



## REGULAR MEETING AGENDA

**Date:** 10/7/2020

**Time:** 6:30 p.m.

**Regular Meeting Location:** [Zoom.us/join](https://zoom.us/join) – ID #997-7506-7654

### NOVEL CORONAVIRUS, COVID-19, EMERGENCY ADVISORY NOTICE

On March 19, 2020, the Governor ordered a statewide stay-at-home order calling on all individuals living in the State of California to stay at home or at their place of residence to slow the spread of the COVID-19 virus. Additionally, the Governor has temporarily suspended certain requirements of the Brown Act. For the duration of the shelter in place order, the following public meeting protocols will apply.

Teleconference meeting: All members of the Housing Commission, city staff, applicants, and members of the public will be participating by teleconference. To promote social distancing while allowing essential governmental functions to continue, the Governor has temporarily waived portions of the open meetings act and rules pertaining to teleconference meetings. This meeting is conducted in compliance with the Governor's Executive Order N-25-20 issued March 12, 2020, and supplemental Executive Order N-29-20 issued March 17, 2020.

- How to participate in the meeting
  - Access the meeting real-time online at:  
[Zoom.us/join](https://zoom.us/join) – Regular Meeting ID #997-7506-7654
  - Access the regular meeting real-time via telephone (listen only mode) at:  
(669) 900-6833 Regular Meeting ID 997-7506-7654

Subject to Change: Given the current public health emergency and the rapidly evolving federal, state, county and local orders, the format of this meeting may be altered or the meeting may be canceled. You may check on the status of the meeting by visiting the City's website [www.menlopark.org](http://www.menlopark.org). The instructions for logging on to the webinar and/or the access code is subject to change. If you have difficulty accessing the webinar, please check the latest online edition of the posted agenda for updated information ([menlopark.org/agenda](http://menlopark.org/agenda)).

### Regular Session ([Zoom.us/join](https://zoom.us/join) – ID# 997-7506-7654)

- 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. 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. Regular Business**

- D1. Approve minutes for the Housing Commission meeting of September 2, 2020 ([Attachment](#))
- D2. Review of commission/committee policies and procedures, roles and responsibilities ([Attachment](#))
- D3. Recommendation of a below market rate agreement with HuHanTwo, LLC for 201-211 El Camino Real and 612 Cambridge Avenue ([Staff Report 20-006-HC](#))
- D4. Review and finalize the development of the 2020-2021 Housing Commission workplan ([Attachment](#))

**E. Reports and Announcements**

- E1. Ad hoc subcommittee reports
- E2. Commissioner updates
- E3. Recommend future agenda items
- E4. Staff updates and announcements

**F. Adjournment**

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. For appeal hearings, appellant and applicant shall each have 10 minutes for presentations.

If you challenge any of the items listed on this agenda in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City of Menlo Park at, or prior to, the public hearing.

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 by request by emailing the city clerk at [jaherren@menlopark.org](mailto:jaherren@menlopark.org). 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.

Agendas are posted in accordance with Government Code §54954.2(a) or §54956. Members of the public can view electronic agendas and staff reports by accessing the City website at [menlopark.org/agenda](http://menlopark.org/agenda) and can receive email notification of agenda and staff report postings by subscribing to the "Notify Me" service at [menlopark.org/notifyme](http://menlopark.org/notifyme). Agendas and staff reports may also be obtained by contacting City Clerk at 650-330-6620. (Posted: 10/1/2020)



## REGULAR MEETING MINUTES – DRAFT

**Date:** 9/2/2020

**Time:** 6:30 p.m.

**Regular Meeting Location:** Zoom.us/join – ID #997-7506-7654

**A.** Chair Grove called the meeting to order at 6:31 p.m.

**B. Roll Call**

Present: Bigelow, Conroy, Grove, Horst, McPherson, Merriman, Pimentel (arrived at 6:45 p.m.)

Absent: None

Staff: Deputy Community Development Director Rhonda Coffman,  
Management Analyst II Mike Noce

**C. Public Comment**

None.

**D. Regular Business**

D1. Approve minutes for the Housing Commission meetings of August 5, 2020

- Eric Morley spoke about his specific comments at the August 5, 2020 meeting not being included in the draft minutes.

Staff provided clarification regarding the City Council policy for official records for commissions and committees that are preserved by the preparation of action minutes.

