

#### SPECIAL AND REGULAR MEETING MINUTES

Date: 2/12/2019 Time: 5:00 p.m. City Council Chambers

701 Laurel St., Menlo Park, CA 94025

City Councilmember Catherine Carlton participated by phone from: Jumeirah Beach Hotel, RM. 940 Jumeirah Street, Dubai, UAE.

5:00 p.m. Closed Session (City Hall – "Downtown" Conference Room, 1st Floor)

- Whitney Loy spoke on behalf of AFSCME commenting on a letter sent to City Council to open a dialogue about general wages and cross comparisons.
- CL1. Closed session pursuant to Government Code Section §54957.6 to confer with labor negotiators regarding current labor negotiations with the Service Employees International Union (SEIU) and American Federation of State, and County and Municipal Employees (AFSCME)

Attendees: Interim City Manager Starla Jerome-Robinson, Assistant City Manager Nick Pegueros, Administrative Services Director Lenka Diaz, City Attorney Bill McClure

City Councilmember Carlton was absent.

### 6:00 p.m. Study Session and Regular Session (City Council Chambers)

#### A. Call to Order

Mayor Mueller called the meeting to order at 6:10 p.m.

#### B. Roll Call

Present: Carlton, Combs, Nash, Taylor, Mueller

Absent: None

Staff: Interim City Manager Starla Jerome-Robinson, City Attorney Bill McClure, City Clerk

Judi A. Herren

### C. Pledge of Allegiance

Mayor Mueller led the Pledge of Allegiance.

#### **Report from Closed Session**

None.

#### D. Study Session

D1. Provide feedback and direction to staff on the Housing Commission's recommendation for an

urgency interim tenant relocation assistance Ordinance No. 1053 (Staff Report #19-025-CC)

Interim Housing and Economic Development Manager Clay Curtin and Assistant City Attorney Cara Silver made the presentation (Attachment).

- Ed Supplee described the history of rent in the area and commented renters are better off than buying.
- Angie Evans spoke in support of affordable housing and an urgency ordinance.
- Dawson Coblim spoke of concerns with the ordinance due to the natural expiration of the lease for smaller scale landlords.
- Neville Batliwalla spoke in support of small landlords and requested information pertaining to the number of complaints that have been received from tenants regarding rent costs over last three years.
- Mike Haddock commented that high prices market affects both landlords and tenants. Haddock was not in support of the ordinance.
- Maya Sawal spoke against a tenant relocation ordinance.
- Len Robinson spoke against the ordinance and suggested that it not apply to single family homes.
- Rachel Horst spoke in support of the ordinance.
- Tom Thompson spoke on a census reports and median rents in Menlo Park.
- Curt Conroy spoke against the ordinance.
- Vanessa Honey believes that this is a rent control ordinance.
- Paula Macchello spoke against the ordinance.
- Joanne Wong-Lam spoke against the ordinance and the costs associated with being an owner/landlord.
- Susan Lewis spoke about the costs of providing housing and the increases from the ordinance.
- Jordan Grimes spoke in support of the ordinance.
- Samra Adeni spoke in support of the ordinance.
- Wendy McPherson spoke against this version of ordinance and the negative impacts to the small landlords.
- Heather Serk spoke against the proposed ordinance.
- Karen Grove spoke in support of ordinance.
- Evan Collins spoke against the proposed ordinance.
- Pam Jones spoke in support of the urgency ordinance.
- Munir Voba spoke against the ordinance and compared it to the Berkeley rent control program.
- John Inks spoke against rent control and spoke on the Mountain View rent control policy.
- Meg McGraw-Scherer spoke in support of the ordinance.
- Robert Ko spoke about his current property and costs associated with it.
- Jennifer Mazzon spoke support of ordinance.
- Adina Levin spoke in support of the ordinance.
- Chris Isaacson spoke against the ordinance as it is written.
- Shirley Gibson spoke about the legal positions of the ordinance and provided a map.
- Keith Ogden spoke on the landlord cause termination section of the ordinance.
- Nazanin Salehi stated that a relocation ordinance does not require City staff to enforce the provisions.

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- Juliet Brodie spoke in support of ordinance policy and commented that the hardship provision is unique.
- Nevada Meriman spoke in support of the ordinance.
- Kris Doherty spoke against the ordinance but would support a tax to share the cost burden.
- Helen Chen spoke against the ordinance and rent control.
- Phillip Bahr spoke against the proposed ordinance and suggested it not be an urgency ordinance.
- Micheal Johnson spoke against rent control.
- Bill Lamkin suggested that staff and City Council to focus on other issues and not landlord issues.
- Jeff Deng spoke against the ordinance and asked who is responsible for rent if the tenants are unable to afford it (Attachment).
- Sonia Chawla explained that she has been both a property owner and a renter.
- Katie Behroozi spoke in support of the ordinance.
- Nik Noomen spoke against the ordinance.
- Richard Li spoke about the lack of housing as a zoning issue.
- Joshua Howard spoke against the ordinance.
- Ryan Carrigan spoke against the ordinance as written and suggest to revisit and focus on relocation only.
- Joyce Liu spoke against the ordinance and requested that City Council focus on the housing crisis.
- Julie Shanson spoke in support of the ordinances intentions.
- Jennifer Liu spoke against the ordinance and the costs of ownership.

The City Council took a brief 10-minute break.

City Council received clarification on the differences between rent control and tenant relocation assistance and directed staff to answer any questions they could that arose from public comment. Staff received direction from City Council to use the City of Redwood City's ordinance as a baseline. Mayor Mueller requested Mayor Pro Tem Taylor and City Councilmember Nash to work with staff on drafting a recommended version for City Council consideration.

#### E. Presentations and Proclamations

E1. Proclamation: Recognizing Barbara Wood

Mayor Mueller read the proclamation and presented is to Barbara Wood (Attachment).

#### F. Public Comment

None.

#### G. Consent Calendar

- G1. Accept the City Council meeting minutes for January 29 and February 2, 2019 (Attachment)
- G2. Adopt Resolution No. 6484 to approve the amended water supply agreement with the City and County of San Francisco (Staff Report #19-021-CC)

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- G3. Authorize the City Manager to amend an agreement with W-Trans for the transportation master plan and transportation impact fee program and appropriate \$120,000 from the undesignated fund balance of the general fund (Staff Report #19-022-CC)
- G4. Adopt Resolution No. 6479 rescinding City Council Procedure No. CC-92-004 and adopting updated City Council Procedure establishing award authority and bid requirements (Staff Report #19-014-CC)
- G5. Authorize the City Manager to execute an agreement with LSA Associates to prepare an environmental impact report for a proposed project at 111 Independence Drive in the amount of \$164,810 plus change orders not exceed to the City Manager's award authority (Staff Report #19-020-CC)

**ACTION**: Motion and second (Combs/Taylor) to approve the consent calendar, passed unanimously.

### H. Public Hearing

H1. Consider an appeal of the Planning Commission approval of a use permit and architectural control for a new single-story, 3,681 square-foot nonmedical office building at 40 Middlefield Road, and consider a parking reduction to provide a parking ratio of one space per 230 square feet of gross floor area (Staff Report #19-019-CC)

Senior Planner Tom Smith and Assistant Community Development Director Deanna Chow made the presentation (Attachment).

The applicant Ken Hayes made a presentation (Attachment).

The appellants Joe Zott and Lauri Hart made a presentation.

City Council received clarification on the procedure of this public hearing. There was discussion round parking, occupancy levels, and traffic impacts.

**ACTION**: Motion and second (Carlton/Nash) to deny the appeal and uphold the Planning Commission's use permit and architectural control approval to construct a new single-story, 3,681 square-foot nonmedical office building on a vacant parcel located at 40 Middlefield Road in the C-4 (general commercial) zoning district, cap the number of employees at 10, and incorporate a woven mesh material, a solid material for the parking puzzler gates, or comparable materials, subject to review and approval by the Planning Division passed unanimously.

#### I. Regular Business

Regular business items were pushed to a future meeting.

 Discuss and provide direction on the City's travel policy and/or adopt a Resolution rescinding Council Procedure No. CC-18-001 and adopting City Council Procedure No. CC-19-002 titled "City of Menlo Park Travel, Meal, and Lodging Policy" (Staff Report #19-023-CC)

#### J. Informational Items

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J1. Update on the Santa Cruz and Middle Avenues resurfacing project funded through a One Bay Area Grant 2 program (Staff Report #19-024-CC)

## K. City Manager's Report

None.

### L. Councilmember Reports

None.

### M. Adjournment

Mayor Muller adjourned the meeting at 10:54 p.m.

