OCTOBER 26 CITY COUNCIL MEETING

- **Presented 4 land use strategies to City Council:**
  - Option A – Moderate upzoning throughout the city
  - Option B – Mixed use development focused on Middlefield/Willow
  - Option C – Mixed use development focused in Downtown/El Camino Real
  - Option D – Mixed use development focused in Downtown/El Camino Real and Sharon Heights
- **Next Steps**
  - Council requested additional information and will discuss in December 2021
  - Housing Commission feedback on affordable housing strategies will be shared at the next Council meeting

PRESENTATION OVERVIEW

- **Policy Areas Identified through Outreach and Engagement**

- **State Laws**

- **Current City Affordable Housing Incentives**

- **Policy Direction**

- **Questions**

- **Next Steps**

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POLICY AREAS IDENTIFIED THROUGH OUTREACH AND ENGAGEMENT
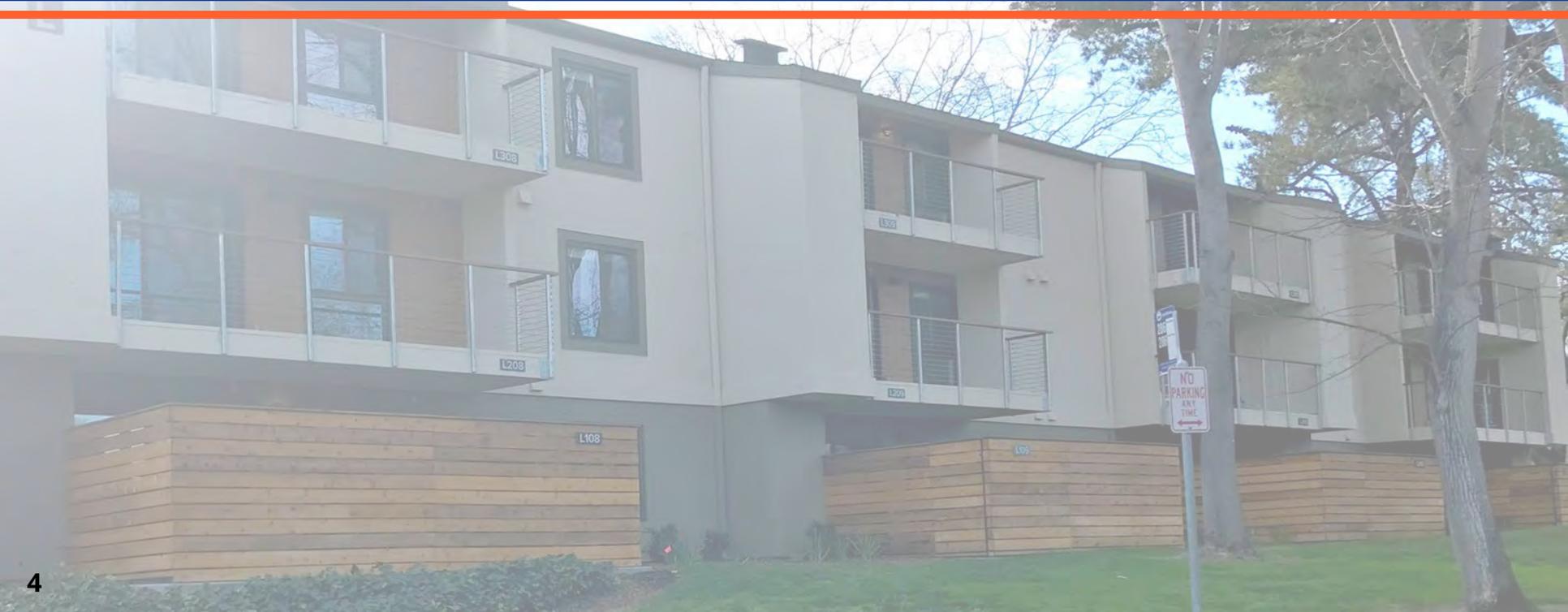
COMMUNITY FEEDBACK THEMES

