



PLANNING COMMISSION MINUTES

Regular Meeting
December 17, 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; Jean Lin, Associate Planner; Justin Murphy, Development Services Manager; Thomas Rogers, Senior Planner

A. REPORTS AND ANNOUNCEMENTS

A.1 Update on Pending Planning Items

- a. 20 Kelly Court – City Council, November 27 and December 11, 2012

Planner Rogers said the 20 Kelly Court project that included a zoning amendment was approved by the City Council on November, with a second reading of the ordinance amending the zoning ordinance on December 11 to become effective 30 days after that date.

- b. Housing Element – December Commission Meetings; City Council, December 11, 2012

Planner Rogers said there had been a number of meetings updating Commissions and the Council on the Housing Element, including tonight's meeting for the Planning Commission. He said the Council at their December 11 meeting reviewed to approve some additional information to the State Housing and Development Department, and revise the schedule slightly. He said there were no substantive changes to the project schedule at this time.

- c. 151 Commonwealth – City Council, December 11, 2012

Planner Rogers said the Council at their December 11 meeting reviewed the 151 Commonwealth project including approving a contract for the environmental review and providing direction to continue reviewing and processing the project.

- d. 1976 Menalto Avenue – Appeal

Planner Rogers said the Commission's approval of the variance and use permit for 1976 Menalto Avenue had been appealed to the Council. He said the Heritage Tree Removal Permit for the project was also appealed, which would be reviewed by the Environmental Quality Commission in January. He said the Council would be the final decision making body.

e. 2200 Sand Hill Road - Appeal

Planner Rogers said the Commission's recent approval of a use permit for a backup generator was appealed by several neighbors.

B. PUBLIC COMMENTS

There were none.

C. CONSENT

C1. Approval of minutes from the November 19, 2012 Planning Commission meeting

Chair Ferrick said some small edits had been made to the draft minutes and emailed to Commissioners. Commissioner O'Malley said he had some additional edits and would like the item pulled. He said on page 4, 3rd paragraph, 2nd line, the phrase "and one, one car detached garage" was repeated and the repetition should be deleted.

Commission Action: M/S O'Malley/Riggs to approve the minutes with the following modifications including prior edits emailed to the Commission.

- Page 4, 3rd paragraph, 2nd line: Delete "and one, one car detached garage"
- Page 7, last paragraph, 1st line: Replace "said asked" with "asked"
- Page 11, 1st paragraph, 2nd line: Replace "buildable land" with "additional buildable land"
- Page 11, last paragraph, last sentence: Replace "He said when there was 26 feet between the residence there was space to do tree planting to screen." with "He said that in an earlier design there was 26 feet between the residences and so there was space to do tree planting to screen."

Motion carried 7-0.

C2. Architectural Control/Robert Mowat Associates/325 Sharon Park Drive: Request for architectural control for modifications to an entry driveway along Sharon Park Drive, and modifications to the existing parking lot to accommodate accessibility upgrades at an existing shopping center in the C-2 (Neighborhood Shopping) district.

Commissioner Kadvany asked for this item to be pulled from the consent calendar. He said he was in favor of the modifications but was requesting the use of some type of paving material in the crosswalk area between the sidewalk and shops instead of just painting over blacktop.

Planner Lin said staff could ask the applicant if they were interested in making the proposed modification, and if so, it could be handled administratively.

Chair Ferrick noted for the record that the crosswalk was shown on sheet L.2 with diagonal striping, and Commissioner Kadvany was suggesting the use of inlaid paving rather than painting for the striping.

Commissioner Onken said he believed to be compliant with ADA that the striping had to be painted onto blacktop, but that would be ascertained by staff.

Commission Action: M/S Onken/Ferrick to approve the item as recommended in the staff report.

