



## REGULAR MEETING AGENDA

**Date:** 11/2/2016  
**Time:** 5:30 p.m.  
**City Hall/Administration Building**  
**City Council Conference Room**  
**701 Laurel St., Menlo Park, CA 94025**

**A. Call To Order**

**B. Roll Call**

**C. Public Comment**

Under "Public Comment," the public may address the Commission on any subject not listed on the agenda. Each speaker may address the Commission once under Public Comment for a limit of three minutes. Please clearly state your name and address or political jurisdiction in which you live. The Commission cannot act on items not listed on the agenda and, therefore, the Commission cannot respond to non-agenda issues brought up under Public Comment other than to provide general information.

**D. Consent Calendar**

- D1. Approve minutes for the Housing Commission meeting of August 3, 2016 ([Attachment](#))

**E. Regular Business**

- E1. Recommendation of Below Market Rate In Lieu Fee Agreement Term Sheet for Sagar Patel at 1704 El Camino ([Staff Report #16-012-HC](#))
- E2. Discuss and develop 2017-2019 Housing Commission 2 Year Work Plan ([Staff Report #16-011-HC](#))

**F. Informational Items**

- F1. City Council Discussion of Residential Displacement ([Staff Report #16-188-CC](#))

**G. Commissioner Reports**

**H. Adjournment**

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At every Regular Meeting of the Commission, in addition to the Public Comment period where the public shall have the right to address the Commission on any matters of public interest not listed on the agenda, members of the public have the right to directly address the Commission on any item listed on the agenda at a time designated by the Chair, either

before or during the Commission's consideration of the item.

At every Special Meeting of the Commission, members of the public have the right to directly address the Commission on any item listed on the agenda at a time designated by the Chair, either before or during consideration of the item.

Any writing that is distributed to a majority of the Commission by any person in connection with an agenda item is a public record (subject to any exemption under the Public Records Act) and is available for inspection at the City Clerk's Office, 701 Laurel St., Menlo Park, CA 94025 during regular business hours.

Persons with disabilities, who require auxiliary aids or services in attending or participating in Commission meetings, may call the City Clerk's Office at 650-330-6620.



## SPECIAL MEETING MINUTES - DRAFT

**Date:** 8/3/2016  
**Time:** 5:30 p.m.  
**Administration Building**  
**City Council Conference Room "Fishbowl"**  
**701 Laurel St., Menlo Park, CA 94025**

### A. Call To Order

- Chair Tate called the meeting to order

### B. Roll Call

**Present:** Michele Tate (Chair), Meg McGraw-Scherer (Vice Chair), Sally Cadigan, Lucy Calder  
**Absent:** Julianna Dodick  
**Staff:** Jim Cogan, Housing and Economic Development Manager  
Meghan Revolinsky, Management Analyst in Housing & Economic

### C. Public Comment

None

### D. Consent Calendar

D1. Approve minutes for the Housing Commission meeting of June 29, 2015

**ACTION:** Motion by Cadigan and second by McGraw-Scherer to fix a typo of Cadigan's name and approve minutes for the Housing Commission meeting of June 29, 2015. Motion Passes: 4-0-1 (Dodick absent).

D2. Approve minutes for the Housing Commission meeting of July 7, 2016

D3. Approve minutes for the Housing Commission meeting of July 12, 2016

**ACTION:** Motion by Cadigan and second by McGraw-Scherer to approve minutes for the Housing Commission meeting of July 7, 2016 and July 12, 2016. Motion Passes: 4-0-1 (Dodick absent).

### E. Regular Business

E1. Nomination and Approval of Vice Chair

**ACTION:** Motion by Cadigan and second by Tate to nominate and approve Meg McGraw-Scherer as Vice Chair of the Housing. Motion Passes: 4-0-1 (Dodick absent).

E2. Discussion of Work Plan

Committee reviewed its 2014-2016 Work Plan, then brainstormed and discussed its priorities for their 2017-2019 Housing Commission 2 Year Work Plan (See list below). Item continued to next meeting, on Wednesday, November 2, 2016 5:00 pm.

- Housing outreach and support
- Become more involved in educational opportunities:
  - Join Housing Leadership Council of San Mateo County
  - Attend housing conferences
- Become involved in the NOFAs
  - Have Housing Commission give feedback on language
- Review Annual BMR Report
- Propose a new regular meeting schedule
- Make housing policy recommendations to Council

Celia Miller, from Menlo Park, provided positive feedback on development of the Housing Work Plan.

## **F. Informational Items**

### **F1. Review of Council Study Session on Draft BMR Nexus Studies**

Cogan gave a brief review of the BMR Nexus Studies that was presented to council and answered all commissioners' questions. Topics included: the current inclusionary zoning requirements, the nexus study brought to City Council and the recommended changes in office and residential fees.

### **F2. Hello Housing Background of Services and Report**

Matt Warner and Sarah Shimmin, from Hello Housing, gave the commission a brief overview of the services Hello Housing provides to the city of Menlo Park and a summary of its 2015-2016 statistics. Topics included:

- Overview of Hello Housing's Services
- Overview of BMR Portfolio
- BMR Homeownership Program
- BMR Waiting List Management
- BMR Resales
- BMR Refinances
- Owner Occupancy Monitoring & Enforcement
- Recordation of Requests for Copy of Notice of Default
- BMR Rental Program
- BMR Waiting List Management
- Annual Recertification
- Tenant Selection
- Resources/Communications
- Loan Servicing of Purchase Assistance Loans, CDBG Loans, Rehab Loans, Emergency Rehab Loans
- BMR Portfolio Summary
- BMR Waiting List Summary
- Summary of 2016 BMR Compliance Monitoring Report

G. Adjournment

Chair Tate adjourned the meeting



## STAFF REPORT

### Housing Commission

**Meeting Date:** 11/2/2016

**Staff Report Number:** 1616-012-HC

**Regular Business:** Below Market Rate In Lieu Fee Agreement Term Sheet/Sagar Patel/1704 El Camino Real

### Recommendation

Staff recommends that the Housing Commission recommend approval of the draft Below Market Rate (BMR) Housing Agreement Term Sheet (Attachment A) to the Planning Commission for the proposed demolition of an existing 28-room hotel and construction of a new 70-room hotel, at 1704 El Camino Real.

### Policy Issues

Each BMR Agreement is considered individually. The Housing Commission should consider whether the proposal would be in compliance with the BMR Housing Program requirement.

### Background

#### *Site Location*

The subject property is located at 1704 El Camino Real, between Buckthorn Way and Stone Pine Lane, in the SP-ECR/D (El Camino Real/Downtown Specific Plan) zoning district. The property is primarily accessed via shared access easements over two separate parcels (1702 and 1706 El Camino Real), although a panhandle-like extension to Buckthorn Way also provides secondary service access. Using El Camino Real in a north to south orientation, adjacent parcels generally to the north and west of the subject site are also in the SP-ECR/D zoning district, and are developed with residential, office and personal service uses. The adjacent properties generally to the east and south of the subject site are zoned R-3 and developed with residential uses. The subject site is currently developed with a 28-room hotel. A location map is included as Attachment B.

