



REGULAR MEETING MINUTES

Date: 10/24/2016

Time: 7:00 p.m.

City Council Chambers

701 Laurel St., Menlo Park, CA 94025

A. Call To Order

Chair Katherine Strehl called the meeting to order at 7:00 p.m.

B. Roll Call

Present: Andrew Barnes, Drew Combs (Vice Chair) (recused before Item F1), Susan Goodhue (recused before Item F1), Larry Kahle, John Onken ((recused before Item F1), Henry Riggs (arrived at 7:05 p.m.) Katherine Strehl (Chair)

Staff: Deanna Chow, Principal Planner, Nikki Nagaya, Transportation Manager, Jim Cogan, Housing and Development Manager, Heather Abrams, Sustainability Manager, Azalea Mitch, Senior Civil Engineer, Leigh Prince, City Attorney

C. Reports and Announcements

None.

D. Public Comment

None.

Chair Strehl noted that Commissioner Riggs had arrived.

E. Consent Calendar

None.

Chair Strehl noted that Commissioners Combs, Goodhue and Onken were recused and that with the arrival of Commissioner Riggs continued to have a quorum.

F Public Hearing

- F1.** City of Menlo Park/General Plan and M-2 Area Zoning Update, including a General Plan Amendment, Zoning Ordinance Amendment, Rezoning, Environmental Review:

The City is proposing to update the Land Use and Circulation Elements of the General Plan, including revised goals, policies and programs, the establishment of new land use designations,

and the creation of a new street classification system. The General Plan Update seeks to create a live/work/play environment that fosters economic growth, increased sustainability, improved transportation options and mobility, while preserving the existing residential neighborhood character and quality of life enjoyed today. The land use changes are generally focused in the M-2 Area (which is primarily the existing industrial and business parks located between Bayfront Expressway and Highway 101) and could result in an increase in development potential above what would be allowed under the current General Plan, as follows:

- Up to 2.3 million square feet of non-residential space;
- Up to 4,500 residential units; and
- Up to 400 hotel rooms

This additional development potential in the M-2 Area, combined with the remaining development potential under the current General Plan, would result in a total of up to 4.1 million square feet of non-residential development and up to 5,500 residential units in the City.

The Planning Commission will consider and make recommendations to the City Council on the following:

1. General Plan Amendments: Incorporate the updated Land Use and Circulation Elements into the General Plan. Change the General Plan land use designations of properties in the M-2 Area to one of the following designations - Light Industrial, Office, Life Sciences, Mixed Use Residential, Baylands and Public Facilities. No land use designation changes are anticipated outside of the M-2 Area and Baylands Area.
2. Zoning Ordinance Amendments: Create three new zoning districts in the M-2 Area for consistency with the proposed General Plan Land Use Element. The proposed zoning districts include Office (O), Life Science (LS) and Residential-Mixed Use (R-MU) designations. The O district includes overlays to allow hotels (O-H) and corporate housing (O-CH). Overlays for bonus level development are also proposed in the Office, Life Science and Mixed-Use zoning districts (O-B, LS-B, and R-MU-B). In addition, proposed changes to the C-2-B (Neighborhood Commercial District, Restrictive) zoning district would allow for residential uses with up to 30 dwelling units per acre and heights of up to 40 feet for mixed use development. The zoning ordinance amendments also include proposed modifications to streamline the hazardous materials review process as an administrative permit, subject to the review and approval of the Community Development Director (or designee) when certain criteria are met, and other minor modifications, such as allowing administrative review for architectural changes in the O and LS districts similar to current regulations for the M-2 district, changes to the nonconforming uses and structures chapter, and other minor text amendments for consistency in implementing the proposed changes to the M-2 Area.
3. Rezoning: Rezone property in the M-2 Area to one of the following zoning designations for consistency with the proposed General Plan land use designation amendments – O (Office), Office, Hotel (O-H), Office, Corporate Housing (O-CH), Office, Bonus (O-B), Life Science (LS), Life Science, Bonus (LS-B), Residential Mixed Use, Bonus (R-MU-B), Public Facilities (P-F), and PF (Flood Plain).

4. Environmental Review: Review of the Final Environmental Impact Report (EIR) prepared for the General Plan and M-2 Area Zoning Update, which analyzes the potential environmental impacts of the General Plan and M-2 Area Zoning Update.

(Staff Report #16-083-PC)

The Planning Commission discussed the item at its meeting on October 19, 2016 and continued the item for further discussion and recommendation.

Staff Comment: Principal Planner Chow said tonight was a continuation of consideration of the General Plan and M-2 Area Zoning Update from the Commission's October 19, 2016 meeting. She said a stapled packet containing correspondence received since the October 19 meeting and a ConnectMenlo EIR Errata #2 memo that helped clarify bio-mitigation #1 was at the dais. She introduced Charlie Knox and Rosie Dudley with Placeworks.

Principal Planner Chow said she would address questions and topics raised at the prior meeting: biological resource mitigation, clarification on the land use element and circulation element, topics on the zoning ordinance amendment and summary of the comment letters. She said the first item was the bio-mitigation #1 and referred to the memo distributed. She said this was to clarify when a biological resource assessment was needed. She said it was not 10 feet specific but all adjacent properties to undeveloped natural habitat would trigger a biological resource assessment. She said this was applicable to all future projects that were adjacent to sensitive habitat. She said it also outlined in doing the biological resource assessment that consideration of guidance documents prepared specific to the Wildlife Refuge would be made, and it incorporated additional clarifying language that as part of the process they would consult with the Refuge representatives to determine that biological mitigations for a project were appropriate. She noted that was outlined in the underlined and strikethrough language.

Principal Planner Chow said Commissioner Riggs had requested strengthening of the language for Goal #4 to be consistent with guiding principles for a competitive and innovative business destination. She said they strengthened the language to reflect supporting the retention and attraction of successful entrepreneurship and emerging technologies that provide goods, services, amenities, and local job opportunities for local residents as well as avoiding and minimizing potential environmental and traffic impacts. She said next was the circulation element that Transportation Manager Nikki Nagaya would present.

Ms. Nagaya noted matters that had arisen at the last hearing on the General Plan and M-2 Area Zoning Updating. She said Willow Road going north to south between Bayfront Expressway and Bay Road was classified as a Boulevard, carried about 36,000 vehicles per day and had equal priority for pedestrian, transit and vehicles and a slightly lower priority for bicycle traffic. She said another section of Willow Road was considered an Avenue mixed use classification noting that volumes on this section ranged from about 34,000 at Bay Road up to 41,000 at Durham, and about 25,000 vehicles getting closer to Middlefield Road. She said on that section the priority would be split between bicyclist, pedestrians and transit with a slightly lower priority for vehicles. She said this designation was defined in the Circulation Element for looking at this section and providing priorities for potentially closing the bicycle lane gap that existed roughly between Durham Street and Bay Road. She said the Commission could discuss and make recommendations if they thought designations for Willow Road should be different. She said the last section between

Middlefield Road and Alma Street was classified as a neighborhood collector with a much lower volume of traffic between 3,000 to 5,000 vehicles per day.

Ms. Nagaya said there had been discussion about potential modifications to the City's Transportation Impact Analysis (TIA) Guidelines. She said the master planning process reviews would define how they planned and constructed the overall network outside of new development. She said related to analyzing impacts were the metrics to be used and the thresholds of significance. She said those were defined in the current TIA in two topic areas: intersections and levels of service (LOS), which was primarily a delay-based metric and daily traffic volumes that was primarily a quality of life-based metric primarily the amount of traffic that potentially would use residential streets. She said in general the direction heard from the General Plan Advisory Committee (GPAC) in August 2015 was to try to maintain the TIA Guidelines and supplement those with Vehicle Miles Traveled (VMT). She said they would like to keep the TIA Guidelines maintained for this process and that any recommendations on changes to be made toward future planned action on the TIA would occur after the Transportation Master Plan was developed.

