

Summary of Responses to August 29, 2023 HCD Letter

HCD Comment Number	HCD Comment	Modification(s) to the Housing Element	Housing Element Track Change Version Page Number Reference(s)
	<i>1. Promote AFFH</i>		
1	<p><u>Actions, Programs, Metrics, and Milestones:</u> The element was revised to include geographic targeting and some additional actions. However, given the disparities in access to opportunity between the east and west side of the City, the element still must include a significant and robust suite of actions to 1) promote housing mobility 2) increase new housing choices and affordability in higher opportunity or relatively higher-income areas 3) place-based strategies for community preservation and revitalization and 4) displacement protection. Additionally, given the stark contrast between different parts of the City in terms of income and access to opportunity, the element must be revised to include significant numeric metrics (beyond the Regional Housing Needs Allocation (RHNA)) focused on all four program areas noted above. For your information, quantified metrics should target beneficial impacts for people, households, and neighborhoods (e.g., number of people or households assisted, number of housing units built, number of parks or infrastructure projects completed). HCD will follow-up under a separate cover with additional guidance.</p>	<p>Table 4-26 (Fair Housing Issue, Contributing Factors, and City Actions) has been modified to add specificity for geographic focusing (e.g., Belle Haven) and City Actions linked with Housing Element programs and/or quantified metrics to support affirmatively furthering fair housing (AFFH). A new City Action was added to include SB 10 metrics as a way to expand housing options throughout Menlo Park to promote mobility.</p> <p>A description of the community amenities program and funds has been added, including benefits for the Belle Haven and Bayfront neighborhoods—areas that are identified as Underserved Communities in the city’s ongoing preparation of its first Environmental Justice Element.</p> <p>In Chapter 8, Program H4.O has been updated to include a quantified objective for the development of units under SB 10.</p> <p>Program H5.J has been added to identify and support the preparation of Menlo Park’s first Environmental Justice Element. As stated in Program H5.J (Environmental Justice Element), the City will annually evaluate potential funding of environmental justice programs through utilization</p>	<p>Pages 4-88 through 4-97; 8-1; 8-30 (Program H4.O); 8-39 (Program H5.J)</p>

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		<p>of community amenities funds and will implement at least one Environmental Justice Element program each year with emphasis on the highest priority programs. Examples may include sidewalks, lighting, and landscaping improvements; affordable ownership housing; anti-displacement programs; and open space and recreation enhancements.</p> <p>Table 4-26 identifies the factors that contribute to fair housing issues and sets forth specific city actions with metrics and milestones to address the issues. These actions, along with the programs in Chapter 8, constitute Menlo Park’s housing program strategy for implementation of the Housing Element. The city will report progress in implementing the fair housing actions and all the Housing Element programs as part of the Annual Progress Report (APR).</p>	
	<i>2. Inventory of land suitable and available for residential development</i>		
2	<p><u>Zoning for a Variety of Housing Types – Emergency Shelters:</u> The element explains parking requirements for emergency shelters complies with AB 139 (Statutes of 2020). However, AB 139 provides that parking requirements shouldn’t be more than what is necessary for staff working in the shelter. The City’s requirements exceed the number of spaces necessary for staff and as a result, the element should add or modify programs to address the constraint.</p>	<p>The Emergency Shelters section of Chapter 5 has been revised to discuss AB 2339 provisions and an inconsistency between the city’s existing off-street parking requirements and what state law allows for shelters. In Chapter 8, Program H3.G has been modified to note that parking requirements for emergency shelters will be set at the number of spaces needed only to accommodate shelter staff.</p>	<p>Pages 5-11 through 5-14; 8-19</p>