1. Make a finding that the project is categorically exempt under Class 1 (Section 15301, "Existing Facilities") of the current CEQA Guidelines.
2. Adopt the following findings, as per Section 16.68.020 of the Zoning Ordinance, pertaining to architectural control approval:
 - a. The general appearance of the structure is in keeping with the character of the neighborhood.
 - b. The development will not be detrimental to the harmonious and orderly growth of the City.
 - c. The development will not impair the desirability of investment or occupation in the neighborhood.
 - d. The development provides adequate parking as required in all applicable City Ordinances and has made adequate provisions for access to such parking.
3. Approve the architectural control request subject to the following **standard** conditions of approval:
 - a. Development of the project shall be substantially in conformance with the plans prepared by Robert Mowat Associates, dated received on December 12, 2012, consisting of 12 plan sheets and approved by the Planning Commission on December 17, 2012, except as modified by the conditions contained herein, subject to review and approval of the Planning Division.
 - b. The applicant shall comply with all West Bay Sanitary District, and utility companies regulations that are directly applicable to the project.
 - c. Prior to building permit issuance, the applicant shall comply with all requirements of the Building Division, Engineering Division, and Transportation Division that are directly applicable to the project.
 - d. Prior to building permit issuance, the applicant shall submit a plan for any new utility installations or upgrades for review and approval of the Planning, Engineering and Building Divisions. Landscaping shall properly screen all utility equipment that is installed outside of a building and that cannot be placed underground. The plan shall show exact locations of all meters, back flow prevention devices, transformers, junction boxes, relay boxes, and other equipment boxes.

- e. Simultaneous with the submittal of a complete building permit application, the applicant shall submit plans indicating that the applicant shall remove and replace any damaged and significantly worn sections of frontage improvements. The plans shall be submitted for review and approval of the Engineering Division.
- f. Simultaneous with the submittal of a complete building permit application, the applicant shall submit a Grading and Drainage Plan for review and approval of the Engineering Division. The Grading and Drainage Plan shall be approved prior to the issuance of grading, demolition or building permits.

Motion carried 7-0.

D. PUBLIC HEARING

D1. Use Permit/Cellogy, Inc./1430 O'Brien Dr, Suite D: Request for a use permit for the storage and use of hazardous materials for the research and development of stem-cell based modeling of human diseases, associated with a biotechnology company, within an existing building in the M-2 (General Industrial) zoning district. All hazardous materials would be used and stored within the building.

Staff Comment: Planner Rogers said there was a corrected plan sheet noting the original plan was D-10. He said Commissioner Riggs had brought to their attention that some layers were missing.

Questions of Staff: Commissioner O'Malley asked on sheet E1, the hazardous materials inventory, related to the listed solvent for future use, currently unknown, if that was one solvent or a group of solvents. He said this was questionable as the quantities seemed larger than any other materials. Planner Rogers said he thought it was one but the question should be posed to the applicant. He noted the Fire District had approved the application.

Commissioner Riggs said on sheet D8 that there were a number of rows checked but only two rows indicating what was reviewed. He asked if there were additional materials that were not filled in or whether the blank areas were completed in error. Planner Rogers suggested the question be posed to the applicant.

Public Comment: Mr. Kevin Loewke, CEO of Cellogy, Inc., said they were a brand new biotechnology startup conducting research and development of stem-cell based modeling of human diseases. He said they have three fulltime employees and some consultants. He said they expected to remain a small company for a year or two.

Ms. Ellen Ackerman, Green Environment, San Carlos, said on the hazardous materials inventory list that she had not found all of the boxes to uncheck on the form. She said the only things reportable on the hazardous materials plan were the cellulose solvents and the carbon dioxide. Commissioner Riggs asked on sheet D9 if the only item listed should be "solvent." Ms. Ackerman said that was correct. She said regarding the solvents to be determined that this was a research and development startup and at this point what solvents might be used were unknown so they were asking for some flexibility. She said the solvent(s) would typically be flammable, Class 1.B somewhere in the nature of acetone and other alcohols. Commissioner O'Malley asked when the new solvents were added if the application would be updated. Ms.

Ackerman said in this instance she would not as it could be as simple as adding one gallon of ethanol, which was insignificant. She said the overall quantities being asked for were very small and an additional gallon of a solvent typically would not be reportable to any of the agencies in charge of hazardous materials.

