



March 28, 2019

California Department of Housing and Community Development
Division of Housing and Policy Development
P.O. Box 952053
Sacramento, CA 94252-2053

Governor's Office of Planning and Research
P.O. Box 3044
Sacramento, CA 95812-3044

RE: City of Menlo Park 2018 Housing Element Annual Progress Report and Housing Successor Report

On March 26, 2019, the City Council of the City of Menlo Park accepted the 2018 Housing Element Annual Progress Report (APR) and the Housing Successor Report for the fiscal year 2017-2018 per SB 341, and directed staff to submit the reports to the State Department of Housing and Community Development and Governor's Office of Planning and Research. As part of this year's review process for the APR, both the Housing Commission and Planning Commission also participated in the review of the information.

Please find enclosed the City of Menlo Park's 2018 Annual Housing Element Report and the 2017-2018 Housing Successor Report, and accept them for filing. Should you have questions, please do not hesitate to contact Deanna Chow, Assistant Community Development Director, at (650) 330-6733 or dmchow@menlopark.org.

Sincerely,

Mark Muenzer
Community Development Director

Enclosures

Attachment A: 2018 Housing Element Annual Report
Attachment B: 2017-2018 Housing Successor Report

Please Start Here

| General Information | |
|-------------------------|--|
| Jurisdiction Name | Menlo Park |
| Reporting Calendar Year | 2018 |
| Contact Information | |
| First Name | Deanna |
| Last Name | Chow |
| Title | Assistant Community Development Director |
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| Mailing Address | |
| Street Address | <u>701 Laurel Street</u> |
| City | Menlo Park |
| Zipcode | 94025 |

Submittal Instructions

Housing Element Annual Progress Reports (APRs) forms and tables must be submitted to HCD and the Governor's Office of Planning and Research (OPR) on or before April 1 of each year for the prior calendar year; submit separate reports directly to both HCD and OPR pursuant to Government Code section 65400. There are two options for submitting APRs:

1. **Online Annual Progress Reporting System (Preferred)** - This enters your information directly into HCD's database limiting the risk of errors. If you would like to use the online system, email APR@hcd.ca.gov and HCD will send you the login information for your jurisdiction. *Please note: Using the online system only provides the information to HCD. The APR must still be submitted to OPR. Their email address is opr.apr@opr.ca.gov.*

2. **Email** - If you prefer to submit via email, you can complete the excel Annual Progress Report forms and submit to HCD at APR@hcd.ca.gov and to OPR at opr.apr@opr.ca.gov. Please send the Excel workbook, not a scanned or PDF copy of the tables.

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ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation

(CCR Title 25 §6202)

| | | |
|-----------------------|------------|--------------------|
| Jurisdiction | Menlo Park | |
| Reporting Year | 2018 | (Jan. 1 - Dec. 31) |

This table is auto-populated once you enter your jurisdiction name and current year data. Past year information comes from previous APRs. Please contact HCD if your data is different than the material supplied here

| Table B | | | | | | | | | | | | | |
|--|---------------------|---------------------------------|------------|-----------|-----------|-----------|------|------|------|------|------|---------------------------------|--------------------------------------|
| Regional Housing Needs Allocation Progress | | | | | | | | | | | | | |
| Permitted Units Issued by Affordability | | | | | | | | | | | | | |
| | | 1 | 2 | | | | | | | | | 3 | 4 |
| Income Level | | RHNA Allocation by Income Level | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Total Units to Date (all years) | Total Remaining RHNA by Income Level |
| Very Low | Deed Restricted | 233 | 84 | | | | | | | | | 105 | 128 |
| | Non-Deed Restricted | | 1 | 3 | 8 | 9 | | | | | | | |
| Low | Deed Restricted | 129 | 20 | | 2 | 1 | | | | | | 38 | 91 |
| | Non-Deed Restricted | | 2 | 4 | 4 | 5 | | | | | | | |
| Moderate | Deed Restricted | 143 | | | | 2 | | | | | | 4 | 139 |
| | Non-Deed Restricted | | | | 1 | 1 | | | | | | | |
| Above Moderate | | 150 | 712 | 17 | 20 | 26 | | | | | | 775 | |
| Total RHNA | | 655 | | | | | | | | | | | |
| Total Units 44 | | | 819 | 24 | 35 | 44 | | | | | | 922 | 358 |

Note: units serving extremely low-income households are included in the very low-income permitted units totals
Cells in grey contain auto-calculation formulas

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(CCR Title 25 §6202)

| | |
|-----------------------|-------------------------|
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| Reporting Year | 2018 (Jan. 1 - Dec. 31) |

Table D

Program Implementation Status pursuant to GC Section 65583

Housing Programs Progress Report

Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.

