, and the presentation and other materials on the Housing Element update were posted on the City's website.

Development Services Manager Murphy said that the Housing Element Update (Update) that the Commission was being asked to review was preliminary and was a work in progress. He said the next iteration would be a draft Update with a final Update to be completed in spring 2013.

Development Services Manager Murphy said the City was subject to a court order with a settlement agreement related to the City's lack of timely compliance with the state law regarding the Housing Element. He said the settlement agreement required the City to update its Housing Element expeditiously within a defined time period. He said by August 31, 2012, the City had had to prepare an inventory and analysis of potential housing sites and by October 31, 2012 submit a Draft Housing Element to the state, which would begin a 60-day review period. He said the City then would need to adopt a Final Housing Element in March 2013 in compliance with state law.

Development Services Manager Murphy said additionally the City has begun work on an environmental assessment to be released in a few months, as well as fiscal impact analysis and other analyses of the broader City General Plan for consistency with the Housing Element. He said the City Council in May 2012 after approval of the settlement agreement, created a Housing Element Steering Committee. He said the Committee has met five and would potentially meet six times. He said there was a great deal of information on the draft Housing Element and was being kept up to date on the City's website. He noted two community workshops held in August and other opportunities to obtain input. He said the material had been considered by the Housing Commission, was now with the Planning Commission, and the City Council would consider the preliminary draft Housing Element at two meetings on October 22 and 23. He said these activities were to inform the draft Housing Element that needed to be submitted to the state by October 30, 2012.

Development Services Manager Murphy said submitting the draft Housing Element to the state would start a 60-day review period. He said during that review period, the City would continue work on the environmental assessment for the draft Housing Element and reviewing the General Plan for consistency with the updated Housing Element and other state law requirements, and with older elements of the Plan. He said the City would get a comment letter from the state at the end of the 60-day review period. He said there would be another series of meetings beginning in January to respond to the comments and to prepare the final Housing Element. He said part of that would be to determine which of the sites identified would be rezoned.

Mr. Jeffery Baird, Baird + Driskell Community Planning, said a Housing Element was a required element of a city's General Plan and must be consistent with the other elements of the General Plan. He said Housing Element requirements were established in state law and with more detail than any other General Plan element. He said Housing Elements were required to have regular updates. He said those updates have to include a review of the previous Housing Element, housing needs in the community, affordability, regional housing needs allocation, identify adequate sites for a variety of

types of housing, examine constraints to housing development and eliminate constraints where appropriate, involve all economic segments of the community, and be very specific about the policies and programs identified in the Housing Element and what was to be accomplished and by whom and when. He said it has to address the Association of Bay Area Government's Regional Housing Needs Allocation, or RHNA. He said because the City did not adopt a Housing Element for the 1999-2006 Housing Element planning period, it was necessary to address the housing deficiencies from that planning period and the current planning period of 2007-2014. He said housing to be provided included second units, mixed use, infill, and adequate sites at sufficient density, which was 30 units per acre for urban cities the size of Menlo Park. He said additionally a zone or zones had to be determined for a year round emergency shelter for the homeless and allowed as a use by right. He said for the RNHA 2007-2014 planning cycle that San Mateo County was responsible for 7% of the total Bay Area housing need, or 15,738 units. He said of that Menlo Park's housing needs were 973 units. He said the City also had to address the housing need for the previous planning period. He said in total for both planning cycles, the City needed to provide program and sites to accommodate 1,175 units.

Mr. Baird reviewed income data related to housing allocations, demographics, home prices and rental amounts, and trends such as the increase need for senior housing and significant increase in single-person households. He said one-third of new households would be single-person households. He then reviewed the draft Housing Element structure. He said the reason for reviewing a preliminary draft was to see if there were any major problems in what was being proposed. He said there were limited land resources. He said direction they heard through the workshops was to work on housing affordability such as workforce and senior housing and to provide a diversity of housing ranging from second units to multi-family dwellings, mixed use and in-fill housing. He said the first focus was housing that could be accomplished without rezoning. He said after that the numbers to accomplish through rezoning sites was about 500 units at 30 units per acre and 150 units at 12 to 29 units per acres. He said regarding second units, ideas that came out of the Steering Committee and community workshops included lowering the minimum lot size, allowing for larger second units, providing flexibility in height limits, possibilities for reduced planning, building and impact fees, flexibility on parking onsite for the second unit, and publicizing and making it an easier process. He said the details of the proposed amnesty for second units would look at the incentives to get people to come forward to legalize units. He said it would help with the housing need numbers but importantly would mean provision of safe and habitable housing. He said proposed mixed use was being contemplated in the C1A zoning district and combining housing with commercial uses. He said with the Specific Plan that allowed up to 680 units, the preliminary draft Housing Element was proposing an affordable housing overlay zone providing incentives for affordable houses to be built and make that applicable to the entire Specific Plan area. He said they had to identify zoning areas for permitted use by right for homeless facilities. He said staff was suggesting the public facilities district noting that on larger sites, five acres or greater, there had to be a nearby bus service that ran seven days per week.

Public Comment: Ms. Lennie Roberts, Committee for Green Foothills (CGF), a regional organization in San Mateo and Santa Clara County, said this organization has worked on land use, planning and transportation for 50 years, and have a long standing interest in affordable housing issues. She said she worked with San Mateo County on several Housing Element updates over the years and also serves on the Grand Boulevard Task Force. She said an important part of that vision was to locate housing and transit where services were available, and that was something supported by CGF. She said she had reviewed the preliminary Housing Element and the sites being proposed. She requested that the Rural Lane site be removed from the study as it was a narrow strip running along Alpine Road at the very edge of Menlo Park's city limits and that half of it was in the unincorporated area. She said annexation of that portion and tenant development would continue to be strongly opposed by neighbors residing in Stanford Weekend Acres, and could potentially impact the Stanford Golf Course which would mean opposition from golfing interests. She said the site was adjacent to Alpine Road and residents there have many complaints about entering and exiting their properties on and off Alpine Road. She said the County Board of Supervisors declined Stanford University's offer for funds to build a bi-directional Class 1 bicycle and pedestrian trail along Alpine Road because of the difficulties in that stretch of Alpine Road. She said the small size of Rural Lane and its rural setting with mature trees next to a golf course made it difficult to develop at higher urban densities, and its remoteness from transit and services made it unsuitable for higher density development. She said it was owned by Stanford University but not within their core campus and they opposed the proposed density.

Commissioner Riggs asked about the organization's impetus to speak out against the site being studied for residential use. Ms. Roberts said CGF also had concerns with some earlier sites proposed and those had since been deleted because of environmental constraints. She said the Rural Lane site would have significant traffic impacts.

Ms. Terry Thygesen, Menlo Park School District Board, said there would be impacts on the school district from additional housing, and asked the Commission to take that into consideration and share with the City Council. She said since 2000 the District's enrollment increased by 40% and this year they have 2,798 K-8 students. She said a 2005 bond measure was passed to update and significantly expand the campuses. She said even with the additional capacity provided through those funds, the District was already over capacity in the elementary schools and that they would soon be over capacity in the middle schools. She said there was a continuing trend of enrolling kindergarten's classes well over capacity. She said they have enlarged the campuses to the greatest capacity already, and even if they could add portable classrooms that would create significant impacts for neighbors because of traffic and other things. She said people in the City historically had tended to hold on to their properties beyond their children's school years but that was beginning to change and properties were being redeveloped and families with school age children were moving into those homes. She

said another impact to similar school districts throughout the state was what was termed an increased “flight to quality” and noted that impact on school districts in similar communities as Menlo Park throughout the stat. She said the District was over capacity and expansion potential very limited. She said if 1,272 units were added in the District’s area would mean the potential for 509 additional students in the District. She said that would clearly require an additional school. She noted that they might even need an additional school without additional housing units. She said they were doing a new demographic study and looking at existing housing stock. She said they were not present to speak for or against additional housing as that was not their role as a school governing board. She said they were present to alert the City to the situation and that the District was critically affected even without additional housing and to request assistance in obtaining and paying for a new school site.

Mr. Maurice Ghysels, Superintendent of the Menlo Park School District, thanked the Commission for listening to them, the Housing Element Steering Committee for their hard work on this project, and staff. He said when they think of the report and good work being done by the Steering Committee what he clearly had heard was to listen to what the impact on our schools would be and not overload them, and look at the distribution of properties throughout the other districts as well. He said they believed without a doubt that kids were most important in the community of Menlo Park as they were obviously the future and the most precious beings for the future. He said more than that, schools were the most important thing in society and a return on the investment. He said their district has grown 40% in the last 10 years as mentioned by Ms Thygesen and that was not an accident because people come to communities where schools are of high quality. He said their schools were off the charts on every measure from academic performance index to enrollment to increasing enrollment. He said all signs pointed to an exceedingly reputable school district and that prices of real estate were highly correlated with high performing schools. He said while many factors go into housing prices, schools play a predominant role in that variable. He said the prices of housing, which means the income of revenue from taxes, has gone up and likewise for with the schools. He said although the District has done very well, the state and federal government for practical purposes has abandoned them with funding. He said they were over 90% community funded, and that funding came from increased property taxes, parcel taxes, and a growing number of parents who actually fund the schools. He said their education foundation funds their schools to the tune of 10% of total revenue. He said there was 74% parent participation, but even with all of that funding and heavy lifting locally, their schools were still at the national average of funding per pupil. He said as a superintendent he was nervous as every classroom was full and there was nowhere to grow. He urged the Commission to study very carefully the impact on schools and not overload them, and recognize the tremendous value Menlo Park School District has brought to the community and their children.