### Analysis

The applicant's BMR proposal letter and select project plans are included as Attachments C and D, respectively.

### *Project Description*

The applicant is proposing to demolish the existing hotel and construct a new 70-room hotel consisting of three stories and an underground parking level. The ground floor would feature the hotel lobby, a breakfast area, a board room, a fitness room, other amenity and back-of-house spaces, as well as guest rooms. The entire second and third floors would be developed with guest rooms. The proposed site layout

is designed with El Camino Real as the primary access, with a driveway leading to the hotel's main entrance and to the underground parking garage. A service and Fire District access driveway would take access from Buckthorn Way at the rear of the site. The proposal requires architectural control review by the Planning Commission, including consideration of a public benefit bonus for a higher Floor Area Ratio (FAR), and approval of a variance request to exceed the maximum front setback of 20 feet and allow a 29.1-foot front setback, which would help retain and protect a heritage oak tree at the front of the parcel. The project also includes a request for a use permit for hazardous materials to install a new diesel generator. As part of the proposed project, a heritage oak tree at the center-rear portion of the property is proposed for removal.

### ***BMR Housing Program Requirement***

The applicant is required to comply with Chapter 16.96 of City's Municipal Code, ("BMR Ordinance"), and with the BMR Housing Program Guidelines adopted by the City Council to implement the BMR Ordinance ("BMR Guidelines") as the project would exceed 10,000 square feet in gross floor area. The BMR Ordinance requires the applicant to submit a Below Market Rate Housing proposal for review by the Housing Commission. At this time, the Housing Commission should review the draft BMR In Lieu Fee Agreement Term Sheet and provide guidance to staff, the applicant, and the Planning Commission. The draft Term Sheet would be used to inform the BMR In Lieu Fee Agreement, which would subsequently be reviewed and acted on by the Planning Commission along with the main project actions. The Planning Commission is the acting body, unless the action is appealed to the City Council.

Residential use of the property is allowed by the applicable zoning regulations; however, residential use is not being pursued as part of the proposed project. According to the applicant, the need to maximize allowable square footage for hotel uses for a financially viable hotel project on a relatively small infill site would limit the ability to develop residential units on site as part of the proposed project. In addition, the applicant indicates the Hampton Inn brand does not usually allow a development to be mixed use unless the site is in a high-density urban location and the two uses can be effectively separated.

The applicant does not own any sites in the city that are available and feasible for construction of sufficient below market rate units to satisfy the requirements of the BMR Ordinance, which in this case is 0.77 unit. Staff and the applicant are not aware of any potential off-site locations for the provision of a BMR unit, and developers of other residential projects have not expressed an interest in providing an off-site BMR unit. This kind of coordination can also be challenging for independent, smaller-scale developers such as the applicant. Based on these facts, staff has found that development of such a unit on-site or off-site in accordance with the requirements of the BMR Ordinance and Guidelines is not feasible at this time, although staff would encourage the applicant to continue to pursue opportunities for the development of an off-site BMR unit.

The applicant proposes to pay the applicable in lieu fee as provided in the BMR Ordinance and Guidelines. The draft BMR Agreement Term Sheet is included as Attachment A. The in lieu fee would be calculated as set forth in the table below; however, the applicable fee for the project will be based upon the per square foot fee in effect at the time of payment. With the approval of a public benefit bonus for a higher Floor Area Ratio (FAR), the maximum gross square footage permitted on the lot would be 40,027.9 square feet. (The applicant's initial submittal includes 40,807 square feet of gross floor area, which will need to be reduced

to 40,027.9 gross square feet or less.) The draft BMR agreement may be modified prior to Planning Commission action to include updated building square footages as the applicant continues to refine the project.

	Use Group	Fee/SF	Square Feet	Component Fees
Existing Buildings – Non-Office Areas	B- Non-Office Commercial/ Industrial	\$8.76	10,775.8	(\$94,396.01)
Proposed Building – Non-Office Areas	B- Non-Office Commercial/ Industrial	\$8.76	40,027.9	\$350,644.40
<b>Total Estimated In Lieu Fee</b>				<b>\$256,248.39</b>

### **Correspondence**

The applicant indicated that they contacted some of the surrounding properties regarding the proposed development. Staff has not received any correspondence regarding the BMR proposal.

### **Conclusion**

Staff believes that while the site allows for residential uses, site constraints due to the need to devote all allowable square footage for hotel uses to ensure a financially viable project would limit opportunities to incorporate a residential component as part of the proposed project as it is currently designed. Staff recommends that the Housing Commission recommend to the Planning Commission approval of the payment of BMR in lieu fees under the terms stated in the draft BMR In Lieu Fee Agreement Term Sheet, and to encourage the applicant to continue to pursue opportunities for the development of an off-site BMR unit.

### **Impact on City Resources**

The project sponsor is required to pay Planning, Building and Public Works permit fees, based on the City's Master Fee Schedule, to fully cover the cost of staff time spent on the review of the project. The proposed BMR in lieu fee payment would contribute approximately \$256,248 to the City's BMR fund.

### **Environmental Review**

The proposed project will be evaluated with respect to compliance with the California Environmental Quality Act (CEQA) as part of the Planning Commission action. BMR direction is not an action under CEQA, so environmental review is not required by the Housing Commission.

### **Public Notice**

Public Notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting.

**Attachments**

- A. Draft BMR In Lieu Fee Agreement Term Sheet
- B. Location Map
- C. 1704 El Camino Real BMR In Lieu Fee Proposal
- D. Excerpts of Project Plans