| 1 | 2 | 3 | 4 |
|--|---|---|--|
| Name of Program | Objective | Timeframe in H.E | Status of Program Implementation |
| H1.A Establish City Staff Work Priorities for Implementing Housing Element Programs | Establish staff priorities for implementing Housing Element Programs | Annually | This will be done annually as part of the annual Housing Element review. |
| H1.B Review the Housing Element Annually | Review and monitor Housing Element implementation; conduct public review with the Housing Commission, Planning Commission and City Council, and submit Annual Report to HCD | Annually | Annual Review for the 2017 calendar year was accepted by the City Council on March 27, 2018 and submitted to HCD for review. Using forms provided by HCD, the 2018 Annual Review will be undertaken between February and March 2019, and reviewed by the Housing Commission, Planning Commission and accepted by the City Council. |
| H1.C Publicize Fair Housing Laws and Respond to Discrimination Complaints | Obtain and distribute materials (see Program H1.D) | Ongoing | Materials available at the 1st floor counter located at Menlo Park City Hall and on the City's Web site. |
| H1.D Provide Information on Housing Programs | Obtain and distribute materials at public locations; conduct staff training | Annually | Materials are available at the 1st floor counter located at Menlo Park City Hall and on the City's Web site. In 2017, the Housing Commission modified its meeting schedule by meeting monthly as opposed to quarterly, and its membership was expanded from five to seven commissioners. In 2018, the Housing Commission conducted twelve meetings. Housing Commission agendas and notices are posted at City Hall and on the City's website. The Commission designated five subcommittees to address the following topics: Anti-Displacement, BMR Housing Guidelines, Housing Policy, Marketing, and NOFA. The City adopted an anti-discrimination ordinance in August 2018. The Housing Commission also approved a recommendation for the City to pass a Tenant Relocation Assistance (TRA) ordinance, which is scheduled for City Council's consideration in 2019. Two community meeting were held in September 2018 to <u>inform residence of the proposed TRA ordinance.</u> |
| H1.E Undertake Community | Conduct community outreach and | Consistent with program | Materials are available at the 1st floor counter located at Menlo Park City Hall and on |
| H1.F Work with the San Mateo County Department of Housing | Coordinate with County efforts to maintain and support affordable housing | Ongoing | Continued participation and coordination has occurred as part of the countywide 21 Elements organization. Working with the County Department of Housing and other jurisdictions on housing-related topics such as accessory dwelling units and short-term rentals, and coordination in implementing Housing Element programs. The City adopted a resolution in 2017 and participates in the Home for All Initiative, which is a continuation of the work of the Closing the Jobs/Housing Gap Task Force. Home for All includes "representatives from all sectors of the community and are focused on creating a future where everyone in San Mateo County has an affordable home," (See http://homeforallsmc.com/). |
| H1.G Adopt an Anti-Discrimination Ordinance | Undertake Municipal Code amendment and ensure effective implementation of anti-discrimination policies and enforcement as needed | 2016 | Completed. On August 6, 2018, the City Council approved the Anti-Discrimination ordinance. The City will be considering additional ordinances to address housing challenges as part of its ongoing discussion about housing supply, affordable housing and displacement. |
| H1.H Utilize the City's Below Market Rate (BMR) Housing Fund | Accumulate and distribute funds for housing affordable to extremely low, very low, low and moderate income households | Ongoing | The City issued a Notice of Funding Availability (NOFA) in July 2013, and awarded MidPen a loan for up to \$3.2 million for an affordable senior development at 1221 Willow Road in September 2014. In June 2015, the Community Development Director issued a compliance letter indicating that the proposed 90-unit senior development is in compliance with the zoning regulations and design standards, and funds were distributed to MidPen for construction in 2016. The project targets extremely low and very low income senior households. In July 2015, the City issued its second NOFA for new affordable rental projects. Approximately \$7.8 million BMR housing funds are available under the NOFA to support the acquisition, rehabilitation and/or construction of housing that will provide long-term affordability. Staff received three applications and is working with one applicant on the viability of its application. In July 2017, the City Council affirmed a funding agreement of \$6.7 million towards a project located at the 1300 block of Willow Road for up to 141 units of affordable housing. In October 2018, the City released a NOFA for up to \$11.5 million. The deadline for applications was <u>January 2019.</u> |
| H1.I Work with Non-Profits | Maintain a working relationship with non- | Ongoing | The City worked closely with MidPen to assist in their application submittal to |
| H1.J Update the Housing Element | Assure consistency with SB375 and Housing Element law | 2023 | Completed. The City Council adopted the 2015-2023 Housing Element on April 1, 2014, and was certified by HCD on April 16, 2014. |
| H1.K Address Rent Conflicts | Resolve rent conflicts as they arise | Ongoing | In January 2017, the City Council referred mandatory mediation and rental relocation assistance to the Housing Commission for prioritization along with 13 other potential anti-residential displacement policy initiatives. The Housing Commission solicited community input over 3 public hearings and recommended a prioritization for the 15 policy initiatives. Mandatory Mediation was given a low priority by the Housing Commission, due in large part to the concerns raised by housing advocates and tenants' rights advocates, who questioned the effectiveness of similar programs in other cities. Conversely, instituting mandatory rental relocation assistance was ranked as a high priority. A draft rental relocation assistance ordinance was recommended for approval by the Housing Commission in October 2018. The item is scheduled for City Council consideration in early 2019. Previously, in December 2016, the City Council adopted an ordinance requiring the option for 12-month lease agreements for <u>apartments with four or more units.</u> |
| H1.L Update Priority Procedures for Providing Water Service to Affordable Housing Developments | Comply with Government Code Section 65589.7 | 2015 and 2020 (as part of Urban Water Management Plan updates) | Program completed in February 2014. No additional work on this program is needed at this time. |
| H1.M Lobby for Changes to State Housing Element Requirements | Work with other San Mateo County jurisdictions and lobby for modifications to Housing Element law (coordinate with Program H1.B) | Ongoing | Meet with State Representatives and other jurisdictions and provided input on proposed legislation as needed. |
| H2.A Adopt Ordinance for "At Risk" Units | Protect existing affordable housing | 2016 | There are no "at risk" subsidized affordable units in Menlo Park at the current time. "At risk" units are those that appear to be in danger of conversion from subsidized housing units to market rents. |
| H2.B Promote Energy Efficient/Renewable Programs | 50 or more homes and businesses participating in a program | Establish policy and programs by 2017; Participation rate by 2022 | In 2017, a major sustainability achievement occurred by making renewable energy available to all residents and business in Menlo Park. In 2017, the City enrolled all Menlo Park PG&E customers in Peninsula Clean Energy (PCE). PCE is a local electricity provider for carbon free renewables, such as wind, water, and solar. Residents are automatically enrolled in PCE with the ability to opt out. At minimum, 50% of PCE's electricity is guaranteed to be from renewable sources, and the cost is comparable to PG&E rates. Additionally, customers can choose to opt up to 100% renewable energy for an increased cost. As a result, 24,098 Menlo Park PG&E customers became PCE customers in 2017: 89% are residential customers receiving at minimum 50% of their electricity from renewable sources <ul style="list-style-type: none"> • 11% are commercial customers receiving at minimum 50% of their electricity from renewable sources. • 1.2% opted out of the program and went back to PG&E or other provider • 1.7% customers opted up to receive 100% renewable energy from PCE, offsetting those customers that opted out. In addition to this significant paradigm shift, Menlo Park continued to participate in regional energy efficiency/renewable energy regional programs, such as Home Energy Renovation Opportunity (HERO), Energy Upgrade California, and SunShares. |