- **Housing Types**
    - Provide housing for all stages of life (e.g., students, singles, young families, seniors)
    - Support accessory dwelling units, duplexes, and triplexes
    - Support multi-family development between three and five stories

COMMUNITY FEEDBACK THEMES

- **Housing Location**

  - Evenly distribute housing, including affordable and multi-family housing, throughout Menlo Park

  - Prioritize housing sites close to transit, businesses, and public services

  - Pursue Downtown as an ideal location for more housing

  - Increase density along El Camino Real in the Downtown area and enable mixed-use development at this location

- **Land Use Controls**

  - Enable non-residential to residential land use conversions that promote affordable housing and/or mixed-use development

COMMUNITY FEEDBACK POLICY AREAS

- **Land Use and Development Controls.** Increase allowed housing densities and increase affordability.

- **Support for Current Residents.** Provide support to prevent displacement of existing residents through strategies such as rent support and housing renovation support.

- **Acknowledging Concerns about Anticipated Changes.** Address new development's impact on public services, such as schools and parks.

- **Financial Costs.** Address prohibitive financial costs of both owning and renting a house, including high land costs and the need for very low-income housing funding.

- **Transportation and Climate Effect.** Locate housing near transit and prioritizing walkability and bikeability.

SAN MATEO COUNTY DEPARTMENT OF HOUSING

- **Suggested City Programs**

  - Programs to provide security deposit assistance, rental assistance, owner-occupied mortgage assistance, and other financial assistance to prevent eviction or displacement.

  - Apply for a Prohousing Designation from the State.

  - Waive impact fees (e.g., parks) for developers that provide deed-restricted affordable housing.

SAN MATEO COUNTY DEPARTMENT OF HOUSING

- **Coordination with SMC**
    - Partner with SMC by providing funding support or land donations.
    - Collaborate with the County to identify overlaps between housing sites and transportation enhancements to facilitate affordable housing in transit-rich areas.
    - Maintain clear communication with the County to receive information on County funding opportunities.

STATE LAWS
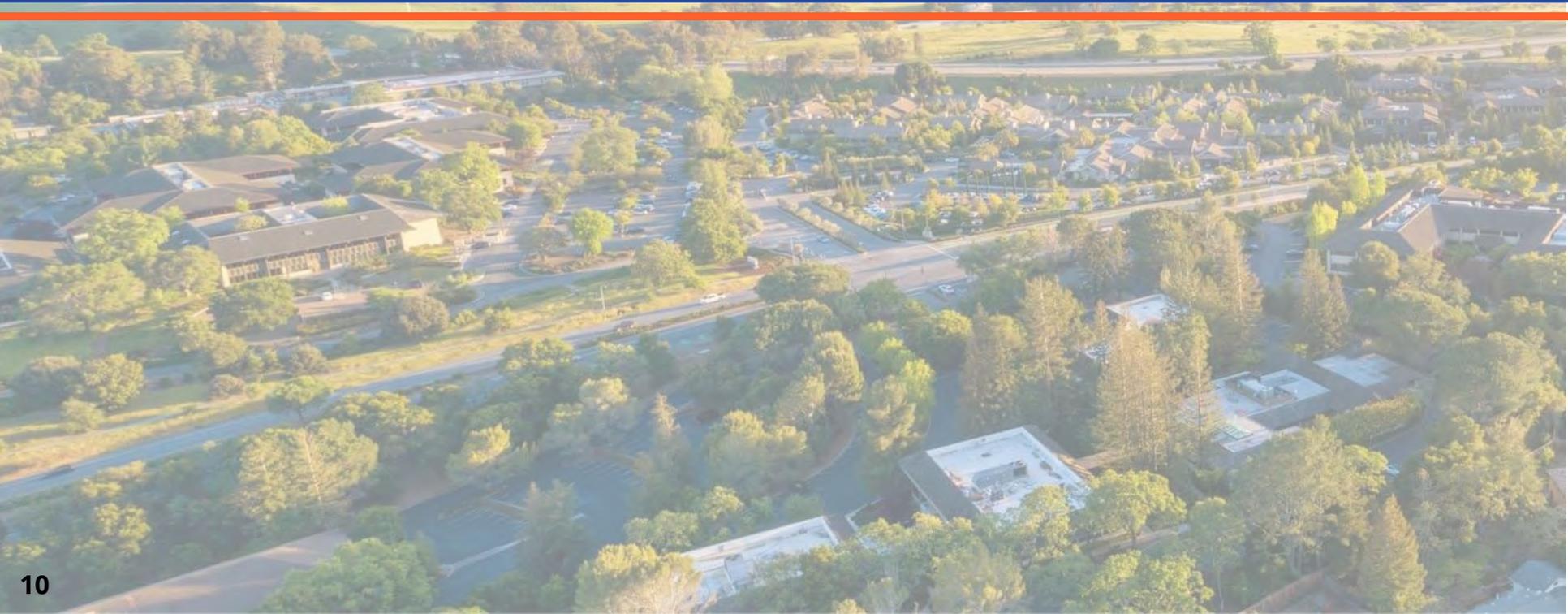
- **Ministerial approval of 2 units on a single-family zoned lot**