Report prepared by:  
Corinna Sandmeier, Associate Planner

Report reviewed by:  
Thomas Rogers, Principal Planner

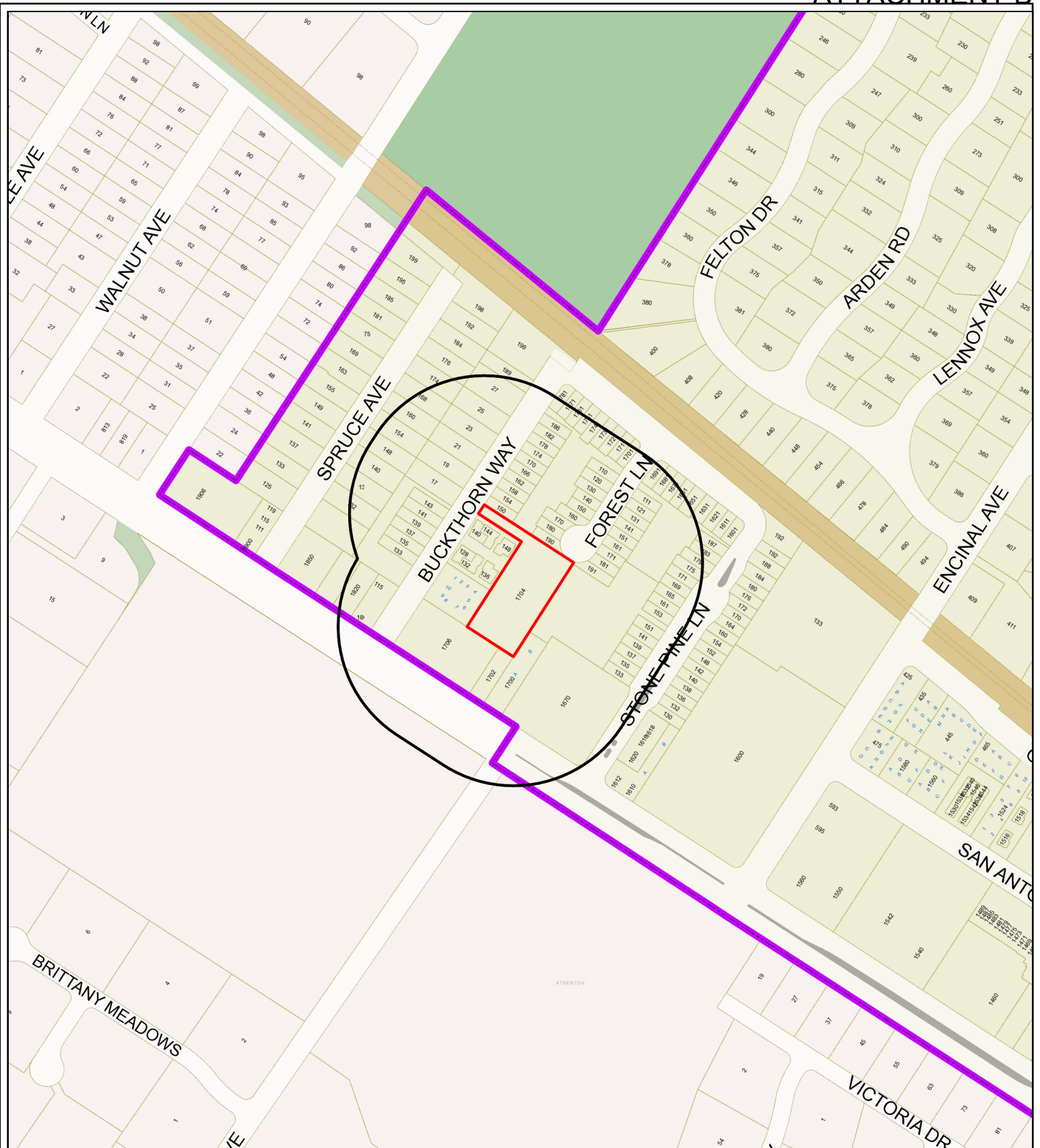
**1704 El Camino Real**

**Draft Below Market Housing (BMR) In Lieu Fee Agreement Term Sheet**

1. Applicant owns property known as Assessor's Parcel Number: 060-034-379 ("Property"), more commonly known as 1704 El Camino Real, Menlo Park.
2. Applicant is requesting architectural control approval, approval of a variance request to exceed the maximum front setback, and approval of a use permit for a diesel generator, to construct a 70-room hotel consisting of three stories and an underground parking level on an approximately 0.8 acre site. The subject building is greater than 10,000 square feet in gross floor and therefore, Applicant is required to comply with Chapter 16.96 of City's Municipal Code ("BMR Ordinance") and with the Below Market Rate Housing Program Guidelines ("Guidelines") adopted by the City Council to implement the BMR Ordinance;
3. Property is located within the El Camino Real/Downtown Specific Plan General Plan land use designation and the SP-ECR/D (El Camino Real/Downtown Specific Plan) zoning district in the City of Menlo Park;
  - a. Property's General Plan land use and zoning designations permit residential uses;
  - b. Applicant is not proposing to include residential uses as part of the proposed project;
  - c. Site constraints due to developing a financially viable hotel project on an 0.8-acre infill site limits opportunities to develop residential units as part of the proposed project as it is currently designed;
4. Applicant does not own any sites in the city that are available and feasible for construction of sufficient below market rate units to satisfy the requirements of the BMR Ordinance;
5. Applicant has elected to satisfy the BMR requirement for the proposed project through payment of an in lieu fee;
  - a. The BMR in lieu fee is estimated at \$256,248.39;
  - b. The equivalent unit requirement is 0.77 unit, which would be rounded to one unit;
  - c. Applicant is proposing to pay the in lieu fee, which would be adjusted based on the existing and proposed square footages at the time of building permit issuance. The applicable fee per square foot is adjusted annually on July 1. The table in Item 6 below shows the proposed in lieu fee and its calculation.

6. The table below provides the estimated in lieu fee:

	<b>Use Group</b>	<b>Fee/SF</b>	<b>Square Feet</b>	<b>Component Fees</b>
Existing Buildings – Non-Office Areas	B- Non-Office Commercial/ Industrial	\$8.76	10,776	(\$94,396.01)
Proposed Building – Non-Office Areas	B- Non-Office Commercial/ Industrial	\$8.76	40,028	\$350,644.40
<b>Total Estimated In Lieu Fee</b>				<b>\$256,248.39</b>



City of Menlo Park  
Location Map  
1704 El Camino Real





August 3, 2016

Jean Lin, Planner  
Department of City Planning  
Menlo Park, CA

RECEIVED

AUG 11 2016

CITY OF MENLO PARK  
BUILDING

Re: BMR requirements – Hampton Inn 1704 El Camino Real

Dear Ms. Lin:

The applicant for the above referenced project would like to comply with the city's requirement for providing Below Market Rate residential units in a form of in-lieu fees. This project's lot size and its allowable Floor Area Ratio is simply too small for this project to fit a hotel and enough residential units to make sense.