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	<p>In addition, Chapter 654, Statutes of 2022 (AB 2339), adds specificity on how cities and counties plan for emergency shelters and ensure sufficient and suitable capacity. Future submittals of the housing element may need to address these statutory requirements. For additional information and timing requirements, please see HCD's memo at https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/ab2339-notice.pdf.</p>		
3	<p><u>Electronic Sites Inventory</u>: Although the City has submitted electronic sites inventory as described in the prior review, if any changes occur, the City should submit revisions as part of any future re-adoption or submittal. Please see HCD's housing element webpage at https://www.hcd.ca.gov/planning-and-community-development/housing-elements for additional information.</p>	<p>Staff will submit a revised electronic sites inventory using the methodology described in the "Responses to HCD comments" subsection of the October 10, 2023 City Council staff report, and update numbers throughout the Housing Element for consistency.</p>	Appendix 7-1
4	<p><u>Programs</u>: As noted above, the element does not include a complete site analysis; therefore, the adequacy of sites and zoning were not established. Based on the results of a complete sites inventory and analysis, the City may need to add or revise programs to address a shortfall of sites or zoning available to encourage a variety of housing types. In addition, the element must be revised, as follows: The element includes many complex and challenging strategies that are essential to the City's approach in addressing its housing needs including identifying publicly-owned sites, large pipeline</p>	<p>Program H1.H has been expanded to clarify that the mid-cycle review will evaluate progress on pipeline projects, nonvacant sites, zoning modifications, the AHO, and governmental constraints, and propose modifications to address any significant shortfalls and/or remaining governmental constraints. The program also includes parameters for evaluating program effectiveness.</p>	Pages 8-7 through 8-8

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	<p>projects and complex nonvacant typologies. As a result, the element should include a program to evaluate the effectiveness of these approaches and commit to adjustments, as appropriate, to continue working toward the housing element’s goals and objectives. Specifically, the element could include a program to conduct an in-depth mid-term evaluation of identified sites and programs, including their effectiveness in addressing the RHNA, and commit to adjustments within a specified time period. Topics should include pipeline projects, nonvacant sites, rezoning, Affordable Housing Overlay zone and governmental constraints (e.g., parking, lot coverage, Floor Area Ratio (FAR), etc.,)</p>		
5	<p><u>Shortfall of Adequate Sites (Program H4.K – Rezone for Lower-Income Shortfall):</u> HCD’s prior review found that this program must include several revisions related to appropriate statutory references, timelines and other provisions. While this Program was revised to address some of HCD’s prior review, it still must identify the shortfall by income group, acreage, allowable densities and commitment to appropriate development standards. Additionally, HCD’s prior review found that the element must clarify whether other programs are needed to meet the City’s RHNA and if so, it also needs to comply with the applicable rezone requirements under Government Code section 65583(c)). While the element clarified that Programs H4.I (Create New Opportunities for Mixed-Use Development) and H4.T (Residential Overlay) are needed to address a shortfall of sites and implement rezones, it did not</p>	<p>In Chapter 7, the analysis of sites in the Site Inventory that are the appropriate size and density to meet HCD requirements for lower-income units has been expanded, and a shortfall of 193 lower-income units with the current zoning in place has been described in terms of income group, acreage, and allowable densities. The zoning programs that will be implemented to address the shortfall are described and the resulting surplus of units and adequacy of the sites has been quantified. In making the revisions, staff closely followed an example of how to address the comment provided by HCD staff.</p> <p>In Chapter 8, Program H4.K has been updated to numerically describe the lower-income unit shortfall under current zoning and reference the</p>	Pages 7-2 through 7-4; 8-29

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	revise these programs to comply with all applicable requirements.	zoning programs that will be implemented to address the shortfall.	
6	<p><u>Federally-Owned Sites and School Sites:</u> HCD's prior review found that the element must include sufficient analysis demonstrating the feasibility and likelihood of these sites redeveloping during the planning period. While the element now includes an analysis, it should also include a program committing to facilitating development on these sites during the planning period. Specifically, the element should include a program with numerical objectives that ensures, if applicable, compliance with the Surplus Land Act, provides incentives and actions along with a schedule to facilitate development on these sites and alternatives (e.g., identifying additional sites) if production does not actualize as identified in the inventory. Actions could include but are not limited to outreach with owners, facilitating communications developers, issuing requests for proposals, incentives, fee waivers, priority processing and financial assistance.</p>	<p>Chapter 7 has been updated with the most recent status of potential and known projects on federally-owned and school sites, namely the United States Geological Survey (USGS) site, the Veterans Affairs (VA) site, and the former Flood School site, indicating continued progress, any known timing, and anticipated likelihood of development occurring during the Housing Element planning period (through 2031).</p> <p>A new program, H4.U, has been added to Chapter 8 clarifying and quantifying potential incentives and city actions that will lead to housing on the federally-owned and school sites in the Site Inventory, and a commitment to review progress on the sites as part of the mid-cycle evaluation from Program H1.H.</p>	Pages 7-20 21 through 7-22; 7-27; 8-32 through 8-33
	<i>3. Analysis of potential and actual governmental constraints</i>		
7	<p><u>Land Use Controls:</u> HCD's prior review found that the element must analyze development standards in the R-3 zones and whether standards facilitate achieving maximum densities. The element briefly discussed that landscaping, parking, and FAR requirements could act as a constraint to development and included a program to evaluate and modify these requirements. However, the</p>	<p>In Chapter 5, text has been added acknowledging that HCD views lot coverage of less than 50 percent to be a constraint on multifamily development and references Program H4.J to address the constraint.</p> <p>Program H4.J in Chapter 8 has been revised to include actions to increase lot coverage to more</p>	Page 5-29; 8-28