**ACTION:** Motion and second (Horst/Bigelow) to approve the Housing Commission meeting minutes of August 5, 2020 and include the email received by Eric Morley on September 2, 2020 addressed to the Housing Commission as an attachment to the August 5, 2020 minutes, passed 6-0-1 (Pimentel absent).

D2. Development of the 2020-2021 Housing Commission workplan

Deputy Community Development Director Rhonda Coffman introduced the item.

- Pam Jones spoke about preserving housing for local residents, changes to accessory dwelling unit (ADU) regulations and City investing in housing and community outreach regarding renter protections.

The Housing Commission discussed a variety of workplan goals including, but not limited to the following: ADU regulations, the use of community land trusts and the development of affordable housing at all affordability levels. Based on the commission's discussion, staff will return for the formal approval of the 2020-2021 workplan at the October 2020 Housing Commission meeting.

**E. Reports and Announcements**

**E1. Ad hoc subcommittee reports (10 minutes):**

None.

**E2. Commissioner reports**

Pimentel spoke about an upcoming land feasibility study regarding all San Mateo County Community Colleges with a focus on affordable student housing. Pimentel expressed interest in local school sites within Menlo Park being used for housing.

By acclamation, the Commission appointed Pimentel and Conroy to an ad hoc subcommittee on exploring the potential use of school lands for affordable housing locally.

Merriman reported on housing related legislation recently passed at the State level.

Grove congratulated Nevada Merriman on her new position as Vice President of Public Policy at MidPen Housing.

**E3. Recommended future agenda items.**

Commissioner suggested future agenda items:

- Update on the tenant relocation assistance fund
- Workplan continued
- Housings link to health during COVID-19 and importance of housing stability
- History of zoning policies

**E4. Staff updates and announcements**

None.

**F. Adjournment**

Chair Grove adjourned the meeting at 8:34 p.m.

Mike Noce, Management Analyst II, Community Development



# COMMISSIONS/COMMITTEES POLICIES AND PROCEDURES, ROLES AND RESPONSIBILITIES

City Council Procedure #CC-19-0004

Effective 3/5/2019

Resolution No. 6477



<b>Purpose</b>
To define policies and procedures and roles and responsibilities for Menlo Park appointed commissions and committees.
<b>Authority</b>
Upon its original adoption, this policy replaced the document known as “Organization of Advisory Commissions of the City of Menlo Park.”
<b>Background</b>
<p>The City of Menlo Park currently has eight active Commissions and Committees. The active advisory bodies are: Complete Streets Commission, Environmental Quality Commission, Finance and Audit Committee, Housing Commission, Library Commission, Parks and Recreation Commission, Planning Commission, and the Sister City Committee. Those not specified in the City Code are established by City Council ordinance or resolution. Most of these advisory bodies are established in accordance with Resolution 2801 and its amendments. Within specific areas of responsibility, 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>Seven of the eight commissions and committees listed above are advisory in nature. The Planning Commission is both advisory and regulatory and organized according to the City Code (Ch. 2.12) and State statute (Government Code 65100 et seq., 65300-65401).</p> <p>The City has an adopted Anti-Harassment and Non-Discrimination Policy (CC-95-001), and a Travel and Expense Policy (CC-91-002), which are also applicable to all advisory bodies.</p>
<b>Policies and Procedures</b>
<p><u>Relationship to City Council, staff and media</u></p> <ul style="list-style-type: none"><li>• Upon referral by the City Council, the commission/committee shall study referred matters and return their recommendations and advise to the City Council. With each such referral, the City Council may authorize the City staff to provide certain designated services to aid in the study.</li><li>• Upon its own initiative, the commission/committee shall identify and raise issues to the City Council's attention and from time to time explore pertinent matters and make recommendations to the City Council.</li><li>• At a request of a member of the public, the commission/committee may consider appeals from City actions or inactions in pertinent areas and, if deemed appropriate, report and make recommendations to the City Council.</li><li>• Each commission/committee is required to develop an annual work plan which will be the foundation for the work performed by the advisory body in support of City Council annual work plan. The plan, once finalized by a majority of the commission/committee, will be formally presented to the City Council for direction and approval no later than September 30 of each year and then reported out on by a representative of the advisory body at a regularly scheduled City Council meeting at least annually, but recommended twice a year. The proposed work plan must align with the City Council's adopted work plan. When modified, the work plan must be taken to the City Council for approval. The Planning Commission is exempt from this requirement as its functions are governed by the Menlo Park municipal code (Chapter 2.12) and State law (Government Code 65100 et seq., 65300-65401).</li><li>• Commissions and committees shall not become involved in the administrative or operational matters of City departments. Members may not direct staff to initiate major programs, conduct large studies or establish department policy. City staff assigned to furnish staff services shall be available to provide general staff assistance, such as preparation of agenda/notice materials and minutes, general review of</li></ul>

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department programs and activities, and to perform limited studies, program reviews, and other services of a general staff nature. Commissions/Committees may not establish department work programs or determine department program priorities. The responsibility for setting policy and allocating scarce City resources rests with the City's duly elected representatives, the City Council.