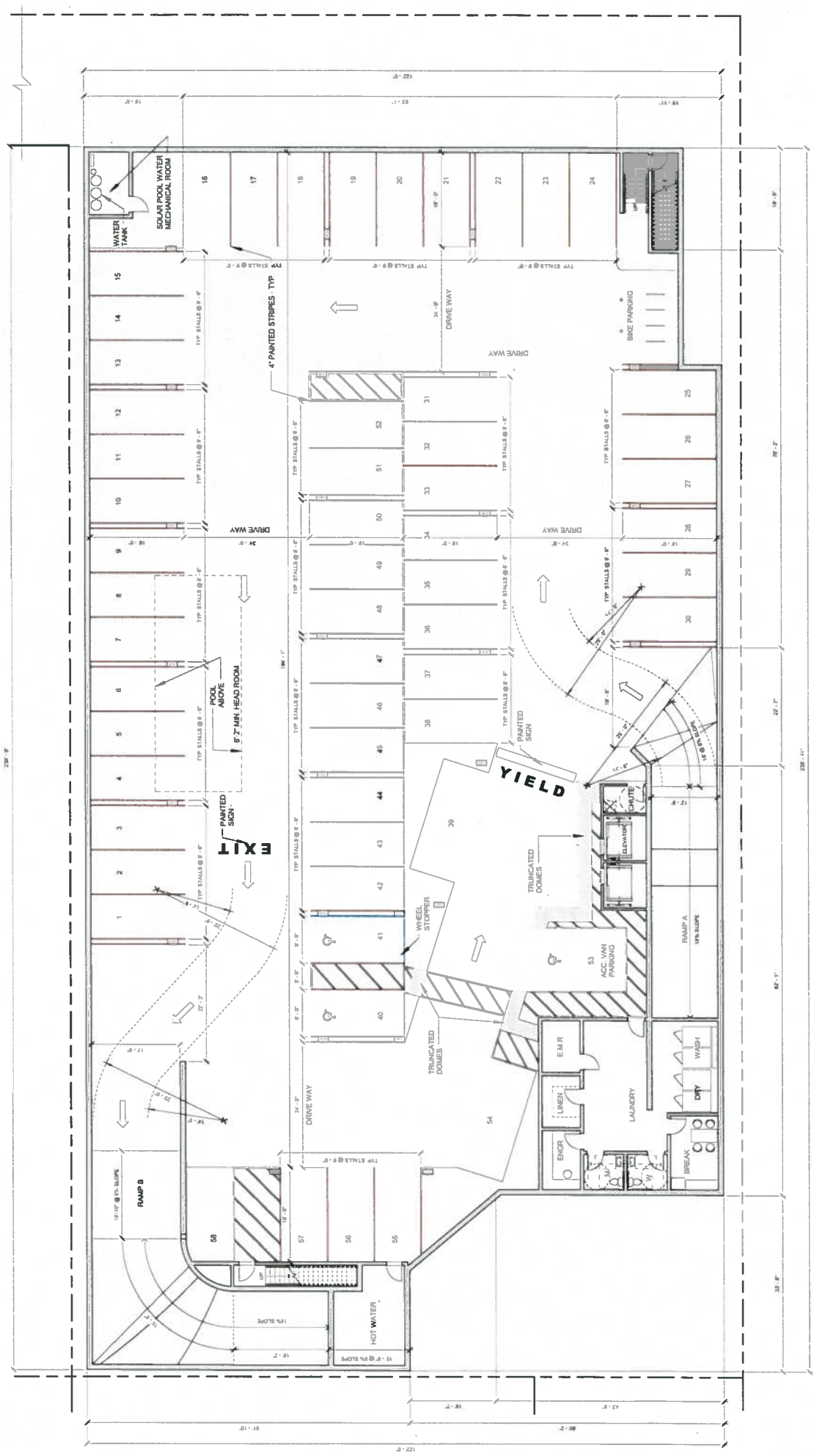
Generally, in order to attract a prestigious brand like Hilton to develop the Hampton Inn brand, a site should be large enough to accommodate about 100 guestrooms to make a hotel project functionally appropriate and economically feasible. It is also rare that the brand will allow the development to be a mixed use condition unless the site is in a high-density urban location and the two uses can be effectively separated architecturally and functionally.

The applicant is certainly sensitive to the communities' need for more affordable housing and is willing to do his part in a manner already allowed by the city's regulations.

Sincerely,  
**RYS Architects**

Jim Rato, Architect  
On behalf of applicant - Sagar Patel





**A3**

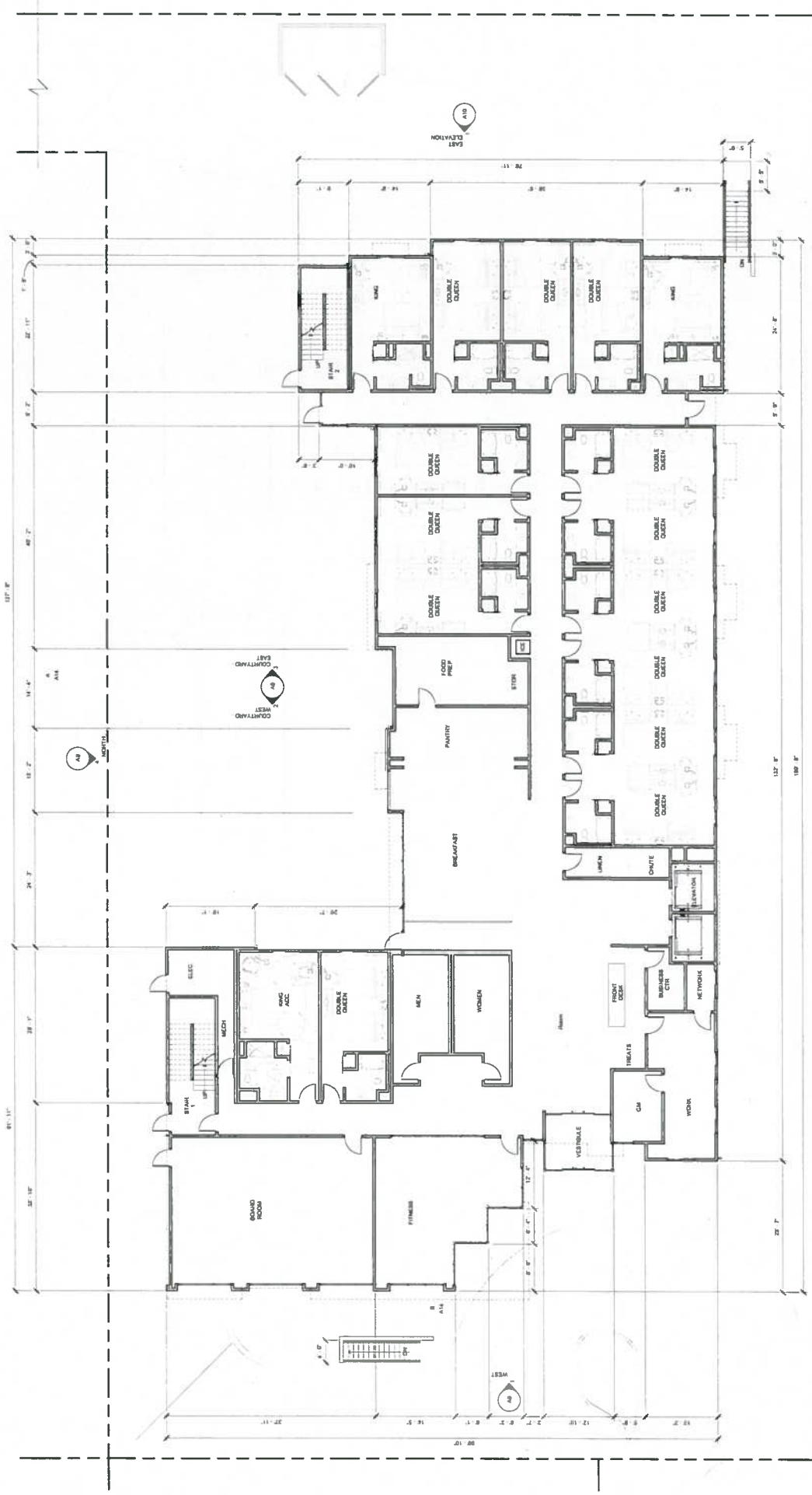


PLANNING/SUBMITTAL DESIGN/DM  
PROJECT NO. 008

**GARAGE PLAN**

1054 EL CAMINO REAL, HEALD HILL, CALIFORNIA 94522 SACRAMENTO





FIRST FLOOR PLAN

1001 EL CAMINO REAL, MENLO PARK, CALIFORNIA 94025 SACRAMENTO HOTEL

SCALE: 1/8" = 1'-0"