Ms. Adina Levin, Menlo Park, said she was a member of the Environmental Quality Commission, and has been working on the housing issue, in particular with the Sierra Club Loma Prieta Chapter, but was speaking as an individual. She said she grew up in

a suburb of Philadelphia in a two-story, three bedroom home with a front and back yard. She said her parents who live there still have recently bought a condo to have a smaller living space closer to services. She said the area in which they live have a lot of single-family homes and it was very difficult for them to find a condo there. She said they wanted to stay in the general area where they were and be close to friends, close to their community. She said the City of Menlo Park was having a similar situation with the aging population and that was part of several reasons why the Housing Element in Menlo Park was a good thing. She said population was changing and there was an increase in older adults who wanted to age in place; younger adults who wanted to grow up, move here or work here; and workers who wanted to work and live here. She said changes in the housing would support that. She said there had been changes to the preliminary draft Housing Element that supported that such as legalizing second units, enabling housing in areas in the El Camino Real-Downtown Specific Plan, allowing mixed use in commercial areas, which she thought was both socially and environmentally beneficial. She said one of the key ways to reduce pollution and greenhouse gases was for people to live where they work and go to services so they do not have to drive long distances to achieve those things. She said having housing close to services and housing close to transit and workplaces helped the environment and reduces impacts on open space from urban sprawl. She said as many others in the community she opposed the use of park land for housing but other than that this update of the Housing Element was beneficial for the environment and community and hoped the Housing Element would proceed forward.

Ms. Tina Brass, Stanford Weekend Acres, said she wanted to beg the Commission to consider the impacts that the development of Rural Lane would have on the surrounding community. She said she and her husband recently moved to the area from San Francisco to raise their family. She said some of the issues they have experienced in the year since they moved here have dramatically changed their home. She said they have a modest small house on Alpine Road and the barrier between their home and Alpine Road were oleander trees. She said the traffic has gotten so loud that they cannot open their daughter's window for fresh air. She said traffic starts at 5:30 a.m. and did not end until about 7:30 p.m. She said they were working with the planning committee to build a six-foot wall to create some noise barrier as it had almost become unbearable and that her daughter sometimes could not sleep because of the noise. She said additionally they were city folks and that they had thought in coming to this area they could stroll their daughter around, be part of the community and not drive their cars. She said it was almost impossible to leave their house to get to anywhere because there were no sidewalks. She said they could not make it to Sand Hill Road without almost killing themselves. She said she runs with her daughter and calls the Sheriff's Office about big rig trucks traveling too fast and swerving and that was additionally dangerous because there were no sidewalks. She said they were not even able to go to the Dish that was only 200 feet from their home because of the dangerous traffic and road conditions. She said this has been a concern for Stanford Weekend Acres. She said living with those parameters she could not imagine what would occur if there was increased building in the community where Rural Lane is. She asked that

Rural Lane be removed from consideration. She said she believes in affordable housing and has worked with InnVision for many years but Stanford Weekend Acres' residents were asking that the City look at the right site for the right building so there would be public access for people who would live there noting there was no bus or sidewalks for Stanford Weekend Acres and Rural Lane.

Mr. John Peterson, Stanford Weekend Acres, said he agreed with Ms. Roberts and the previous speaker about removing Rural Lane from consideration. He said some development that was proposed in Stanford Weekend Acres about a year ago had driven home the fact that their zoning in the area was out of date. He said the entire community recently participated with the County in an extensive review of the zoning for that neighborhood and they made it much stricter to enforce minimum lot sizes and floor areas ratios to control the amount of building and the building density in their neighborhood. He said the concept of 30 units per acre was completely contrary to the zoning the neighborhood eventually approved and completely contradictory to what the neighborhood had proposed. He said others had noted that half of the area was in the County's jurisdiction and subject to those zoning regulations. He requested the City respect the neighborhood's wishes and keep the area as it was, and remove Rural Lane from consideration.

Ms. Rebecca Mackover Frid-Nielsen, Stanford Weekend Acres, said she also lived on Alpine Road. She said she and her family have lived at their home since 2001 and their home was one of the few homes directly next to the Creek. She said that was important because the potential for rezoning of Rural Lane and high density housing would present an additional detriment to the Creek. She said they have watched the health of the Creek decline over the years and seen an increase in illegal and hazardous activities in and along the Creek. She said their privacy was almost gone as things were currently but development of Rural Lane would have an impact on their privacy and would create an increase in other problems they were noticing such as the potential for an increase in crime and environmental impact. She said she knew there would be studies about that but they had already seen the environment decrease and decline right in front of their eyes. She said increasing the population would only bring more of the same so they were requesting Rural Lane be removed from the site list. She said also when Stanford University and Stanford Hospital were taken into consideration that those entities were growing so the number of people was increasing. She said if Rural Lane were developed they would see exponential growth in the area. She said she thought there had to be a better place to accommodate the housing. She said she would like to share a letter written by her neighbor who was not able to attend because she was ill, and to share her disapproval of the Menlo Park Planning's Commission consideration of Rural Lane as a possible site for rezoning for high density housing. She said her neighbor feels strongly that her nearby community of Stanford Weekend Acres would be severely and negatively impacted if rezoning were to be allowed. She said her neighbor, Ms. Lynn Thompson, said no to rezoning Rural Lane.

Mr. William Byron Webster, East Palo Alto, said he was the senior member on the City of East Palo Alto's Rent Stabilization Board, has served on three housing project developments, and has 25 years of experience with housing issues not only in East Palo Alto but also outside of that City. He said it was regrettable that so far he was going to be the only person advocating that the City aggressively pursue finding adequate sites to provide for the housing, particularly for affordable housing. He noted that the City's decision to engage Facebook and provide the site for its campus expansion which included a minimum of 917 low income employees as designated in the EIR that has been adopted by the Menlo Park City Council meant affordable housing was needed in the City of Menlo Park. He said he was here to speak against the implicit designation of East Palo Alto as an affordable housing dumping ground, which was what would happen if Menlo Park failed to provide adequate housing for the new employees expected through the Facebook campus expansion. He said he hoped someone who followed him would speak in favor of implementing the objective requirement to meet the City's housing needs for all members of the community especially the new employees who will be working in Menlo Park.

Chair Ferrick noted that speaker Adina Levin had spoken in favor of the Housing Element update.

Ms. Janet Davis, Stanford Weekend Acres, asked that Rural Lane be removed from the list. She said even if three houses were built on Rural Lane that she would have the same objections based primarily on safety and environmental concerns as there was absolutely no infrastructure in that area, no benefit to the City, and even Stanford didn't want what the City wanted. She said it would be no benefit to the stock of affordable housing and did not comply with a single criterion in the settlement agreement. She said the whole process denied due process to the Stanford Weekend Acres neighbors who knew nothing about it. She said the City had totally ignored its responsibilities for this area and now they wanted to use it but the City was not even keeping the streets updated. She said it would require annexation which was a long process, it did not comply with the General Plan and it certainly did not fit in with the neighborhood which was one of the requirements that needed to be met under the Housing Element. She said they have had time to do a tradeoff with the North Fair Oaks District which has a crying need for affordable housing and places to put it. She said Las Lomitas School District was vastly over capacity and the City had done no deal with Facebook to put housing near there for their low income employees. She said the whole process had a distinct odor of impropriety not limited to Mr. Bressler's participation.

Commissioner Bressler said it was his understanding that Las Lomitas School District has capacity and asked why the speaker said they do not. Ms. Davis said that there were temporary classrooms there but she did not see how more children could be fit in the site, but if they did so that they would have to ask for parcel taxes which would impact people who primarily did not live in the City of Menlo Park but in the unincorporated areas of Atherton and Ladera. She said the fact was the City of Menlo

Park has no housing program. She said it was not she and her neighbors' fault but their City Attorney and past County Counsel's.