Judi A. Herren, City Clerk



# TENANT RELOCATION ASSISTANCE

February 12, 2019 – City Council Study Session



# **AGENDA**



- Background and purpose
- Key provisions
- Next steps
- Feedback





## **BACKGROUND**

Jan. 10, 2017

Aug. 22, 2017

July 11, 2018

Aug. 8, 2018

• Sept. 12, 2018

Sept. 13, 2018

Oct. 10, 2018

• Feb. 12, 2019

City Council study session on displacement

City Council approves prioritization list

Housing Commission review

Housing Commission review

Housing Commission/community meeting

Community meeting

Housing Commission final recommendation

City Council study session on draft ordinance





## PURPOSE OF RELOCATION ASSISTANCE

- Safety net for low income households who are suddenly displaced
  - Reduces short-term homelessness
  - Low-income households are often hit the hardest
- Menlo Park specific needs:

Example 1



Example 2







## PURPOSE OF RELOCATION ASSISTANCE

- Reduces the short-term financial burden on displaced tenants
  - First and last month's rent, security deposit, etc.
  - Related expenses (moving costs, utility deposits, etc.)
- Reduces displacement from Menlo Park and preserves community continuity
  - Neighborhoods
  - Schools
- Alternative to "just cause" eviction requirement
- Temporary "stop gap" to address short term housing crisis in Bay area.



# KEY PROVISIONS FROM THE CURRENT DRAFT ORDINANCE



- Urgency ordinance findings
- Eligible tenant
- Landlord-caused termination trigger
- Significant rent increase trigger
- Rental unit
- Relocation payment amount
- Other considerations



## KEY PROVISION: URGENCY ORDINANCE FINDINGS



- Takes effect immediately; rather than typical two readings and 30-day delay
- Requires the adoption of a declaration of facts constituting the urgency
- Urgency = need to avoid immediate evictions caused by a landlord's desire to avoid the impact of the ordinance
- Requires a vote of four-fifths of the City Council
  - Note: standard practice is to bring companion regular ordinance in case urgency findings are challenged or a four-fifths vote is not achieved







- Length of tenancy
  - 12 months or more (aligned with the City's 12-month lease ordinance)
- Means test (income limit)
  - 150% of the Area Median Income (AMI)

Household size	Extremely low- income	Very low- income (50% AMI)	Low- income (80% AMI)	Area Median Income (100% AMI)	Moderate income (120% AMI)	150% AMI	200% AMI
1-Person	\$30,800	\$51,350	\$82,200	\$82,900	\$99,450	\$124,350	\$165,800
2-Persons	\$35,200	\$58,650	\$93,950	\$94,700	\$113,700	\$142,050	\$189,400
4-Persons	\$44,000	\$73,300	\$117,400	\$118,400	\$142,100	\$177,600	\$236,800





# **KEY PROVISION: ELIGIBLE TENANT**

- Federal rent burden guideline
  - No more than 30% of household income should be required to cover housing cost

	Rent Burden Example 4-person household occupying a 2 bedroom unit							
	Extremely low- income (30% AMI)	Very low-income (50% AMI)	Low-income (80% AMI)	Area Median Income (100% AMI)	Moderate income (120% AMI)	150% AMI	200% AMI	
Acceptable rent (HUD-guideline)	\$1,100	\$1,833	\$2,935	\$2,960	\$3,553	\$4,440	\$5,920	
Avg. monthly rent (2 bd)	\$3,685	\$3,685	\$3,685	\$3,685	\$3,685	\$3,685	\$3,685	
Over rent-burdened amount (>30%)	(\$2,585)	(\$1,853)	(\$750)	(\$725)	(\$133)	\$755	\$2,235	
Increased rent burden						No rent burd	den	







- "No-fault" or "no-cause" termination where the landlord takes action to terminate the tenancy of an eligible tenant
- Included exceptions:
  - Failure to pay rent
  - Breach of rental agreement
  - Committing or expressly permitting a continued nuisance
  - Owner move-in/use (longer than 12 months)
  - Natural lease expiration\* in accordance with Municipal Code Chapter 8.53 (the City's 12-month lease ordinance)
    - \*Housing Commission recommends removing this



## KEY PROVISION: SIGNIFICANT RENT INCREASE



- Significant rent increase definition
  - Any rent increase or proposed cumulative rent increases that raise the rent during any 12-month period, to an amount more than the last year's annual consumer price index (CPI) adjustment + 5%
  - Currently this would be about 8-9%
  - Follows state law governing price increases during a declared disaster or state of emergency and the UC Berkeley Terner Center's definition of rent price gouging
- Professional apartment associations typically advise their members not to raise rents more than 2-4% annually
  - They further advise that increases above 8 percent will likely cause a loss of tenants



# **KEY PROVISION: RENTAL UNIT**



- Defined as any housing unit in Menlo Park
- Includes:
  - Multifamily housing, apartments
  - Condos
  - Duplexes
  - Single-family homes
- Does not apply to:
  - Affordable housing units already deed restricted or limited by income
  - Secondary dwelling units (granny units, backyard units, etc.)
  - Rooms rented in an owner-occupied, single-family home



# KEY PROVISION: RELOCATION ASSISTANCE PAYMENTS



- Housing Commission recommendation
  - 3-months of HUD Fair Market Rent (FMR)
  - 1 extra month of assistance for special circumstance households
    - Defined as those with at least one household member who qualifies as: Elderly (over 62 years of age)
    - Minor child (under 18 years of age)
    - Disabled

Year	Studio	1 bd	2 bd	3 bd	4 bd
FY 2019 HUD Fair Market Rent	\$1,822	\$2,255	\$2,809	\$3,663	\$3,912





# KEY PROVISION: RELOCATION ASSISTANCE PAYMENTS

- Alternative payment calculation based on tiers
  - Tiers could be tied to income level and tenant longevity
  - Number of payments times HUD Fair Market Rent

Tenant income	12-24 months	25 months or more
150% AMI	1	2
120% AMI	2	3



# OTHER CONSIDERATIONS: COSTA-HAWKINS



- State law which prohibits cities from imposing rent control on single-family homes, condominiums and apartments buildings constructed after February 1, 1995
  - Landlord advocates claim "Significant rent increase" trigger is similar to rent control
  - Tenant advocates claim the ordinance is not rent control because
    - It allows landlord to increase rent if they pay relocation payment, and
    - Relocation payment is reasonable
  - No California court has ruled on this issue yet
    - There is some risk that the court could view ordinance as violating Costa-Hawkins as applied to the housing units covered







- Carve out housing protected by Costa-Hawkins
  - i.e. single-family homes and new housing
- Reduce the income thresholds for qualifying tenant
- Reduce relocation assistance payment amounts
- Allow landlords to credit security deposit if paid within 5 days
- Create a fund for relocation assistance payments
- Expand the hardship waiver provision
- Add a 60-day timeframe for tenants to exercise rights to relocation benefits



## **OTHER CONSIDERATIONS:**



- Enforcement
  - Private enforcement
  - City does not have staff capacity to enforce
- Sunset provision
  - Designed to address short term housing crisis
  - Ordinance sunsets on October 1, 2022



# ITEMS FOR CITY COUNCIL FEEDBACK AND DIRECTION



- Eligible tenant definition
- Remove the natural lease expiration exception
- Relocation assistance payment amounts
- Creation of a fund for relocation assistance payments

- Rental unit definition
  - Costa-Hawkins
- Additional grounds for hardship waiver
- Other considerations



# **QUESTIONS?**



Jebb Deng Agenda Item-D1 City Council meeting 2/12/1

Dear Members of the City Council,

As a resident (not a renter nor a landlord) of Menlo Park, I'd like to share my humble opinion about this tenant relocation ordinance.

I attended the previous public hearings hosted by the Housing Commission. I totally got the point that the bay area is an expensive place to live for most of us, however, I didn't get the reasoning for why if a tenant can't afford the market rent and has to move, it's the landlords' responsibilities, and they should pay the tenants to find new places.

Landlords are actually also renters. They rent the properties from the county and banks instead, while-as tenants rent from landlords. Landlords are not really the owners of the properties. If they are unable to come up with the periodic payments for property taxes or mortgages, the real owners would take over the properties. So, landlords and tenants are essentially the same type of people, and should be **treated** equally and protected equally. In addition, as house providers for a city, landlords are contributors, and should be protected. However, let's look at the current situation.

If you are a tenant at Menlo Park and can't afford the market rent, you may need to find a new place. I know it's not ideal, but it's just part of the life for most people. Before I was able to afford a property of my own, I have rented for many years and moved a lot of times. As an tenant, if the rent was not affordable, I still had various options, for example, I can downgrade my place; I can move to a smaller place in the same neighborhood; I can share a place with others; I can move to a more affordable place nearby. I've never thought about that it's my landlords' responsibilities to pay me to find new places. I am an adult, and I knew that I must take responsibilities for my own life. Even my parents would NOT pay for me to find new places, why would I expect my landlords to do that? Everyone should take responsibilities for his/her own life. My parents have their own life problems to solve; my landlords have their own problems to worry about too. Finding a suited place to live for myself is my responsibility, not my parents', not my landlords', not someone else's.