- **Ministerial approval of a lot split into 2 parcels**

  - **Lot must be a minimum of 2,400-3,000 sf (depending on lot split arrangement)**

- **SB 9 projects are ministerially reviewed**

- **Effective January 1, 2022**

- **City plans to adopt objective design standards prior to the adoption of the 6th Cycle Housing Element**

SB 10

- Allows up to 10 units per parcel

- City must first create an SB 10 development framework (e.g. zoning overlay) to trigger SB 10 incentives

- SB 10 zoning ordinance changes planned for after the Housing Element Update

- Staff intends to include an implementation program as part of the Housing Element Update to pursue Zoning Ordinance changes pursuant to SB 10, unless directed otherwise by City Council

STATE DENSITY BONUS/AB1763

- **State Density Bonus Law**

  - **Projects that include affordable housing are eligible for a density bonus up to 50%**

- **AB 1763**

  - **100% affordable housing projects can receive up to 4 concessions (e.g. reduced setback, FAR)**

  - **100% affordable housing projects can receive a density bonus up to 80% above the base allowable density**

  - **Additional height bonus of 33 feet or 3 stories allowed for 100% affordable housing within ½ mile of a major transit stop**

  - **Reduces local parking requirements**

CURRENT CITY AFFORDABLE HOUSING INCENTIVES

AFFORDABLE HOUSING OVERLAY

- **Allows for density bonuses, development incentives, and fee waivers**

- **Max density bonus of 60%**

- **Currently only applies to the El Camino Real and Downtown Specific Plan area and R-4-S (AHO) – High Density Residential, Special District with Affordable Housing Overlay**

BELOW MARKET RATE (BMR) HOUSING PROGRAM

- **Creates rental and for purchase affordable units**

- **BMR (inclusionary zoning) requirements:**

    - **Projects with 5-19 units: 10% BMR**

    - **Projects with 20+ units: 15% BMR**

- **Density bonus: One additional market rate unit allowed for each BMR unit provided**

- **In-lieu fees can be paid in place of providing BMR units, which are used to provide affordable housing**