Mr. Tom Jackson, Menlo Park, said he has built single-family homes in Menlo Park for 12 years, and had built 12 projects. He said he supported the program for secondary dwelling units, noting he had recently built such a unit on his property. He invited the Commission to visit and see what a quality secondary dwelling unit looked like. He said related to the Housing Element that secondary dwelling units were the invisible solution. He said there were a number of properties that could accommodate secondary dwelling units and the environmental impact would be almost unnoticeable. He said it also addressed a number of other things such as housing for seniors. He said aging residents often wanted to stay in their homes but they needed help. He said a secondary living unit would provide space for a live-in caretaker or assistant. He said there was also a great need for housing for single individual households and noted that many people did not want to live in apartment buildings. He said secondary dwelling units were half of the cost of regular dwelling units to construct and primarily often because the cost of the land was free. He said for about \$300 per square foot he could construct a 600 square foot, one bedroom and one bathroom unit for \$200,000, which was a high estimate. He said the unit could be rented for \$2,500 per month and that would be \$30,000 a year in income.

Mr. Phillip Bahr, Menlo Park, said he was a 22 year resident, and an architect, whose firm designs hospitals and medical offices. He said regarding solutions for housing that while he affirmed secondary dwelling units, the City might not be able to get as high of a count of housing as was wanted this time around but maybe more units the next time around. He said these secondary dwelling units afforded the opportunity for kids to be able to stay in Menlo Park and an opportunity for parents to live on the same property or as a short term place to stay. He said there was also the low income, moderate income housing needs and that his kids might fit that category. He said they needed to provide housing for people whether they worked at Stanford or the Fire District. He said he had heard several things about the amnesty program which he thought sounded great in concept. He said he would caution them as a designer and architect that these secondary dwelling units must meet fire and life safety at a basic level.

Mr. Ray Mueller, Chair of the Transportation Commission and a candidate for City Council, said he had been asked questions such as what would happen if the City pulled out of the settlement agreement. He said they questioned what ramifications there would be if the City decided to challenge the settlement agreement noting the impacts on the schools and community. He said different groups were challenging the proposed sites such as Rural Lane and Sharon Park as well as Linfield Oaks. He said if the ramifications were great that was a great response for their concerns. He said the next question was for both the Commission and staff and related to the 680 residential units planned for in the El Camino Real-Downtown Specific Plan zoning. He asked if that was a fixed number and what would happen if those numbers disappeared into commercial use, and whether the Housing Element would have to be adjusted.

Ms. Marianne Ault-Riche, Stanford Weekend Acres, said she wanted to add her voice to the others in asking that Rural Lane not be considered as a potential site for density housing. She said she bought her home there in 2004, a 720 square foot house with no heating, for her and two teenagers, and paid a lot of money for it because it was in a rural neighborhood. She said the area has changed greatly just since 2004. She said someone had mentioned the traffic. She said it didn't bother her because she gets up at 5 a.m. but she hears it and it was very hard to get out of the neighborhood onto Alpine Road.

Mr. Rick Voreck, Stanford Weekend Acres, said he has lived there since 1995. He said he lives about one and a half miles from Rural Lane. He said he has been very active in maintaining the character of Stanford Weekend Acres which was being assaulted from all directions. He said it would be a huge mistake in the wrong direction to try to put density housing in what was left of a rural neighborhood. He said he wanted to second Ms. Roberts and Ms. Davis' comments to remove the Rural Lane lot from this Housing Element as a possible high density housing site. He said as they have heard the traffic was already very bad on Alpine Road and was likely to get much worse especially if there were a bunch of new housing units. He said there had just been another bicycle accident a couple of days ago very close to the entrance of that site. He said his objections were the degradation of the character of the neighborhood, the traffic, the safety and the constrained resources that could be much further taxed by putting high density housing there.

Mr. Arshan Arshi said Alpine Road was very crowded, very dangerous and has a lot of accidents. He said yesterday there was another accident. He said whenever he drives out of Stowe Lane to reach the road he has to wait 15 to 20 minutes to get on the road and a half hour in the morning. He said it was dangerous to add the Rural Lane plan.

Ms. Andrea Felsovanyu, Stanford Weekend Acres, said she was speaking for herself and her parents, who also live in Stanford Weekend Acres. She said her parents were 98 and 89 years and could not attend but she would share their voices. She said they all objected to putting high density housing into a rural area with such incredible dangerous traffic and crowding. She said this appeared to her to be an easy out for a difficult situation and it merited more study. She said it was completely the wrong place to put high density housing. She said that part of Menlo Park was probably the least accessible without any type of public transport and any public transport or other transport would add significantly to the problems there already. She said the area was small and there was nowhere to expand the road and it just didn't make sense aside from all the other school problems which she didn't know much about in detail but she thought it was a really bad idea.

Chair Ferrick closed the public comment period.

Commission Questions and Comments: Commissioner Riggs said the Below Market Rate (BMR) Housing Program was a significant part of the draft Housing Element. He said there was a time when BMR units had to match other units in the development under which built. He said under the proposal in the preliminary draft Housing Element that a five-unit development would have to have a BMR unit. He said the BMR unit was to match in materials and quality and asked to what degree that had changed, and what the current guideline was. Development Services Manager Murphy said he believed that as written, there would be no proposed changes to the BMR program. He said that was something the City had discussed multiple times on various projects. He said if the Commission thought that should be revisited it would be best in the form of a more specific implementation program than what was currently in the draft for BMR guidelines. He said the policy direction was embedded in the guidelines for the BMR program. He said if the Commission thought that was something important to revisit then the implementation program would not necessarily impact the number of units to be rezoned. Commissioner Riggs said he thought it would have significant impact on the actual realization of units. He said the Downtown Specific Plan was referenced but he did not see whether the areas of the Downtown Specific Plan were open for rezoning regardless of how old the Downtown Specific Plan was. He asked if it was presumed to be excluded. He asked if any of the sites in the area around the 1100/1200 block of El Camino Real were intended for increased housing. He said he thought the closest site to El Camino Real was site 4.

Development Services Manager Murphy said none of the sites which would need to be rezoned potentially were within the area of the Specific Plan. He pointed to the graphic on the screen of the proposed sites and said the area in blue was the Specific Plan boundaries. He said this summer they identified three sites, which he thought were 1300 El Camino Real, the Derry site and 550 El Camino Real. He said those were all within the Specific Plan which then became Appendix A of the Housing Element, the available land inventory. He said Table #2 listed nearly 50 different parcels to demonstrate that the Specific Plan has adequate minimum densities, and could accommodate the 680 units called for in the Plan. He said the actual number of units for all the parcels listed in Table #2 was 852. He said that was not accounting for every parcel within the Specific Plan boundaries and those listed were considered the more opportunity sites. He said where the housing that might occur in the Plan area were to exceed the cap of 680 units that would require an amendment of the Plan and the EIR. He said one of the policy directions they have been pursuing was to not revisit the Plan that was recently adopted after a five year process. He said the only exception was the concept of the affordable housing overlay district, which would be a zoning tool on top of the Plan that would work as a mechanism to allow the public benefit densities between the base densities and the higher public benefit densities to be pursued by projects that would provide affordable housing in excess of the minimum requirements to have a more streamlined process than the more open ended public benefit negotiation through a development agreement. Commissioner Riggs said that the cap of 680 units had not changed. Development Services Manager Murphy said even the affordable housing overlay would not impact the cap.

Commissioner Riggs said there was a reference to the area surrounding the Specific Plan and asked if that would include Menlo Avenue, Oak Grove Avenue, Roble Avenue and Live Oak Avenue, and if those areas were counted as part of this Plan.

Development Services Manager Murphy said a composite map on page 93 of the preliminary draft Housing Element showed the Specific Plan boundaries which included the areas Commissioner Riggs had named. Commissioner Riggs asked if it was possible to get the number of potential units in areas for rezoning. Development Services Manager Murphy said there was information on page 89 regarding new housing on in-fill sites and that there was a total of 70 units, 50 for moderate income and 20 for above moderate income, for which they hoped credit would be given. He said the actual development potential they saw was greater than that but because it would require rezoning to increase the density to 30 units per acres (which was comparable to what existed in the '70s) that would also require redevelopment and they did not think they would get full credit for the redevelopment potential. He said the actual development estimate was closer to 138 units. He said that was shown in Table #3 of Appendix A.

Commissioner Eiref said there were numerous comments made about Rural Lane. He asked if the Commission was being asked to make value judgments about this particular location as he thought this was being done by the Housing Element Steering Committee.

Chair Ferrick said the Commission could make recommendations but there would also be further study on any and all sites. She said even if Site 3 remained on the list to be studied that did not mean it would stay beyond the Housing Element update. She said even beyond that it would be incumbent upon the property owner to act and actually propose a project. Commissioner Eiref said he was sympathetic to some of the comments made so he wanted to be clear about that.