To understand more about being a landlord at Menlo Park, I did some math assuming that I rent out my property, the number showed that it's way far from breakeven and I would lose significant money every month. Remember, I had to buy the property with the market price; I had to pay remodel fees with the market price; I have to pay insurances, maintenance fees, and gardening with the marketplace prices...Nobody put any cap on the annual increase on these expenses, and there is no landlord protection at all in case they can't afford these expenses, but now the Housing Commission proposes an ordinance to only protect tenants at the costs of landlords. Is it fair? To be fair, can we add the comparable protections for the landlord side as well in the ordinance? Say, if the rent is not changed but a tenant decides to move out, and the landlord can't find a new tenant with the same rent, should the tenant pay the landlord 3 months of rent and two months rental agent fees as well, to help find a new tenant? Tenants and landlords are equal, and they should be protected and also be bound equally. With the unilateral protection proposed by the Housing Commission, I know I would never want to be a landlord at Menlo Park.

There are way more risks and challenges to be a landlord, compared with being a tenant. For example, if a tenant moves out, and the landlord is not able to find a new tenant soon, he/she may not able to pay the property tax/mortgage, and can lose the property; if the landlord loses his/her job (which can happen to anyone, especially now when many economists are warning the incoming economic downturn or even

another financial crisis), they may lose the property; they may get bankrupted. For mom and pop landlords who have no jobs and rely on the monthly rents to make a living, to pay the tuition fees for their kids, to prepare for their retirements, what if their properties become vacant? What if there is an earthquake (we are in an earthquake zone!) and the property gets damaged? What if there are other natural disasters happen on the property, and the landlords have no saving to repair the properties? What if a landlord gets sued by tenants or someone else? Their property can be at risk too. Nobody talks about these serious risks that a landlord faces, and the Housing Commision just assumes that a landlord would have the money (3 months of rent, 2 month of rental agent fees, and maybe more) to pay for the tenant to move. Is it fair?

In the rental market, who is making money? The county, they collect property taxes no matter the property is rented out or vacant; the banks, they get consistent mortgage payments; The landlords are actually the most vulnerable group in the market, but now we are asking the landlords to pay for tenants to find new places. Why not ask the county to pay, why not ask the banks to pay? It's not fair to landlords.

Even we ignore the landlords' challenges and push this ordinance to pass, is it going to work? There are real examples in the bay area. In San Francisco, after years of strict tenant protections, there are more tensions and lawsuits between tenants and landlords; there are more homeless on the street and in the bart stations, and the house problem is not solved at all. Menlo Park is a great community and I really hope that Menlo Park won't repeat the same mistake. We can do better than that by figuring out the right way to solve the housing problem.

Essentially it's just supply and demand. I believe the right solution is to work on increasing the housing supply, e.g. by making property development or expansion easier, faster and more cost-effective; by approving more high density buildings and secondary dwelling units.

I love this community, and I urge you to reject this unfair ordinance that won't work.

Thank you for your considerations.

02/12/2019

-Jeff



## RECOGNIZING BARBARA WOOD

WHEREAS, Barbara Wood has lived on the Peninsula since 1983 and has a Masters of Journalism degree from University of California, Berkeley; and

WHEREAS, Barbara is married to Dan Fitzpatrick for over 35 years and has three adult children, Caitlin, Riley, and Brenna; and

WHEREAS, in 1990, Barbara Wood began her career at the Almanac as a staff writer and columnist for nearly 10 years until December 1999 where she covered local government, general assignment, and also wrote family life column; and

WHEREAS, Barbara continued her work at the Almanac as a freelance writer and columnist from 2000-2014; and

WHEREAS, from June 2014 to September 2018, Barbara covered four K-8 school districts, a fire district, and local government for the weekly Almanac newspaper and website as a staff writer; and

WHEREAS, Barbara Wood retired from full-time reporting at the Almanac in September 2018; and

WHEREAS, Barbara also volunteers for the American Red Cross where in the past six months she has gone on assignment to help in Hawaii for the volcanic eruption, North Carolina for Hurricane Florence and Butte County for the Camp Fire; and

WHEREAS, the California School Boards Association recently awarded Barbara with a 2018 Golden Quill Award for excellence in journalism; and

WHEREAS, Barbara was one of 25 recipients for the inaugural award that recognized her for reporting news in a fair, insightful, and accurate manner; and

WHEREAS, Menlo Park City School District nominated Barbara for this award for thoughtfully and accurately reporting on education in the Menlo Park, Atherton, and East Palo Alto community; and

CHYLL MENLO PARK

NOW THEREFORE, BE IT PROCLAIMED that I, Ray Mueller, Mayor of the City of Menlo Park, on behalf of the City Council, recognize Barbara Wood on her retirement and contribution to the Menlo Park Community and congratulate her achievement in receiving a Golden Quill Award.

Ray Mueller, Mayor

February 2019



"A multicounty agency authorized to plan for and acquire supplemental water supplies, encourage water conservation and use of recycled water on a regional basis."

[BAWSCA Act, AB2058 (Papan-2002)]



# WSA Amendments: Objective

- Overall Objective
  - To negotiate necessary WSA amendments by Fall 2018 for adoption by SFPUC and Wholesale Customers in Winter 2018/19
- Strategy
  - Amendments were developed that are
    - 1. Of greatest interest/benefit to BAWSCA member agencies, and
    - 2. Of greatest interest to SFPUC
  - Amendments are necessary to address substantive, important, and discrete issues that have arisen during contract implementation
  - Amendments do not diverge from the existing policies and spirit of the WSA
  - Amendments do not address changes to basic contract structure or "fundamental rights" (i.e. Supply Assurance)



# Negotiations on Seven Amendments Are Now Complete

Proposed WSA Amendments of Primary Interest to BAWSCA	WSA Section	An Pri	oposed WSA nendments of mary Interest to PUC	WSA Section
Oversight of SFPUC's     Capital Improvement     Program (CIP)	6.09	1.	Wholesale Capital Fund	6.08.E Attachment M-3
2. Tier 1 Drought Allocation Plan	3.11.C Attachment H	2.	WSIP Completion Date	3.09, 4.07
3. SFPUC's Required 2018 Decisions (San Jose/Santa Clara permanency; other Wholesale Customers wanting increased ISG)	3.13, 4.01, 4.05, 4.06, 9.06, and Attachment Q	3.	Regional Groundwater Storage & Recovery Project (RGSRP)	3.17
4. Asset Classification	5.11 (new) & Attachment R (new)			

# Amendments of Interest to BAWSCA I. CIP Oversight

Amendment	Issue	Summary	Benefits
1. Oversight of SFPUC's Capital Improvement Program (CIP)	BAWSCA has no contractual right to influence SFPUC's CIP  SFPUC has no contractual obligation to seek input from BAWSCA on its CIP	The WSA amendment commits SFPUC to formal engagement with BAWSCA on its 10-Year CIP development:  On-going tracking/monitoring Improvement to current Quarterly Reports, and Commitment for consideration of BAWSCA's findings and recommendations	Assures BAWSCA and water customer has a voice in the development and implementation of the SFPUC's 10-year CIP (\$2B+):  • Scope  • Schedule  • Budget  Knowledge of CIP, schedule, cost and cost allocation will be routinely shared with member agencies