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| Housing Programs Progress Report | | | |
|--|--|--|--|
| Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element. | | | |
| 1 | 2 | 3 | 4 |
| Name of Program | Objective | Timeframe in H.E | Status of Program Implementation |
| H2.C Amend the Zoning Ordinance to Protect Existing Housing | Protect existing rental housing as part of infill implementation and other Zoning Ordinance changes | Consider as part of the City's General Plan Update (2014-2017) | The zoning ordinance efforts during the General Plan process focused on the creation of new housing in an area that previously did not allow residential uses. Staff recognizes that potential ordinance changes to limit the loss of residential units or the conversion of units can be strategies to maintain the City's housing stock. This is an ongoing item staff will evaluate along with other housing priorities. |
| H2.D Assist in Implementing Housing Rehabilitation Programs | Apply to the County for CDBG funds to provide loans to rehabilitate very low and low income housing (20 loans from 2015-2023) | 2015-2023 | The County has temporarily stopped administering the CDBG rehabilitation loan program, except in emergency situations. |
| H3.A Zone for Emergency Shelter for the Homeless | Amend the Zoning Ordinance | 2014; concurrent with RHNA 5 Housing Element Update | Completed. Ordinance adopted on April 29, 2014. Ordinance identifies the location of the overlay to allow an emergency shelter for the homeless for up to 16 beds as a use by right and includes standards consistent with State law as established in SB2. |
| H3.B Zone for Transitional and Supportive Housing | Amend the Zoning Ordinance | 2014; concurrent with RHNA 5 Housing Element Update | Completed. Ordinance adopted on April 29, 2014 to update the definitions of transitional and supportive housing to be consistent with State law and adds transitional, supportive housing and small (6 or fewer) residential care facilities as part of the definition of a "dwelling" in the Zoning Ordinance so these uses are treated the same way as other residential uses as required by State law under SB2. |
| H3.C Adopt Procedures for Reasonable Accommodation | Amend the Zoning Ordinance and/or modify administrative procedures; create public handout | 2014; concurrent with RHNA 5 Housing Element Update | Completed. Ordinance adopted April 29, 2014 to establish procedures, criteria and findings for enabling individuals with disabilities to make improvements and overcome barriers to their housing. |
| H3.D Encourage Rental Housing Assistance Programs | Provide assistance at current Section 8 funding levels to assist 220 extremely low and very low-income households per year (assumes continued funding of program) | 2015-2023 | There are 284 households provided rental assistance in Menlo Park through Section 8 funding. |
| H3.E Investigate Possible Multi-Jurisdictional Emergency Shelter | Coordinate in the construction of homeless facility (if determined feasible) | Longer term program as the opportunity arises | There are no plans for a specific facility at this time. |
| H3.F Assist in Providing Housing for Persons Living with Disabilities | Provide housing and services for disabled persons | Ongoing | Continued participation and coordination has occurred as part of the countywide 21 Elements organization. Working with the County Department of Housing and other jurisdictions on housing-related topics such as accessory dwelling units and short-term rentals, and coordination in implementing Housing Element programs. The City adopted a resolution in 2017 and participates in the Home for All Initiative, which is a continuation of the work of the Closing the Jobs/Housing Gap Task Force. Home for All includes "representatives from all sectors of the community and are focused on creating a future where everyone in San Mateo County has an affordable home," (See http://homeforallsmc.com/). |
| H3.G Develop Incentives for Special Needs Housing | Amend the Zoning Ordinance to provide opportunities for housing and adequate support services for seniors and people living with disabilities | Consider as part of the City's General Plan Update (2014-2017) | The City's Affordable Housing Overlay (AHO), which was established in 2013, was applied to MidPen's 90-unit affordable, senior housing development. Along with financial incentives, the AHO provides density bonuses and a parking reduction for senior housing. |
| H3.H Continue Support for Countywide Homeless Programs | Support housing and services for the homeless and at-risk persons and families | Ongoing | The City has continued to support HEART and has participated in countywide activities to address homeless needs. In addition, through the City's Community Funding program, the City supports LifeMoves, and continues to participate and support the Housing Leadership Council, and promote staff attendance at Housing Leadership Day sessions and discussions. |