Ms. Nagaya said the Commission had concerns with the needs for additional infrastructure improvements related to the potential land use development under the proposed General Plan. She said development of the Transportation Master Plan would look at specific improvements and needs around transportation infrastructure, conduct community engagement around what conditions were existing per neighborhood, what types of improvements could help alleviate those types of concerns; develop cost estimates, and then prioritize the different improvement projects based on safety needs, LOS delays, corridor travel time. She noted they would develop what the metrics for prioritization were going into the process. She said after the Transportation Master Plan they would have what they needed to do an updated traffic impacts fee (TIF) study. She said as those fees accumulated, improvements would be constructed and would give them the ability to leverage grants and other funding sources.

Principal Planner Chow said there was a request to look at the sharing of Floor Area Ratio (FAR) among zoning districts. She said after the Planning Commission's discussions at the study session in May, staff prepared some revisions to the zoning ordinance language in the three zoning districts to allow the calculation of FAR among contiguous properties of the same ownership within the same zoning designation. She said the continued request was to look at the sharing of FAR among different zoning districts. She said staff was open to the concept but needed some additional clarifications with the property owner that made the request. She said staff also had some reservations about implementation would work in terms of the different development standards in the different zone designations and how those would apply to different buildings. She said without further discussions staff did not have a recommendation one way or the other. She said a Master Plan might be appropriate. She said if the Commission wanted to move this forward, staff could work with the property owner and get more clarification.

Principal Planner Chow said the question of providing parks and playing fields under the updated M-2 arose. She said the three new zone districts have a requirement for public open space and that was also on the Community Amenities list for bonus level programs. She said it would be very challenging to rezone privately owned property for public use; however, if a property owner was interested in providing a public park on their site, staff would be open to identifying opportunities for transferring that property development to other sites so there was no loss of development opportunity.

Principal Planner Chow said staff was asked to look at different regulations regarding street improvements and identify flexibility. She said currently any new development or tenant improvements, or a combination of, 10,000 square feet, triggered review for street frontage improvements. She said the 10,000 square foot tenant improvement might be more onerous than intended. She said they would like at potentially adding some flexibility so that straight tenant improvements probably would not trigger street frontage improvements. She said that they needed more time to look at that and if the Commission would like them to do that they would.

Principal Planner Chow said related to the Life Sciences District (L-S) there was a request to look at the step back requirement. She said the requirement was moving up to the base level height the building would have to step back 10 feet before it could increase in height. She said they made some modifications to the design standards for maximum setbacks, the build to area, and the minor modulations requirement. She said in the L-S standards they did believe they could eliminate the step back requirement; however, they would like to add a clarification for the modulation of the building. She said that the modulation would be a minimum of 15-feet wide by 10-feet deep every 200-feet of the façade length.

Principal Planner Chow said regarding an average building height of four and a half stories discussed at the October 19 meeting that the buildings would be average height per site or within the area of a development application for one or multiple properties and was not across the entire L-S zoning district.

Principal Planner Chow said staff was not recommending any changes to the open space requirement as it was visual enhancement that would lend to the open live/work/play environment. She said they found that other local jurisdictions had similar requirements, such as the North Bayshore area of Mountain View and the City of San Carlos. She introduced Heather Abrams, Sustainability Manager.

Ms. Abrams said the City Council adopted targets for Greenhouse Gas (GhG) emissions reduction that were fairly aggressive with a targeted 27% GhG reduction by 2020 from 2005 levels. She said ConnectMenlo included a guiding principle for sustainability and they were also looking at state goals that had to do with building performance and GhG reduction. She said the Commission had requested a comparison of the City's draft zoning versus other neighboring cities. She presented a visual comparison of Menlo Park with Palo Alto and San Mateo. She said recurring themes were that all had requirements for new buildings, tenant improvements, solar, and EV chargers. She said one thing they might notice was that the Menlo Park list was a bit longer and that was purposeful as they were attempting to give as much flexibility and provide options based on different sizes of development. She said in Palo Alto they used a Tier 1 and Tier 2 and they were much more prescriptive and stringent than the LEED in Menlo Park's draft zoning ordinance. She said Palo Alto had a more prescriptive treatment on solar whereas the Menlo Park draft said the applicant would do a feasibility study and do 30% of what was feasible. She said they found Menlo Park's EV charger requirements were a bit less stringent than Palo Alto and San Mateo jurisdictions. She said regarding 100% renewable energy that commercial businesses and others were paying PG&E rates. She said compared to Peninsula Clean Energy (PCE) rates for 100% renewable energy that for 3% you would get a fairly significant savings in GhG emissions. She said one developer did the calculator tool on the PCE website and found that it would work for him. She said also there was a question about the tenant improvements. She said those over 1,000 square feet would have to go through LEED IB&C and was for tenant improvements specifically and not for the whole building. She said that their building official came up with another alternative

for consideration such that if they did not want their tenant to go through their LEED IB&C they could bring their core and shell up to current building standards. She said that would give some energy efficiencies and other benefits being looked for on the sustainability side as well going to onsite solar or energy generation. She said that would give the jump in efficiency to meet state goals in a different way.

Azalea Mitch, Senior Civil Engineer, Department of Public Works, said there had been many questions about recycled water at the last meeting. She said earlier in the year staff of the Municipal Water District completed the Urban Water Management Plan required by law to be updated every five years. She said part of that was to evaluate their potable water supply. She said that analysis included normal and dry conditions, the latter based on a drought lasting one year and multiple years. She said the study concluded during dry years that they could begin to see potable water shortfalls beginning in 2020. She said the challenge was to plan for these potential shortfalls given that there was only one water supply. She said the strategy regarding recycled water was a multi-faceted approach. She said they did not currently have access to recycled water within the District as wastewater was handled by West Bay Sanitary District and treated in Redwood City. She said two options included purchasing treated, recycled water from Redwood City and Palo Alto. She said as part of the Water System Master Plan they were analyzing the feasibility of building a purple pipe distribution system that would bring that water from either City to customers in Menlo Park. She said it was a long-term project and the capital investment was significant. She said they needed to look at what they could do now, which involved looking at onsite treatment and making that a requirement for new development. She said they modeled those requirements on the San Francisco PUC's ordinance that has been in effect since 2012.

Principal Planner Chow said the next item was clarification about the Community Amenities list and on what the actual priorities were. She said the list was identified through the Belle Haven Visioning Plan and the Connect/Menlo project, noting in 2015 they conducted a survey. She said earlier in 2016 they revisited the Community Amenities list and did a follow up exercise at another community meeting, asking participants to identify their top priorities out of which the top six were identified. She said there were comment letters indicating a preference to pay a flat rate impact fee versus doing a value appraisal before doing a contribution of community amenities. She said the option to pay an impact fee would require a nexus study, which had not yet been conducted. She said paying an in-lieu fee could become possible through a development agreement. She said clarifications that needed to be written into the code were that a developer as part of the application process would need to provide documentation of what the value of the community amenity was so that it corresponded equally to the 50% of the increased value that the bonus level development created. She said for clarification that the appraisal, if in the R-MU zoning district and 15% of the total number of units was required to be affordable, that 15% was part of the appraisal so the 50% value will have included that.

Principal Planner Chow said the Commission received a number of comment letters at the last meeting and this evening. She said many of those reiterated comments on the EIR. She said staff believed that those comments were responded to as part of the Response to Comments in the Final EIR. She said other letter writers said they did not support the proposed growth and others thought it should be phased. She said others supported the growth and sustainability improvements with a desire to do additional measures. She said other comment letters referred to various kinds of impact fees, many of which were related to policy discussions. She said the EIR did not require any additional impact fees other than those previously identified. She said lastly

there were comment letters regarding flexibility in the regulations which had been highlighted earlier in the evening.