0 5 10 15 20

N

TRUE NORTH

A4



PLANNING/ARCHITECT/DESIGN/2016



SECOND FLOOR PLAN

A5



1011 CLAYTON ROAD, PLEASANT HILL, CALIFORNIA 94523

JACOB PATIL



PLANNING & DESIGN



A6

PLANNING CONSULTANT, BERKELEY

100 EL CAMINO REAL, MARLBOROUGH, CALIFORNIA 94027

SACRAMENTO

THIRD FLOOR PLAN





WEST ELEVATION  
NOT TO SCALE



NORTH ELEVATION  
NOT TO SCALE



RENDERED COLOR ELEVATIONS

ONE EL CAMINO REAL, HUNTER HILL, CALIFORNIA 94027 SACRAMENTO

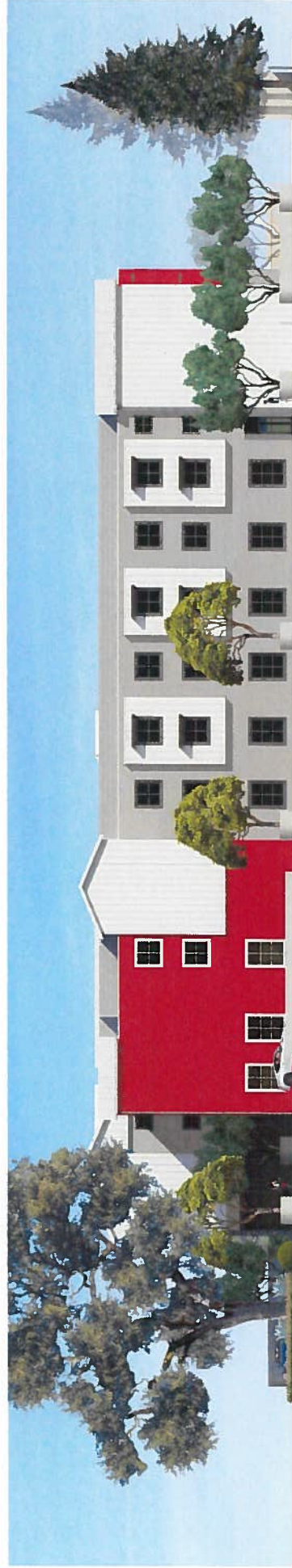
A11

PLANNING SUBMITTAL DESIGN  
ARCHITECTS





EAST ELEVATION  
NOT TO SCALE



SOUTH ELEVATION  
NOT TO SCALE



## RENDERED COLOR ELEVATIONS

5704 EL CAMINO REAL, MENLO PARK, CALIFORNIA 94027 SACRAMENTO

A12

PLANNING CONSULTING GROUP  
ARCHITECTS





1706 EL CAMINO REAL

1704 EL CAMINO REAL

1702 EL CAMINO REAL



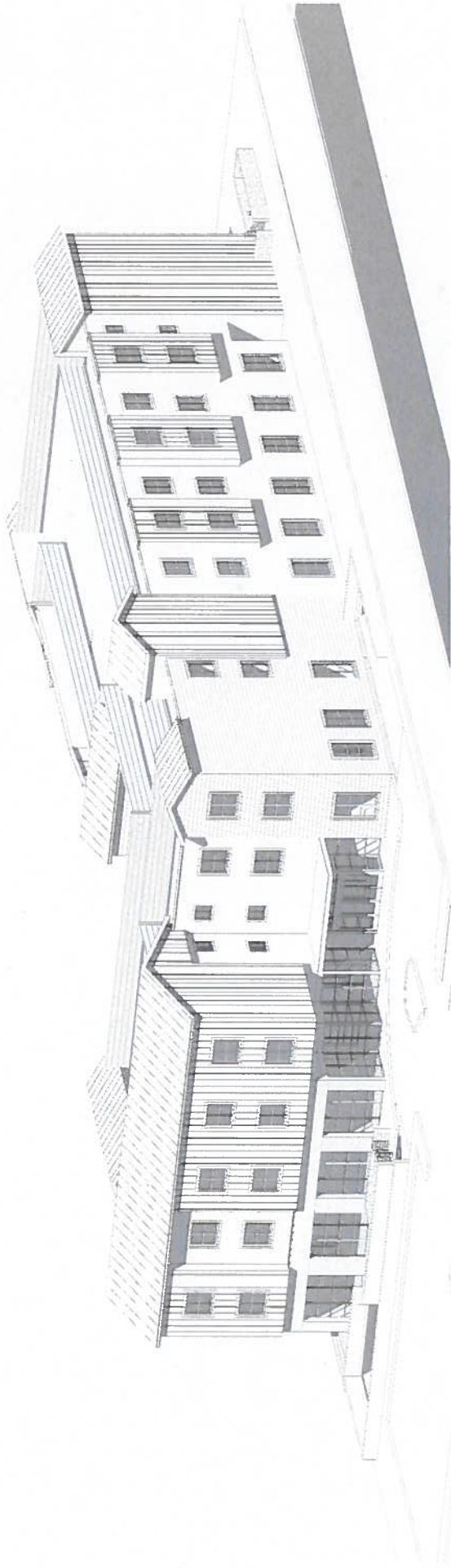
STREETSCAPE ELEVATION

1704 EL CAMINO REAL, MENLO PARK, CALIFORNIA 94027 JAGAR PATEL

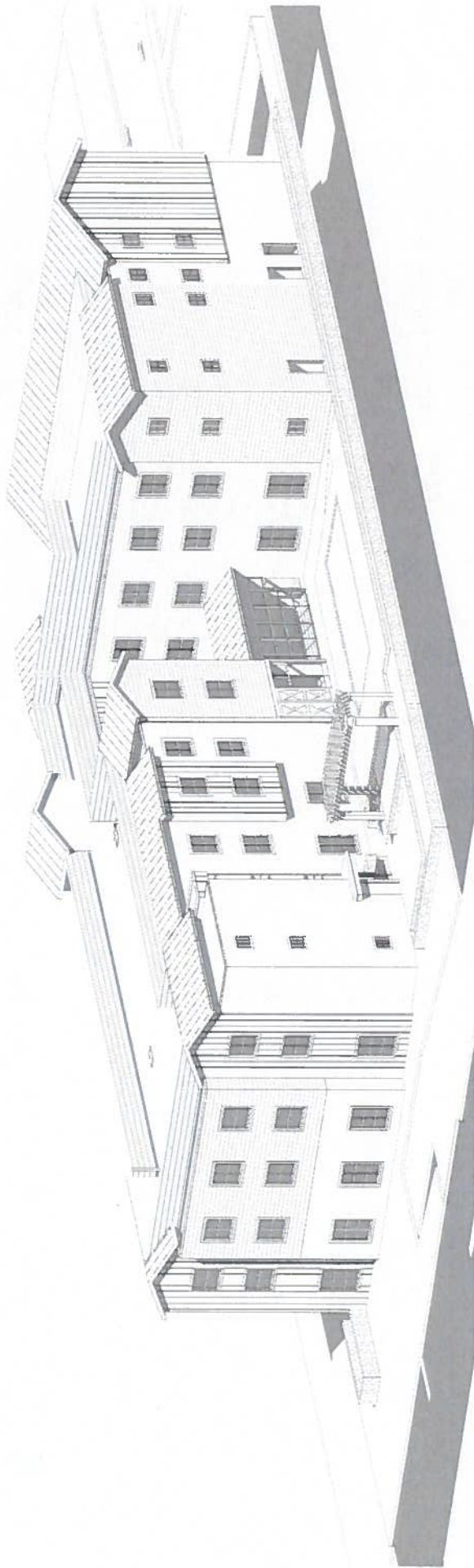
A13

PLANNING SUBMITTAL DESIGN  
JAGAR PATEL





① AXONOMETRIC VIEW - SOUTH WEST



② AXONOMETRIC VIEW - NORTH EAST

# MASSING STUDIES

A17

PLANNING SUBMITTAL - DRAFTING  
RYS ARCHITECTS



100 EL CAMINO REAL, MARCO PALM, CALIFORNIA 90271 JACOB RAYL





## STAFF REPORT

### Housing Commission

**Meeting Date:**

**11/2/2016**

**Staff Report Number:**

**16-011-HC**

**Regular Business:**

**Discuss and develop 2017-2019 Housing Commission 2 Year Work Plan**

### Recommendation

Staff recommends the Housing Commission review its current 2014-2016 Work Plan and begin discussions to update its priorities, projects and goals for the 2017-2019 Housing Commission Work Plan that will be presented to City Council.

### Policy Issues

This action is consistent with City Policies and Council's priorities.

### Background

In June 2014 the Housing Commission reported its 2 year Work Plan to the City Council. Attachment A is the 2014-2016 Housing Commission Work Plan. Every two years Menlo Park Commissions review their respective work plans and update them with new priorities, projects and goals. Menlo Park "Commission Work Plan Guidelines" can be found in Attachment B.

During The Housing Commission's regular meeting, on August 03, 2016 (Item E2) the Committee started work on updating their 2 Year Plan. The Committee discussed possible work plan items and began prioritizing them. Attachment C is the Housing Commission 2017-2019 Work Plan Draft, which includes the committee's priorities and ideas from the 08-03-2016 meeting.

### Analysis

Staff will work directly with The Commission to develop work plan items for the 2017-2019 Housing Commission 2 Year Work Plan. Following completion of the proposed work plan, the chair will present it to the City Council.

### Impact on City Resources

Staff does not anticipate the need for additional resources as a result of this action. However, depending on the proposed activities it is possible that additional resources will be necessary.

### Environmental Review

This action is not a project under CEQA.

## **Public Notice**

Public Notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting.

## **Attachments**

- A. The Housing Commission's 2014-2016 Work Plan
- B. Commission Work Plan Guidelines
- C. The Housing Commission's 2017-2019 Work Plan Draft

Report prepared by:

Meghan Revolinsky

Management Analyst, Housing and Economic Development

Report reviewed by:

Jim Cogan

Housing and Economic Development Manager

Housing Commission  
Work Plan for 2014-2016



**Housing Commission**

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*Mission Statement*

We are affordable housing advocates.

We make recommendations to the City Council on issues related to housing policy, implement Council policy decisions, and represent the City where needed on housing matters.

We are a conduit of information out to the community about affordable housing programs *and* a conduit of information back from the community regarding housing matters to the City Council.