- Additional or other staff support may be provided upon a formal request to the City Council.
- The staff liaison shall act as the commission/committee's lead representative to the media concerning matters before the commission/committee. Commission/Committee members should refer all media inquiries to their respective liaisons for response. Personal opinions and comments may be expressed so long as the commission/committee member clarifies that his or her statements do not represent the position of the City Council.
- Commission/Committee members will have mandatory training every two years regarding the Brown Act and parliamentary procedures, anti-harassment training, ethics training, and other training required by the City Council or State Law. The commission/committee members may have the opportunity for additional training, such as training for chair and vice chair. Failure to comply with the mandatory training will be reported to the City Council and may result in replacement of the member by the City Council.
- Requests from commission/committee member(s) determined by the staff liaison to take one hour or more of staff time to complete, must be directed by the City Council.

### Role of City Council commission/committee liaison

City Councilmembers are assigned to serve in a liaison capacity with one or more city commission/committee. The purpose of the liaison assignment is to facilitate communication between the City Council and the advisory body. The liaison also helps to increase the City Council's familiarity with the membership, programs and issues of the advisory body. In fulfilling their liaison assignment, City Councilmembers may elect to attend commission/committee meetings periodically to observe the activities of the advisory body or simply maintain communication with the commission/committee chair on a regular basis.

City Councilmembers should be sensitive to the fact that they are not participating members of the commission/committee, but are there rather to create a linkage between the City Council and commission/committee. In interacting with commissions/committee, City Councilmembers are to reflect the views of the City Council as a body. Being a commission/committee liaison bestows no special right with respect to commission/committee business.

Typically, assignments to commission/committee liaison positions are made at the beginning of a City Council term in December. The Mayor will ask City Councilmembers which liaison assignments they desire and will submit recommendations to the full City Council regarding the various committees, boards, and commissions which City Councilmembers will represent as a liaison. In the rare instance where more than one City Councilmember wishes to be the appointed liaison to a particular commission, a vote of the City Council will be taken to confirm appointments.

### City Staff Liaison

The City has designated staff to act as a liaison between the commission/committee and the City Council. The City shall provide staff services to the commission/committee which will include:

- Developing a rapport with the Chair and commission/committee members
- Providing a schedule of meetings to the City Clerk's Office and commission/committee members, arranging meeting locations, maintaining the minutes and other public records of the meeting, and preparing and distributing appropriate information related to the meeting agenda.
- Advising the commission/committee on directions and priorities of the City Council.
- Informing the commission/committee of events, activities, policies, programs, etc. occurring within the scope of the commission/committee's function.

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- Ensuring the City Clerk is informed of all vacancies, expired terms, changes in offices, or any other changes to the commission/committee.
- Providing information to the appropriate appointed official including reports, actions, and recommendations of the committee/commission and notifying them of noncompliance by the commission/committee or chair with City policies.
- Ensuring that agenda items approved by the commission/committee are brought forth in a timely manner taking into consideration staff capacity, City Council priorities, the commission/committee work plan, and other practical matters such as the expense to conduct research or prepare studies, provided appropriate public notification, and otherwise properly prepare the item for commission/committee consideration.
- Take action minutes; upon agreement of the commission, this task may be performed by one of the members (staff is still responsible for the accuracy and formatting of the minutes)
- Maintain a minute book with signed minutes

### Recommendations, requests and reports

As needed, near the beginning of City Council meetings, there will be an item called "Commission/Committee Reports." At this time, commissions/committees may present recommendations or status reports and may request direction and support from the City Council. Such requests shall be communicated to the staff liaison in advance, including any written materials, so that they may be listed on the agenda and distributed with the agenda packet. The materials being provided to the City Council must be approved by a majority of the commission/committee at a commission/committee meeting before submittal to the City Council. The City Council will receive such reports and recommendations and, after suitable study and discussion, respond or give direction.