Commissioner Kahle referred to the information on Willow Road. He said he would expect higher volume between Hwy. 101 and 84. Ms. Nagaya said the counts shown were collected in the fall of 2014. She said the City collected the data on the City-controlled sections or roughly Alma Street to Bay Road. She said the data from Bay Road north at Bayfront Expressway was calculated by Caltrans. She said the largest contributing factor was the connection to Hwy. 101. She said the connection between Middlefield Road and the freeway carried a significant amount of traffic headed to Hwy. 101 and the Dumbarton Bridge. Commissioner Kahle asked about a future Willow Road interchange project and how the trip count would be affected. Ms. Nagaya said the improvements planned for the Hwy. 101 and Willow Road interchange were not what would be called capacity enhancing nor would it create a traffic flow shift in either direction but it would eliminate some of the weaving short sections both on the freeway and Willow Road that contributed to localized congestion and would address some safety concerns.

In response to Chair Strehl, Ms. Nagaya said the City Council had approved the Transportation Master Plan as part of the CIP, its funding was available now, and it was scheduled to commence upon completion of the General Plan Update. She said the Transportation Master Plan process would likely be 12 to 18 months. She said the original thinking was to start with the Master Plan and lead into the fee program updates followed by the Transportation Impact Analysis (TIA) Guidelines update. She said they could definitely consider expediting the TIA Guidelines if that was desired.

Commissioner Riggs said he appreciated the clarification on the Willow Road classification particularly the section south of Bay Road. He said what was lacking in that section were bicycle facilities. He suggested that rather than setting a policy to prioritize bicycles that a program was established to add the necessary bicycle lanes and base the priorities upon use. He said he would not prioritize vehicles but would give equal priority to transit and pedestrians on the segment of Bay Road to Bayfront Expressway.

Ms. Nagaya said there were programs in the Circulation Element to identify and complete the bicycle network. She said there was not one specific to Willow Road and that staff would not necessarily recommend having a specific program for that particular gap closure as that was better left to prioritization in the Transportation Master Plan effort.

Commissioner Riggs said for mixed use streets that vehicles should have at least an equal priority to other users simply based on the ratio of vehicles to other modes of transport. Ms. Nagaya said they would need to do some estimation of the number of persons on transit vehicles to get to the ratio but acknowledged vehicles were predominant on Willow Road. She said the classifications were not meant necessarily to discourage vehicle use on the segment but in looking at other mixed use avenues that have been classified around the City such as Santa Cruz Avenue, Middlefield Road, those had similar context to that section of Willow Road. Commissioner Riggs said having Santa Cruz Avenue and Middlefield Road in the same classifications raised questions. He said the lowest possible priority was given to transit on Willow Road from Middlefield Road to effectively the Civic Center and that was either Burgess or Laurel. He said there was an implication to Council, Commission and future decision makers that transit was not desired there. Ms. Nagaya said the classification priorities related also to where there was limited right of way, and how they designated the space on the street supported which modes should have priority. She said in this

case the lower designation of transit priority signaled that they would not look at designating space on that segment of Willow Road for transit. She said it did not mean transit would not be allowed but would not have the priority for designated space for its use. She said to access the Civic Center there was also Middlefield to Ravenswood access points that transit vehicles could take as well. Commissioner Riggs said he thought the designations could use more thought and review as in the prioritization there might be prejudice for one use over another use. Ms. Nagaya noted that Santa Cruz Avenue was an Avenue Neighborhood designation from downtown toward the west. Commissioner Riggs said he recalled three segments that were more like collector streets that had been placed in the mixed use category and thought it would benefit to relook at those again.

Chair Strehl said she had previously asked if there was a comparison of other cities that required 100% renewable energy for their new development. Ms. Abrams said that other cities were not doing that. She said it was a solution specifically developed for Menlo Park as an alternative to the first draft which was onsite renewable generation. Chair Strehl asked if other cities required 80% renewable energy onsite for new development. Ms. Abrams said in Palo Alto they have a 5KW and City of San Mateo has a 3KW size system requirement. She said that was a size requirement as opposed to the feasibility based approach they developed. She said other cities had not started this requirement yet. She said it was reflective of the direction of making sustainability a guiding principle.

Chair Strehl recessed the meeting for a short break.

Chair Strehl reconvened the meeting.

Public Comment:

- Gita Dev, Sierra Club, Loma Prieta Chapter, said they had sent a letter today. She said staff had done well to collect all of the comments and make changes, but the Plan was not quite ready for adoption. She said in reference to the new designation, Office-Corporate Housing (O-CH), that there was no agreement on what corporate housing was. She said they needed to define it as to the population occupying it. She said a dormitory might house four to six people in any one unit. She said that would be a major population increase on a small island. She said most significant about the M-2 was its proximity to the Don Edwards National Wildlife Refuge. She suggested adding a habitat overlay to the zoning map. She said regarding R-MU that while 4500 housing units were expected looking at the bonus zoning it would allow 25% FAR for office in the residential zoning area.
- Nicole Kemeny said she supported the 100% clean renewable energy and did not think it was time to relax the green building standards. She said she would donate the rest of her time to Justine Byrd.
- Justine Burt, Palo Alto, said she was a sustainability consultant, and had been asked to share a case study of a zero net energy building in Sunnyvale accomplished through HVAC, light loads and solar. She said the walls and roofs were super insulated and were the thermal mass, with light flushing and light exchange, they were able to drop HVAC sizes from 100 tons to 22 tons. She said the architect spent \$49 per square foot more to do this design but the building saved \$89 per square foot in energy operation.

- Michael Closson, Menlo Park, said he was an environmental consultant mainly focused on energy use. He urged the Commission to support the 100% renewable energy requirement for new developments. He said this was crucial to the City accomplishing its Climate Action Plan goals. He said getting Peninsula Clean Energy established in the County was a big step toward reducing GhG emissions. He said commercial buildings after traffic were the greatest contributors to GhG emissions.
- James Tuleya, Sunnyvale, said he was a member of the leadership team of “Sunnyvale Cool” and was on the Board of “Carbon-Free Mountain View.” He said he supported the green and sustainable building requirements including the 100% renewable and the recycled water. He noted that cohesive action regionally would lead the way for other areas.

Chair Strehl asked if Sunnyvale required 100% renewable energy for new development. Mr. Telea said that city would update their building codes in the next year and among the things expected was a requirement for solar on roofs. He said what was being presented for Menlo Park allowed more flexibility particularly with the option of PCE now available.

Chair Strehl noted the next speaker was Gail Raabe and that she had an extra three minutes donated to her.

- Gail Raabe, Redwood City, said she was representing the Citizens’ Committee to Complete the Refuge, a local environmental advocacy organization. She said the group had been participant in the CEQA process for the plan update since the beginning and had submitted a detailed scoping letter and comments on the draft EIR. She said there was little revision and response to the comments received from them. She said they requested a continuance to allow the necessary time to insure the document complied with CEQA especially in indentifying, analyzing, and mitigating the significant impacts to endangered species, sensitive natural communities, and jurisdictional wetlands. She said he written response to their comments detailed conservation plans that were left out of the Final EIR, and the consultant described at length the important Natural Community Conservation Plan that we discussed such as the US Fish and Wildlife Service Tidal Salt Marsh Recovery Program for Echo Systems, Don Edwards Wildlife Refuge Comprehensive Conservation Plan, and the South Bay Salt Pond Restoration Project, Phase II Plan, and Ravenswood Pond. She said the plans identified endangered and sensitive habitats immediately adjacent to the Facebook East Campus where the updated M-2 zoning would allow for the construction of housing. She said the Final EIR had not been revised with this information. She said Bio-6 discussed impacts on the sensitive habitat in the Stanford Habitat Conservation Plan and was silent on the important regional conservation plans that were directly impacted by the zoning land use changes being proposed. She said the all inclusive mitigation measure Bio-1 still talked about “possible” sensitive biological resources on the Don Edwards SF Bay National Wildlife Refuge when those sensitive biological resources were documented, and it did not require mandatory consultation with the Refuge regarding impacts and appropriate mitigation measures. She said the Refuge was not on the list of agencies consulted for the EIR.
- Allan Bedwell, Environmental Quality Commission (EQC), said the EQC, when now Planning Commissioner Barnes served on it, put a great deal of thought into analyzing options (water and energy) so standards would allow a maximum amount of flexibility. He said there were concerns with the costs of the proposed requirements. He said he ran two state agencies

across the country where he had established stringent standards. He said the key to success was providing flexibility and establishing standards that were not only easily achievable and flexible but also allowed for either flexible financial mechanisms to use or to anticipate the fact that the cost of doing things now would be much less than doing them in the future. He said the standards for water and energy that were proposed in the draft General Plan Update (Plan) reflected that by looking at both energy costs and future regulatory requirements by the state for renewable energy use and GhG emissions reduction. He said the Plan proposal was timely and would provide developers as well as tenants with certainty. He urged the requirement for the installation of purple pipe for new development as doing that on an after the fact basis was usually cost prohibitive.