For consideration by the City Council on March 18, 2014



## **Housing Commission 2014-2016**

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### **Commission Members Listing**

Commissioner	Carolyn Clarke (Chair)
Commissioner	Julianna Dodick (Vice Chair)
Commissioner	Sally Cadigan
Commissioner	Lucy Calder
Commissioner	Michelle Tate



## Housing Commission Priority List

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The **Housing Commission** has identified the following priorities to focus on during 2014-2016:

1.	<p><u>BMR Housing</u></p> <ul style="list-style-type: none"><li>• Activities:<ul style="list-style-type: none"><li>○ Monitor and review BMR funds and use.</li><li>○ Participate in and advise Council and/or Planning Commission on policy decisions related to BMR.</li></ul></li><li>• Trigger: Staff will bring items to the commission for consideration.</li></ul>
2.	<p><u>Housing Element Implementation</u></p> <p>Commission lead: _____</p> <ul style="list-style-type: none"><li>• Activities:<ul style="list-style-type: none"><li>○ Monitor and Review of the Housing Element program implementation.</li><li>○ Our responsibility is to represent the community in an advisory role and continue to advocate for relevant housing programs, as outlined in the Housing Element, with an emphasis on affordable housing.</li></ul></li><li>• Timeframe: Ongoing.</li></ul>
3.	<p><u>Housing Projects</u></p> <p>Commission lead: _____</p> <ul style="list-style-type: none"><li>• Stay apprised of housing projects in Menlo Park (i.e. CORE, Mid-Peninsula/Willow, HIP, Habitat)</li><li>• Action: Lead will include information on activities in update at quarterly commission meetings.</li></ul>

4.	<p><u>Community Advocacy for Affordable Housing</u></p> <p>Commission lead: _____</p> <ul style="list-style-type: none"> <li>• Develop awareness in community of the need for affordable housing. <ul style="list-style-type: none"> <li>○ Interpret who may fit the profile for BMR (i.e. your child's nanny, workers in Menlo Park, etc). This will require understanding the demographics profile of both current and potential BMR candidates.</li> <li>○ Define what affordable housing means in Menlo Park.</li> </ul> </li> <li>• Conduit of information out to the community <i>and</i> back from the community</li> <li>• Action: Commission is in a learning and investigation stage. We will come back to council in 60 days with a detailed proposal.</li> </ul>
5.	<p><u>Collaborate with area Housing Agencies and Advocates</u></p> <ul style="list-style-type: none"> <li>• Identify Housing Commission liaisons for area housing agencies and advocates. Liaison will report back regularly at commission meetings.</li> </ul>



## Commission Work Plan Guidelines

### Work Plan Worksheet

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#### Step 1

Review purpose of Commission as defined by Menlo Park Council Policy CC-01-0004	Housing matters including housing supply and housing related problems; Community attitudes about housing (range, distribution, racial, social-economic problems); Programs for evaluating, maintaining, and upgrading the distribution and quality of housing stock in the City; Planning, implementing and evaluating City programs under the Housing and Community Development Act of 1974; Members serve with staff on a loan review committee for housing rehabilitation programs and a first time homebuyer loan program; Review and recommend to the Council regarding the Below Market Rate (BMR) program; Initiate, review and recommend on housing policies and programs for the City; Review and recommend on housing related impacts for environmental impact reports; Review and recommend on State and regional housing issues; and Review and recommend on the Housing Element of the General Plan
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#### Step 2