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	<p>element must also include actions addressing lot coverage in R-3 zones as a constraint. Specifically, the element acknowledged that the City’s current lot coverage requirements in these zones are generally lower than what’s permissible in neighboring jurisdictions (p. 5-26). In addition, HCD finds that lot coverage for multifamily housing less than 50 percent is generally considered a constraint. The element must include or modify programs(s) committing to increasing lot coverage requirements in these zones</p>	<p>than 50 percent in the city’s R-3 and R-4 zoning districts.</p>	
8	<p><u>State Density Bonus Law (SDBL)</u>: The element was revised to note that the City’s affordable housing overlay zone conflicts with SDBL and included a program to address this conflict. However, irrespective of the City’s overlay zone and as found in HCD’s prior review, this analysis must specifically address how the City complies with SDBL. As found in HCD’s prior review, the element could discuss the procedures, various levels of benefits (e.g., density, concessions and incentives, parking reductions), non-discretionary actions and burden of proof.</p>	<p>Chapter 5 has been updated with a new section titled “Existing Governmental Constraints – State Density Bonus Law.” The analysis notes inconsistencies with current state law and includes a new program, Program H4.V in Chapter 8 to modify Chapter 16.97 of the city’s Zoning Ordinance to identify how density bonus is implemented and otherwise defer to state law and state that no part of the chapter shall be read to oppose or otherwise interfere with State Density Bonus Law.</p>	<p>Pages 5-55 through 5-56; 8-33</p>
9	<p><u>Affordable Housing Overlay Zone (AHOZ)</u>: HCD’s prior review found that the element must describe the City’s AHOZ including analyzing densities and development standards under this zone. The element was revised to briefly describe past projects that utilized this zone, available incentives, and compliance with SDBL (p. 5-19). The element also stated that when combined with other incentives such as SDBL, a project could potentially achieve 100 du/ac. However, this analysis still does not</p>	<p>Chapter 5 has been updated with text to provide more thorough descriptions of the AHO density bonuses, incentives, and thresholds, adjustment factors for application to parcels in the Site Inventory, as well as potential updates to the AHO through Program H4.D. Site capacity calculations throughout Chapter 7 are modified to be consistent with comment 3 above.</p>	<p>Pages 5-20 through 5-22; Chapter 7 (new section on page 7-12); Pages 8-7 through 8-8 (Program H1.H); page 8-33 (Program H4.V)</p>