### City Council referrals

The City Clerk shall transmit to the designated staff liaison all referrals and requests from the City Council for advice and recommendations. The commissions/committees shall expeditiously consider and act on all referrals and requests made by the City Council and shall submit reports and recommendations to the City Council on these assignments.

### Public appearance of commission/committee members

When a commission/committee member appears in a non-official, non-representative capacity before the public, for example, at a City Council meeting, the member shall indicate that he or she is speaking only as an individual. This also applies when interacting with the media and on social media. If the commission/committee member appears as the representative of an applicant or a member of the public, the Political Reform Act may govern this appearance. In addition, in certain circumstances, due process considerations might apply to make a commission/committee member's appearance inappropriate. Conversely, when a member who is present at a City Council meeting is asked to address the City Council on a matter, the member should represent the viewpoint of the particular commission/committee as a whole (not a personal opinion).

### Disbanding of advisory body

Upon recommendation by the Chair or appropriate staff, any standing or special advisory body, established by the City Council and whose members were appointed by the City Council, may be declared disbanded due to lack of business, by majority vote of the City Council.

### Meetings and officers

#### 1. Agendas/notices/minutes

- All meetings shall be open and public and shall conduct business through published agendas, public notices and minutes and follow all of the Brown Act provisions governing public meetings. Special, canceled and adjourned meetings may be called when needed, subject to the Brown Act provisions.

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- Support staff for each commission/committee shall be responsible for properly noticing and posting all regular, special, canceled and adjourned meetings. Copies of all meeting agendas, notices and minutes shall be provided to the City Council, City Manager, City Attorney, City Clerk and other appropriate staff, as requested.
- Original agendas and minutes shall be filed and maintained by support staff in accordance with the City's adopted records retention schedule.
- The official record of the commissions/committees will be preserved by preparation of action minutes.

### 2. *Conduct and parliamentary procedures*

- Unless otherwise specified by State law or City regulations, conduct of all meetings shall generally follow Robert's Rules of Order.
- A majority of commission/committee members shall constitute a quorum and a quorum must be seated before official action is taken.
- The chair of each commission/committee shall preside at all meetings and the vice chair shall assume the duties of the chair when the chair is absent.
- The role of the commission/committee chair (according to Roberts Rules of Order): To open the session at the time at which the assembly is to meet, by taking the chair and calling the members to order; to announce the business before the assembly in the order in which it is to be acted upon; to recognize members entitled to the floor; to state and put to vote all questions which are regularly moved, or necessarily arise in the course of the proceedings, and to announce the result of the vote; to protect the assembly from annoyance from evidently frivolous or dilatory motions by refusing to recognize them; to assist in the expediting of business in every compatible with the rights of the members, as by allowing brief remarks when undebatable motions are pending, if s/he thinks it advisable; to restrain the members when engaged in debate, within the rules of order, to enforce on all occasions the observance of order and decorum among the members, deciding all questions of order (subject to an appeal to the assembly by any two members) unless when in doubt he prefers to submit the question for the decision of the assembly; to inform the assembly when necessary, or when referred to for the purpose, on a point of order to practice pertinent to pending business; to authenticate by his/her signature, when necessary, all the acts, orders, and proceedings of the assembly declaring it will and in all things obeying its commands.

### 3. *Lack of a quorum*

- When a lack of a quorum exists at the start time of a meeting, those present will wait 15 minutes for additional members to arrive. If after 15 minutes a quorum is still not present, the meeting will be adjourned by the staff liaison due to lack of a quorum. Once the meeting is adjourned it cannot be reconvened.
- The public is not allowed to address those commissioners present during the 15 minutes the commission/committee is waiting for additional members to arrive.
- Staff can make announcements to the members during this time but must follow up with an email to all members of the body conveying the same information.
- All other items shall not be discussed with the members present as it is best to make the report when there is a quorum present.

### 4. *Meeting locations and dates*

- Meetings shall be held in designated City facilities, as noticed.
- All commissions/committees with the exception of the Planning Commission, Finance and Audit Committee and Sister City Committee shall conduct regular meetings once a month. Special meetings may also be scheduled as required by the commission/committee. The Planning Commission shall hold regular meetings twice a month. The Finance and Audit Committee and Sister City Committee shall hold quarterly meetings.
- Monthly regular meetings shall have a fixed date and time established by the commission/committee. Changes to the established regular dates and times are subject to the approval of the City Council. An exception to this rule would include any changes necessitated to fill

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a temporary need in order for the commission/committee to conduct its meeting in a most efficient and effective way as long as proper and adequate notification is provided to the City Council and made available to the public.