Commissioner Eiref said he was a little confused as to why they went through a five year process and agreed to new zoning in the Specific Plan but would not consider an amendment or addendum to it. He said he was specifically thinking of the discussions they had about housing on top of the parking lot structures, which he thought would be one of the best locations to put housing as it would be close to the center of town and transportation. He asked whether that was something to be revisited. Development Services Manager Murphy said if the Planning Commission felt strongly that this should be revisited it could be subject to City Council agreeing with that recommendation. He said there was the matter of the time frame for making some of those changes and long-term opportunities versus short-term opportunities. He said there were some very discrete policy choices made especially around housing associated with the parking plazas where there was a conscious decision to remove that from the Plan. He noted the Plan was approved in June and the settlement agreement in May. He said the Council had a good sense of the housing needs when they approved the Plan but it was something that could be revisited. Commissioner Eiref said he thought the downtown

areas was the best place to emphasize affordable housing and housing for workers and people who wanted to be close to services. He said that parcels could be rezoned but asked if there was any coupling with how they ended up being used. He noted he was sympathetic to the need for housing for older and younger people. He asked if they rezoned to 30 units per parcel what would prevent a developer from developing a high end 30 unit complex. Development Services Manager Murphy said one tool that was being discussed was the affordable housing overlay and for whatever properties that would apply to, the increase in density could only be achieved if the developer agreed to provide affordable housing. He said they also needed to be thoughtful about how they applied the various zoning as just an increase in density would not guarantee affordability. He said if there were specific areas of the City or specific types of housing the Commission would like to see, and if it would only be effective to increase the density to provide for affordable housing then that was feedback needed so they could work on the tools to create that likelihood.

Commissioner Eiref said 30 units per acre was the state's requirement regardless of the context of the surrounding areas and asked if he had read that correctly. Development Services Manager Murphy said there was a difference between what the City's obligations were for planning and zoning and what the City's obligations were later after something was built. He said there was correlation between density and affordability for the planning process but in the future when they reported on what actually happened, the City would only get credit for affordable housing development, for the most part, if there was some sort of income restriction associated with it. He said if they increased the zoning to 30 units per acre and what was built was not affordable housing, then the City would get credit for the potentially high market rate housing, which could meet one of the categories, but would not meet the affordable housing category requirement.

Commissioner Bressler asked what the settlement agreement required the City to do that was beyond state law. Development Services Manager Murphy said for the most part a lot of it was equivalent to state law but it would not really be a settlement agreement if all Menlo Park was doing was complying with state law. He said there was language that 35% of the acreage to be rezoned had to be either within the priority development area coterminous with the Specific Plan boundary with a half mile buffer that was above and beyond state law. He said there were terms regarding the City's BMR Housing Fund and making sure the City advertises the availability of those funds. He said the concept of the affordable housing overlay was also beyond and above state law. Commissioner Bressler asked what would happen if the City backed out of the settlement agreement. He said his understanding was the City would fall back under the purview of state law. Development Services Manager Murphy said the benefit of the settlement agreement was the City negotiated more time to actually update the Housing Element from 160 days to 240 days. He said if the settlement agreement were to go away the City would have less time to finish. Commissioner Bressler asked if the 35% was land area or housing units. Development Services Manager Murphy said it was acreage. Commissioner Bressler said that was above and beyond anything that was

already zoned as residential and not just in the Specific Plan. Development Services Manager Murphy said their reading was that included the Specific Plan.

Commissioner Bressler said there were sites on the list where the person who owned the land might have no interest in redeveloping. He asked if their property was rezoned would that take away their right to do what they wanted to do with the land within current zoning. Development Services Manager Murphy said it was one of the City's underlying powers to have the ability to zone for land as long as the City did not eliminate the value of the land. He said it was in everybody's best interest to find the match between areas of rezoning and interested property owners, which was why they were trying to study more sites than they actually thought they would have to rezone. He said he was hopeful by the end of the process they would have matches with interested property owners and properties to be rezoned.

Commissioner Bressler said there was discussion about making second dwelling units legal and asked if that was done citywide whether that would count as most or all of the housing need noting that virtually every parcel in the City had the ability to add a secondary dwelling unit. Mr. Baird said under state law part of the evaluation of the success of the secondary dwelling unit was based on the track record of the City. He said in the last 10 years there had been eight units built and that would be a factor in evaluating any second dwelling unit program. He said the changes being considered might induce additional units but they could not just state there were 1,200 properties that could have second units and satisfy the housing need. Commissioner Bressler said past records would not equal future results if rules were changed. Mr. Baird said he thought they could push the number with however far they wanted to go with second units or any of the other programs.

Commissioner Bressler asked if they were actually counting people validly and asked if that matters, and how the numbers were derived. Mr. Baird said they relied heavily on the 2010 census for household size, car ownership and other information. Chair Ferrick said a unit has to have a kitchen. Commissioner Bressler asked if they were counting units or people. He said if the issue was whether they really supply housing, then the question was how many people were using that housing in the particular environment. He asked if it was a unit or population. Mr. Baird said they were doing both – part of housing need was looking at population, household income and affordability.

Commissioner Bressler said he has asked about ABAG's process of determining housing needs and every time he asked about it he did not get a straight answer. He said he did not think anyone here or on the Commission understood it. He said they hear about housing, jobs and balance and the question was how to provide housing for people who work in the area. He asked if people were already making do and finding housing to balance out their needs how was that determined. He said he hears that we have to make sure that everyone has their own place and the ratio of kitchens to people was at a certain ratio. He said it was not clear to him what they were trying to balance.

Development Services Manager Murphy said Commissioner Bressler was mentioning a number of different things and some of them were important for Menlo Park and how they planned for things. He said some of them were not specifically tied to the obligation to meet certain unit numbers for the Regional Housing Needs Allocation. He said there were multiple layers and it was very complex. He said there was a certain number of units the City needed to plan for but also the City would probably want to also spend time on housing issues. He said the tables and numbers were driven by the number of units. He said in terms of impact analysis that was driven by how many people were living in those units, which was dependent on housing size and which was independent of market forces and what individual people do to find housing. He said their basic mandate was to plan for units. Commissioner Bressler said the consultant should help the City meet the state requirement with the least amount of pain and disruption and difficulty to their school districts and the rest. He said they needed to be really clear about how to satisfy the requirements and whether that was the number of housing units or to demonstrate they could meet housing needs because of the configuration. He said that was not in the report, and he wanted to know the requirements and what would get state certification.

Commissioner Riggs asked if the Chair could provide clarity for Commissioner Bressler's questions. Chair Ferrick stated that there was a number of housing units the City needed to satisfy. She said they have gone through this process with a great amount of help from the consultant. She said that process was getting them to where they needed to be. She said the toughest part was finding appropriate sites that would be a good match for the property owners and the need to plan or zone for this housing. She said it was the number of housing units. Commissioner Bressler said he was trying to use common sense and find a way to satisfy the state and not impact their school district.

Commissioner Kadvany confirmed with staff that the Haven site was part of the Redwood City School District. He asked if all of the other sites were part of the Menlo Park School District. Development Services Manager Murphy said the Bohannon post office site was also Redwood City School District. Commissioner Kadvany asked if there had been feedback from the Redwood City School District. Development Services Manager Murphy said staff had tried multiple times to connect with that District's superintendent but with no response back yet. Commissioner Kadvany said there was considerable development of lots where structures were demolished and new homes built with large basements. He asked if those basements were counted or could be counted as secondary dwelling units. Development Services Manager Murphy said most of the basements in a single-family dwelling unit did not meet the standards for a secondary dwelling unit. He said if the City pursued easier processes and incentives for secondary dwelling units then basements were types of things that could more easily count as secondary dwelling units in the future. He said for the larger homes being developed the basement maximum size was currently capped at 640 square feet or 5% of the lot square footage. He said that could possibly be increased. He said also communicating to the community that if the design was adjusted a little bit to make the

basement an independent living unit that would assist the City in meeting housing needs if this avenue were taken. He said another difficulty associated with secondary dwelling units was the prohibition of parking in a required side yard.

Commissioner Kadvany said it was stated there were limited land resources but there was a lot of empty land and a lot of suburbanized land mainly in west Menlo Park. He asked about other cities in California facing similar challenges basically because cities were built out in a more suburbanized way and now were being asked to create denser patterns. Mr. Baird said Marin County was very comparable with high land prices and densification against a pattern that was more suburbanized. He said there were units to be provided and there was a land use viewpoint but it was also important to consider what residents wanted the community to look like in terms of the type of housing provided, and what those housing needs were. He said one did not determine the other but it was important to examine both issues. He said in terms of the RHNA the goal was to maintain the current diversity of housing and create housing opportunities. .

Commissioner Kadvany said that density, height, parking, and setbacks were some of the dimensions mentioned in terms of adjusting zoning criteria, but floor area ratio (FAR) had not been mentioned. Development Services Manager Murphy said for secondary dwelling units that there had been no discussion about increasing floor area limit (FAL). He said for other zoning districts that the R-3 district would need to be changed in terms of the area around the downtown, and FAR would need to be examined and perhaps increased but not necessarily with the intent of building all larger units but also to provide smaller units appropriate for senior housing needs.