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	<p>address HCD’s prior review. The element must specifically discuss and analyze the framework of the overlay zone including thresholds for a project to qualify for the additional density under this zone and any other applicable requirements. Further, HCD now understands that the City is utilizing the potential density available through the overlay zone to calculate realistic capacity for sites identified in prior planning periods, rezoned sites to accommodate a shortfall, and potentially other types of sites. This information is supported by statements and assumptions on Table 7-7 (RHNA and Reuse Sites), Site-specific fact sheets (Appendix 7-5), sites inventory (Appendix 7-1). To utilize these capacity assumptions, the element must include evidence demonstrating the likelihood of developers taking advantage of the density bonus and circumstances where the density bonus will not be utilized. Based on a complete analysis, the element may need to rescale assumptions and include programs as appropriate</p>	<p>Chapter 7 also includes a new section “Site Capacity and the Affordable Housing Overlay” that describes how the AHO relates to site capacity calculations.</p> <p>Chapter 8, Program H1.H, was modified to include evaluation of usage of the AHO in tandem with State Density Bonus Law as a parameter of effectiveness of the Site Inventory strategy. Program H4.V in Chapter 8 describes amending Municipal Code Chapter 16.97 in part to clarify that the AHO is separate from State Density Bonus Law and can be applied in addition or conjunction with it as appropriate.</p>	
10	<p><u>Programs:</u> As noted above, the element does not include a complete analysis of potential governmental constraints. Depending upon the results of that analysis, the City may need to revise or add programs and address and remove or mitigate any identified constraints. In addition, HCD’s prior review found that the element must clarify what parking requirements will be reduced and ensure updates will not result in any constraints to development. While the element was revised to specify that adjustments in standards will be to</p>	<p>In Chapter 8, Program H4.M has been updated to include a provision stating that reduced parking requirements shall not constrain multifamily residential development and no more than one parking space shall be required for smaller units (one-bedroom units, studios, and single-room occupancies).</p>	Page 8-30

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	facilitate achieving maximum densities, Program H4.M (Update Parking Requirements and Design Standards) still should include specific information about reduction in parking requirements such as ensuring reductions will not constrain multifamily development and the number of spaces that will be considered (e.g., one space for smaller bedroom types).		

Summary of Responses to October 10, 2023 City Council Feedback

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1	Articulate total rezone capacities in El Camino Real/Downtown Specific Plan Area	Noted acreage being rezoned in Program H4.I (Create New Opportunities for Mixed-Use Development), Program H4.J (Increase Residential Density and Maximize Development Proposals), and Program H4.L (Modify El Camino Real/Downtown Specific Plan).	Pages 8-28 and 8-29
2	Include greater specificity on Mid-Cycle Review, including tracking projects asking for variances, etc. and evaluating potential constraints.	Expanded mid-cycle review discussion in Program H1.H (Transparency on Progress towards RHNA and Mid-cycle Review).	Pages 8-7 through 8-8
3	Include additional specifics to anti-displacement strategy (Program H2.E, Anti-Displacement Strategy).	Sub-item G in Program H2.E (Anti-Displacement Strategy) is revised to state: Inform tenants of opportunities for rental assistance, such as revolving loan funds or external funding sources. Consider continuation of funding beyond 2024 for the Menlo Park Housing Assistance Program to provide emergency financial assistance to lower	Page 8-12

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		income tenants and homeowners facing displacement risk for reasons not addressed by the tenant relocation assistance ordinance; identify potential funding sources and explore potential scale of rental assistance.	
4	For below market rate inclusionary regulations, include exploration of measures to meet lower AMI targets for affordable units.	Sub-item G in Program H4.A (Amend the Below Market Rate Inclusionary Housing Regulations) is revised to state: Assess/develop measures to minimize the number of cost-burdened households (households paying more than 30 percent of income toward housing) in affordable housing developments, including measures such as rent subsidies and/or establishing a maximum rent based on a lower AMI for each income category.	Page 8-24
5	Incorporate language into the Housing Element about the \$4.5 million grant the City has received for electrification, particularly for low-income residents.	Added a new City Action to Table 4-26 (Fair Housing Issue, Contributing Factors, and City Actions) under Fair Housing Issue C: Need for community conservation and revitalization in low and moderate resource neighborhoods located north of Highway 101 (Council District 1). This new City Action, with Belle Haven geographic targeting, states: Expend the \$4.5 million allocated to the City by the California Energy Commission for pursuing citywide electrification (California State Budget Act of 2022, Assembly Bill 179). At least half of the allocation (\$2.25 million) will include focused efforts to electrify low-income homes in the Belle Haven neighborhood (\$2.15 million) and support building electrification. All funds will be expended by June 30, 2026	Page 4-95; Pages 8-10 and 8-11

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		<p>(Program H2.C, Assist in Implementing Housing Rehabilitation Programs).</p> <p>Added reference to the above City Action under Program H2.C (Assist in Implementing Housing Rehabilitation Programs).</p>	