| H3.I Work with the Department of Veterans Affairs on Homeless Issues | Coordination in addressing the needs of the homeless | 2014; ongoing thereafter | In January 2014 the City Council authorized a loan increase from the City's BMR funds to CORE Housing for up to \$2.86 million for affordable housing at 605 Willow Road (Veterans Affairs Campus). The development includes 60 dwelling units and would provide permanent housing to extremely low- and very low-income veterans. The development received its certificate of occupancy in December 2015. As opportunities arise, staff will continue to work with the VA. |
| H4.A Modify R-2 Zoning to Maximize Unit Potential | Amend the Zoning Ordinance to minimize underutilization of R-2 development potential | Consider as part of the City's General Plan Update (2014-2017) | In 2016, the City Council began a broader housing discussion of potential policies, particularly to address displacement. In 2017, specific strategies and priorities were reviewed to address displacement by the Housing Commission and City Council. As a result of these discussions, staff was directed to prioritize other modifications such as citywide zoning changes for secondary dwelling units; nonetheless, staff will revisit modifications to R-2 in the future. |
| H4.B Implement Inclusionary Housing Regulations | Implement requirements to assist in providing housing affordable to extremely low, very low, low and moderate income households in Menlo Park | Ongoing | To comply with the City's BMR Ordinance for commercial and industrial projects, new commercial/industrial development (meeting certain criteria) in the City contributed \$6,107,322.00 of BMR in-lieu fees to the City's BMR fund in 2018. The funds will be used to help house extremely low, very low, low and moderate-income households (see Program H1.H). In April 2018, the Council adopted an ordinance and updated the BMR Guidelines to implement inclusionary zoning once again due to State law changes (AB 1505). |
| H4.C Modify BMR Guidelines | Amend the Zoning Ordinance to require affordable units in market rate developments | 2015 | Modification to the City's BMR Guidelines will be considered as part of the Housing Commission's 2017-2019 work plan for recommendation to the City Council (see Program H4.D). Housing Commission members and staff worked collaboratively to draft proposed changes to the guidelines. In April and June, 2018 the City Council approved the updated BMR Guidelines. Staff expects the Housing Commission to have additional recommendations for a revision pass on to City Council for approval in 2019 or 2020. |
| H4.D Update the BMR Fee Nexus Study | Update to fees consistent with the nexus of potential impacts on affordable housing need | 2015 | The City participated in a multi-jurisdictional nexus study that provided a defensible analysis to maintain the legal justification for inclusionary zoning and affordable housing impact fees. The study was reviewed by the City Council in July 2016. In 2017, the City Council requested further action by the Housing Commission which formed a subcommittee to further review the Nexus Study. In 2018, the Housing Commission's Nexus Fee committee provided recommendations to staff. |
| H4.E Modify Second Dwelling Unit Development Standards and Permit Process | Achieve Housing Element target for new second units (40 new secondary dwelling units between 2015-2023, with 5 per year) — 18 very low, 18 low and 4 moderate income second units. | 2014; ongoing thereafter | Concurrent with the adoption of the 2007-2014 Housing Element in May 2013, the City of Menlo Park reviewed a Zoning Ordinance amendment for modifications to the Secondary Dwelling Unit Ordinance in recognition that secondary dwelling units can be a valuable source of affordable units. In addition to ensuring the City's ordinance was compliant with State law, the Zoning Ordinance amendment included a number of revisions to provide greater flexibility in the development regulations to encourage more development of secondary dwelling units. As part of the Housing Element for the 2015-2023 Housing Element, the City of Menlo Park continued this program to further explore opportunities for additional revisions to the Secondary Dwelling Unit Ordinance. In April 2014, the City Council adopted additional revisions to the secondary dwelling unit ordinance, including increasing the maximum unit size for units that comply with accessibility requirements, establishing a new daylight plane requirement in lieu of the wall height requirement, and providing flexibility in the tenancy requirement. In 2016, the Planning Commission considered and recommended approval of changes to the secondary dwelling unit ordinance for consistency with State law changes, including the reduction of off-street parking requirements. The Council adopted amendments to the secondary dwelling unit ordinance in February 2017. Building permits for 12 new secondary dwelling units were issued in 2018. |