# Amendments of Interest to BAWSCA 2. Tier I Drought Plan

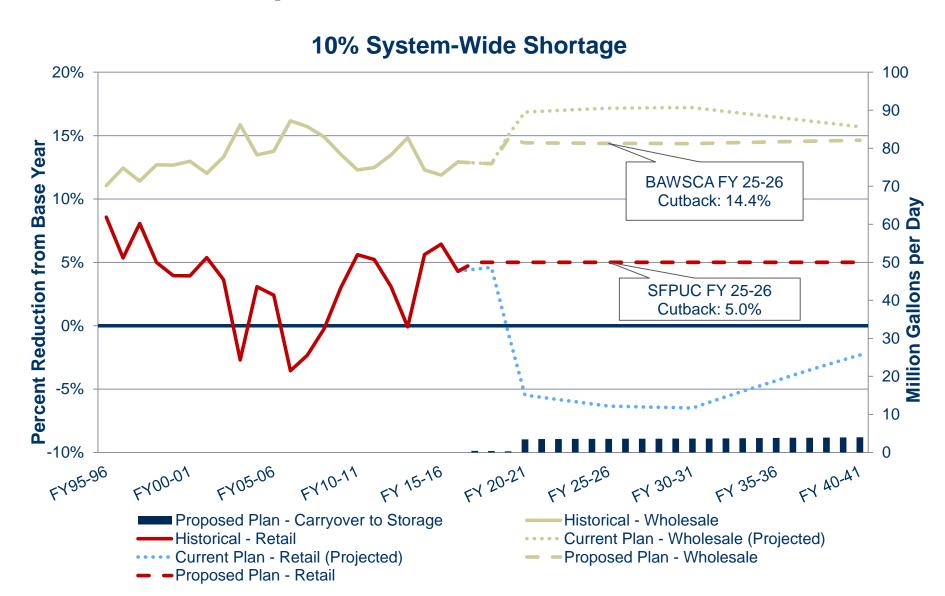
Amendment	Issue	Summary	Benefits
2. Tier 1 Drought Plan	Tier 1 Drought Plan allocates available drought supplies between SF Retail and Wholesale Customers.  Water use patterns have changed significantly since 2000 and that has influenced the formula.  The formula no longer meets original Plan principles  • results in a positive water allocation to SF Retail with BAWSCA agencies experiencing significant cutbacks	<ul> <li>A WSA amendment that includes a modest change to the existing formula</li> <li>No positive allocation; plus</li> <li>A minimum 5% cutback requirement for SF retail</li> </ul>	Returns regional drought allocations to something closer to original principle:  • Fair distribution of available drought water supplies.  Water volume associated with eliminating positive allocation will be reallocated to Wholesale Customers  Water volume associated with minimum 5% cutback will be reallocated back to Total System Storage







# Retail and Wholesale % Reduction under Current Tier 1 Plan and Proposed Tier 1 Plan





# Amendments of Interest to BAWSCA 3. 2018 Decisions

Amendment	Issue	Summary	Benefits
3. SFPUC 2018 Decisions Regarding San Jose and Santa Clara (SJ/SC) & Others	<ul> <li>The WSA requires that SFPUC make the following decisions by 12/31/2018:</li> <li>Whether to make SJ/SC permanent customers of the Regional Water System</li> <li>Whether to offer additional supply to other permanent Wholesale Customers</li> <li>SJ/SC desire permanent customer status, potentially with greater supply than in current contract</li> <li>Insufficient data available for SFPUC, SJ or SC to make decisions now</li> </ul>	<ol> <li>A WSA amendment that:</li> <li>Extends SFPUC's 2018 decisions to Dec. 31, 2028</li> <li>Extends the notification for potential termination from 5 years to 10 years</li> <li>Commits SFPUC to provide a yearly update to its Commission regarding developing up to 9 mgd of permanent supply for SJ/SC</li> <li>Amends Santa Clara's service area map allowing use of SFPUC supply throughout City "for operational purposes"</li> </ol>	Provides continued assurance to SJ/SC that SFPUC will meet existing contract terms  • Does not satisfactorily address SJ/SC need for more water now and in future  With projected BAWSCA purchases below 184 mgd:  1. No anticipated water supply impact to permanent Wholesale Customers  2. Increased water sales resulting in reduced wholesale water cost



# Amendments of Interest to BAWSCA 4. Asset Classifications

Amendment	Issue	Summary	Benefits
4. Asset Classification	In FY 2010/11, the SFPUC unilaterally changed classification, and therefore costallocation, of a small number of assets of the Regional Water System  If Wholesale Customers sent dispute to arbitration ("no project alternative"), unclear of success	<ul> <li>Documents and "fixes" the classification of all "upcountry" significant, existing-assets of the Regional Water System; and</li> <li>Limits changes from historical classifications to 7 specific projects on 5 assets without changing the classification of the underlying assets</li> </ul>	Facilitates efficient contract administration and achieves significant cost savings by ensuring that the SFPUC cannot arbitrarily change an asset's classification, and therefore cost-allocation, moving forward  Limits/Mitigates Wholesale Customer exposure to financial risks related to uncertain project scopes, schedules, costs, and permitting requirements.  Limits changes from historical classifications to specific projects without changing the classification of the underlying asset

# Asset Classifications: Background of Allocation of System Costs

- Wholesale Customers do not pay for SF programs and facilities for which they receive no benefit
  - SF power generation facilities
  - Water supply facilities serving SF's retail customers
- How much the Wholesale Customers pay each year is determined by applying cost allocation rules to actual system costs incurred
- Regional Water System costs are divided between Wholesale Customers and SF Retail Customers based on proportional annual use of water
- Hetch Hetchy Enterprise costs classified as Water, Power or Joint
  - Wholesale Customers pay no portion of Power costs
  - Wholesale Customers pay ~2/3 of Water costs (proportionate to water use)
  - Joint costs are split between water and power customers 45% and 55%.
  - Wholesale Customers pay ~2/3 of the water share of Joint costs, or about 30% (2/3 of 45% = 30%)





## Asset Classifications: Background on Current Dispute

- In FY 2010-11, San Francisco unilaterally
  - Changed the historical classification of Penstock costs from Power to Joint, and
  - Proposed other changes that would make water customers pay costs formerly paid by power customers
- BAWSCA formally challenged SF's proposed changes
- SF and BAWSCA signed a Settlement and Tolling Agreement in 2014 to hold costs and initiated negotiations
- Financial Context:
  - Wholesale Customers currently pay SF about \$260M per year





## One Part of Resolution: Agreement to Classify Some Known Projects Different than Asset

Asset	Asset Classification	Project	Project Classification
Lower Cherry Aqueduct	Joint	Lower Cherry Aqueduct Project	Water
Mountain Tunnel	Joint	Mountain Tunnel Interim Work	Water
Mountain Tunnel	Joint	Mountain Tunnel LT Repairs	Water
Mountain Tunnel	Joint	Mountain Tunnel Flow Control Facility (FCF) Project	Joint
Kirkwood Penstock	Power	Kirkwood Penstock Project	Joint
Moccasin Penstock	Power	Moccasin Penstock Project	Joint
Moccasin Lower Dam	Water	Moccasin Dam Interim Repairs	Joint
Moccasin Lower Dam	Water	Moccasin Dam LT Improvements	Joint



## Asset Classification Amendment Provides Four Critical Benefits to Wholesale Customers

- I. Fixes the classifications of over 500 assets to prevent future accounting errors or future unilateral changes by SF
- 2. Mitigates financial risk for two very high risk and potentially expensive projects (Mtn. Tunnel Flow Control and Moccasin Reservoir Repairs)
- 3. Eliminates the need for an expensive new "Water-only" Moccasin Pipeline
- 4. Limits Water share of Mountain Tunnel Rehabilitation costs
- 5. Ensures power customers pay toward critically-needed projects that maintain and enhance system reliability



# Amendments of Interest to SFPUC 5. Wholesale Capital Fund

Amendment	Issue	Summary	Benefits
1. Wholesale Capital Fund (Fund)	WSA provides for reconciliation of planned vs actual revenue funded capital expenditures in 5 year intervals (starting in 2014)  SFPUC seeks an adjustment to this language to address unintended consequences during implementation	The WSA amendment provides for an annual reconciliation of costs	Annual reconciliation will more directly match the SFPUC's budget requirements, appropriation processes, and project spending needs  BAWSCA review of this amendment confirms that it is cost neutral to member agencies in the long run  BAWSCA agencies and water customers benefit by ensuring SFPUC has necessary funds for capital improvements.





# Amendments of Interest to SFPUC 6. Completion of WSIP

Amendment	Issue	Summary	Benefits
2. WSIP Completion Date	The existing WSA includes an outdated WSIP completion date of Dec. 31, 2015	The WSA amendment updates the WSIP completion date to Dec. 30, 2021 (as adopted by the SFPUC's Commission in March 2018)	Referencing the newly adopted WSIP completion date of Dec. 30, 2021 keeps the WSA current and better protects the Wholesale Customers from the potential loss of a contract claim for failure to enforce the outdated completion date  Including an updated completion date in the WSA creates no financial or administrative burden on BAWSCA member agencies



# Amendments of Interest to SFPUC 7. RGSRP

Amendment	Issue	Summary	Benefits
3. Regional Groundwater Storage and Recovery Project (RGSRP)	The WSA has language regarding RGSRP that is outdated and does not correctly reflect how the project will be operated following its construction	<ol> <li>The WSA amendment:</li> <li>Reflects how the RGSRP will be operated</li> <li>Outlines the cost-allocation responsibilities shared by the RGWRP's partner agencies</li> </ol>	It is important that the WSA is consistent with the Project Operating Agreement by correctly describing how the RGSRP will be operated and how financial matters will be managed  BAWSCA benefits by having access to the financial information that must be provided each year related to RGSRP operational costs