Commissioner O'Malley said there was an employee training plan which he thought could be easily expanded to include training on the location and use of fire and smoke equipment and spill and emergency procedures. Ms. Ackerman said because the quantities were so small they were not required to have an in-house emergency response team. She said the employees' response at this time would be to step back from the spill and call for outside assistance. Commissioner O'Malley said it was a simple thing to train chemists to do spill response. Ms. Ackerman said she would have to disagree and there was quite a lot of liability associated with it. She said because of the small quantities being used that it was unlikely there might be a severe situation but that it was better to have outside agencies respond to any emergencies.

Chair Ferrick closed the public hearing.

Commission Action: M/S Ferrick/Eiref to approve the item as recommended in the staff report.

1. Make a finding that the project is categorically exempt under Class 1 (Section 15301, "Existing Facilities") of the current CEQA Guidelines.
2. Make findings, as per Section 16.82.030 of the Zoning Ordinance pertaining to the granting of use permits, that the proposed use will not be detrimental to the health, safety, morals, comfort and general welfare of the persons residing or working in the neighborhood of such proposed use, and will not be detrimental to property and improvements in the neighborhood or the general welfare of the City.
3. Approve the use permit subject to the following **standard** conditions:
 - a. Development of the project shall be substantially in conformance with the plans provided by DES, consisting of eight plan sheets, dated received Dec 6, 2012, and approved by the Planning Commission on December 17, 2012 except as modified by the conditions contained herein, subject to review and approval of the Planning Division.
 - b. Prior to building permit issuance, the applicant shall comply with all sanitary district, Menlo Park Fire Protection District, and utility companies regulations that are directly applicable to the project.
 - c. Prior to building permit issuance, the applicant shall comply with all requirements of the Building Division, Engineering Division, and Transportation Division that are directly applicable to the project.
 - d. If there is an increase in the quantity of hazardous materials on the project site, a change in the location of the storage of the hazardous materials, or the use of additional hazardous materials after this use permit is granted, the applicant shall apply for a revision to the use permit.

- e. Any citation or notification of violation by the Menlo Park Fire Protection District, San Mateo County Environmental Health Department, West Bay Sanitary District, Menlo Park Building Division or other agency having responsibility to assure public health and safety for the use of hazardous materials will be grounds for considering revocation of the use permit.
- f. If the business discontinues operations at the premises, the use permit for hazardous materials shall expire unless a new business submits a new hazardous materials business plan to the Planning Division for review by the applicable agencies to determine whether the new hazardous materials business plan is in substantial compliance with the use permit.

Motion carried 6-0 with Commissioner O'Malley abstaining.

D2. Development Agreement Annual Review/Bohannon Development Company/101-155 Constitution Drive and 100-190 Independence Drive (Menlo Gateway Project): Annual review of the property owner's good faith compliance with the terms of the Development Agreement for the Menlo Gateway (Bohannon Hotel & Office) project. ***Continued from the meeting of December 3, 2012.***

Staff Comment: Development Services Manager Murphy said he had nothing to add to the staff report. He noted this was the second annual review of the development agreement which has a term of five years. He said there were financial challenges for full service hotels. He said as the key component to get the project started that was the current definer for the project. He said that the applicant had not yet arrived but there was a representative.

Mr. Tim Tosta, representing the applicant who was to arrive shortly, said the principal issue was that the hotel lending market was not available on commercially supportable terms. He said lenders were not going to take that risk as there were available hotels. He said over the last year Mr. Bohannon had worked on developing creative financial packages.

Chair Ferrick closed the public hearing.

Commission Comment: Commissioner Bressler said the staff report indicated that the applicant would have to start building within five years and asked for "start building" to be defined. Development Services Manager Murphy said that meant the building permit was issued. Commissioner Bressler asked if financing was needed to build. Development Services Manager Murphy said that was accurate. He said if the financing was obtained they would have their architects do construction drawings, which could take months. Those drawings would be submitted to the City and the review process would begin toward the building permit application issuance.

Commissioner Bressler asked if the building had to occur in the five or seven year timeframe. Mr. David Bohannon, the project applicant, said for the project to start they would need financing lined up for the hotel. He said if they had \$100 million they could start or if they could find someone with \$100 million, which was something they were working on, they could start. He said typically they would seek institutional financing domestically and have that committed so those funds could be used to build.