- Lily Gray, Mid-pen Housing, said they submitted a letter in advance of the October 19 meeting. She said to highlight they were supportive of affordable housing and the Plan's inclusion of significant new housing units. She said throughout the Plan update process the desire for a wide range of income-based affordable housing was clear. She said they found that ordinances designed to incentivize affordable housing worked best when they allowed for flexibility in implementation including onsite and offsite options. She said the flexibility also extended to income levels. She said they appreciated the City's targeting of extremely-low, very-low and low-income populations. She said flexibility on how units were made available and on income ranges would allow the City to weigh the cost and benefits and maximize production of affordable housing. She said they encouraged the City to look at ways to lower barriers to housing development or evaluate the tradeoff. She said stakeholders have previously commented on potential impediments in the R-MU zoning. She said they had provided comments on the C-2-B of a similar vein. She said they supported the modifications to the C-2-B zoning to allow for multi-family residential development. She said they recommended increasing height maximums to allow for the construction of ground floor commercial and three stories of residential. She said they also recommended that the front and corner setback requirements be reviewed to match the intent of the R-MU zoning and maximize the potential of the mixed use sites. She said they also wanted to insure the zoning language would allow for the provision of community amenity uses onsite as applicable to ease and incentivize the incorporation of these uses in the Belle Haven neighborhood. She said they supported the Commission moving the Plan forward so the construction of desperately needed housing could begin.

Commissioner Barnes asked about the different mix of income levels being recommended. He asked if she was being prescriptive in a project about the percentage of the different income levels or advocating not being prescriptive in percentages for those. He asked how Mid-pen solves for that. Ms. Gray said their main comment was flexibility and that made sense both from how units were provided and at what income levels. She said there were numerous financing forces for affordable housing development that had specific income targeting requirements. She said having flexibility at the City level might mean that one project might make sense to be entirely extremely-low income units and another a mix of moderate, below and very low. She said it made most sense on a project by project basis as the size of the project might have implications to what was feasible. Commissioner Barnes said there were questions as to whether inclusionary housing should be within the same building or on contiguous parcel, or a parcel with some geographic distance. Ms. Gray said their opinion she thought housing needed to be provided with all of those means.

Commissioner Riggs asked whether the state density bonus law applied for mixed use, R-MU and C-2-B, above what the City prescribed. Principal Planner Chow said the state density bonus could be implemented on any of them. Commissioner Riggs said potentially a mixed use project with commercial on the first floor and two levels of residential could have a fourth floor applied for under state density bonus. Principal Planner Chow said potentially as they would look at what type of units were being proposed, what income category, the number of units and density. She said there could be an expansion beyond what was allowed in the zoning regulations.

Chair Strehl asked that speakers who had addressed the Commission at the October 19 meeting on the Plan would clarify what new comments or matters they wanted the Commission to hear.

- Kristin Duriseti, Menlo Park, said she was the EQC representative to the GPAC and spent considerable time considering issues particularly those of sustainability. She said she agreed with everything speaker Bedwell had said. She said the City has regulations coming in the future that they would need to meet. She said regarding GhG reductions that Council has asked the EQC how to do that in a cost effective way. She said as community leaders that they should think long-term responsibly both for the environment and economy sustainability. She said looking at individual projects and their competitiveness it was very important to take seriously how they would meet the coming regulations in a cost-effective way. She said if they missed this opportunity both in terms of the energy efficiency and the water budget, future solutions would be more expensive. She urged the Commission to maintain the energy efficiency requirements in terms of the flexibility for the 100% renewable and to meet the water budget.
- John Tarlton said staff referenced a developer that had done analysis on the utility rates and that was him. He said they agreed that the PCE rates could be manageable as proposed. He said they would encourage staff and Council to apply pressure to the PCE as they moved forward so those rates did not end up an introductory promo. He said regarding open space that they liked open space as well but as the zoning was currently drafted, open space created for equipment pads for Life Science, L-S zoning, didn't count toward open space. He said examples given of the North Bayshore in Mountain View and in San Carlos were office projects and those did not have the constraint of L-S. He said he supported open space but had to provide area for L-S tenants. He said a compromise was needed in the definition or reducing the requirement slightly. He said another tweak needed was regarding LEED requirement for laboratories. He said LEED did not currently work for laboratories and there was no laboratory LEED structure. He said while he supported sustainability and would build new buildings that were LEED compliant as LEED didn't work with laboratories he would have to figure out how to do that. He said if they required any tenant improvement over 1,000 square feet to be LEED then he would not be able to do tenant improvements for new Life Science companies. He said solutions might be to carve out laboratories and require LEED of office. He said he liked the creativity staff had put forth in doing core and shell in lieu of LEED tenant improvements but he wanted to make sure that tenant improvements would not be disallowed due to the regulations. He said the time frame for a shell project was much longer than for a tenant improvement project. He said they looked forward to working with staff and asked the Commission to encourage staff to work with them to develop a compromise for Life Science businesses' tenant improvements.

Commissioner Barnes asked if Mr. Tarlton was supportive of the 100% renewable energy requirement as currently written. Mr. Tarlton said with the PCE rates as set those represented a

nominal increase for them and they supported being progressive on reducing GhG emissions. Commissioner Barnes asked if Life Science businesses tended to be heavy electricity users. Mr. Tarlton said that was correct and they were quite pleased that the consultant and staff worked to create flexibility so they would not have to create onsite generation.

Chair Strehl noted that the next speaker, Eileen McLaughlin, had time donated by Steve Schmidt.

- Eileen McLaughlin, Citizen's Committee to Complete the Refuge, said she was reiterating the request made by Ms. Raabe to continue the item, noting the letter they sent jointly with the Sierra Club the past Friday. She said since the Commission's last hearing they were able to meet with Planning staff and a Placeworks representative in regards to mitigation bio-measure 1. She said they also presented information on additional biological concerns but without sufficient time to discuss comprehensively. She said the time the City was allowing for revisions was far too brief to resolve the inadequacies regarding biological resources, which made a continuance critical. She said biological resources like all other impacts, planning effects, ripple across a sphere of objectives that ConnectMenlo has pursued. She said zoning ordinances lay requirements intended to mitigate impacts. She said the proposed zoning ordinance for the O-CH, Facebook East housing project, established a 200 foot step back from the waterfront, Ravenswood slough. She said the ordinance provided no explanation why 200-feet and there was no discussion of it in the EIR. She said they thought 200-feet might be acceptable but maybe it was not enough or maybe it was too much. She said the L-S zone had properties directly abutting the wetlands but the buildings have only a required setback of 10-foot from the rear property line. She said the buildings might be five stories shadowing the wetlands by day and its windows shedding lights at night on night creatures just 10 feet away. She noted that potential significant impacts upon the federally endangered Salt Marsh Harvest Mouse, Ridgeway's rail, and the Western Snowy Plover should have been analyzed. She cited areas in which construction would be limited due to biological resource protections. She said the environmental review did not use environmental source materials or consultation with the Refuge and the entire biological resource section of the EIR needed to be redone.
- Pamela Jones, Menlo Park, said she was unsure what the Circulation Element meant noting that the collector and mixed-use avenue designation seemed to be in Belle Haven area. She said it looked like they were trying to make it safe for bicycle use and pedestrians which was a good thing. She suggested looking more at that noting Ivy Drive might be better as it was wider than Newbridge. She said she would like car cut through traffic to be stopped. She said she wondered if the Willows area had some of the same problems. She said she hoped the adopted General Plan would have a robust plan for traffic throughout their entire community.
- Diane Bailey, Menlo Spark, said she supported the clean energy provisions in the regulations and was pleased to hear Mr. Tarlton's comments. She said Menlo Park could be a leader and perform these measures earlier before they became more expensive. She said there were a lot of no cost alternatives to meeting the renewable energy standards.
- Adina Levin, Transportation Commission, Commission representative on GPAC, said she was speaking for herself. She said in response to discussion last week about the proposed General Plan policies to increase use of more space efficient and sustainable transportation there was some concern that because our transportation system has been so heavily car dominant in the past that there might be feasibility issues, and a suggestion was made to set goals moving