Develop or review a Mission Statement that reflects that purpose  <i>Who we are, what we do, who we do it for, and why we do it!</i>	We are affordable housing advocates.  We make recommendations to the City Council on issues related to housing policy, implement Council policy decisions, and represent the City where needed on housing matters.  We are a conduit of information out to the community about affordable housing programs <i>and</i> a conduit of information back from the community regarding housing matters to the City Council.
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#### Step 3

Discuss any priorities already established by Council	There are no Council priorities identified that specifically pertain to the Housing Commission, however, we will monitor development and advocate for affordable housing where advisable.
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#### Step 4

Brainstorm goals, projects or priorities of the Commission	Benefit, if completed	Mandated by State / Local law or by City Council direction?	Required policy change at the City Council level?	Resources needed for completion? Staff or creation of subcommittees?	Estimated Completion Time	Measurement Criteria  How will we know how we are doing?
BMR Housing	<ul style="list-style-type: none"> <li>Oversight of compliance with guidelines</li> </ul>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<ul style="list-style-type: none"> <li>Staff time</li> <li>Commission meetings</li> </ul>	24 Months	<ul style="list-style-type: none"> <li>Approved BMR Agreements</li> </ul>
Housing Element Implementation	<ul style="list-style-type: none"> <li>In compliance with State requirements</li> </ul>	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<ul style="list-style-type: none"> <li>Funding</li> <li>Staff time</li> </ul>	24 Months	<ul style="list-style-type: none"> <li>Commission knowledge and feedback on upcoming projects</li> </ul>
Housing Projects	<ul style="list-style-type: none"> <li>Continued awareness of upcoming projects in absence of Housing staff</li> </ul>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<ul style="list-style-type: none"> <li>Staff time (briefs from planning staff on pending projects)</li> </ul>	24 Months	<ul style="list-style-type: none"> <li>Commission knowledge of projects</li> </ul>
Community Advocacy for Affordable Housing	<ul style="list-style-type: none"> <li>More awareness of the need to provide a range of housing opportunities</li> </ul>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<ul style="list-style-type: none"> <li>Subcommittee</li> </ul>	24 Months	<ul style="list-style-type: none"> <li>More acceptance of affordable housing by the community</li> </ul>
Collaborate with area Housing Agencies and Advocates	<ul style="list-style-type: none"> <li>Access to more resources and ideas</li> </ul>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<ul style="list-style-type: none"> <li>Subcommittee</li> </ul>	24 Months	<ul style="list-style-type: none"> <li>More communication with area housing advocates</li> </ul>

### Step 5

[illegible]





## Commission Work Plan Guidelines

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- Step 1** Review purpose of Commission as defined by Menlo Park Council Policy 3-13-01.
- Step 2** Develop a mission statement that reflects that purpose.
- Step 3** Discuss and outline any priorities established by Council.
- Step 4** Brainstorm goals, projects, or priorities of the Commission and determine the following:
- A. Identify priorities, goals, projects, ideas, etc.
  - B. Determine benefit, if project or item is completed
  - C. Is it mandated by State or local law or by Council direction?
  - D. Would the task or item require a policy change at Council level?
  - E. Resources needed for completion? (Support staff, creation of subcommittees, etc.)
  - F. Completion time? (1-year, 2-year, or longer term?)
  - G. Measurement criteria? (How will you know you are on track? Is it effective?, etc.)
- Step 5** Prioritize projects from urgent to low priority.
- Step 6** Prepare final Work Plan for submission to Council for review and approval in the following order:
- Work Plan cover sheet, Listing of Members, Priority List, Work Plan Worksheet – Steps 1 through 8
- Step 7** Use your “approved” work plan throughout the term of the plan as a guide to focus in on the work at hand
- Step 8** Report out on work plan priorities to the City Council, which should include:
- A. List of “approved” priorities or goals
  - B. Status of each item, including any additional resources required in order to complete
  - C. If an item that was on the list is not finished, then indicate why it didn’t occur and list out any additional time and/or resources that will be needed in order to complete



*Mission Statement*

We are affordable housing advocates.

We make recommendations to the City Council on issues related to housing policy, implement Council policy decisions, and represent the City where needed on housing matters.

We are a conduit of information out to the community about affordable housing programs and a conduit of information back from the community regarding housing matters to the City Council.



**Commission Members Listing**

Commissioner, Chair Michelle Tate

Commissioner, Vice Chair Meg McGraw-Scherer

Commissioner Sally Cadigan

Commissioner Lucy Calder

Commissioner Julianna Dodick



## Housing Commission Priority List

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The **Housing Commission** has identified the following priorities to focus on during 2017-2019:

1.	<u>BMR Housing</u> <ul style="list-style-type: none"><li>• Activities:<ul style="list-style-type: none"><li>○ Monitor and review BMR funds and use.</li><li>○ Participate in and advise Council and/or Planning Commission on policy decisions related to BMR.</li></ul></li><li>• Trigger: Staff will bring items to the commission for consideration.</li></ul>
2.	<u>Housing Element Implementation</u> <ul style="list-style-type: none"><li>• Activities:<ul style="list-style-type: none"><li>○ Monitor and Review of the Housing Element program implementation.</li><li>○ Our responsibility is to represent the community in an advisory role and continue to advocate for relevant housing programs, as outlined in the Housing Element, with an emphasis on affordable housing.</li></ul></li><li>• Timeframe: Ongoing.</li></ul>
3.	<u>Housing Projects</u> <ul style="list-style-type: none"><li>• Stay appraised of housing projects in Menlo Park (i.e. CORE, Mid-Peninsula/Willow, HIP, Habitat)</li><li>• Action: Lead will include information on activities in update at quarterly commission meetings.</li></ul>
4.	
5.	