#### Plan to Address Minimum Purchase Issue

- Four BAWSCA agencies subject to minimum purchase requirement from the SF Regional Water System
- Those agencies interested in changes to this requirement
- Other BAWSCA agencies have also expressed interest in addressing this issue
- BAWSCA and the SFPUC propose to take this issue up as a separate potential amendment after this suite of amendments is completed
- Language reflecting parties' interest in addressing this matter in a timely manner to be included in findings for these amendments



### Adoption Process

- On December I I<sup>th</sup>, the Commission authorized the SFPUC General Manager to sign the 7 recommended contract amendments
- BAWSCA is recommending adoption by all member agencies by March 31, 2019
- Individual member agencies considering action at this time





### **40 MIDDLEFIELD ROAD**

**Appeal of Planning Commission Approval** 













#### PROPOSED DEVELOPMENT

- Proposed Project
  - 3,681 square-foot office building
  - 16 parking spaces in automated parking system and surface lot
  - Parking reduction request
  - Dedication of right-of-way along Middlefield Road

















#### PROJECT BACKGROUND

- On May 14, 2018 the Planning Commission reviewed and continued the project
  - Increase parking on the site
  - Reduce potential issues with truck deliveries to The Willows Market
- On December 3, 2018 the Planning Commission reviewed and approved the proposed development
- On December 18, 2018 the Planning Commission approval was appealed





#### PROJECT BACKGROUND

- Appeal concerns:
  - Puzzler will have visual and noise impacts
  - Construction logistics were not considered
  - Overflow parking would spill into The Willows neighborhood
  - Deliveries and parking associated with The Willows Market would cause issues
  - Project would create traffic circulation impacts that should be addressed through infrastructure changes





#### **PROJECT UPDATES**

- Automated parking system doors will be lowered to eight feet
- No Parking signs will be installed on service road







#### CITY COUNCIL OPTIONS FOR ACTION

- Deny the appeal, uphold the Planning Commission approval
- Uphold the appeal, deny the Planning Commission approval
- Modify the Planning Commission approval
  - Eight-foot door height for puzzler entrance





### **THANK YOU**





## 40 MIDDLEFIELD ROAD

CITY COUNCIL MEETING 02.12.19



## **Directions per Letter of Continuance**

May 17, 2018

- Increase the amount of proposed parking on the site to a ratio
   greater than 3.33 spaces per 1,000 square feet of gross floor area
   (GFA) and less than 6 spaces per 1,000 square feet of GFA
- Address potential barriers at the northwest corner of the site that
  may impede deliveries to The Willows Market loading dock,
  including the location of the proposed site wall, landscaping, curbs,
  and other potential impediments to truck deliveries









TEST FIT 40 MIDDLEFIELD ROAD



MIDDLEFIELD ELEVATION



WOODLAND ELEVATION



REAR ELEVATION

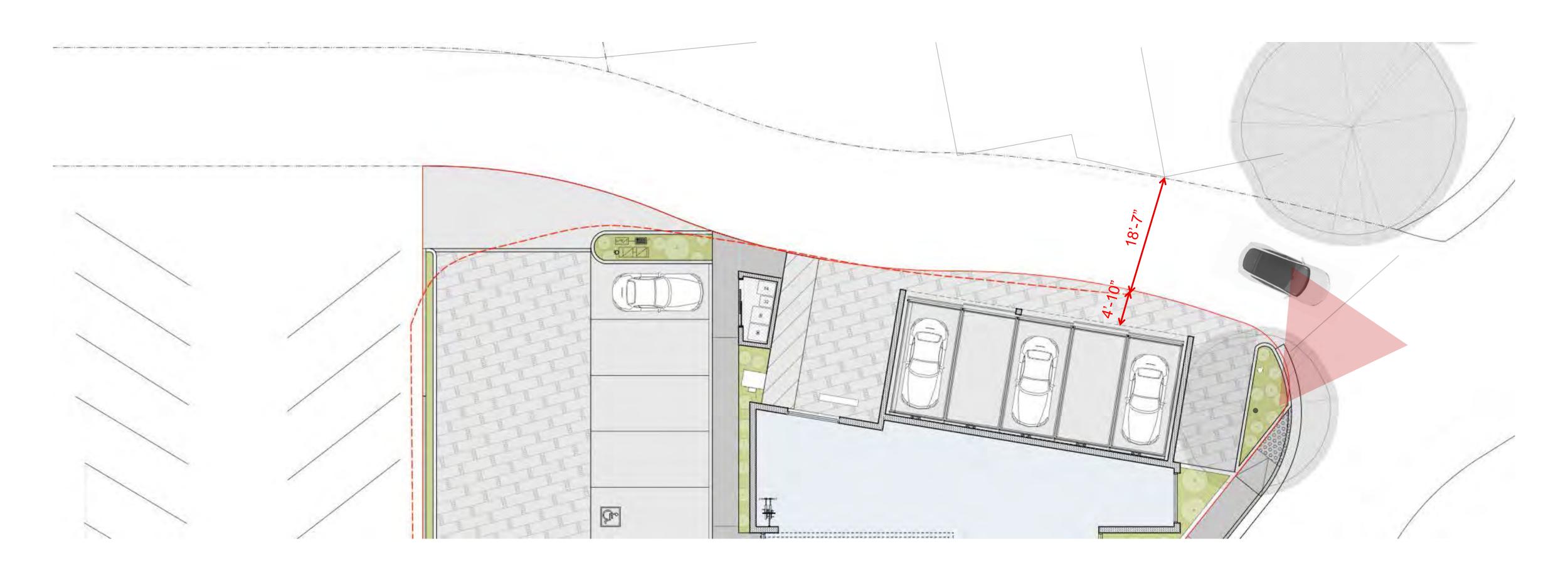


LEFT ELEVATION







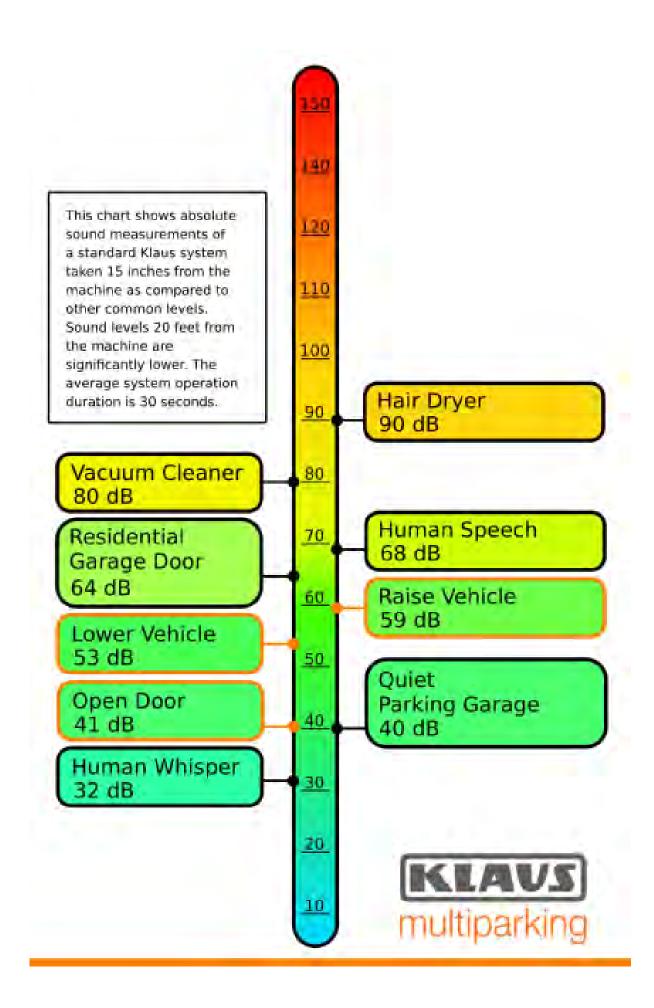


--- LOCATION OF EXISTING FENCE

## Items from the Appeal Letter

December 15, 2018

- 1. The noise from and use of the planned Puzzler parking system.
- 2. No consideration was made regarding the logistics of the project construction on this small parcel with limited street frontage.
- 3. The project abuts a residential neighborhood who were essentially made responsible for reporting building employees parking and use violations.
- 4. The project abuts a popular local market, The Willows Market. While accommodation was made for the market's dock access, no acknowledgement of the additional parking burden of the already overflowing market parking lot was addressed.
- 5. The project abuts a major city transportation route for both through traffic as well as the Willows primary ingress/ egress.