forward along the lines of what they had been in the past. She said she had examples in the area where there has been significant change and it was feasible. She said the City of San Mateo included in their Rail Corridor Plan a 25% vehicle trip reduction goal with requirements for measurement and public reporting; to create a transportation management association to administer benefits for the entire area, including shuttles, transit, and car share to help residents from Hayward Park to Hillsdale. She said this included a number of multi-tenanted developments. She said in the three years since the developments have been open everyone in the Plan area has been compliant. She said it was possible and feasible to have a goal of trip reductions work in an area that was multi-tenant and mixed use. She said Facebook's promise when they moved into the Sun campus was to provide parking for about half of their employees to drive and they had kept their commitment. She said Stanford was given a trip cap by Santa Clara County and the driving reduced from 70% to 50% in meeting the cap. She said a question was asked if it was realistic to increase the use of bicycle lanes. She said Facebook's bicycling rate plummeted when they moved from Palo Alto, which had better infrastructure and more people who lived within five miles of their work. She said there was strong evidence that when infrastructure was improved there was opportunity to increase the rate. She said the City Council and the community have set goals to have infill development and live/work/play. She said to make that work they needed increased use of space-efficient modes, which she thought was possible and feasible.

Chair Strehl closed the public hearing.

Commission Comment: Chair Strehl said there were letters from property owners in the M-2, noting one from the property owner of 111 Independence Drive, who said as the result of the new zoning a public street was shown running through his property. Principal Planner Chow said they have had communication and would meet with the property owner's affiliate on Thursday. She said the street being questioned was in the R-M-U district and straddled in between Bohannon properties. She said currently an S-curve comes off Marsh Road and curls into Independence Drive. She said the idea was to have a T-intersection rather than an S-curve. She said reconfiguration of the street would not occur unless redevelopment occurred. She said if a new street were to be developed the realignment of the street would provide right of way would be added to the property losing the new right of way for the road reconfiguration. She said it would be no net development property loss. She said she thought the property owner was interested in redeveloping the property as mixed use.

Chair Strehl said another letter from 1100 O'Brien Drive, an offset printing and copying business in L-S zone, asked for confirmation that they could continue their business there. Principal Planner Chow said she had follow up conversations with the owner and it appeared their existing business would be able to remain in the new L-S district regulations.

Replying to Commissioner Riggs, Principal Planner Chow said they recognized 10,000 square feet triggering street frontage improvements for tenant improvements in the L-S District might be cumbersome for every individual tenant so they were looking at an evaluation calculation or some type of threshold so that substantial improvements to the building would trigger street frontage improvements. She said that the modification would be for all three proposed zoning districts in the M-2.

Responding to Commissioner Riggs, Principal Planner Chow said the energy requirement included conducting a feasibility study to determine what would be feasible to put onsite for solar generation

and the requirement was to do 30% of what was feasible. She said the remainder of the demand would be through purchase with one of the options being the 100% renewable option through PCE. She said the requirement was applicable only to the proposed three new zoning districts in the M-2 and the 100% energy demand would be for all new construction. She said separately there were the green building requirements for different tiers for new construction depending on the size of the building, or additions and renovations, as shown in Table 16.A and B for residential and non-residential development. She said that was a separate requirement.

Commissioner Riggs questioned whether demand on PCE might eventually have the same issue as PG&E as there was only so much renewable energy being generated. Ms. Abrams said at this point PCE did not have any limit on the number of subscribers they would welcome; she said that was something PG&E set. She said there was no indication that there was a limit at which they could not purchase that amount of electricity from renewable sources. Commissioner Riggs said currently electric was one of the energy supplies. He said should everyone want to use clean renewable electric he had to wonder whether the supply would run out. Ms. Abrams said she understood the concern but the trend over the past several years had been decreasing prices for renewable energy and increasing production. She said they did not see an indication of reaching a peak capacity now or in the near future. She said Menlo Park's consumption within the region was quite small and if a peak was hit, they would have to look at that. Commissioner Riggs said at some point they would be looking at that.

Commissioner Riggs said under the Circulation Element, page A82, policy 3.4, last paragraph, regarding traffic at intersections LOS, that the policy is to strive to maintain LOS at D. He said that was a poor LOS as the minimum. He said that was at all City signalized intersections during peak hours except at the intersection of Ravenswood and Middlefield Road and the intersections along Willow Road from Middlefield Road to Hwy. 101. He asked if the City was saying it could not do better than LOS at D. Ms. Nagaya said the requirements put forward in policy 3.4 were carried forward from the 1994 General Plan language in the Circulation Element. She said they took the policies that existed previously and included them here as there were references to LOS in other programs. She said they did not change the letter grade designation or the locations from what was adopted previously. Commissioner Riggs suggested in doing the transportation update and in this case they should set a goal to have improved LOS at Ravenswood Avenue and Laurel Avenue. Ms. Nagaya said the LOS standard was set with the existing transportation network and that has a limited amount of space. She said to get to a higher LOS letter grade in the peak hours, many intersections would have to be widened and that would make them harder to cross than they were today. She said they were looking at the transportation network in the overall operations of the system and accounting for the fact that in the peak hours there would be congestion at some locations. She said they could make strategic investments to lower that as much as possible.

Commissioner Kahle thanked staff for addressing parks and the open space. He asked if corporate housing was defined. Principal Planner Chow said they had considered putting in the parameters such as room size and occupancy count but decided it was unnecessary with the deed restrictions as to who might be able to and how many could occupy the units as they would all be employees and there were not trips generated by the occupancy.

Commissioner Kahle said there was a comment that the update focused too much on the M-2. He asked when the next General Plan update was expected. Mr. Charlie Knox said cities typically update their General Plans every 15 to 20 years. He said at 10 years from the last update the state Office of Planning and Research will notify a city with a friendly reminder that their last

General Plan was 10 years prior. He said that was separate from the Housing Element that has its own cycle. He said most communities agree that in doing the Plan they look at 20 to 25 years. He said usually updates occur in the 10 to 15 year terms.

Commissioner Barnes said he was pleased with how the circulation element was constructed and that it was quite forward looking. He said he believed it was exactly what the community wanted. He read from the first page: *"The Circulation Element describes distinct issues and opportunities that the Menlo Park community is likely to face during the timeframe of the General Plan as well as key strategies for addressing them. Enacting strategies that will be effective in creating the most functional circulation system possible for a full range of users and travel modes is the focus of the goals, policies, and programs in this element. Menlo Park has a high quality transportation system that connects well internally and to the region but its efficiency can be over-matched at times by the volume of vehicle traffic commonly due to regional traffic at peak times."*

Commissioner Barnes noted the work the Transportation Commission and GPAC invested in laying out the street designations. He said he supported the Avenue designation for Willow Road and its mixed use classification. He said he was happy that transit had a higher designation than vehicle, bicycle and pedestrian there. He said he did not see single-occupancy vehicles in danger of extinction. He said regarding VMT and LOS that the GPAC when it met in October 2015 and had discussed those metrics might not have had the requisite information of SB 743. He said the Governor's Office of Planning and Research issued a press release on January 20, 2016 Notice of Availability to Provide CEQA Guidelines entitled *State seeks public comment on new rules on streamlining projects benefiting public transportation, walking and biking*. He said as they had discussed forward proofing development and putting into place the types of guidelines, policies, procedures and programs for the next 20 to 30 years, he thought it would be a great mistake to not accelerate the VMT and its inclusion in the Transportation Impact Analysis (TIA) as it related to the current master plan, fee program and TIA Guidelines update. He said they would have these new CEQA guidelines within two years and to not fully embrace those as part of the planning process was not a best practice for Menlo Park. He said cities that already use VMT were San Francisco and Pasadena. He said staff in Redwood City the past week were directed to do so too.