ANNUAL ELEMENT PROGRESS REPORT
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Housing Programs Progress Report

Describe progress of all programs including local efforts to remove governmental constraints to the maintenance, improvement, and development of housing as identified in the housing element.

| 1 | 2 | 3 | 4 |
|---|---|---|--|
| Name of Program | Objective | Timeframe in H.E | Status of Program Implementation |
| H4.F Establish a Process and Standards to Allow the Conversion of Accessory Buildings and Structures to a Secondary Dwelling Unit | Adopt procedures and requirements to allow conversion of accessory structures and buildings (15 new secondary dwelling units — 6 very low income, 6 low income and 3 moderate income units) | 2014; review the effectiveness of the ordinance in 2015 | In April 2014, the City adopted an ordinance, that would allow legally permitted accessory buildings that do not meet the setback requirements for a secondary dwelling unit to be converted to a secondary dwelling unit through an administrative permit process. This conversion process through the administrative permit process was set to expire in one year from ordinance adoption, but was extended in May 2015 for one additional year, expiring in June 2016. In 2016, the City Council extended the conversion provision for an additional three years. New state law requirements superseded the City's local ordinance in 2017 regarding the conversion of accessory buildings into secondary dwelling units. The City updated its secondary dwelling unit ordinance for consistency with State law in February 2017. The amended ordinance would allow legally permitted accessory buildings to be converted to secondary dwelling units through the non-discretionary process if the accessory building complies with the development regulations of a secondary dwelling unit, with the exception of minimum yards, height, daylight plane, and parking. In 2018, four building permits were approved for conversions from accessory structures and buildings into secondary |
| H4.G Implement First-Time Homebuyer Program | Provide referrals | 2015-2023 | The City is referring first time homebuyers to HEART for down payment assistance since BMR funds are no longer available for this program. Information is available on the City's Housing webpage per Housing Programs H1.C and H1.D. The City and HEART did not hold any first-time homebuyer workshops in Menlo Park in 2018; however, a workshop is scheduled in 2019 at the City Council Chambers. |
| H4.H Work with Non-Profits and Property Owners on Housing Opportunity Sites | Identify incentives and procedures to facilitate development of housing affordable to extremely low, very low, low and moderate income households on higher density housing sites | Ongoing | The City continues to work with affordable housing providers on potential housing projects in the City. As part of the General Plan Update, zoning amendments were adopted to allow housing and mixed use developments in the C-2-B zone, which provides an opportunity to increase housing supply while adding services to key locations in the City. MidPen has property located in the C-2-B district as well as in the R-4-S (AHO), which allows high density residential and provisions for a density bonus in exchange for affordable housing. In 2017, the City Council committed up to \$6.7 million towards MidPen's affordable housing project in the R-4-S (AHO) district. In 2018, staff worked closely with MidPen to refine their site plan requirements. The authorization to negotiate the funding agreement for up to \$6.7 million along with a right-of-way abandonment is scheduled for City Council consideration in early 2019. |
| H4.I Create Multi-Family and Residential Mixed Use Design Guidelines | Adopt design guidelines for multi-family and mixed use housing developments | Consider as part of the City's General Plan Update (2014-2017) | As part of the General Plan and M-2 Area Zoning Update, the City Council adopted the new R-MU (Residential Mixed Use) zoning district. The proposed zoning district includes design standards, which include a number of provisions addressing building modulation, height variation, site design, and open space requirements. |
| H4.J Consider Surplus City-Owned Land for Housing | Identify opportunities for housing as they arise | Consider as part of the City's General Plan Update (2014-2017) | As part of the General Plan and M-2 Area Zoning Update, the geographic focus was on the M-2 Area and there was no City-owned land suitable for housing. As part of a Council study session in May 2016, the Council considered potential ways to redevelop the City-owned parking plazas in the downtown with retail, entertainment and housing options. The main library and downtown garage locations are being explored as possible underutilized sites for housing development. Discussion of these City-owned locations as possible sites began in 2017 in City Council study sessions and community meetings. In April 2018, a City Council Study Session was held and two members of the Council were appointed to a subcommittee focused on working with staff to identifying possible mixed use development options. |