Commissioner Kadvany asked if they could get the Housing Element certified successfully with the proposed rezoning but without doing the rezoning. Development Services Manager Murphy said there was need for the City to rezone either when the Housing Element was adopted and no later than 60 days after adoption. Commissioner Kadvany asked if they were meeting the housing needs for the two planning cycles with this draft document, and if removing sites such as Rural Lane created the risk of not meeting the numbers. Development Services Manager Murphy said it was very complex and there were no simple answers and directed attention to a table on page 7 of the document and page 23 of the presentation which distilled what was actually built in the previous planning period and the carryover of unmet housing needs to the housing needs of the existing planning period of 2007 to 2014 in the different categories. He said there were specific things they were looking to change such as zoning, in-fill housing, second dwelling units, amnesty program and mixed use which then would lead to the determination of where it was deficient and where rezoning was needed. He said the table was subject to the review of the State Department of Housing-Community Development and they would be proposing the need to at least rezone for 439 new units. He said based off the different income categories and sites that need to be rezoned to 30 units or more per acre and the need for 500 units at high density and 150 units at medium density would provide a buffer which was part of the strategy to cushion and present this package for overall certification with as minimal

impact as possible. He said there were 1,169 potential sites and the concept was to study those and determine the best sites and provide the City choices of which ones to rezone in March 2013. He said if the City whittled the list down now and did not study certain things then the City would have no flexibility if there was opposition to the proposed Housing Element. He said if they reduced the list to 650 units there was not much purpose in studying things so the strategy was to have a manageable list that would be studied to get good information and then to have the City Council make an open decision on which sites were actually rezoned. He said they had been very aggressive in digging deeply to determine what was available under existing zoning and work has continued on that over the past month. He said that was not definite yet and the 1,169 sites provided a buffer so if the state found the Housing Element as drafted to be unacceptable there were some options. He said that was why they believed the number of sites to be studied was the appropriate number.

Commissioner Kadvany asked if the list was at a point to be deemed credible from the state's perspective, noting that some sites were definitely stronger than others. Development Services Manager Murphy said sites 1, 2 and 3 would all require annexation within the planning period 2007 to 2014. He said with the 439 units needed as shown on the table on page 7 that these parcels requiring annexation were considered buffer.

Commissioner Onken said there were some sites such as site 8 that were commercial. He said at that site there was an office building that had just been completed, and the proposal was to possibly rezone the site to 30 residential units per acre. He asked how that conflicted with other policies in terms of loss of employment and loss of commercial space, or whether all those considerations were being overridden. Development Services Manager Murphy said the reference being made related to site 6 and that the questions asked by Commissioner Onken were exactly those the City had to balance in identifying what were the best sites for housing and best sites for revenue potential.

Commissioner Onken said related to the "preservation of residential units" on page H2.2 that if there was the opportunity to subdivide some of the larger residential units and owners were keen to do so that would generate more units than putting on second units. He said he expected there were a lot of larger sites that could be at the owner's discretion that could provide units by subdividing the existing larger residential units, which could be encouraged by keeping the tax base at a certain level for the property owner.

Development Services Manager Murphy said the matter of what that development potential was included looking at such things as minimum lot size, issues for panhandle lots, and lot width and depth among others. He said it was something that could be looked into if that was the Commission's direction.

Commissioner Onken said on 4J, 4-1 there was mention to possibly relax existing fire code restrictions, and asked if there were specific fire code issues that were being

reviewed. Development Services Manager Murphy said the Fire District had expressed an interest in working with the City on possible amendment to local fire code on a number of levels. He said that working together there would be a more straight forward process related to requirements for sprinklers and roadway widths for example. Chair Ferrick noted other examples such as setbacks and providing ingress and egress as well as plumbing and electrical issues.

Chair Ferrick said she had started a list of items to revisit to make some recommendations or not to the Council. She said they could vote on whether to pass a particular recommendation along and that would indicate the level of Commissioner support for each recommendation. She said one recommendation from the Housing Element Steering Committee was that the number beyond the Downtown Plan number that was in the Menlo Park City School District should be designated for senior housing or small unit workforce housing to greatly minimize the impact on that school district. She said Commissioner Eiref had requested that the Commission consider site 3 or Rural Lane. She noted additionally there was the overlaying of density into the Downtown Plan area and the discussion on second dwelling units and ways to attract granny units as suggested by Commissioner Onken by keeping the tax base the same.

Commissioner Riggs said the document was impressive and reflected a lot of work and thought. He said one of his comments related to the readability of the document for those who were not planners or planning commissioners. He referred to the table on page 7 and said communication with the heavily interested but less trained reader might be improved if there was a format change in that table. He said he had asked if the Downtown Specific Plan had been set aside from this effort, but wanted to understand why staff was hesitant to revisit some of those issues. He said that perhaps they would end up doing that in the next Housing Element planning cycle. He said comments on senior housing had been made by staff and at least one speaker. He noted that senior housing was a category of federal funding, and for that funding, the entire housing complex had to be dedicated to seniors. He said the seniors he had spoken with wanted to continue living in a mix with others. He said he hoped the Housing Element when it spoke of the realization of what they would zone would acknowledge the fact that federal funding could not be counted upon if they were going to try to serve the actual users. He said at least two public speakers had noted that senior housing was the trend in the mid-peninsula. He said he thought the City's Below Market Rate program was counterproductive. He said the City follows a guideline that many other jurisdictions used which was when you build five \$1,000,000 condominiums that one of those was for lower income people, and that it should match exactly the other units so as not to make it apparent it was owned by people with a lower income. He said the heart was in the right place but the logic was faulty. He said professional couples in San Francisco making \$100,000 a year each happily live there in a 600 square foot apartment with three flights of stairs and that was reality. He said trying to make housing match what your neighbor has was not logical and was counterproductive. He said suppose a builder builds five \$1,000,000 purchase price condos and suppose each costs \$500,000 to construct (not counting the land). He said if one was sold at

\$200,000 then the other \$300,000 needed by the builder to cover costs would have to be added to the price of the other units which raised the cost of housing in Menlo Park. He said they should reexamine the City's BMR rules and that had to be an integral part of a Housing Element when it came to the zoning portion. He said he did not see the value of keeping three other projects waiting to expedite an affordable housing project as it seemed a better goal to reconsider the wait in line for all reconsidered. He said that projects take three months at a minimum to get to the Planning Commission was a difficult aspect for developers. He said that there were similar issues with the Building Division, all for good reasons. He said he did not think expediting solved the underwriting problem.

Commissioner Riggs said second units seemed a very important opportunity and he agreed with Commissioner Bressler that the opportunities for that were potentially huge in Menlo Park. He said as an example that the majority of the properties in the Willows have FAR remaining and that probably quite a few would like to have an income property such as Mr. Jackson described. He said this would fill a middle income role that was much needed. He said for the 389 El Camino Real project that he did not recall anything built to rent there that would be under \$3,000 a month. He said that a 650 square foot dwelling unit behind someone else's home for \$2,000 to \$3,000 a month rent did not solve the need for very low and low income housing that was part of the settlement agreement. He said a hard look was needed of parking, setbacks, and even perhaps plate or building height. He said if they were going to provide units for low and very low income and did not want them all clustered in one place, that the construction of multi-family units at over \$200 per square foot was not going to produce housing that would rent for \$1,000 a month. He said there were a number of homeowners throughout Menlo Park who would like to convert an accessory building, such as a garage, to a secondary dwelling unit. He said it would not affect the parking in the neighborhood to convert that garage except for the additional resident. He said as currently zoned and regulated that it would clearly be nonconforming parking and the location of the garage would most likely be in conflict with rear and side setback requirements; it probably would not have an R30 roof, a three-foot wide space for the toilet, three circuits in the kitchen, 18-inches clear from the door handles but it could not have those things if the rent was under \$1,000 a month. He said he had made a modest proposal of guidelines the City might use in approving amnesty of such a space looking toward what are the highest priorities for the community which were sanitary lines, gas lines and electrical and for the occupant, door and window security. He said a garage full of cardboard boxes and auto parts was no less of a fire hazard than a 200, 300, or 400 square foot living unit.

Commissioner Riggs said the City wanted to encourage development using the bonus density included in the Downtown Specific Plan and might consider using that in other areas under an overlay. He said those bonuses were keyed on public benefit in return for the extra square footage or count of dwelling units. He said public benefit was a fantastic concept and about a year ago, Commissioner Bressler, he and others were very concerned about an outline for the public benefit process. He said residents were

concerned about what public benefit entailed, and whether the benefit request should be much higher because the applicant was perceived as wealth or successful. He said lacking guidelines that neither the public nor the applicant had certainty about what a public benefit was and that the Housing Element was one more reason to provide those guidelines.