Chair Strehl said she understood moving forward that they would use both VMT and LOS. Ms. Nagaya said they were looking at the policies put forward in the Circulation Element and they would include both LOS and VMT. She said additional discussion was once the state guidelines under SB 743 were adopted that LOS would fall away as a CEQA requirement. She said the City if it wanted to retain it as an impact metric would need to discuss how to incorporate it into project reviews. She said there was no case law yet that defined this. She said they were looking at FY 2018-2019 to do that work. She said if the direction was to do it sooner staff would need to work with the state Office of Planning and Research on how to do the combination. She noted that they had already started using VMT as the Facebook Expansion Project EIR used VMT to analyze traffic impacts. She said they have used it as a planning tool but would need to look at how to apply it as a project impact requirement.

Commissioner Barnes asked other than funding what was needed to accelerate use of VMT so that it would be in place when the CEQA guidelines were adopted. Ms. Nagaya said key challenges were staffing and the overall band width of the community to absorb the planning work for the Transportation Master Plan combined with a discussion on impact criteria. She said CEQA legislation requirements were very technical. She said they were trying to balance the desire to put

together a very comprehensive Transportation Master Plan that reflected community input and at the same time do a TIA Guidelines update, which might pit the two projects against each other.

Chair Strehl said LOS was an important measure in addition to VMT. She said she disagreed about Willow Road. She said in an ideal world it would be great to not have single-occupancy vehicles on it but if those were not on Willow Road they would be cutting through neighborhoods such as already happens in the Willows, and that would be true too for Belle Haven and other neighborhoods impacted by future development. Ms. Nagaya said the City could continue to use LOS and maintain LOS letter grade policies without using it in impact analysis requirements for development review.

Chair Strehl asked staff to address the comments made by the Citizens Committee to Complete the Refuge and the Sierra Club. Mr. Knox said Errata #2 at the dais was developed largely through consultation today with the Citizens Committee to Complete the Refuge. He said the Committee's and the Sierra Club's comments were cogent, and that Errata #2 said the baseline biological resource assessment shall incorporate guidance from relevant regional conservation plans including but not limited to the then current (means in the future) Don Edwards San Francisco Bay North West Regional Compliance Comprehensive Plan, South Bay's Salt Pond Restoration Project, Tidal Marsh Recovery Plan, and etc. He said page 3 of the revised language it states that a qualified biologist shall make reasonable efforts to consult with the Refuge management for the purpose of determining presence or absence of sensitive biological resources. He said this did not change the effect of the mitigation measure and did not require any additional activity on the EIR. He said this explains that biological resource assessment would be comprehensive and investigative and would go well beyond the 10-feet, 100-feet, 200-feet even as far as across the Bay. Chair Strehl asked if there was any consideration of a biological overlay. Mr. Knox said it remained a possibility but would be challenging to do on a citywide basis.

Commissioner Barnes said regarding affordable housing that flexibility was sought for the provisioning of very-low, low and moderate income affordable housing. He said the staff report asks what the percentages should be for those, should they be mixed and how that would work. He said flexibility and a mix were important. He asked if staff had considered how that would be accomplished. He asked how they could be prescriptive about what they wanted to see and still allow market forces to build what it could build at a certain time and certain equity structure.

Principal Planner Chow said the most practical way would be accomplished on a case by case basis in which each project would need to provide a certain amount of extremely low, very low, and/or moderate income. She said looking at the community amenities staff did a percentage based on the percentages in the City's Housing Element. She said they could also set percentages of types of affordable housing on a project by project basis.

Commissioner Barnes asked what those percentages were per type of income. Jim Cogan, Housing and Development Manager, said he did not have those percentages memorized but would provide the information to the Commissioner and moving forward to the City Council. He said with the General Plan allowing flexibility for affordable housing the best projects would be possible at different times and different sites. Commissioner Barnes asked if that would include different mixes as well. Mr. Cogan said the need for affordability changes. He said there's been much discussion about workforce housing or super moderate incoming housing. He said the type of income for affordable housing developers seeking tax credit financing was very prescriptive and beyond that there were not many subsidies. Commissioner Barnes asked what the variables for

flexibility were. Mr. Cogan agreed it was income mix, mixing it with market rate in a project versus doing standalone. Commissioner Barnes asked about the income categories in the Housing Element. Principal Planner Chow said those were extremely low, very low, low, and moderate. She said above moderate income was not considered affordable housing. Commissioner Barnes said the economics for a developer change whether it's within the same project or a separate project. He said he thought 1% for affordable onsite was preferable to 1% affordable in a separate or offsite as they would have very different pro-formas.

Chair Strehl said the City Council the next night would be looking at a displacement policy. She asked if it was appropriate for the Planning Commission to make a recommendation to the Council about what might be included in that policy such as developing low income housing on City property, giving more money for low income housing to nonprofits, what to do to keep residents in Menlo Park, and other funding measure to implement to insure residents particularly in Belle Haven were not pressured to find additional housing. City Attorney Leigh Prince said technically there was no specific recommendation relative to the Council's discussion tomorrow night on the agenda. She said however that if that was folded in as part of the Commission's recommendation on the General Plan update that could occur.

Chair Strehl said another question was the issue of phasing, placing a cap on office development so housing development could keep pace, and the issue of flexible zoning to allow for micro-housing and offices around the L-S district. She asked if phasing would be a recommendation to the Council. Principal Planner Chow said that phasing was not studied in the EIR and it was not suggested as part of the project. She said there had been numerous comments regarding that and the Commission could make a recommendation that then would be provided to the City Council for consideration. Chair Strehl asked if it would be appropriate to recommend a residential parking permit program particularly in the Belle Haven area so employees were not parking in residential areas during the daytime. Principal Planner Chow said that could be folded into the discussion.

Commissioner Barnes asked what was being contemplated regarding zoning across districts in reference to Facebook's request. Principal Planner Chow said her understanding was that the property owner was seeking some greater flexibility to allow cross calculation of FARs as well as open space. She said the amount of floor area for each of those components would still need to comply with proposed maximum amounts per designated area. She said staff was willing to work with the property owner to better understand what that would be and they needed time to understand how that might affect placement of buildings in terms of setbacks and height as there were different regulations for R-MU and O districts. Commissioner Barnes asked if the gross floor area associated with each of those districts was contemplated to change. Principal Planner Chow said hypothetically if there were 10 acres of R-MU and 12-acres of O that staff would calculate office based on the 12 acres and R-MU density based on the 10 acres but the potential density and FAR could be placed anywhere on the 22 acres. Commissioner Barnes asked if this was something the applicant would work with staff on for a decision or would it come back to the Commission. Principal Planner Chow said if the Commission was interested in providing that option staff could pursue the option and see if it was something they could move forward with but if the Commission was not interested in having the flexibility for sharing calculations across zone designations, staff would provide language.

Chair Strehl asked Facebook representatives to talk about their planned corporate housing. Mr. Fergus O'Shea, Facilities Director, Facebook, said there was a need for affordable housing and short-term corporate housing. He said they considered how to provide housing without the need

for parking, and the idea for housing next to campus for employees emerged. He said regarding the number of employees that would live in such housing they had provided a number for the EIR but they had to do a Master Plan for the campus before they would have actual numbers. He confirmed for Chair Strehl that there would not be below market rate housing but they had committed to affordable and below market rate housing on the Prologis site.