#### **TrendVario 4200**

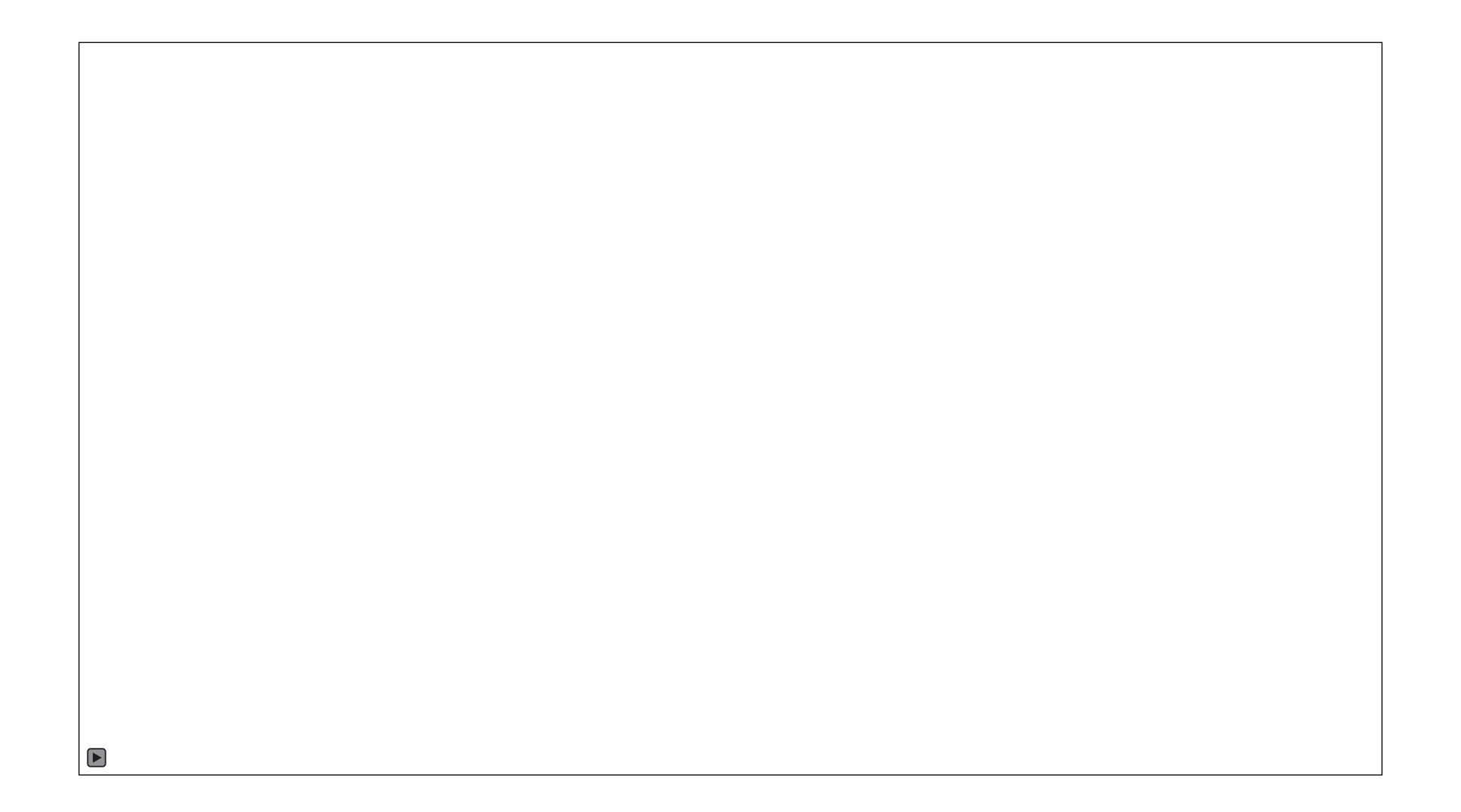
**Remote operation** allows users to call up remotely from the comfort of user's vehicle, or from a distance upon approach to the system.

The system enforces a maximum boundary of around 100'.

The TrendVario automated doors open and close *automatically*.

It takes an average of *30 seconds* to call a stall, with a minimum and maximum of 0 to 60 seconds depending on the machine position.

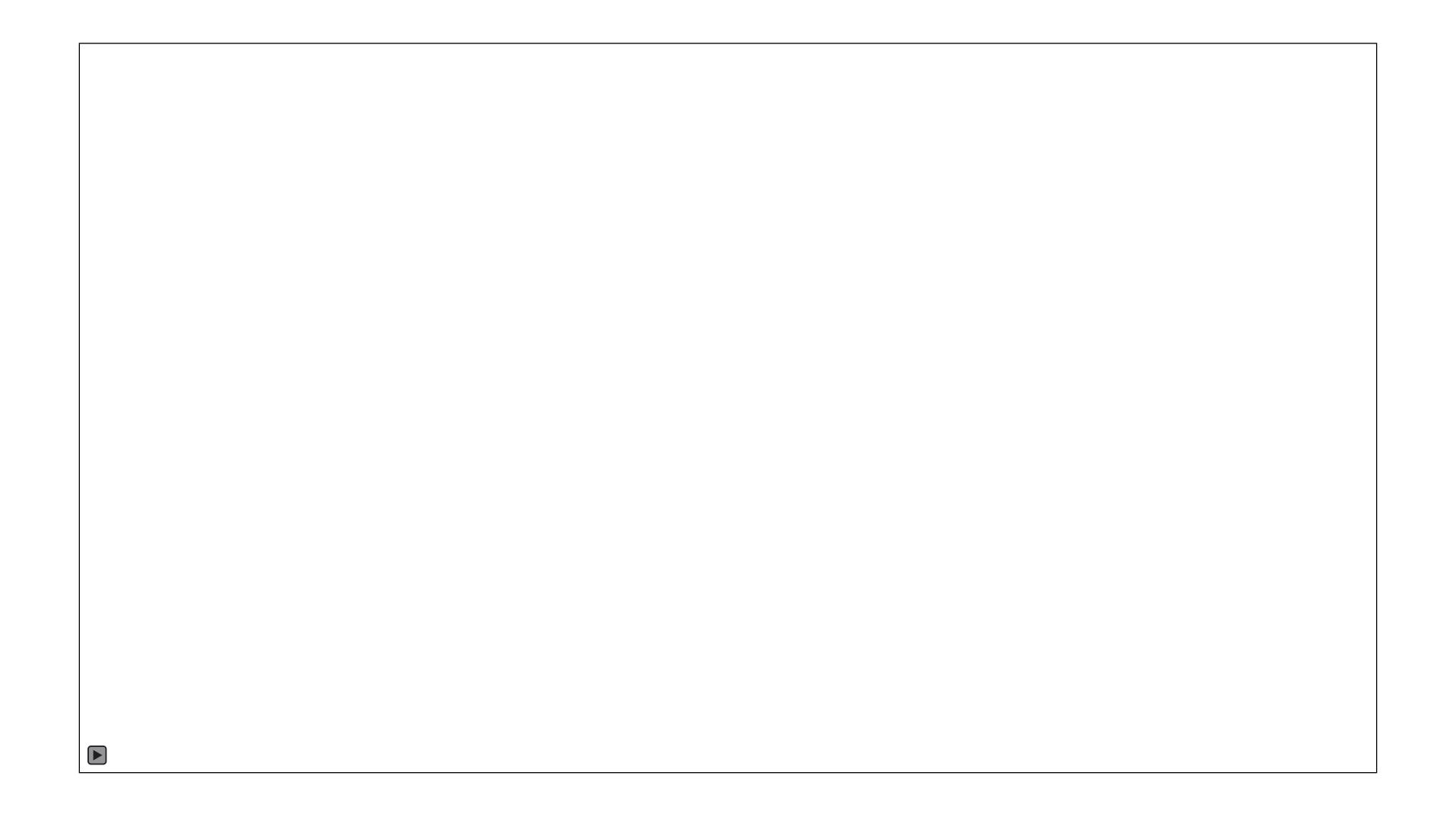
PUZZLER 40 MIDDLEFIELD ROAD



PUZZLER 40 MIDDLEFIELD ROAD







PUZZLER 40 MIDDLEFIELD ROAD



# TDM Plan

- Approved by the City/County Association of Governments of San Mateo County (CCAG)
- Consistent with well-performing Menlo Park projects (Facebook)

# TDM Core Strategies

- Free guaranteed ride home (GRH) program
- Bicycle facilities at twice code requirement
- Shower facilities
- Carpool incentives for passenger/riders
- Transit subsidies
- Tenant lease language to enforce trip reduction compliance
- Annual monitoring and reporting to ensure performance