AFFORDABLE HOUSING STRATEGIES
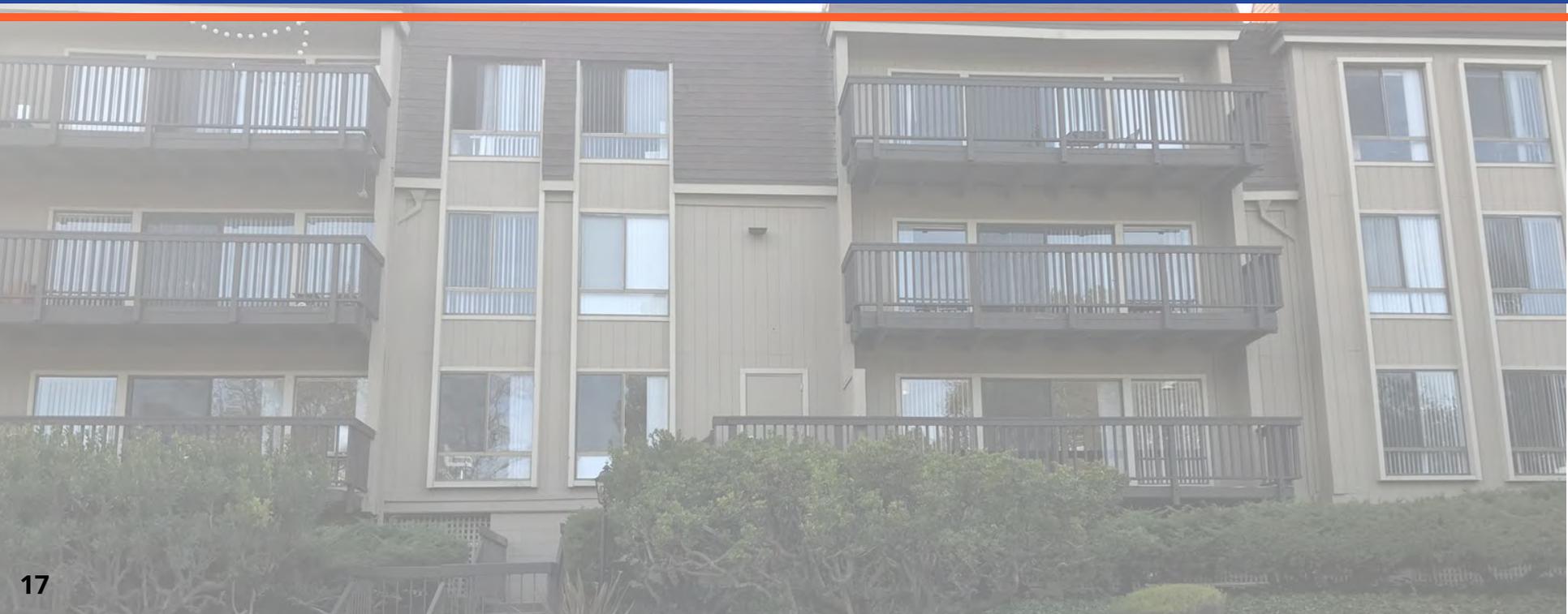
STRATEGY OPTIONS

1) **Increase the citywide Below Market Rate Housing Program inclusionary requirements from 15 percent to 20 percent** for all new residential development that has 20 or more units.

2) **Expand the Affordable Housing Overlay or the City's local density bonus ordinance** to incentivize 100 percent affordable housing projects (i.e., 100 percent of units are affordable to low and very low income residents) and encourage additional BMR units in market-rate developments.

3) **Limit average maximum unit sizes to 1,250 square feet and/or create a sliding scale for FAR** to encourage smaller, more affordable homes and efficient use of space.

4) **Implement a sliding density scale of units** as follows to more accurately reflect the land use intensity of smaller residential homes:
   - Units up to 650 square feet count as 0.50 unit (studios and 1-bedrooms)
   - Units up to 938 square feet count as 0.75 unit (2-bedrooms)
   - Units up to 1,250 or more square feet count as 1.0 unit (3-bedrooms)

STRATEGY OPTIONS

5) Increase certain El Camino Real and Downtown Specific Plan area base density and height limits.

Table 3: Recommended Increase in El Camino Real and Downtown Specific Plan Area Density		
Specific Plan Area	**Dwelling Units Per Acre (du/ac)**	**Recommendation**
El Camino Real North-West	25-40	No change
El Camino Real North-East – Low Density	20-30	No change
El Camino Real North-East	25-40	No change
El Camino Real North-East – Residential Emphasis	32-50	No change
El Camino Real South-West	25-40	No change
El Camino Real South-East	40-60	No change
Station Area West and Station Area East	50-60	No change
Downtown Adjacent	18.5-25	Increase maximum to 40 du/ac
Downtown Santa Cruz Avenue	25-40	Increase maximum to 50 du/ac

6) **Reduce parking requirements** for all housing projects within a half mile of major transit stops or within the El Camino Real and Downtown Specific Plan Area.

7) Include a policy and program to **increase the Commercial Linkage fee**.