The schedule of Commission/Committee meetings is as follows:

- Complete Streets Commission – Every second Wednesday at 7 p.m.
- Environmental Quality Commission – Every third Wednesday at 6:00 p.m.
- Finance and Audit Committee – Third Wednesday of every quarter at 5:30 p.m.,
- Housing Commission – Every first Wednesday at 6:30 p.m.
- Library Commission – Every third Monday at 6:30 p.m.
- Parks and Recreation Commission – Every fourth Wednesday at 6:30 p.m.
- Planning Commission – Twice a month at 7 p.m.
- Sister City Committee – Quarterly; Date and time to be determined

Each commission/committee may establish other operational policies subject to the approval of the City Council. Any changes to the established policies and procedures shall be subject to the approval of the City Council.

### 5. *Off-premises meeting participation*

While technology allows commission/committee members to participate in meetings from a location other than the meeting location (referred to as “off-premises”), off-premises participation is discouraged given the logistics required to ensure compliance with the Brown Act and experience with technological failures disrupting the meeting. In the event that a commission/committee member believes that his or her participation is essential to a meeting, the following shall apply:

- Any commission/committee member intending to participate from an off-premise location shall inform the staff liaison at least two weeks in advance of the meeting.
- The off-premise location must be identified in the notice and agenda of the meeting.
- Agendas must be posted at the off-premise location.
- The off-premise location must be accessible to the public and be ADA compliant.
- The commission/committee member participating at a duly noticed off-premises location does not count toward the quorum necessary to convene a meeting of the commission/committee.
- For any one meeting, no more than one commission/committee member may participate from an off-premise location.
- All votes must be by roll call.

### 6. *Selection of chair and vice chair*

- The chair and vice chair shall be selected in May of each year by a majority of the members and shall serve for one year or until their successors are selected.
- Each commission/committee shall annually rotate its chair and vice chair.

## G. Memberships

### *Appointments/Oaths*

- The City Council is the appointing body for all commissions/committees. All members serve at the pleasure of the City Council for designated terms.
- All appointments and reappointments shall be made at a regularly scheduled City Council meeting, and require an affirmative vote of not less than a majority of the City Council present.
- Before taking office, all members must complete an Oath of Allegiance required by Article XX, §3, of the Constitution of the State of California. All oaths are administered by the City Clerk or his/her designee.
- Appointments made during the middle of the term are for the unexpired portion of that term.

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### *Application and selection process*

- The application process begins when a vacancy occurs due to term expiration, resignation, removal or death of a member.
- The application period will normally run for a period of four weeks from the date the vacancy occurs. If there is more than one concurrent vacancy in a Commission, the application period may be extended. Applications are available from the City Clerk's office and on the City's website.
- The City Clerk shall notify members whose terms are about to expire whether or not they would be eligible for reappointment. If reappointment is sought, an updated application will be required.
- Applicants are required to complete and return the application form for each commission/committee they desire to serve on, along with any additional information they would like to transmit, by the established deadline. Applications sent by email are accepted; however, the form submitted must be signed.
- After the deadline of receipt of applications, the City Clerk shall schedule the matter at the next available regular City Council meeting. All applications received will be submitted and made a part of the City Council agenda packet for their review and consideration. If there are no applications received by the deadline, the City Clerk will extend the application period for an indefinite period of time until sufficient applications are received.
- Upon review of the applications received, the City Council reserves the right to schedule or waive interviews, or to extend the application process in the event insufficient applications are received. In either case, the City Clerk will provide notification to the applicants of the decision of the City Council.
- If an interview is requested, the date and time will be designated by the City Council. Interviews are open to the public.
- The selection/appointment process by the City Council shall be conducted open to the public. Nominations will be made and a vote will be called for each nomination. Applicants receiving the highest number of affirmative votes from a majority of the City Council present shall be appointed.
- Following a City Council appointment, the City Clerk shall notify successful and unsuccessful applicants accordingly, in writing. Appointees will receive copies of the City's Non-Discrimination and Sexual Harassment policies, and disclosure statements for those members who are required to file under State law as designated in the City's Conflict of Interest Code. Copies of the notification will also be distributed to support staff and the commission/committee chair.
- An orientation will be scheduled by the City Clerk following an appointment (but before taking office) and a copy of this policy document will be provided at that time.