| H4.K Work with the Fire District | Undertake local amendments to the State Fire Code and approve City Council Resolution ratifying the Fire District's local amendments | 2014 (in progress) | Staff worked with the Menlo Park Fire Protection District to develop a draft ordinance to the 2016 Fire Code. The City Council approved a resolution ratifying the Fire District's amendments to the Fire Code in February 2017. |
| H4.L Coordinate with School Districts to Link Housing with School District Planning Activities | Coordinate and consider school districts long-range planning, resources and capacity in planning for housing | Ongoing with Housing Element program implementation. Consider as part of the City's General Plan Update (2014-2017) | Continued coordination on new residential development (unit type, timing, etc.) and implications for enrollment growth and facility planning with various school districts. In 2017, staff met with an enrollment projections consultant for the Menlo Park City School District to identify pending and approved development in the City. In 2018, City staff have continued to be in contact with school district demographers sharing information on new residential development proposals. |
| H4.M Review the Subdivision Ordinance | Modify the Subdivision Ordinance as needed | Consider as part of the City's General Plan Update (2014-2017) | No activity to date. |
| H4.N Create Opportunities for Mixed Use Development | Conduct study and establish regulations to allow housing in commercial zones | Consider as part of the City's General Plan Update (2014-2017) | As part of the General Plan and M-2 Area Update approval in December 2016, the Council adopted zoning amendments to the C-2-B zoning district to allow residential uses to create mixed-use opportunities in key areas along the Willow Road Corridor and created the R-MU zoning district. A number of properties that were previously zoned for commercial and industrial uses were rezoned with the new zoning district to create opportunities for higher density housing and mixed use developments. Consideration of the amended C-2-B and the new R-MU zoning districts will continue on an as-needed basis. Staff has received interest to redevelop properties in both zoning districts with residential and mixed use developments. |
| H4.O Review Transportation Impact Analysis Guidelines | Modify Transportation Impact Analysis (TIA) guidelines | Consider as part of the City's General Plan Update (2014-2017) | In December 2016, the City Council adopted a new Circulation Element, recognizing that work on the Transportation Master Plan (TMP) was a high priority. Work on modifications to the TIA will be considered a future program and may be informed by the work of the Transportation Master Plan that is underway. A consultant team was hired in 2017 to lead the TMP effort and an 11-member city-led Oversight and Outreach Committee (OOC) was formed to help guide the process. The TMP OOC has held seven (7) public community meetings thus far and the TMP is projected to be adopted by end of 2019. A consultant team is expected to be hired in 2019 to lead the effort of revising the city's current TIA Guidelines. An updated version of the TIA Guidelines is projected to be adopted by June 2020. |
| H4.P Update Parking Stall and Driveway Design Guidelines | Modify Parking Stall and Driveway Design Guidelines | 2014 | In 2017, the City began a preliminary review of draft parking stall and driveway design guidelines. Input and recommendations would be combined and a draft memo of recommendations, design guidelines and modifications would be presented for consideration in the future. Review of these guidelines is still underway. |
| H4.Q Achieve Long-Term Viability of Affordable Housing | Establish project management and other ongoing project coordination needs | As developments are proposed and ongoing thereafter | The City continues to partner with Hello Housing to administer the City's BMR list and to coordinate with project sponsors on qualifying tenants for affordable housing in the City per the BMR Guidelines. In 2018, construction began on a townhome development, which will include 3 deed restricted BMR ownership units. These units are family oriented with 4 bedrooms and located close to transit. |
| H4.R Modify Overnight Parking Requirements to include the R-4-S Zoning District | Modify Section 11.24.050 [Night Parking Prohibited] of the Municipal Code as needed | 2014 | In October 2015, the City Council approved the removal of on-street parking along the north side of Haven Avenue as part of the Haven Avenue Streetscape Project. Identified as housing opportunity sites in the Housing Element, two parcels along Haven Avenue are currently being redeveloped with 540 multi-family residential units. The objective of the Haven Avenue Streetscape Project is to provide a direct connection for bicyclists and pedestrians between the Bay Trail and the City of Redwood City's bikeway and sidewalk network by constructing sidewalks and bicycle facilities along Haven Avenue. The removal of on-street parking is helping facilitate the enhanced multi-modal improvements along this corridor. |