Commissioner Riggs said the Circulation Element established policies and programs. He asked if any traffic mitigations were programs. He wanted to see what the City was committed to doing. Ms. Nagaya said that under Goal 1, Safety, there were programs to support the Safe Routes to School Program (1B) and the Capital Improvement Program (1C); Goal 2, Complete Streets, programs to manage neighborhood traffic (2A), development of the Transportation Master Plan (2C), maintenance and development of bike improvements (2D through 2I), Transportation Management programs to support TDM program development (2M), signal timing and working with Caltrans (2O and 2Q), and explore Caltrans relinquishment of Willow Road (2R). Commissioner Riggs asked why the City would want Caltrans to relinquish Willow Road. Ms. Nagaya said they heard many comments during the process and referred to the section between Bay Road and Bayfront Expressway, designated as State Route 114. She said the desire was to have more flexibility for the design and function of this segment in the future. She said Goal 5, Transit, collaboration programs with regional entities and Samtrans (5A and 5B); Goal 6, TDM, six different programs to support development of transportation demand management guidelines, develop a transportation management association, collaborate with employers and Commute.org; Goal 7, Parking, programs to update requirements and in-lieu fees.

Commissioner Barnes said he wanted to understand the requirement for recycled water and economic impact for developers. He asked what all City approved non-potable applications referred to. Azalea Mitch, Senior Civil Engineer, said those could include irrigation, flushing toilets and urinals, and heating/cooling. Commissioner Barnes said flexibility for housing and energy generation goals had been discussed. He asked if they had considered allowing an applicant for an over 250,000 square foot project to purchase their water from a third party or choose to build onsite but let them choose which one they want to do. Ms. Mitch said they were not connected to a recycled water source yet and it would be very challenging to purchase from a third party. She said that was a long-term option the City was evaluating as to perhaps to build a distribution system or tapping into storm water and groundwater. She said either they adopted a long-term plan or waited to do something should a water shortfall occur. Commissioner Barnes asked about the City's water system provision to the Sharon Heights Golf Course that might be replicable. Ms. Mitch said that West Bay Sanitary District partnered with the Golf Course. She said the Water District has an obligation to provide recycled water but if it cannot do that in a timely manner there was the potential to have another entity do. She said they granted West Bay the rights to provide recycled water to the Golf Course as the City's Water District is currently unable to provide it. She said they were working to see if there was an option in the M-2 area to develop a water recycle facility. She said they were evaluating bringing treated recycled water from Redwood City or Palo Alto, using groundwater / storm water, and the West Bay model for the M-2. She said they were all long-term options. She said the 250,000 square foot threshold was modeled on the City and County of San Francisco and they had analyzed how much water such a system could offset, and that with black water use 60% of the potable water use could be offset. She said San Francisco implemented this program in 2012. She said at their headquarters the recycled water accounted for 1% of their construction cost.

Chair Strehl asked if San Francisco was looking at 100% recycled water use for residential development. Ms. Mitch said anything new that was 250,000 square feet or greater was required to have its own treatment system onsite. Chair Strehl said she thought the Sobrato organization wanted relief from this requirement. Ms. Mitch said that they wanted residential to be exempt.

Commissioner Riggs said there had not been an economic study on the costs of a private treatment facility and it was difficult to make a policy on that without concrete cost expectation. Ms. Mitch said they had provided Commissioner Barnes a list of projects with onsite treatment that were done in San Francisco and more than half of those had the costs associated with them.

Commissioner Barnes asked about the name changes commented upon and the Commission's obligation about that. Principal Planner Chow said in the Land Use Element, the three new land designations for O, L-S, and R-MU were listed under Bayfront. Commissioner Barnes asked if it would be possible to crowd source for a name for the area. Principal Planner Chow said at the most recent community meeting they tried to get input on names and got some good suggestions, but she did not think there was the opportunity to vet those.

Commissioner Riggs said there seemed to be a misunderstanding that Belle Haven was going to be renamed but the M-2 was distinct from Belle Haven. Principal Planner Chow said in the staff report they wanted to clarify that the intent was not to rename the Belle Haven neighborhood but to rename the M-2 as that zoning district was becoming obsolete with the proposed changes to the O, L-S, and R-MU Districts.

Stephanie Hager, BAE Urban Economics, in reply to a question from Chair Strehl regarding the Sequoia and Ravenswood school districts that the proposed rezoning would have a \$5.5 million negative impact on them, said the analysis from an ongoing operating cost perspective found a net negative fiscal impact to the Sequoia Union school district of \$5 million. She said one important thing about that figure was it assumed the 1500 residential units that would be developed as corporate housing for Facebook employees would generate students. She said as that discussion among City staff and Facebook has progressed they have added to their analysis to show what the impact would be if those units did not generate students, and the impact was about \$1.6 million. She said there would be no net impact cost for the Ravenswood School District, a revenue limit district, in terms of ongoing operating costs as the state adjusts revenues to that District to account for any changes in the District's property tax funding. She said from a capital cost perspective it was more complicated to project what the impacts would be. She said district capital costs were funded through a combination of developer fees and state and local bonds.

Commissioner Riggs noted the massive undertaking the project had been and the very good work done to incorporate community input into it. He said his issue with the project was the same he had with the Specific Plan and that was for the City to take ownership to mitigate traffic impacts that resulted from the development goals set. He said the most significant objection to renewal was that development would force traffic through the neighborhoods. He said that did not contribute to the quality of life and was not a benefit to the City. He said it would be a detriment to have the renewal of development and not improve the infrastructure. He said this project on a larger scale had more traffic, more neighbor complaints from the Willows and Belle Haven and challenges at peak hours for residents of Lorelei Manor and Suburban Park. He said Facebook had committed to handling its traffic impacts and has. He said it was a good plan except for one key element and that had to do with traffic and having mitigations to make it work. He said the conclusion he was looking for was a higher level of certainty that they would have the

transportation infrastructure needed when the 2.3 million square feet was built. He said they needed programs that would fund alternative transportation. He said the City could and must identify concrete plans that would work and that they would fund with the assistance of state and federal funding. He said he would need revisions to the Circulation Element to include programs that would identify and fund systems. He said these projects had to be initiated with a time line. He suggested requiring milestones for the enactment of the Plan and those would be tied to creation of transportation alternatives such as the reinventing of Dumbarton rail as light rail. He said it could also be tied to housing milestones so that so many square feet could be built as long as so many residential units had been built first.

Commissioner Kahle said some speakers indicated this was not ready to move on, noting the Refuge and Sierra Club speakers. He said the revisions noted in Errata #2 seemed satisfactory to allay those concerns. He said Commissioner Riggs made good points about transportation. He said he however could make a recommendation to move the project forward to the City Council.

Commissioner Barnes said he agreed with Commissioner Kahle and noted a tremendous amount of work had been done. He said the development in the M-2 shouldn't conflate with the current regional issues. He said there were things the City could control and others that needed regional work. He said the only way to move forward was to signal Menlo Park's commitment to the exhaustive Circulation Element and that worked hand in hand with the regional entities. He said there were specifics they needed to work through but on the whole he could recommend moving forward to the City Council.

Chair Strehl said she had been in the business of transportation most of her life and Menlo Park had not shown leadership in this area. She said also the City's influence on the regional entities was not necessarily significant. She asked Commissioner Riggs if he could move forward on the Plan absent the Circulation Element. Commissioner Riggs said certainly for the EIR with the corrections received. He said the zoning set rules and he thought they had worked through those very well. He said that while the rules looked good his feeling was they could not let anything be built yet as the transportation infrastructure was not there. He said despite the good will and excellent work done on the project he had no faith that any general fund money would be spent or staff time on moving forward to a new kind of transit. He said the City had to lobby the state and other agencies. He said if they had a commitment to alternative transit they should try for a bond effort. He suggested pausing the General Plan amendment for a few weeks and looking at putting the commitment to infrastructure in place.