Commissioner Kadvany asked if there was any empirical or folklore information about occupancy rates in local hotels. Mr. Bohannon said the local operating reality for hotels was excellent and there were high room rates and high occupancy rates. He said the problem was the assets base domestically for hotels went upside down financially in 2009 which made new construction evaporate and provided opportunities to refinance for investors and lenders in existing hotel deals. He said that hotels were very sensitive to economic forecasts. He said Marriott would love to build hotels in this market but the lender/investors were not doing that. He said they were looking at EB5 financing out of the Federal Immigration Department. He said there were very wealthy operators who liked to invest in hotels, which was a direction he was pursuing. He said they might have to ask the City to revisit the development agreement which would take time. He said best case scenario would be an improvement in the hotel market.

Commissioner Eiref asked about the expected increase in operating costs. Mr. Bohannon said that labor and operating costs were higher and would need greater room revenue than what was projected in 2008. He said however the hotel market was doing well, and room rates were increasing.

Commissioner Riggs made a number of points about the economy, timing, the conversion of a senior facility to a hotel, and a small hotel slated for development in Palo Alto, and asked if the Bohannon Corporation was willing to increase the seed money to get the project going. Mr. Bohannon said they have been willing to do that and he did not see that as the problem. He said the conversion of the Glenwood Inn to a Marriott Residence Hotel was a different model and had a low cost profile. He said those hotel uses were able to get funding but it was pretty ugly. He said their proposed hotel project was a full service, four star hotel, and there were not any of those being built even if they were approved. He said that would be true of the hotel in Palo Alto unless someone was willing to bring their own funds. He said Marriott did not own hotels but were the best hotel managers and very good at service. Commissioner Riggs asked if Leisure Sports was still committed. Mr. Bohannon said they were still meeting regularly and they had someone looking at the EB5 approach, and he was pursuing other avenues.

Commissioner Onken asked if there was any feedback about the impact of the Menlo Park room rate tax being added. Mr. Bohannon said there was no feedback.

Commissioner Kadvany asked if it was possible to finance the hotel without the athletic club. He said that he recalled synergies among the hotel, office and athletic club. Mr. Bohannon said if they found a different hotel operator that was not in the club business and that did not preclude them finding a very good club that was a possibility. He said he had had many inquiries from club operators that would like to do the club right now and they have the financing and ability without the office built.

Commissioner Bressler asked if the proposed additional office had been counted under the City's housing needs. Development Services Manager Murphy said the City was working on the Regional Housing Needs Allocation for the last two planning periods and those were set prior to this project. He said the City would begin the next update soon and that would be for 2014 to 2022, and this project would effectively be counted in that planning period. Commissioner Bressler asked if the project did not happen would that housing allocation need go away. Development Services Manager said it was not that fine-grained but was related to the projected growth of the state, region and cities, so if this project were not to occur, it would not

affect the City's Regional Housing Needs Allocation. He said if anything it might be a future cycle eight years from now.

Commission Action: M/S O'Malley/Onken to find and determine upon the basis of substantial evidence that the property owner has, for the period between December 2011 and December 2012 complied in good faith with the terms and conditions of the Development Agreement.

Motion carried 7-0.

E. REGULAR BUSINESS

E1. Review and Request for Input on Draft Capital Improvement Plan (CIP)

Staff Comment: Planner Rogers said that the City's commissions were asked annually by the City Manager to review and provide input on the draft Capital Improvement Plan (CIP). He said several years prior the City moved to a five-year plan with an annual review and extension of the plan another year. He said as outlined in the City Manager's memo there were a number of criteria for the evaluation of projects for recommendation. He said the Commission was being asked to consider if there were missing projects that meet the CIP evaluation criteria, prioritization of projects within the Commission's purview, and were the projects listed consistent with community needs based on the Commission's outreach to community members.

Commissioner Bressler said there was an agreement with the Burgess Pool operator and asked what their responsibility was noting a project to repair the deck at the Pool. He noted he should have sent the question earlier to staff. Development Services Manager Murphy said people were considering what the City and what the Pool Operator's responsibilities were. He said staff could get back to him with more detail.