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| Name of Program | Objective | Timeframe in H.E | Status of Program Implementation |
| H4.S Explore Creation of a Transportation Management Association | Explore creation of a Transportation Management Association | Consider as part of the City's General Plan Update (2014-2017) | As part of three new zoning districts for the former M-2 Area, transportation demand management measures are required to reduce the number of vehicle trips by at least 20 percent below standard generation rates based on the use of the site. The possible creation of a TMA was subject to ongoing discussion in 2017 with potential topics such as transportation alliances and regional coordination, collaboration of businesses and/or institutions, and coordination of TMA with TDM policies for new developments. In 2018, staff performed outreach with local businesses and neighboring cities to gain insight on whether to establish a local or sub-regional TMA. The City will release an RFP (request for proposal) in Spring 2019 to assist with the decision. |
| H4.T Explore Pedestrian and Bicycle Improvements | Coordinate with Redwood City on potential pedestrian and bicycle improvements | Consider as part of the City's General Plan Update (2014-2017) | The City was awarded a grant from the San Mateo County Transportation Authority (Measure A funds) to implement the Haven Avenue bicycle/pedestrian improvements. The improvements include new facilities to a key corridor that connects Menlo Park, San Mateo County and Redwood City. The project area includes Haven Avenue between Marsh Road and the Redwood City boundary, an area where several properties were recently rezoned to higher density housing. Through work on the Transportation Master Plan, improvements in the area can be identified. In addition, as part of the Menlo Gateway hotel and office project, pedestrian and bicycle improvements will be implemented. Bike lanes along a portion of Haven Avenue have been installed. Recently, the City has been awarded multiple grants to improvement the existing bicycle/pedestrian networks. These improvements include: new sidewalk facilities on Pierce Road and Oak Grove Avenue, and new bicycle facilities on San Mateo Drive and Ringwood Avenue. Additionally, the ongoing Transportation Master Plan will serve as an update to the City's existing Sidewalk Master Plan and Comprehensive Bicycle Development Plan. |

ANNUAL ELEMENT PROGRESS REPORT
Housing Element Implementation
 (CCR Title 25 §6202)

| | | |
|-------------------------|------------|--------------------|
| Jurisdiction | Menlo Park | |
| Reporting Period | 2018 | (Jan. 1 - Dec. 31) |

Note: + Optional field
 Cells in grey contain auto-calculation formulas

| Table E | | | | | | | | | |
|--|----------------|---------------------------|---|--|------------|-----------------|-----------------------|---|--|
| Commercial Development Bonus Approved pursuant to GC Section 65915.7 | | | | | | | | | |
| Project Identifier | | | | Units Constructed as Part of Agreement | | | | Description of Commercial Development Bonus | Commercial Development Bonus Date Approved |
| 1 | | | | 2 | | | | 3 | 4 |
| APN | Street Address | Project Name ⁺ | Local Jurisdiction Tracking ID ⁺ | Very Low Income | Low Income | Moderate Income | Above Moderate Income | Description of Commercial Development Bonus | Commercial Development Bonus Date Approved |
| Summary Row: Start Data Entry Below | | | | | | | | | |
| | | | | | | | | | |

ANNUAL ELEMENT PROGRESS REPORT

Housing Element Implementation

(CCR Title 25 §6202)

| | | |
|-------------------------|------------|--------------------|
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Note: + Optional field
Cells in grey contain auto-calculation formulas

Table F

Units Rehabilitated, Preserved and Acquired for Alternative Adequate Sites pursuant to Government Code section 65583.1(c)(2)

This table is optional. Jurisdictions may list (for informational purposes only) units that do not count toward RHNA, but were substantially rehabilitated, acquired or preserved. To enter units in this table as progress toward RHNA, please contact HCD at APR@hcd.ca.gov. HCD will provide a password to unlock the grey fields. Units may only be credited to the table below when a jurisdiction has included a program in its housing element to rehabilitate, preserve or acquire units to accommodate a portion of its RHNA which meet the specific criteria as outlined in Government Code section 65583.1(c)(2).