8) Include **specialized policies and/or programs for specific groups** such as People with Disabilities (including developmental disabilities), Veterans, and Seniors.

QUESTIONS

QUESTIONS FOR DISCUSSION

Primary Questions

1. What policies should be pursued for the development of affordable housing? For example, recommendations 1-8 or any other policies?

2. What other housing policies should the project team explore for the Housing Element Update?

Other Questions

3. How prescriptive should affordable housing requirements be? For example, should we require a specific mix by income level for the BMR units?

4. Where should the AHO be applied?

5. What other housing policy areas should the project team explore for the Housing Element Update

NEXT STEPS
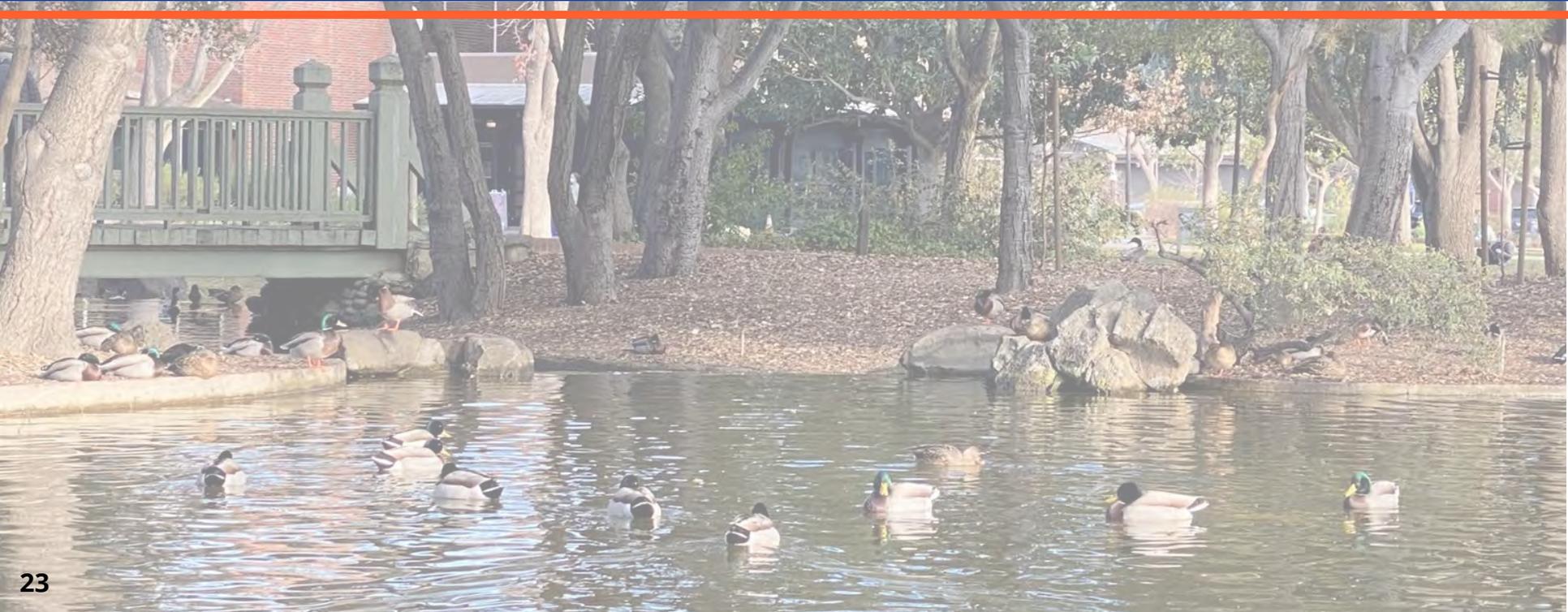
2021

Join us and give feedback!

Upcoming Events

City Council Follow-Up
December 2021| *Tentative*

Community Meeting on Housing Policies
TBD

Planning and Housing Commission Meeting(s)
TBD

THANK YOU!

Questions

Comments

Thank you for your time and commitment to the City of Menlo Park!

menlopark.org/housingelement