Commissioner Kadvany said he was highly impressed by the Housing Element work done. He said there were a number of policy recommendations and those were potentially a powerful tool kit. He said ones he was particularly interested in and which he would encourage the City pursue included H4A related to modifying development standards to encourage infill housing, consider various density standards, reduce parking standards for seniors and affordable housing, modify R4 zoning, or flexible parking standards. He also noted H4B to modify R2 zoning to maximize unit potential. He said those recommendations were sending powerful messages to the community that the City has much zoning in place that impeded development and made bad use of the sites, land and acreage. He said referring to the question from Commissioner Onken as to the Fire District's involvement with the Housing Element update that under state law when more than three units were proposed for a site this triggered greater requirements for large fire trucks to come onto the site and access to the rear units and other things. He said people felt these requirements were out of place in Menlo Park and those requirements combined with parking requirements and circulation on site consumed a great deal of land. He said he was in favor of looking at these things broadly and not just as applying to the areas addressed in the Housing Element but potentially in the City as a whole. He said in the document (and it was also said at a workshop he attended) it was stated that the City as a community should look at this Housing Element update as a mechanism to start big picture planning in a very efficient way for the City. He said this update was a great opportunity for the City to revisit its housing goals. He said the H4A, H4B, and H4J programs recommended were good and broad, and could be extended as a starting point for discussions. He said the City has a lot of land but a history of highly suburbanized areas. He said on page 95 there was a summary of the City's zoning and showed how inimical it was to multi-family housing. He said he strongly favored using this Housing Element update as a springboard to more broadly consider housing needs in the City, and perhaps by the time of the next planning cycle for RHNA, they could consider rejuvenating the great stock of suburban housing and not exactly as it was. He said there was context about streamlining the development and approval process that most people supported but he did not think the housing goals should compromise good sensible design standards. He said he viewed second dwelling units as a middling solution. He said there were other things such as design standards and zoning that he thought should have some greater priority of consideration but that everything listed should be pursued.

Commissioner Bressler said the City should consider mixed use noting the draft Housing Element had no mitigations for impact. He said one of the things to mitigate impacts for high density sites was to have a retail component that would provide local services so people were not driving all over town.

Chair Ferrick asked if he meant moving that forward on all the identified sites. Commissioner Bressler said it would have to be discretionary but they should consider it. He said it should be a priority to not damage school districts and he had talked about the senior housing approach to that. He said in choosing the site there should be consideration of impacts to school districts. He said La Entrada School District has capacity and Ravenswood School District was underutilized, and provided a benefit for people to move there that wanted to be part of the Menlo Park community. He said if they were not prepared to figure out where new residents should go then it was not a good idea to put them into the Menlo Park School District. He said this should be a priority. He said also they should not destroy existing community serving businesses. He said there were sites listed that have community serving businesses and it was proposed to put housing zoning there. He said he was heartened to hear support for looking deeper for housing solutions without necessarily doing high density housing and also to give homeowners discretion to participate and benefit in this. He said he was disappointed it had not happened already and he wondered if it could be included in this go around and do now rather than start the process in two to three years.

Chair Ferrick asked him about not destroying community serving businesses for housing and asked if there were specific sites he noted. Commissioner Bressler said the one adjacent to Burgess Drive. Chair Ferrick said site 5 was on Burgess Drive and there were professional businesses there currently. Commissioner Bressler said there was a dentist there and other services which provided people an opportunity in the community go there instead of driving somewhere else. Commissioner Riggs asked if he would support mixed use there so both could exist. Commissioner Bressler said that they were talking about disrupting something that was already there. He said he certainly thought mixed use applied to sites when density was added.

Commissioner Eiref asked if they could explicitly say as a recommendation that the majority of high density development should focus on architectural designs in favor of senior citizens and young people coming into the workforce. He said he would like to hear from young employees how it was now to find housing in Menlo Park. He said if it was possible he would like the benefit for high density to be associated with building designs specifically for certain segments of the population. He said as this would be ongoing for future planning cycles he would like to see ways to get feedback on potential solutions. He said the discussion about second units and granny units was interesting but thought it was unknown if people even wanted that. He suggested distributing a survey to determine interest.

Chair Ferrick said some thought had been given to maximizing the size of the second/granny unit potential in the 2014 go around. She said the reason was because of all of the unanswered questions and that it was hard to creditably tell the state at this point how many of those units the City would be able to get. She said that was why they wanted to get some background and set up an amnesty program that made sense.

Commissioner Eiref asked when the City would address the next update. Development Services Manager Murphy said in 2013 for the cycle beginning 2014. Chair Ferrick noted the City was trying to update two planning cycles for this Housing Element.

Commissioner Onken asked if they were taking comments or looking to make recommendations. Chair Ferrick suggested that since the topics highlighted had been discussed that if there were recommendations to move forward that they should do so by motion. Commissioner Onken asked what staff needed from the Commission so this draft Housing Element could be submitted to the state by October 31, 2012. Chair Ferrick said the Planning Commission recommendations would go to the City Council and that body would inform the draft document to be sent to the state by October 31.

Commissioner Onken indicated it was important to get the document to the state and not nitpick it, noting that it proposed a wide variety of things, some good and some not. He said when it was returned from the state with comments that would be the opportune time to remove undesirable components from the community's perspective that had been rejected by the state. Chair Ferrick said she agreed in terms of shrinking down the number of sites to study. She said it was really valuable to get input on some of the most important programs and priorities. She said if for example they decide that the affordable housing overlay and density downtown was really the way to make this happen with the least impact or clarify the density bonus for property owners, these recommendations could be really valuable.

Commissioner O'Malley said the draft Housing Element was adequate to recommend moving on to Council, and he had no problems dealing with the issues raised with advice to Council to take those into consideration. He said he wanted to comment on the secondary dwelling units. He said the Steering Committee had discussed this over the span of many weeks and there was not data sufficient to answer people's questions of how many units there were and how many were legal or not. He said they could not get that information within the time span they had to work on this. He said if they looked at second units listed that those were conservative numbers. He said he expected from what he was hearing tonight that those numbers could increase significantly but that information was not currently available. He said it was unknown how many second units could potentially be built at this stage and a study had to be done. He said he agreed with Commissioner Eiref that this was a study for the future and that potentially the number of second units could increase. He said also it would be helpful during this process to define what a public benefit was. He said it was not part of this Housing Element but it could be a recommendation to Council to take under consideration. He said the Commission had recommended that before but there was no answer as yet. He said related to young professionals that he did not know whether they could legally designate units to be built for the use of a certain segment of the population at the exclusion of other people. He said he has heard that having seniors in a particular area would lower the number of children going into that school area. He said if those seniors were moving out of single-family residences in the City and those were taken by families with children that this might not solve the impacts on the school district.

Commissioner Eiref said he thought if Facebook employees were polled they would find that many were single or did not plan to have a family for at least 10 years and would be happy to have a single bedroom unit, which was what they were talking about in target demographic. He said structures could be designed that were not attractive for families with children. Commissioner O'Malley said he did not think it was legal to prohibit tenants with children. Commissioner Eiref said he did not either but thought there could be design guidelines that favored single occupancy. Chair Ferrick said it was called workforce housing and could not exclude families with children but was designed to attract a certain demographic of individuals in whatever stage of life. She said the only kind of housing that could be designated was senior housing.

Chair Ferrick said Commissioner Eiref questioned and so did many of the speakers why Rural Lane was still on the list to be studied for rezoning. She presented Stanford's (property owner) comments on Rural Lane, site 3: "...they had several concerns with medium density housing first as indicated by the comments from the public thus far on the City's housing site list and concerns about developing this site more. Traffic would need to be carefully studied for any future development and additionally there were a number of mature trees that could affect the feasibility of developing it at a density of 12 units per acre, therefore Stanford might want to develop the site for faculty and staff housing but which would likely be at a density lower than 12 units per acres. While Stanford was not ruling out housing on this site the density in the preliminary draft Housing Element was likely too high."

Chair Ferrick asked if the site were zoned at medium density what would be required in terms of density if Stanford decided to build housing there. Development Services Manager Murphy said first there would be a determination of what would be studied and how those sites studied would be zoned. He said in some of the literature for the Housing Element there was discussion about building to the minimum density to equate to the range of density being contemplated. He said Rural Lane might be a site where that might not be the best thing but if it was ever rezoned it should be with clarity as to what the intent was. He said if rezoned from R-1-S to R-1-U then the intent was that it be developed to R-1-U standards and not R-1-S standards. He said this was a specific site that would be looked at very closely.

Chair Ferrick said the property owner had concerns with zoning the property to medium density, numerous speakers and neighbors had expressed their concerns, and it seemed to her that development in Palo Alto and Stanford itself has greatly impacted through traffic in Menlo Park already. She said she would not want to personally remove it from the study as the landowner did not want to exclude housing there but she did not view it as a medium or high density potential.