Chair Ferrick said she had the same question about the Belle Haven Pool renovation project and the Wading Pool project.

Commissioner Onken said his first question was about sea level rise and where the City of Menlo Park was in studying that. He suggested that should be a project or at least production of a map as to where the impacts might be. He asked about the Willow Dog Park renovation project and what he could relay back to people who use the facility.

Commissioner Eiref asked about the Sidewalk Master Plan noting he thought there was some work for Santa Cruz Avenue that had not occurred. He said there was not much funding associated with sidewalk improvements. He asked for a breakdown of the \$660,000 per year for planning for the General Plan. He said he was pleased to see items included related to the Specific Plan such as the Chestnut Paseo and details related to those projects.

Development Services Manager Murphy said in regard to the Sidewalk Master Plan that there was a difference between it and the Santa Cruz Avenue sidewalk improvements, noting pages 25 and 26 listing projects underway. He said that money attributed to sidewalk construction was found there and was a distinct funding source from the Sidewalk Master Plan implementation funding. He said the \$660,000 budget for the comprehensive planning was the projected estimate of what it would cost to update the General Plan and dividing that amount over three years. He said costs included staff, consulting services, community outreach and analysis.

Planner Rogers said with the approval of the Downtown Specific Plan that almost all of the public space improvements downtown had been coupled with a requirement to implement in a trial phase. He said they were looking to prioritize the Chestnut Paseo and Marketplace in the upcoming fiscal year with a projection of \$50,000 in the first year and another \$40,000 in the second year. He said that was an estimate and was not judging a preconceived outcome. He said in future years there was a potential for Santa Cruz Avenue expansion but it seemed that the Chestnut Paseo and Marketplace seemed to be a good place to start.

Commissioner Eiref asked if there was a physical change to accomplish the Chestnut Paseo or a change of use on the weekends and closing down streets to traffic. Planner Rogers said it was intended as a range. He said the primary costs would be staff time to figure out the implementation by targeting downtown stakeholders to develop a proposal that would have some buy-in or at least not be immediately rejected. He said regarding improvements there was the dynamic of wanting it to be reversible if needed but to a level at which people would really enjoy the changes. He said he thought the intent of the \$50,000 initial funding was to get something up and running.

Chair Ferrick said she wanted to see traffic flow, pedestrian and bicycle projects prioritized as the City was subject to development along El Camino Real and for the M2 area. She asked about the pedestrian and bicycle undercrossing that was part of the Specific Plan which she did not see in the CIP. Commissioner Kadvany said it was listed for study. Development Services Manager Murphy said that the undercrossing was in a couple of places but not under the Specific Plan and could be found on page 35, under the TIF recommended improvements. Commissioner Riggs said these were the unfunded projects. Chair Ferrick said that it was a potential but was not funded. Planner Rogers said that was accurate. Chair Ferrick said she just wanted to be sure the City could accommodate the growth under the Specific Plan and M2 district.

Commissioner Kadvany said he could use a more strategic perspective of the City's goals as a whole in terms of planning, buildout, and street maintenance. He said he concurred with comments by other Commissioners. He said he would like the City to prioritize Design Guidelines. He asked why the planning efforts for the M2 were scheduled out to 2016. Development Services Manager Murphy said the sequencing they had to follow was an update to the General Plan and then the M2 zoning district. He said the main potential for growth in the City was in the M2 district but it was not prudent to do the M2 prior to the General Plan. Commissioner Kadvany said he recalled something related to making CEQA changes related to bicycle routes. Development Services Manager Murphy said those policies were embedded in the General Plan. Commissioner Kadvany asked if there was anything for the Climate Action Plan. He said there was one item that he could not locate regarding that which seemed to be a survey. Development Services Manager Murphy said it was on page 44, a Five Year Social Marketing Plan to engage households in reducing their greenhouse gas emissions at \$60,000 that was unfunded. Commissioner Kadvany said he thought it would be better to do more earlier than later.