### *Attendance*

- An Attendance Policy (CC-91-001), shall apply to all advisory bodies. Provisions of this policy are listed below.
- A compilation of attendance will be submitted to the City Council at least annually listing absences for all commissions/committee members.
- Absences, which result in attendance at less than two-thirds of their meetings during the calendar year, will be reported to the City Council and may result in replacement of the member by the City Council.
- Any member who feels that unique circumstances have led to numerous absences can appeal directly to the City Council for a waiver of this policy or to obtain a leave of absence.
- While it is expected that members be present at all meetings, the chair and staff liaison should be notified if a member knows in advance that he/she will be absent.
- When reviewing commissioners for reappointment, overall attendance at full commission meetings will be given significant consideration.

### *Compensation*

- Members shall serve without compensation (unless specifically provided) for their services, provided, however, members shall receive reimbursement for necessary travel expenses and other expenses

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incurred on official duty when such expenditures have been authorized by the City Council (See Policy CC-91-002).

### *Conflict of interest and disclosure requirements*

- A Conflict of Interest Code has been updated and adopted by the City Council and the Community Development Agency pursuant to Government Code §87300 et seq. Copies of this Code are filed with the City Clerk. Pursuant to the adopted Conflict of Interest Code, members serving on the Planning Commission are required to file a Statement of Economic Interest with the City Clerk to disclose personal interest in investments, real property and income. This is done within 30 days of appointment and annually thereafter. A statement is also required within 30 days after leaving office.
- If a public official has a conflict of interest, the Political Reform Act may require the official to disqualify himself or herself from making or participating in a governmental decision, or using his or her official position to influence a governmental decision. Questions in this regard may be directed to the City Attorney.

### *Qualifications, compositions, number*

- In most cases, members shall be residents of the City of Menlo Park and at least 18 years of age.
- Current members of any other City commission/committee are disqualified for membership, unless the regulations for that advisory body permit concurrent membership. Commission/Committee members are strongly advised to serve out the entirety of the term of their current appointment before seeking appointment on another commission/committee.
- Commission/Committee members shall be permitted to retain membership while seeking any elective office. However, members shall not use the meetings, functions or activities of such bodies for purposes of campaigning for elective office.
- There shall be seven (7) members on each commission/committee with the exception of:
  - Finance and Audit Committee – five (5) members
  - Housing Commission – seven (7) members
  - Complete Streets Commission – nine (9) members
  - Library Commission – eleven (11) members

### *Reappointments, resignations, removals*

- Incumbents seeking a reappointment are required to complete and file an application with the City Clerk by the application deadline. No person shall be reappointed to a commission/committee who has served on that same body for two consecutive terms; unless a period of one year has lapsed since the returning member last served on that commission/committee (the one year period is flexible subject to City Council's discretion).
- Resignations must be submitted in writing to the City Clerk, who will distribute copies to City Council and appropriate staff.
- The City Council may remove a member by a majority vote of the City Council without cause, notice or hearing.

### *Term of office*

- Unless specified otherwise, the term of office for all commission/committee shall be four (4) years unless a resignation or a removal has taken place.
- If a person is appointed to fill an unexpired term and serves less than two years, that time will not be considered a full term. However, if a person is appointed to fill an unexpired term and serves two years or more, that time will be considered a full term.
- Terms are staggered to be overlapping four-year terms, so that all terms do not expire in any one year.
- If a member resigns before the end of his/her term, a replacement serves out the remainder of that term.

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### *Vacancies*

- Vacancies are created due to term expirations, resignations, removals or death.
- Vacancies are listed on the City Council agenda and posted by the City Clerk in the City Council Chambers bulletin board and on the city website.
- Whenever an unscheduled vacancy occurs in any commission/committee, a special vacancy notice shall be posted within 20 days after the vacancy occurs. Appointment shall not be made for at least 10 working days after posting of the notice (Government Code 54974).
- On or before December 31 of each year, an appointment list of all regular advisory commissions/committees of the City Council shall be prepared by the City Clerk and posted in the City Council Chambers bulletin board and on the City's website. This list is also available to the public. (Government Code 54972, Maddy Act).