Commissioner O'Malley said there were strong arguments against density housing in that area from neighbors. He said that he daily drives through that area and tries to avoid the rush hour. He said there was danger associated with making a left hand turn

off Alpine Road going west and with making a right hand turn off Alpine Road going east. He said when the draft Housing Element came back from the state that probably a number of the sites that would be proposed to be rezoned would be challenged and he expected logic to prevail. He said he was not concerned with the inclusion of the site on the list forwarded to Council and then to the State for now, but he wanted the neighbors to know he understood their concerns and when there was an opportunity to evaluate the particular sites he would give his sincere evaluation of that site.

Chair Ferrick said it seemed they would keep the site on for study but they had definitely heard the concerns of the neighbors and the Green Foothills Committee. She said perhaps the recommendation was to consider neighbors' concerns and the property owner's development wishes.

Chair Ferrick moved and Commissioner O'Malley seconded to leave Rural Lane on the site list but to recommend to Council to consider carefully the traffic concerns, the environmental impacts, and the landowner intentions with that site.

Commissioner Riggs suggested that the recommendation could also be no minimum density required on the site but also to tie development of the space to improvements of Alpine Road such as cup hook traffic lights for turns or a small pedestrian tunnel under it. He suggested that density be tied to improvements of Alpine Road for which Menlo Park could consider contribution.

Chair Ferrick suggested voting on the motion on the table and then Commissioner Riggs' recommendation as that might be desirable for other sites.

Commission Action: M/S Ferrick/O'Malley to leave site 3, Rural Lane, on the site list but to recommend to Council to consider carefully the traffic concerns, the environmental impacts, and the landowner intentions with that site.

Motion carried 6-0-1 with Commissioner Onken abstaining.

Commissioner Riggs moved to recommend avoiding a minimum density zoning concept if in conflict with the landowner. Chair Ferrick seconded the motion. Commissioner Bressler asked if that applied to all sites or just Rural Lane. Commissioner Riggs said it would apply to all infill sites but suggested checking with staff to see if it had any unintended consequences. Commissioner Kadvany asked if they knew enough about this affordable housing overlay to know how factors would interact. Chair Ferrick said this might be something that needed to be layered in the next time as it was a more finished policy. Commissioner Riggs asked if there was an unintended consequence of consulting with a landowner before establishing zoning.

Development Services Manager Murphy said there was a big difference between the 15 sites and every parcel in the City. He said the whole issue of minimum density for the downtown was not that they would zone a minimum density and landowners would

need to demolish and build to but this was a middle ground and might include a variable density or for the FAR to be tied to the density so he would prefer that it be kept broader. Chair Ferrick suggested making it specific just to Rural Lane.

Commission Action: M/S Riggs/Ferrick to recommend to Council to not set minimum density requirements for Rural Lane.

Motion carried 4-1-2 with Commissioner Bressler opposed, and Commissioners Eiref and O'Malley abstaining.

Commissioner Riggs said he was concerned because of the number of neighbors of Rural Lane that had appeared to express their concerns, that the landowner had made the same points, and the fact that part of the parcel was not the City's to zone. He noted it was fairly unusual that the residents of Weekend Acres went to the County and down zoned their properties. He said he was uncomfortable leaving the topic without suggesting that any significant increase in density be tied to roadway improvements. He said it might be too early to discuss who would pay for that and what would trigger. He moved to recommend to Council that any significant increase in density on Rural Lane be tied to a requirement for Alpine Road improvements. Chair Ferrick suggested amending the motion to make a recommendation to Council to look at tying Alpine Road improvements to development on Rural Lane.

Commission Action: M/S Riggs/Bressler to recommend to Council to look at tying Alpine Road improvements to development on Rural Lane.

Motion carried 6-0-1 with Commissioner Eiref abstaining.

Commissioner Kadvany said there were a number of things to look at such as the policies to pursue, sites, information gaps, and much more than the Commission had the resources to do, and asked what was the one thing to inform where resources should be put in the near term. He said that his recommendations were working on the parking, the Fire District, zoning requirements and the bias against multi-family zoning. He said he was responding to section C on page 95 related to constraints to development, and he was suggesting that they look at that more broadly and if not right away, at some point.

Mr. Baird said their approach to remove constraints included the rezoning of sites, encouraging multi-family at higher densities in the downtown, and the affordable housing overlay zone. He said the Commission's support of the affordable housing overlay zone as an important tool would be one direction, and secondly, like an infill strategy, to look at other locations where the overlay strategy could apply in the next round of the Housing Element.

Chair Ferrick moved to support the affordable housing overlay in the zone on El Camino Real as that was an important mechanism and would add clarity to the public benefit threshold which was something missed in the Specific Plan. Commissioner Kadvany said he would like to call out attention to policies H4A, H4B, H4J, and Section C on pages 49, 50 and 54 of the staff report. Chair Ferrick said H4A was to modify development standards to encourage infill housing, density standards, parking reduction, modify R4 zoning, and flexible parking strategies. She said H4B was to maximize unit potential. She suggested their recommendation might be to support the affordable housing overlay in the Specific Zone and really highlight these policies' implementations. Commissioner Kadvany said there was also the table on page 95 that showed how restrictive the City was for multi-family housing.

Commission Action: M/S Ferrick/Riggs to make a recommendation to support the affordable housing overlay in the Downtown-El Camino Real Specific Plan.

Motion carried 7-0.

Commissioner Kadvany moved to recommend to Council to use policies H4A, H4B, H4J, and the information on page 95 in the table as helpful in meeting requirements for the next cycle of housing need planning. Commissioner Onken seconded the motion. Commissioner Riggs noted that H4I addressed removing constraints from development and if Commissioner Kadvany wanted to include that. Commissioner Kadvany said that would be fine.

Commissioner Onken said the City did not have supplementary housing guidance as part of the zoning code and that the Housing Element would become that in lieu of actually developing those guidelines. Commissioner Riggs said the City has that guidance and zoning only in broad base terms such as size and setbacks. Commissioner Onken said the City did not have guidelines for things such as neighborhood character. He said that it appeared for the next generation of zoning that in lieu of writing supplementary housing guidance the City would use the Housing Element and as a further elaboration of a zoning code. Commissioner Riggs said he did not view the Housing Element as guidelines, which in his opinion the City desperately needed.

Chair Ferrick said the Housing Element was highlighting important drivers of how to potentially address the next Housing Element update. She confirmed with Commissioner Onken that he accepted the friendly amendment to add H4I to the motion as the maker of the second.

Commissioner Riggs suggested adding something about the proposal to expedite specific projects. Chair Ferrick said that was complicated. Commissioner Riggs said it seemed a good goal to expedite a project but the idea of expediting any one project over other project types was a problem. He said he would like to exclude the expediting. Mr. Baird said this was put in because it was extremely difficult for

affordable housing projects to obtain funding and to tie-up property. He said it was not with an intent to put projects before others but to work with affordable housing developers so their funding timing could work with City processes and the City could get the projects wanted. He said the language might be rewritten so it did not indicate putting projects before other projects. Commissioner Riggs said if that wording could be slightly adjusted to reflect what Mr. Baird had said then he did not have a problem with it. He suggested altering the word "expedite."

Commission Action: M/S Kadvany/Onken to recommend to Council to use policies H4A, H4B, H4I, H4J, and the information on page 95 in the table as helpful in meeting requirements for the next cycle of housing need planning.

Motion carried 7-0.

Chair Ferrick noted in the Steering Committee meetings that they had discussed different types of second dwelling units including detached, new construction, encouragement potential, and attached, new construction, encouragement potential as well as an amnesty for both types in various forms throughout the City.

Commissioner Kadvany suggested for any amnesty program that they take a neighborhood at a time and not try to do one size fits all. He suggested starting small, seeing how it worked, and expand it gradually.

Chair Ferrick said she had some concerns with what Commissioner Kadvany was proposing but had broader concerns with the amnesty program being proposed. She said if a property owner had a unit that was made legal under the amnesty program that sounded great but if they were then told they had to upgrade all the electrical and plumbing, tear down a wall, make a bigger setback, and so on, she did not know if that would be in the property owners or low income renters' best interests to do that.

Commissioner Riggs suggested separating secondary dwelling units from the amnesty program as they wanted to encourage the former and discourage building illegal secondary dwelling units. He said they wanted the units that were not legal to be inspected for sanitary lines, electricity and basic fire safety.

Commissioner Bressler said these were things that were clearly round two. He said he thought they should send a message to Council and staff that they should more aggressively count potential secondary dwelling units. Commissioner Riggs said he would like to augment that. He said he agreed with Commissioner Bressler's early comment that when the rules were changed, expectations were changed. He said he thought they could absolutely more aggressively count it. He said right now if they looked at parking requirements and setbacks that would be a great encouragement to building or making legal secondary dwelling units. He said that they could be more aggressive at this time in counting and for the next round to get clarity. Chair Ferrick

said her concern in placing specificity on what could be counted now were the potential impacts on neighbors, which had not yet been studied. Commissioner Riggs agreed.