## **APPENDIX**

Vehicle Height Examples											
Sedans (4' 11")	Most vehicles inc: BMW 7-series, Tesla Model S, Toyota Avalon, Honda Accord, Volvo V90										
Compact SUVs (5' 3")		Subaru Outback, Infinity EX									
Compact SUVs (5' 5")	Audi Q5	Audi Q5, Tesla Model X, Subaru Outback									
Midsize SUVs (5' 7")	BMW X	BMW X6, Porsche Cayenne, Honda CRV, KIA Sorento,									
Midsize SUVs (5' 9")	Audi Q7	Audi Q7, Jeep Grand Cherokee, Subaru Forester, Toyota Sienna									
Midsize SUVs (5' 11")	Honda I	Honda Pilot, Jeep Wrangler, Mercedes-Benz GLE									
Full-Size SUVs (6' 3")	Cadillad	Cadillac Escalade, Chevy Tahoe, Toyota LandCruiser, Ford Explorer, Range Rover									
Oversize SUVs (6' 7")	Ford Ex	Ford Expedition, Lincoln Navigator, Infiniti QX									
Oversize SUVs (6' 9" and above)	Vehicle	Vehicles with roof rack etc.									
Model Number	Clear	Pit	Upper	Ground	Lower	Clear	Pit	Upper	Ground	Lower	
Model Mullibel	Height	Depth	Car (UF)	Car (GF)	Car (LF)	Height	Depth	Car	Car (GF)	Car	
TrendVario 4200-175-345	11' - 4"	0	4' - 11"	5' - 5"	n/a	345	0	150	165	n/a	
TrendVario 4200-180-350	11' - 6"	0	4' - 11"	5' - 7"	n/a	350	0	150	170	n/a	
TrendVario 4200-185-355	11' - 8"	0	4' - 11"	5' - 9"	n/a	355	0	150	175	n/a	
TrendVario 4200-180-365	12' - 0"	0	5' - 5"	5' - 7"	n/a	365	0	165	170	n/a	
TrendVario 4200-175-370	12' - 2"	0	5' - 9"	5' - 5"	n/a	370	0	175	165	n/a	
TrendVario 4200-185-375	12' - 4"	0	5' - 7"	5' - 9"	n/a	375	0	170	175	n/a	
TrendVario 4200-210-380	12' - 6"	0	4' - 11"	6' - 7"	n/a	380	0	150	200	n/a	
TrendVario 4200-215-385	12' - 8"	0	4' - 11"	6' - 9"	n/a	385	0	150	205	n/a	
TrendVario 4200-185-390	12' - 10"	0	6' - 1"	5' - 9"	n/a	390	0	185	175	n/a	
TrendVario 4200-210-405	13' - 4"	0	5' - 9"	6' - 7"	n/a	405	0	175	200	n/a	
TrendVario 4200-215-415	13' - 8"	0	5' - 11"	6' - 9"	n/a	415	0	180	205	n/a	
TrendVario 4200-210-440	14' - 6"	0	6' - 11"	6' - 7"	n/a	440	0	210	200	n/a	
TrendVario 4200-215-450	14' - 10"	0	7' - 1"	6' - 9"	n/a	450	0	215	205	n/a	

# Site-serving transit provides 192 daily trips



- 135 daily trips to Redwood City Transit Center
- 38 daily trips to the Palo Alto Caltrain Station
- 19 daily trips to the Menlo Park Caltrain station

# Site-serving Transit access

DB AC Transit 82	5 Days/Week 6:33 am - 8:19 pm 5 Days/Week	23	Stanford Oval, Palo Alto Caltrain, Willow Rd. & Middlefield Rd.,		
	•	25			
82	5 Days/Week		Ardenwood Park & Ride, and Union City BART		
			Bay/Harmon, Coleman/Menlo Oaks, Santa Monica/San Andreas,		
Samtrans	2:56 pm & 3:28 pm	3	Middlefield/Santa Margarita, Merrill/Santa Cruz,		
	School-day Only		Laurel/Glenwood, and Hillview School		
83 Samtrans	5 Days/Week		Bay/Ringwood, Durham/Laurel, Marmona/Robin,		
	7:48 am - 3:44 pm	6	Willow/Blackburn, Merrill/Santa Cruz, Laurel/Glenwood, and		
Samuans	School-day Only		Hillview School		
84 Samtrans	5 Days/Week		Encinal/Middlefield, Middlefield/Lane, Middlefield/Santa		
	2:57 pm & 3:41 pm	3	Margarita, Merrill/Santa Cruz, Laurel/Glenwood, and Hillview		
Samuans	School-day Only		School		
88	5 Days/Week		Bay/Harmon, Durham/Laurel, Marmona/Robin,		
Samtrans	7:45 am - 3:25 pm	3	Willow/Blackburn, Laurel/Sherwood, and Encinal School		
Samurans	School-day Only		Willow/ Blackbulli, Laurel/ Sherwood, and Elicinal School		
296 Samtrans	7 Days/Week 5:28 am - 10:35 pm	120	Bayshore/Donohoe, Bay/University, Newbridge/Saratoga,		
			Middlefield/Santa Margarita, Middlefield/Ringwood,		
			Merrill/Santa Cruz, Middlefield/5th, and Redwood City Transit		
			Center		
297	7 Days/Week	8	Palo Alto Transit Center, Bay/University, Middlefield/Santa		
Samtrans	3:58 am - 11:52 pm		Margarita, Middlefield/5th, and Redwood City Transit Center		
	7 Days/Week 6:23 am - 6:06 pm		Palo Alto Transit Center, Bay/University, Middlefield/Santa		
397 Samtrans			Margarita, Middlefield/5th, Redwood City Transit Center, El		
			Camino/Hillsdale, El Camino/Burlingame, Millbrae Transit		
			Center, SF Airport Courtyard A, Airport/Baden, Bayshore/Old		
			County, 11th/Market, Mission/1st, and Folsom/Beale		
Willow Road Shuttle	5 Days/Week 7:05 am - 6:05 pm	7	Menlo Park Caltrain, Linfield/Waverley, Linfield/Middlefield,		
			Blackburn Ave, Chester St (VA Medical Center), O'Brien/Willow,		
			1200 O'Brien (JobTrain), 1505 O'Brien, Adams Court, Hamilton		
			Court, and 1340 Willow Rd		
M2-Belle Haven Midday Shuttle	5 Days/Week 6:51 am - 3:59 pm	12	Menlo Park Senior Center, Belle Haven Library, Willow &		
			Coleman, Blackburn Ave, Middlefield & Ringwood, Menlo Park		
			Library, Crane Place, Menlo Park Caltrain, Safeway, Little House,		
			Partridge/Kennedy, Middlefield & Ravenswood, and Willow &		
			Chester		
Total Tran	sit Trips/Weekday	192			

All buses and trains are lift equipped for handicapped, elderly, or those in need.

40 MIDDLEFIELD ROAD



# 40 MIDDLEFIELD ROAD COMMUTER PROGRAMS

**COMMUTER SUPPORT** – Find transportation and commuter information below.

#### **Transit and Shuttle Services**

Menlo Park FREE Midday Shuttle Service

Menlo Park Caltrain Station Map

Menlo Park Caltrain Real Time Mobile Tracking

SamTrans Routes to/from Caltrain

Free Trial Transit Passes

Transit Trip Planner

511 Transit Trip Tracker

#### **Bicycle Parking and Facilities**

Secure Bicycle Parking (registration form)

San Mateo County Bike Map

Santa Clara County Bikeways Map

Regional City Bike Maps

Find a Bike Buddy to share the ride

511.org BikeMapper 3.1 BETA

Silicon Valley Bicycle Coalition

Bicycle Resource Guide

#### Carpool, Vanpool, and Ride-Matching Services

Scoop Carpool Matching app

First Scoop ride free or driver bonus

Waze Carpool Matching app

First Waze ride free or driver bonus - promo code

SAARIZahef

Commute.org Carpool Matching site

Other Carpool Matching apps

\$50 Carpool Incentive (a one-time reward)

511.org Carpool Rewards

Commute.org Vanpool Incentives

#### Commuter Incentives and Services

Commute.org Commuter Rewards

511.org Commuter Rewards

Bay Area Spare the Air Alert Notices

Menlo Park Commuter Assistance

# Guaranteed Ride Home

### WHO IS ELIGIBLE FOR A GRH REIMBURSEMENT?

- Must be 18 years or older
- Must work or go to a participating college in San Mateo County
- Used an alternative to driving alone to get to work or college on day GRH is needed
- Must have a STAR account and log trip to work or college on my.commute.org