### **Roles and Responsibilities**

#### Complete Streets Commission

The Complete Streets Commission is charged primarily with advising the City Council on multi-modal transportation issues according to the goals and policies of the City's general plan. This includes strategies to encourage safe travel, improve accessibility, and maintaining a functional and efficient transportation network for all modes and persons traveling within and around the City. The Complete Streets Commission's responsibilities would include:

- Coordination of multi-modal (motor vehicle, bicycle, transit and pedestrian) transportation facilities
- Advising City Council on ways to encourage vehicle, multi-modal, pedestrian and bicycle safety and accessibility for the City supporting the goals of the General Plan
- Coordination on providing a citywide safe routes to school plan
- Coordination with regional transportation systems
- Establishing parking restrictions and requirements according to Municipal Code sections 11.24.026 through 11.24.028

#### Environmental Quality Commission

The Environmental Quality Commission is charged primarily with advising the City Council on matters involving environmental protection, improvement and sustainability. Specific focus areas include:

- Preserving heritage trees
- Using best practices to maintain city trees
- Preserving and expanding the urban canopy
- Making determinations on appeals of heritage tree removal permits
- Administering annual Environmental Quality Awards program
- Organizing annual Arbor Day Event; typically a tree planting event
- Advising on programs and policies related to protection of natural areas, recycling and waste reduction, environmentally sustainable practices, air and water pollution prevention, climate protection, and water and energy conservation.

#### Finance and Audit Committee

The Finance and Audit Committee is charged primarily to support delivery of timely, clear and comprehensive reporting of the City's fiscal status to the community at large. Specific focus areas include:

- Review the process for periodic financial reporting to the City Council and the public, as needed
- Review financial audit and annual financial report with the City's external auditors
- Review of the resolution of prior year audit findings
- Review of the auditor selection process and scope, as needed



## COMMISSIONS/COMMITTEES POLICIES AND PROCEDURES, ROLES AND RESPONSIBILITIES

City Council Policy #CC-19-0004

Effective 3/5/2019

Resolution No. 6477

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### Housing Commission

The Housing Commission is charged primarily with advising the City Council on housing matters including housing supply and housing related problems. Specific focus areas include:

- 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 City 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
- Review and recommend on the Housing Element of the General Plan
- The five most senior members of the Housing Commission also serve as the members of the Relocation Appeals Board (City Resolution 4290, adopted June 25, 1991).

### Library Commission

The Library Commission is charged primarily with advising the City Council on matters related to the maintenance and operation of the City's libraries and library systems. Specific focus areas include:

- The scope and degree of library activities
- Maintenance and protection of City libraries
- Evaluation and improvement of library service
- Acquisition of library materials
- Coordination with other library systems and long range planning
- Literacy and ESL programs

### Parks and Recreation Commission

The Parks and Recreation Commission is charged primarily with advising the City Council on matters related to City programs and facilities dedicated to recreation. Specific focus areas include:

- Those programs and facilities established primarily for the participation of and/or use by residents of the City, including adequacy and maintenance of such facilities as parks and playgrounds, recreation buildings, facilities and equipment
- Adequacy, operation and staffing of recreation programs
- Modification of existing programs and facilities to meet developing community needs
- Long range planning and regional coordination concerning park and recreational facilities

### Planning Commission

The Planning Commission is organized according to State Statute.

- The Planning Commission reviews development proposals on public and private lands for compliance with the General Plan and Zoning Ordinance.
- The Commission reviews all development proposals requiring a use permit, architectural control, variance, minor subdivision and environmental review associated with these projects. The Commission is the final decision-making body for these applications, unless appealed to the City Council.
- The Commission serves as a recommending body to the City Council for major subdivisions, rezoning's, conditional development permits, Zoning Ordinance amendments, General Plan amendments and the environmental reviews and Below Market Rate (BMR) Housing Agreements associated with those projects.
- The Commission works on special projects as assigned by the City Council.

## COMMISSIONS/COMMITTEES POLICIES AND PROCEDURES, ROLES AND RESPONSIBILITIES

City Council Policy #CC-19-0004

Effective 3/5/2019

Resolution No. 6477

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### Sister City Committee

The Sister City Committee is primary charged with promoting goodwill, respect and cooperation by facilitating cultural, educational and economic exchanges

- Develop a mission statement and program plan consisting of projects, exhibits, contacts and exchanges of all types to foster and promote the objectives of the mission statement
- Implement the approved program plan upon request of the City Council
- Keep the community informed concerning the Sister City program
- Advise the City Council on matters pertaining to any sister city affairs
- Perform other duties as may be assigned to the committee by the City Council

### **Special Advisory Bodies**

The City Council has the authority to create standing committees, task forces or subcommittees for the City, and from time to time, the City Council may appoint members to these groups. The number of persons and the individual appointee serving on each group may be changed at any time by the City Council. There are no designated terms for members of these groups; members are appointed by and serve at the pleasure of the City Council.