Commission Action: M/S Ferrick/Bressler to recommend to the City Council to aggressively count potential secondary dwelling units and to use round two of the planning cycle to consider more clearly the requirements for secondary dwelling units, encouraging secondary dwelling units and how to solve illegal secondary dwelling units.

Motion carried 7-0.

Chair Ferrick said Commissioner Eiref had commented that the majority of high density housing should be designed for seniors or workforce employees. Commissioner Eiref said for higher density sites that the architecture should favor those two classes of residents. Chair Ferrick asked if they wanted to include that in this discussion and also Commissioner Bressler's suggestion that these large sites be mixed use.

Commissioner Eiref said this was not a new discussion as they had talked about this for the Station Area including applying maximum parking requirements. He said the intent was to encourage particular architectural guidelines attractive for senior and workforce housing. Commissioner Riggs suggested the use of the term "unit plan layout."

Mr. Baird asked if they were speaking in terms of housing designation for seniors and workforce in the downtown as that area had been identified as a potential site for affordable housing for families, which was a significant need in the City. Chair Ferrick suggested specifying the Downtown for sites specifically designed for seniors and workforce housing. Commissioner Eiref asked if this could be for areas where school systems were already overextended. Mr. Baird said the other issue was fair housing and the government code specifically called out for affordable housing for larger families.

Commissioner Eiref moved to recommend (in areas where school districts were already overextended) that Council consider design and architectural guidelines that would tend to encourage senior and workforce residents. Chair Ferrick said she would second the motion.

Commissioner Riggs said the speakers had requested assistance finding and getting a new site school. He said that in decades past the building of 1,000 homes as the Element suggested would call for a new school. Chair Ferrick said the housing planned for the sites within the Menlo Park School District were 1,272. Commissioner Riggs said they might urge the Council to tie school capacity to the location of larger units. He said he did not think it worked to tie larger family units to the Downtown as then a school downtown would be needed. He said if they ended up distributing residential zoning that was in many ways more difficult for the school system at large as they might each have to add 15% enrollment not accounted for. He suggested recommending that the larger units be tied to planning to locate the increased school capacity.

Commissioner Eiref said that there was a need for senior housing and there had not been any designated senior housing in Menlo Park for decades. Commissioner Riggs said that if housing was labeled senior then developers would be tempted to try for federal funding and that would create restrictions. He said they were trying to modify the reaction to market forces and the market forces would be seniors who wanted to live closer to services. He said they were trying to respond to the impact on schools and from a zoning perspective they could tie the increase in larger units to the provision of additional school space. Commissioner Bressler said that there were distinctions to be made and that it was not additional school space but school capacity. He said there were areas that have additional school capacity. He said he did not think they wanted to tell people that they had to build schools but to look at what school capacity was available when they built those units.

(Note: Motion made by Commissioner Eiref and seconded by Chair Ferrick to recommend (in areas where school districts were already overextended) that Council consider design and architectural guidelines that would tend to encourage senior and workforce residents was not voted upon.)

Commission Action: M/S Riggs/Ferrick to recommend to the City Council to tie the increase in larger units to available school capacity.

Motion carried 7-0.

Commission Action: M/S Bressler/Eiref to recommend to the City Council to zone for mixed use where appropriate.

Motion carried 7-0.

Chair Ferrick asked about Commissioner Bressler's concern with site 5. Commissioner Bressler said if there was rezoning for residential in site 5 and there was an existing community serving business that was occupied, it would less likely be developed or if it was, it would take out the community serving business. He said he would de-prioritize sites that have existing community serving businesses. Commissioner Riggs suggested "respecting" or "trying to accommodate" existing community serving businesses where zoning encourages housing. Commissioner Bressler said such sites should be de-prioritized. Chair Ferrick said site 5 has a dentist office and a number of other professional services. She said even if it were rezoned for housing they would still be able to operate as a professional office or the landowner might decide at some point to build housing perhaps after the dentist retired. Commissioner Riggs suggested zoning for mixed use. Commissioner Bressler said he was looking at the list and he wanted sites that were being used to have less priority in consideration for rezoning. Chair Ferrick suggested since there was a buffer of housing units that when the City made its zoning changes that the Commission's recommendation was to drop site 5 from the list.

Commissioner Kadvany asked for clarification on what Commissioner Bressler was saying. Mr. Baird said one of the discussions the Steering Committee had was about the criteria to evaluate sites; he suggested adding Commissioner Bressler's input as a criteria to insure it was considered when sites were evaluated.

Commission Action: M/S Bressler/Ferrick to recommend to the City Council to add a criteria to the evaluation criteria that sites having existing community serving business have less priority for residential use.

Motion carried 7-0.

Chair Ferrick said the last item was the BMR program. Commissioner Riggs said he questioned why BMR units had to be the same as the market rate homes with which they were developed. Chair Ferrick asked Mr. Baird if it was state required that BMR units match the market rate units. Mr. Baird said it was not.

Commissioner O'Malley said when he was on the Housing Commission that BMR units had to have similar features and be the same size but finishes could be less expensive. Chair Ferrick said that if builders did not have to do same exact finishes that would be an incentive. Commissioner Riggs said it was not just finishes but the costs to construct. He said if the cost to build exceeded the purchase price of the BMR unit then the purchase price of the other units had to absorb that difference for the developer.

Commissioner Bressler said he did not like the deed restriction for BMR units which like Prop. 13 restricted properties from turning over and exacerbated the problem. He said if the BMR unit was built closer to what it would sell for than that would enable people to lose the deed restrictions to some extent and make it more attractive for the house to turn over. Commissioner O'Malley said he thought they were getting into an area that more appropriately belonged to the Housing Commission rather than the Planning Commission. He suggested they bypass this particular area as he said he did not see them reaching agreement.

Chair Ferrick asked if they could recommend to Council to reevaluate the structure of the BMR program in conjunction with the Housing Commission. Commissioner O'Malley said he would agree with that. Commissioner Riggs suggested recommending that the Council reevaluate BMR units specifically to size and to reduce the cost per unit of providing BMR units. Chair Ferrick said she thought there were also tax and financing incentives that came with building BMR units. Commissioner Riggs said they wanted to challenge Council to consider this. Chair Ferrick said she agreed but she did not want to get as specific as to a developer's costs to build. Commissioner Riggs said he wanted the Council to consider reevaluating the developer's costs to build BMR units as that was an impediment to getting BMR units built. Chair Ferrick said she would like to recommend that the City Council reevaluate the BMR program to encourage more units be built through which they would arrive at costs and deed restrictions.

Mr. Baird suggested recommending to Council to reevaluate the BMR program in terms of reducing the costs of providing BMR units and encouraging more BMR units be built.

Commission Action: M/S Riggs/Onken to recommend to the City Council to reevaluate the BMR program in terms of reducing the costs of providing BMR units and encouraging the building of more BMR units.

Motion carried 7-0.

Commissioner Riggs said there was also a suggestion to encourage that the guidelines for public benefit be developed. Chair Ferrick said she had it on her list for the discussion of the affordable housing overlay in the Downtown-El Camino Specific Plan area. Commissioner Riggs said his concern was the public did not know what it would get in exchange for high density and the developer did not know how much it would cost, and they wanted to encourage developers to provide public benefit. Chair Ferrick said she had written in her notes to recommend to City Council to clearly define public benefit with respect to housing development. Commissioner Riggs said he thought they wanted guidelines for the definition of what was a public benefit. Commissioner Bressler said that they needed to have a discussion of what public benefit was and define it. Commissioner Riggs said it would not occur in the next two weeks but he thought it was necessary to include it to be relevant. Commissioner Kadvany asked if public benefit was mentioned in the document. Commissioner Riggs said it was part of the overlay.

Development Services Manager Murphy said the Specific Plan has base densities and densities achieved through public benefit. He said as it related here to the provision of affordable housing as part of the affordable housing overlay district that they would try to provide certainty for the public and developers as to what had to be provided to achieve the higher densities to provide for affordable housing, and that it was fully within the intent of the overlay to provide those guidelines but solely for affordable housing and not to cover the larger area of public benefit. Commissioner Kadvany said that he saw the affordable housing as the public benefit. Development Services Manager Murphy said that was what it basically was.

Chair Ferrick noted the motion was withdrawn.

E. COMMISSION BUSINESS

There was none.

ADJOURNMENT

The meeting adjourned at 11:35 p.m.

Staff Liaison: Justin Murphy, Development Services Manager Murphy

Recording Secretary: Brenda Bennett

Approved by Planning Commission on October 29, 2012