Mr. Knox said that Commissioner Riggs had made a recommendation and suggested that he might recommend a funding mechanism to consider, the type of milestones and the timeframe for those he wished to include. He suggested the recommendation to Council might be that the project is ready except for the Circulation Element and that needed a funding mechanism and identification of what infrastructure would be funded. Chair Strehl said that she believed Commissioner Riggs and she wanted to apply leverage before the plan moved ahead so the infrastructure identification and the commitment it was in the project rather than a recommendation to Council who could choose to disregard it.

Commissioner Barnes said there were issues the City controlled and those it did not. He said it seemed equally that there was distrust as to whether the City was going to do what it said it would do in addition to the regional part. He said Commissioner Riggs well articulated the regional challenges and how fraught with lack of success it had been in the past. He said it would be easier

for him if there was a separation between the things the City of Menlo Park was being asked to do and execute specific programs within it and that the regional parts be separate knowing how challenging that could be. He said mixing those two created time horizons that got blurry and did not match up. He said if it was about the City executing improvements he would support setting up the measurements for that. Commissioner Riggs said he thought it would take several weeks to identify the commitments and measurements for that. He said the General Plan amendment could either move forward or it could wait a few weeks so the Circulation Element became something more robust and specific.

ACTION: Motion and second (Kahle/Barnes) to make a recommendation to the City Council to approve the General Plan and to use all means possible within Menlo Park's influence to push regional transportation solutions forward; 2-2 with Commissioner Kahle and Barnes supporting and Commissioners Riggs and Strehl opposed.

Chair Strehl said regardless of whether they recommended the item to move forward or not that it would be on the City Council's agenda on November 15 and they could do what they chose to do without the Commission's recommendation. Principal Planner Chow said the City Council's schedule was to consider the General Plan Update on their November 15, 2016 agenda.

Chair Strehl said the Commission's action at this point was they had no recommendation to the Council.

ACTION: Motion and second (Riggs/Strehl) to make a recommendation to the City Council that the Plan process be continued to create a more robust and specific set of programs aimed at identifying the systems and funding for local and regional transportation alternatives; 2-2 Commissioners Riggs and Strehl supporting and with Commissioner Kahle and Barnes opposed.

Chair Strehl said the biggest problem she had with the project was the Circulation Element and the fact they had no identified programs and projects that would advance infrastructure improvements in the nearer term rather than the long term. She said for instance the City Council has considered a number of times a grade separation at Ravenswood for the railroad and only now was getting to the point hopefully have a recommendation and seek funding, which would be about \$250 million project. She said without concrete steps she was afraid nothing would get done. She said Facebook would do their parts; other developers would add shuttles, but those would not take care of the bigger transportation issues.

Commissioner Barnes noted staff had listed three things on a slide including impact fees and TIA Guidelines update and asked if those were worked on whether that would represent everything that Menlo Park could exert control on for measurement. Ms. Nagaya said the EIR acknowledged and included language recommending that the impact fee program include improvements that might be outside of the City's jurisdiction such as the Dumbarton corridor improvements and East Palo Alto improvements, and for those they would look at recouping some of the costs. She said with adoption of the impact fee program they would collect funds towards improvements of a regional nature.

Commissioner Barnes asked if the depth and scope of what was presented in the impact fee program was satisfactory and whether it was an issue of identifying enough things, or the right things, and those coming to fruition. Commissioner Riggs said there was only a minor reference to alternative and new modes of transit. He said there was nothing specific as to the Menlo Park goal

of the Dumbarton rail. He said it would be helpful for the City to rationally state what was needed and then lobby and argue for it. Chair Strehl said what was in the Circulation Element was satisfactory but it did not go far enough.

City Attorney Prince noted that it was past 11 p.m. She said currently both the motions with a 2-2 vote were essentially denials. She said the Council would receive a record of the Commission's discussion. She asked whether they might speak to the other items under consideration other than the Circulation Element.

Chair Strehl said regarding the R-MU zoning that she would like some flexibility in the wording for the BMR housing and for the developer to have the flexibility to construct it offsite in another area either adjacent to their property or elsewhere in the City. Principal Planner Chow said that was how it was written for the R-MU zoning designation and it has no prohibition of where BMR housing could be – it could be standalone, integrated, adjacent, onsite and offsite. Commissioner Barnes suggested that if it was allowed offsite that it be required to have a higher percentage of affordable housing in it. Chair Strehl said she would prefer to keep it as recommended. Commissioner Riggs said if it was being built by a nonprofit that federal funding had certain income requirements. Mr. Knox said the federal low income tax credit relied on a project that was entirely or mostly entirely below market rate. He said there was a state low income tax credit that was slightly more favorable.

Commissioner Barnes recommended they follow the Housing Element for a benchmark for the mix in affordable housing for it to be extremely low, very low, low and moderate income. Commissioner Riggs said he agreed. Commissioner Barnes said there was flexibility for how the affordable housing was accomplished. Chair Strehl noted there was consensus for that recommendation.

Chair Strehl said regarding the recycled water requirement for projects larger than 250,000 square feet that she would not like residential development included as it might discourage that development. Commissioner Barnes said he thought it should be required for residential development of that size as well as for commercial development. He said he would not remove R-MU from that requirement. Commissioner Kahle said he agreed with Commissioner Barnes. Commissioner Riggs said he agreed with Commissioners Kahle and Barnes.

Chair Strehl asked if there was flexibility under the design standards. Principal Planner Chow said with a use permit or a conditional use permit the Commission would be able to waive any of the design standards.

ACTION: Motion and second (Barnes/Strehl) to make a recommendation to the City Council for the TIA Guidelines update to occur concurrent with the Transportation Master Plan in 2017 given the importance of transportation; passes 4-0.

ACTION: Motion and second (Strehl/Barnes) to make a recommendation to the City Council as part of the Circulation Element that the Council consider establishing a residential parking permit program specifically in the Belle Haven neighborhood to discourage employee parking in the area; fails 2-2 with Commissioners Strehl and Barnes supporting, Commission Kahle opposing, and Commissioner Riggs silent. 0.

Chair Strehl said she would like a better definition of corporate housing for the City Council. City Attorney Prince said the intent was for the deed restrictions to define it and they would not get to that point before the Council meeting.

Commissioner Barnes recommended that staff look at distributing FAR across districts with the express objective to better master planning efforts by the proponent. Chair Strehl said she agreed.

Chair Strehl said they should recommend phasing of development so that housing was encouraged and housing and office development were complementary to each other. Commissioner Kahle said that staff addressed that previously and he did not think it was an issue. Commissioner Barnes said it was tricky and any mechanism to do that was cumbersome to execute. Commissioner Riggs said he thought it could be done. Commissioner Kahle said he could support the recommendation.

Chair Strehl made a recommendation that the City Council look at preventing displacement of Belle Haven residents because of the pressure for housing. Commissioner Barnes recommended that Council figure out what to do about naming of the area. Chair Strehl asked if there was support regarding displacement. Commissioner Riggs said he thought that just cause eviction and protection and some level of rent control needed to come to the City. Commissioner Kahle said he supported a study for displacement. He said transportation was the main issue and he thought bringing all these other ideas up was clouding the topic. City Attorney Prince said the issue of displacement was in the EIR being considered this evening. She said just cause eviction and rent control were not part of the items for consideration. Commissioner Riggs said he supported the Chair's recommendation. Chair Strehl noted that Commissioner Barnes' recommendation about naming was also supported.

Commissioner Riggs said he thought he could support the Plan in a matter of weeks if there was direction from Council to staff to have more specific and specifically funded systems.

Chair Strehl said they reached an impasse as Commissioner Riggs and she wanted a more specific action plan in the Circulation Element prior to the adoption of the General Plan.

H. Informational Items

H1. Future Planning Commission Meeting Schedule

- Regular Meeting: November 7, 2016
- Regular Meeting: November 14, 2016
- Regular Meeting: December 5, 2016
- Regular Meeting: December 12, 2016

I. Adjournment

Chair Strehl adjourned the meeting at 11:40 p.m.

Staff Liaison: Deanna Chow, Principal Planner

Recording Secretary: Brenda Bennett

Approved by the Planning Commission on November 14, 2016