Commissioner O'Malley said that street resurfacing projects were substantially different in cost year to year. He suggested projecting street surfacing the way it should happen. He commented that the project costs were probably best estimates and he thought the numbers were high. He said when the projects went out to bid, this information would be available and

result in costs, which he thought were estimated higher than actual. He referred to the Pedestrian Bicycle Study for Alma and Ravenswood at \$60,000. He asked what the study would do and where the costs would lie. Planner Rogers said staff had no specifics as this was not a planning project but he knew that one thing discussed under the Specific Plan was how the intersection was currently configured. He said Planning Commissioners had indicated that project should be expedited but he had no information on the relative costs of the study. Commissioner O'Malley asked about the Sand Hill traffic signal interconnection project, and if that was traffic light synchronization. Development Services Manager Murphy said this was for adaptive signal technology such as used along El Camino Real. Commissioner O'Malley said it appeared the downtown parking and utility undergrounding project would start in 2014. Planner Rogers said the split was for the study and then the construction. Commissioner O'Malley asked about the Technology Master Plan on page 12. Development Services Manager Murphy said in general this was determining what the City's technology needs were and developing a master plan. Commissioner O'Malley commented on the phasing of radio upgrades noting he thought they would be better done all at once. Development Services Manager Murphy said they would try to get an answer on why money was budgeted multiple years.

Commissioner Riggs said that the planning projects seemed to mainly consist of the General Plan update but there were other issues that the Commission had recommended repeatedly were needed for the citizens and development and asked how to insure these would be included in the General Plan. He said they had talked about commercial streamlining for the M2 district. He asked if that would be the General Plan work. Development Services Manager Murphy said the comprehensive update to the General Plan would be the opportunity to revisit everything and do visioning, through which there would be prioritization as to what should be implemented. He said all the comments to date had been noted but the General Plan was the best framework to consider those one by one. Commissioner Riggs asked if it was wrong for the Commission to have expectations that residential development streamlining and design guidelines would be a logical part of the General Plan update. Development Services Manager Murphy said there would need to be discussions but everyone's goal for the General Plan update was the vision, the policy statements, the guidance that would enable pursuing changes to the residential review process that reflects the community vision. He said it might be a matter of looking at this on a neighborhood basis or other ways. He said it was something that could be an outcome of the General Plan but there would have to be a decision as to whether community resources should be used for focusing on the M2 or residential. He said if the preference was to focus first on M2 that it would be hard to pursue the residential implementation as that would require zoning ordinance amendments for both M2 and residential concurrently.

Commissioner Riggs said scoping for the first parking structure should occur in the next five years. He said that would require a fairly extensive process and suggested budgeting for a parking structure design in 2015-16. Planner Rogers said there was an unfunded Downtown Parking Structure Feasibility project and staff's recommendation was not for it to occur within the next five years, but Commissioner Riggs was suggesting it be expedited. Commissioner Riggs said undergrounding utilities in the parking plazas was a public works project but noted it was a funded project. He questioned that occurring before there might be a parking structure studied as there might be conflicts between the projects. Planner Rogers said the City had committed money for the undergrounding of utilities in the downtown parking plazas and there were funds from PG&E supplementing that work which funds have a limited time frame. He said he thought it would occur on those plazas intended to continue as surface parking.

Commissioner Riggs said in concurrence with Chair Ferrick the City should prioritize transportation. He said they had to take a proactive stance to facilitate crossing El Camino Real as a pedestrian or bicyclist. He said also traffic flow had to be supported. He said the El Camino Real transportation infrastructures had to be addressed he thought in the next cycle, 2013. He said he had questions about irrigating street trees and costly traffic signalization and asked to whom he should address those. Planner Rogers suggested sending the questions to Planning staff and they would forward to the appropriate person. He noted that also there would be a public hearing before the City Council.

Commissioner Kadvany said he agreed with Commissioner Riggs' suggestion to prioritize the parking garage study. He said that the street resurfacing projects took quite a bit of staging which was why he thought there were alternating years. Chair Ferrick said a few years ago the then Public Works Director had explained why the work alternated.

Chair Ferrick said there was an item on page 17 regarding a traffic signalization project on Florence and Marsh Roads, which she thought could be shifted back a year or so as there did not seem to be any problems with those intersections. She said if the Middlefield Road storm drainage project would help with flooding on Middlefield Road that she would recommend moving it forward.