# WHAT TYPES OF EMERGENCIES ARE ELIGIBLE FOR A QUALIFIED GRH TRIP?

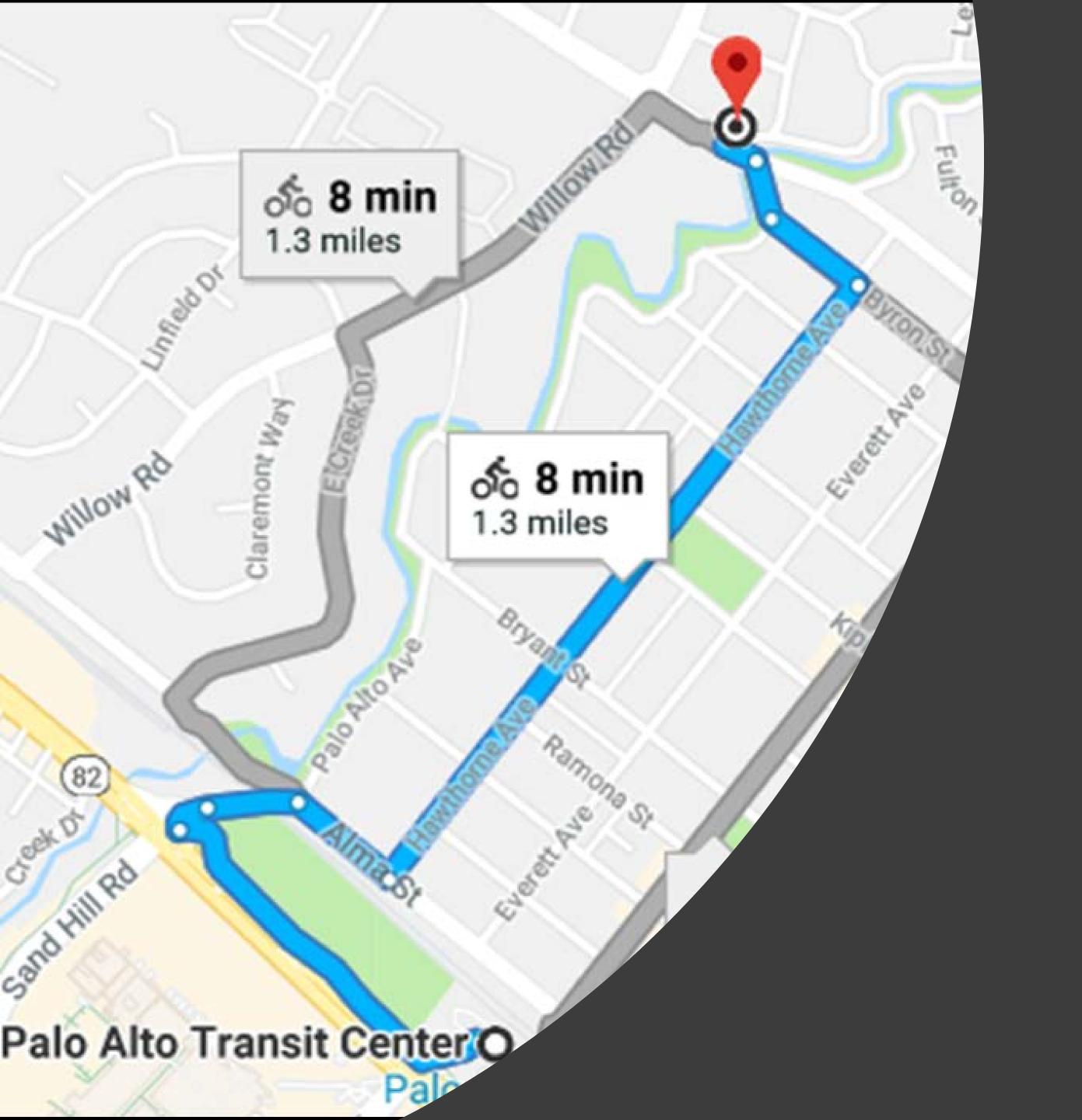
- Personal or family illness or emergency
- Home emergency
- Eldercare or daycare emergency
- Bicycle theft or breakdown
- Unforeseen change of work schedule
- Inclement weather (for walkers/bicyclists)
- Carpool partner emergency resulted in loss of ride home

### WHAT TYPES OF TRIPS OR REASONS ARE NOT COVERED?

- Transit delays
- Natural disasters
- Personal errands or appointments
- Ride to work
- Using a ride-hailing app (e.g. Uber or Lyft) to work or college is not a qualifying alternative commute mode
- Carpool app provider cannot find a match to get the commuter home
- Non-emergency side trips
- Business related travel
- Transportation to a doctor or hospital resulting from an on-thejob injury (GRH cannot be used to replace an employer's legal responsibility under workers' compensation regulations.)

### **HOW WILL I GET HOME?**

GRH program participants decide how to get home (e.g. taxi, ride-hailing app, transit, or combination).



# Bicycle Facilities

- Bicycle access to the Palo Alto Transit
   Center is 1.3 miles and takes just 8 minutes
- On-site secure bicycle parking (100% more than code) and showers support bike commuters

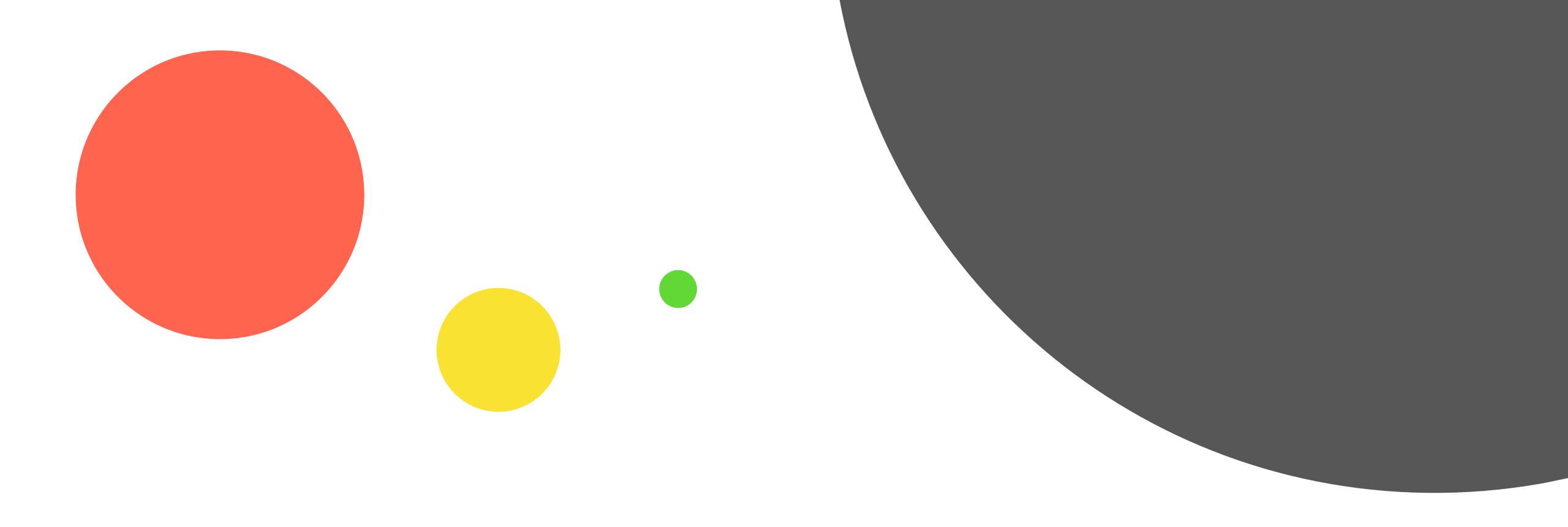
# Tenant Performance – Lease Language

## Required per lease

- Offer transit subsidies to all employees
- Participate in the annual employee commute survey
- Promote the Guaranteed Ride Home program for employees

Lease agreement to identify the tenant's share of penalties for failure to achieve an acceptable alternative mode-use rate, inability to participate in the annual employee commute survey, or failure to submit the annual report.

The building management will be responsible for project-wide tenant performance.



# Annual Survey and Performance Reporting

Driveway hose/tubes counts - to determine daily and peak hour vehicle trips

5-day online employee commuter survey – document actual transportation mode-uses





	40 Middlefield Rd Lot area: 0.23 acres	4.36 : 1,000 SF
C-4	General Commercial District Lot dimensions: 50' x 122.81'	6:1,000 SF
C-1	Administrative and Professional District, Restrictive Min. lot area : three acres	5:1,000 SF
	Min. lot dimensions : 200' width and depth	
C-1-C	Administrative, Professional and Research District, Restrictive Min. lot area: two acres	4:1,000 SF
	Min. lot dimensions: 150' width and depth	
SP-ECR/	D El Camino Real Downtown Specific Plan	3.8:1,000 SF
M-2	General Industrial District	
M-3	Commercial Business Park	3.33 : 1,000 SF
0	Office District	2:1,000 SF





PUZZLER 40 MIDDLEFIELD ROAD