| Activity Type | Units that Do Not Count Towards RHNA ⁺ Listed for Informational Purposes Only | | | | Units that Count Towards RHNA ⁺ Note - Because the statutory requirements severely limit what can be counted, please contact HCD to receive the password that will enable you to populate these fields. | | | | The description should adequately document how each unit complies with subsection (c)(7) of Government Code Section 65583.1 ⁺ |
|-------------------------------|---|------------------------------|-------------------------|--------------------------|---|------------------------------|-------------------------|--------------------------|--|
| | Extremely Low-Income ⁺ | Very Low-Income ⁺ | Low-Income ⁺ | TOTAL UNITS ⁺ | Extremely Low-Income ⁺ | Very Low-Income ⁺ | Low-Income ⁺ | TOTAL UNITS ⁺ | |
| Rehabilitation Activity | | | | | | | | | |
| Preservation of Units At-Risk | | | | | | | | | |
| Acquisition of Units | | | | | | | | | |
| Total Units by Income | | | | | | | | | |

| | | |
|-----------------------|------------|--------------------|
| Jurisdiction | Menlo Park | |
| Reporting Year | 2018 | (Jan. 1 - Dec. 31) |

| Permitted Units Issued by Affordability Summary | | |
|--|---------------------|---------------------|
| Income Level | | Current Year |
| Very Low | Deed Restricted | 0 |
| | Non-Deed Restricted | 4 |
| Low | Deed Restricted | 6 |
| | Non-Deed Restricted | 1 |
| Moderate | Deed Restricted | 0 |
| | Non-Deed Restricted | 4 |
| Above Moderate | | 37 |
| Total Units 44 | | 52 |

Note: units serving extremely low-income households are included in the very low-income permitted units totals

| Entitlement Summary | |
|--|---|
| Total Housing Applications Submitted: | 8 |
| Number of Proposed Units in All Applications Received: | 8 |
| Total Housing Units Approved: | 9 |
| Total Housing Units Disapproved: | 0 |

| Use of SB 35 Streamlining Provisions | |
|---|---|
| Number of Applications for Streamlining | 0 |
| Number of Streamlining Applications Approved | 0 |
| Total Developments Approved with Streamlining | 0 |
| Total Units Constructed with Streamlining | 0 |

| Units Constructed - SB 35 Streamlining Permits | | | |
|---|---------------|------------------|--------------|
| Income | Rental | Ownership | Total |
| Very Low | 0 | 0 | 0 |
| Low | 0 | 0 | 0 |
| Moderate | 0 | 0 | 0 |
| Above Moderate | 0 | 0 | 0 |
| Total | 0 | 0 | 0 |

Cells in grey contain auto-calculation formulas



City of Menlo Park as Housing Successor for the
former City of Menlo Park Redevelopment Agency
701 Laurel Street, Menlo Park, CA 94025
Telephone (650) 330-6640 www.menlopark.org

**SENATE BILL 341 ANNUAL HOUSING SUCCESSOR REPORT
For the Fiscal Year ending June 30, 2018**

- 1) During the fiscal year, the Low and Moderate Income Housing Asset Fund received \$222,098 in amounts deposited. It received \$20,717 on housing loans and \$201,381 for interest earned on cash in the fund. There are no amounts deposited for items listed on the Recognized Obligation Schedule.
- 2) At June 30, 2018, the Low and Moderate Income Housing Asset Fund had a cash balance of \$798,456 and a fund balance of \$6,166,311. There are no amounts held for items listed on the Recognized Obligation Payment Schedule.
- 3) During the fiscal year, the fund spent \$12,302 in combined expenditures to administer housing loans for preserving the long-term affordability of housing units.
- 4) Values as of June 30, 2018:

| | |
|--------------------|--------------------|
| Real property - | \$0 |
| Loans receivable - | <u>\$5,511,439</u> |
| Total - | \$5,511,439 |
- 5) There were no funds transferred during the fiscal year. The Low and Moderate Income Housing Asset Fund does not have any projects on the Recognized Obligation Payment Schedule and will not have any transfers into or out of the fund in the foreseeable future.
- 6) The Low and Moderate Income Housing Asset Fund does not have any projects for which the housing successor holds or receives property tax revenue pursuant to the Recognized Obligation Payment Schedule.
- 7) As of June 30, 2018, the Housing Successor does not have interests in real property acquired by the former redevelopment agency. The last remaining real property acquired by the former redevelopment agency was sold in August 2013 and the proceeds were remitted to the County of San Mateo.
- 8) As of June 30, 2018, the Housing Successor does not have any remaining obligations.

Senate Bill 341 Annual Housing Report, continued

- 9) With the limited funds, the Housing Successor is just providing maintenance on low and moderate income housing loans.
- 10) As of June 30, 2018, the Low and Moderate Income Housing Fund does not foresee any loan repayments.
- 11) The former redevelopment agency area does not contain any deed-restricted senior rental housing.
- 12) As of June 30, 2018, the Low and Moderate Income Housing Fund does not have any excess surplus.
- 13) As of June 30, 2018, the Low and Moderate Income Housing Fund has no inventory of homeownership units.