Commissioner Bressler said he did not see anything to develop a public benefit policy and he recalled that was a follow up within a year of the adoption of the Specific Plan. Planner Rogers said the Plan called for a one-year review and that was considered an operating cost. Commissioner Bressler said he would like to see a formal policy regarding public benefit. He said that should be a high priority project.

The Commission's comments and questions would be summarized by staff and provided as part of the City Council's review of the Draft CIP.

E2. Presentation on the Housing Element Update and General Plan Consistency Update

Development Services Manager Murphy said the Commission was generally familiar with the process and the key elements of the Housing Element. He said they were looking for written comments on the draft Housing element that have been submitted to the State Housing Development Services. He said the Commissioner was familiar with the settlement agreement and the three milestones in the process for the Housing Element. He noted additional information the Council had approved providing to the State had been submitted and would not extend the 60-day review period and would be included in the response from the State. He said the adoption of the Housing Element was scheduled for March 15, 2013. He said the Council at their December 16 meeting had extended the schedule to allow more time for preparation of the environmental assessment and to incorporate some additional Council meetings into the process. He reviewed the activities to date. He said the Steering Committee would meet in January and there would be two more community workshops in January that would be advertised by a city-wide mailing. He said next steps included the review of the draft Housing Element that was currently being done by the State Housing and Community Development Department, holding six different commission informational meetings, seeking more community input in January, producing materials by the end of February related to the environmental assessment, fiscal analysis, draft zoning ordinance amendment, and general plan amendments.

He said after that there would be a number of commission and council meetings to approve the documents by the end of April or early May.

Development Services Manager Murphy reviewed the overall approach to the City's Housing Strategies, including the recognition that land resources were limited, that there was a focus on affordable housing opportunities and less on market rate housing, a goal to provide a variety of housing choices throughout the community, and assuring the City's housing strategies looking toward the next Housing Element planning period. He said the City's approach to addressing housing needs was focusing on creating more opportunities for new second units as well as an amnesty program to legalize existing illegal second units, providing opportunities for a mix of housing and commercial uses to be combined in selected locations, continuing to implement existing zoning for market rate housing, implementing the El Camino Real / Downtown Specific Plan, providing infill housing around the downtown, rezoning sites for multi-family housing at higher densities, and creating incentives and opportunities for affordable housing.

Development Services Manager Murphy said that in addition to the Housing Element Update, the City was also pursuing a consistency update of the rest of the General Plan. He said the General Plan was a legal document, required by state law, which served as the City of Menlo Park's "constitution" for development and land use. He said all decisions made regarding land use must be consistent with the General Plan. He said all elements of the General Plan must be consistent with one another and that was a key consideration in looking at the Housing Element update and also making sure the current General Plan was the appropriate document in terms of consistency. He said the General Plan was a comprehensive, long-term document, detailing proposals for physical development in the City and lands outside the City's boundaries within its "sphere of influence," which included some unincorporated pockets of Menlo Park. He said the City also has the ability to have policy statements about lands outside its sphere of influence all areas. He said there were seven mandatory elements: land use, housing, open space, conservation, safety, noise, and circulation. He said the elements could be combined noting in the existing General Plan that open space and conservation are combined. He said optional elements could be added but there were none at this time nor were any being contemplated as part of this consistency update. He said the Land Use and Circulation Elements were adopted in 1994 and had some amendments, including the Specific Plan, through June 2012. He noted that the Noise Element was adopted in 1978 with no amendments; the Seismic Safety and Safety Element was adopted in 1976 with no amendments; and the Open Space and Conservation Element was adopted in 1973 with no amendments. He said these three elements were outdated and did not comply with current state law requirements, and might receive slightly more extensive updates to reflect current City practices and to be consistent with state law without pursuing new policy initiatives and consistent with the updated Housing Element and the other elements. He said the technical updates would be prepared in tandem with the environmental assessment and there might be topic areas with a potential impact from some of the rezoning with a possibility to develop a General Plan policy or program that might minimize those impacts. He said for the Noise Element they would be conducting noise readings throughout the City to produce an updated noise contour to reflect the existing condition of noise. He said for the Seismic Safety and Safety Element they would need to update information related to seismic requirements, flooding, and probably would shorten the name to "Safety Element." He said for the Open Space and Conservation Element they might need to recognize any rare and endangered species within the City's boundaries and there would be information gathering statements. He said it was not

meant to be new policy direction unless driven by the Housing Element in terms of one of its requirements or to minimize the impacts from the potential rezoning.