## Housing Commission Work Plan Worksheet

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### Step 1

Review purpose of Commission as defined by Menlo Park Council Policy CC-01-0004	<p>Each advisory body has a primary role of advising the City Council on policy matters or reviewing specific issues and carrying out assignments as directed by the City Council or prescribed by law</p> <p>Housing matters including housing supply and housing related problems; Community attitudes about housing (range, distribution, racial, social-economic problems); Programs for evaluating, maintaining, and upgrading the distribution and quality of housing stock in the City; Planning, implementing and evaluating City programs under the Housing and Community Development Act of 1974; Members serve with staff on a loan review committee for housing rehabilitation programs and a first time homebuyer loan program; Review and recommend to the Council regarding the Below Market Rate (BMR) program; Initiate, review and recommend on housing policies and programs for the City; Review and recommend on housing related impacts for environmental impact reports; Review and recommend on State and regional housing issues; and Review and recommend on the Housing Element of the General Plan</p>
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### Step 2

Develop or review a Mission Statement that reflects that purpose	<p>We are affordable housing advocates.</p> <p>We make recommendations to the City Council on issues related to housing policy, implement Council policy decisions, and represent the City where needed on housing matters.</p>
<i>Who we are, what we do, who we do it for, and why we do it</i>	<p>We are a conduit of information out to the community about affordable housing programs <i>and</i> a conduit of information back from the community regarding housing matters to the City Council.</p>

**Step 3**

Discuss  
any  
priorities  
already  
established  
by Council

**Attracting thoughtful and innovative private investment to Menlo Park**

Number	Source	Description	Lead Department
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Extremely Important			
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7	WP	Implement Housing Element programs	City Manager's Office Community Development
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2016 City Council Work Plan

## Step 4

Brainstorm goals, projects or priorities of the Commission	Benefit, if completed	Mandated by State/local law or by Council direction?	Required policy change at Council level?	Resources needed for completion? Staff or creation of subcommittees?	Estimated Completion Time	Measurement criteria How will we know how we are doing?	Urgency 1 - < 1 Year 2 - 1 Year 3 - 2 Years 4 - Long Term
BMR Housing	Oversight of compliance with guidelines	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Staff time Commission meetings	24 Months	Approved BMR Agreements	
Housing Element Implementation	In compliance with State requirements	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Funding Staff time	24 Months	Commission knowledge and feedback on upcoming projects	
Housing Projects	Continued awareness of upcoming projects in absence of Housing staff	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Staff time (briefs from planning staff on pending projects)	24 Months	Commission knowledge of projects	
Community Advocacy for Affordable Housing	More awareness of the need to provide a range of housing opportunities	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Subcommittee	24 Months	More acceptance of affordable housing by the community	
Collaborate with area Housing Agencies and Advocates	Access to more resources and ideas	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	Subcommittee	24 Months	More communication with area housing advocates	
Housing outreach and support		Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>				
Become more involved in		Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>				

educational opportunities: - Join Housing Leadership Council of San Mateo County - Attend housing conferences							
Become involved in the NOFAs - Have Housing Commission give feedback on language		Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>				
Review Annual BMR Report		Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>				
Propose a new regular meeting schedule		Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>				
Make housing policy recommendations to Council		Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>				
Greater oversight of Housing Contractor		Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>				
Housing Element Implementation		Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>				
		Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>				
		Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>				
		Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>				

- Step 5** Prepare final work plan for submission to the City Council for review, possible direction and approval and attach the Worksheets used to determine priorities, resources and time lines.
- Step 6** Once approved, use this plan as a tool to help guide you in your work as an advisory body.
- Step 7** Report out on status of items completed. Provide any information needed regarding additional resources needed or And to indicate items that will need additional time in order to complete.



## STAFF REPORT

### City Council

Meeting Date:

10/25/2016

Staff Report Number:

16-189-CC

Regular Business:

**Discussion on addressing the issue of the displacement of residents in Menlo Park**

### Recommendation

Staff recommends that the City Council discuss and direct City Staff on how to approach the issue of displacement of residents in Menlo Park.

### Policy Issues

Considering how the City might address the potential for the displacement of residents is consistent with the City's commitment to zoning for and funding the development of affordable housing in Menlo Park.

### Background

Menlo Park is experiencing the same benefits and impacts of the Bay Area's robust economy. The housing market is marked by high rents and home values. The cost of housing is driven by both the high demand from strong employment growth and the limited housing supply, due to a history of low housing production throughout the Bay Area and particularly in Peninsula communities. In many Bay Area communities these pressures result in a potential for the displacement of existing residents.

Unfortunately, displacement is an extremely difficult phenomenon to quantify, because there are multiple reasons why residents may choose to leave an area. Staff is not aware of any resource for reliable statistical evidence of displacement in a given area or local municipality. However, there is a great deal of anecdotal evidence that existing residents are experiencing displacement throughout the region and a presumption that Menlo Park residents are subject to the same regional pressures. As such, the likelihood of increasing the potential of displacement has been reviewed as part of a number of project approvals. Unfortunately, since displacement is a cumulative regional impact, it is very difficult to assign shares of the regional impact to individual projects.

### Analysis

At the October 11th City Council Meeting, in reference to an item adjusting the ConnectMenlo Budget, the City Council directed staff to meet with the ConnectMenlo Subcommittee (Council Members Ohtaki and Mueller) to review how the City might include addressing displacement as part of ConnectMenlo. Staff was unable to meet with both Council Members together, but was able to discuss possible alternatives for addressing the potential of displacement with them individually. Following those meetings, staff has formulated three possible approaches.

### ***Refer to Housing Commission***

In 2015, the Housing Commission hosted a community meeting with housing advocates and experts to discuss the issues affecting the Menlo Park housing market. The Housing Commission has previously commented on ConnectMenlo and the Facebook Expansion project. Facebook's displacement analysis was of particular interest to the Commission. The Commission is currently in the process of updating its 2-year work plan. The City Council could refer the issue to the Housing Commission for review and incorporation in the Commission's 2-year work plan with the direction to provide the City Council with policy recommendations.

### ***Incorporation in ConnectMenlo***

In the City Council's discussion at the October 11<sup>th</sup> meeting, Council Member Mueller raised the possibility of adding a scope of work to develop policy recommendations within ConnectMenlo to address the concern of displacement. Staff has discussed this possibility with Placeworks, the lead Consultant for ConnectMenlo. Placeworks has stated that it is not within their expertise. Staff would have to hire an additional consultant and develop a scope of work for this effort. This approach would likely delay approval of ConnectMenlo. Council Member Mueller suggested that one solution might be to create a "displacement fund", which could be used to provide assistance to residents facing displacement. Current City revenues could not be used for this purpose. Such a fund would require a new revenue source and fee nexus study.

### ***City Council Study Session in January with Housing Experts***

In the Spring of 2015, there was a panel discussion on housing issues hosted jointly by the ConnectMenlo team and the Housing Commission. This panel included housing experts and legal advocates. Council Member Ohtaki suggested that it would be valuable if the City Council hosted a similar type of meeting in January with the community and housing experts to collect community input and discuss possible best practices for addressing the challenges of the current housing market. There are a number of benefits to this approach. First, it would allow ConnectMenlo, which includes zoning for up to 4,500 new market-rate and affordable housing units, to move forward. The production of new housing is generally considered the most effective long term mitigation for displacement. Second, it would provide the City Council with the necessary background information to prioritize approaches to addressing the community's housing concerns at the same time staff is working with the City Council to develop the 2017 City Council goals and associated allocation of resources. Third, it would allow for any new revenue sources to be included as implementation measures of ConnectMenlo.

### **Impact on City Resources**

Depending on how the City Council chooses to proceed, there will likely be a need for additional staffing and consultant resources.

### **Environmental Review**

This discussion is not a project under CEQA

### **Public Notice**

Public Notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting.

## **Attachments**

### **Report prepared by:**

Jim Cogan, Housing and Economic Development Manager

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