Commissioner Riggs asked related to policies and responsibilities beyond the City's sphere of influence if it was legally possible to work out a deal with Redwood City whereby they would produce more housing than what was their housing needs allocation and for Menlo Park provide less. Development Services Manager Murphy said that would not be possible for the two past planning periods currently being worked on. He said related to the most recent planning period 2007-2014, and the upcoming 2014-2022, that state law was modified that enable the County to form basically a Joint Powers Authority with the 21 cities in San Mateo County to determine their distribution of the County's housing needs allocation. He said the City participated in that process and reduced its needs allocation by 20 units, which he needed to verify. He said he believed Redwood City was one of the cities willing to take on more of the allocation. He said this also occurred for the period 2014-2022, and the City's housing needs allocation was reduced from 734 units to 655 units. He said this was subject to Council confirmation in January. He said this was from the 21 cities in the County meeting to discuss and reorganize allocation needs different from ABAG's distribution. He said for the City to go out separately now might jeopardize those results. He said for that last cycle he did not recall that Redwood City was interested in a higher needs allocation.

Commissioner Riggs asked about items the Commission would like to see in the General Plan. Development Services Manager Murphy said the Land Use and Circulation Elements were by far more controversial and complicated. He said the other Elements were more technical and much more outdated. He said there was a need to get those up to date but there should be no major policies because of that unless a policy would help minimize potential impacts from rezoning. He said discussions how to best address single-family residential zoning would require more community outreach and would be better as part of the visioning for the future comprehensive General Plan update. He said this work for consistency with the Housing Element should provide a better baseline for that future work.

Chair Ferrick asked what was involved in the trade that occurred because of the County and 21 cities' meeting related to housing allocation distribution. Development Services Manager Murphy said the discussions were related to communities who had more sites and a willingness to accommodate more of the needs allocation and were planning for more housing. He said to get more than what was gained that way the City would need to give something up such as water rights or offer financial compensation.

Commissioner Riggs said related to Phase 2 Housing Element he was looking forward to more specific accommodations to encourage second units and the amnesty program. He said in the policy there was a category entitled "Special Needs," which had no definition of prioritization or proportionality. He suggested for policy discussion as Council was reconsidering previous designations for shelter locations that shelters should be supportive of our better nature and not supportive of activities contrary to a community already built by the City's past residents and bought into by the current residents, which he thought might be a framework less intimidating for neighborhoods and provide a guideline under which objections might be raised.

Chair Ferrick asked if there was any public comment. There was none. She asked if anyone had wanted to speak on the Capital Improvement Plan. There were none.

Commissioner Bressler said the State law mandated that the City not only provide housing but that it be affordable based on income demographic for the area. He asked where the money to make that happen would come. Development Services Manager Murphy said the vehicle that would most likely facilitate affordable housing development would be low income housing tax credits. He said other sources would be challenging. He said the City's Below Market Housing Fund would be used most likely to leverage other funding sources. He said the Redevelopment Agencies used to be a mechanism for achieving affordable housing. He said an aspect the City was pursuing as part of the Housing Element was the concept of an affordable housing overlay zone to create the incentives for higher density linked to lower income restrictions.

Commissioner Bressler said he hoped whatever the City did would not just bump the BMR ratio up which was subsidizing low income housing by making everyone who did not qualify pay more for housing.

E. COMMISSION BUSINESS

There was none.

ADJOURNMENT

The meeting adjourned at 9:23 p.m.

Staff Liaison: Thomas Rogers, Senior Planner

Recording Secretary: Brenda Bennett

Approved by the Planning Commission on January 28, 2013