Any requests of city commissions or committees to create such ad hoc advisory bodies shall be submitted in writing to the City Clerk for City Council consideration and approval.

### **Procedure history**

Action	Date	Notes
Procedure adoption	1991	Resolution No. 3261
Procedure adoption	2001	
Procedure adoption	2011	
Procedure adoption	2013	Resolution No. 6169
Procedure adoption	2017	Resolution No. 6377



## STAFF REPORT

### Housing Commission

Meeting Date:

10/7/2020

Staff Report Number:

20-006-HC

### Regular Business:

**Recommendation of a below market rate agreement with HuHanTwo, LLC for 201-211 El Camino Real and 612 Cambridge Avenue**

### Recommendation

Staff recommends that the Housing Commission recommend approval of the draft below market rate (BMR) agreement to the City Council for two on-site BMR rental units as part of a proposed 14-unit residential and mixed use development, consisting of two detached market-rate townhouses and a three-story mixed-use building with below-grade parking, at 201-211 El Camino Real and 612 Cambridge Avenue, as described in the draft Term Sheet (Attachment A) and draft BMR Agreement (Attachment B).

### Policy Issues

BMR Housing proposals and terms are reviewed individually. The Housing Commission should consider whether the BMR Housing proposal and terms are in compliance with the BMR Housing Program Guidelines and the BMR Housing Ordinance.

### Background

#### **Site location**

The project site consists of two SP-ECR/D zoned parcels, and a portion of Alto Lane to be abandoned between these parcels, with a total lot area of approximately 17,302 square feet, and currently contains a one-story (four-unit) commercial building that is approximately 6,000 square feet in size. Three of the commercial units are currently vacant, two of the units are occupied by non-medical offices, and a restaurant occupies one unit. The SP-ECR/D parcel to the west of Alto Lane is currently used as a private parking lot for the commercial building at 201-211 El Camino Real. The project site also comprises a 7,923-square-foot parcel that is zoned R-3, with a one-story, four-unit residential building and a detached accessory building (used for storage). Combined, the project site is 25,225 square feet, and the existing buildings and site improvements would all be demolished as part of the proposed redevelopment of the project site. A location map is provided as Attachment C.

For the purposes of this staff report, El Camino Real is considered to have a north-south orientation, and all compass directions referenced will use this orientation. The project site is located at the northwest corner of El Camino Real and Cambridge Avenue. The project site is bounded by Cambridge Avenue to the south and El Camino Real to the east. The parcels to the west of the project site are located in the R-3 and R-2 (Low Density Apartment) zoning districts. Parcels to the north and south along El Camino Real are located in the SP-ECR/D zoning district, and parcels in closer vicinity to the project site along El

Camino Real are located within the El Camino Real South-West (ECR SW) sub-district and the El Camino Real Mixed Use (ECRMU) land use designation.

### ***Previous Housing Commission review***

On January 8, 2020, the Housing Commission considered a draft BMR Housing Agreement Term Sheet associated with the proposed project. At that time, the applicant was proposing to address the BMR requirement for 1.4 BMR units by providing two low-income rental units in the mixed-use building (this includes the 0.6 unit proposed as the public benefit). The Housing Commission unanimously recommended approval of the term sheet at this meeting.

The applicant has since updated the proposal. The two BMR units would initially be rented to low-income households; however, consistent with the condominium mapping the applicant may at a future date convert the residential units to for-sale condominiums without further city action. A revised draft BMR Housing Agreement, requiring the two BMR units to be set aside for low-income households, whether rental or for-sale, and including tenant protection measures such as a right of first refusal and tenant relocation assistance upon conversion to for-sale condominiums, will be reviewed at the Housing Commission, on October 7, 2020, before final action by the City Council. Although the Housing Commission meeting is two days after the Planning Commission meeting of October 5, 2020, all parties will have an opportunity to review and comment on this project component before the tentatively scheduled City Council hearing for final action on October 27, 2020. The draft BMR Housing Agreement is provided as Attachment B. Staff believes this revision does not conflict with the proposed project, as the change would allow for consistency with the proposed condominium mapping, and enables the applicant to establish their own timeline for transitioning from rental to condominium units

## **Analysis**

### ***Project description***

The applicant is proposing to demolish the existing onsite commercial and multifamily residential buildings and construct a new three-story mixed-use building with below-grade parking and two detached two-story townhouses. The mixed-use building would consist of retail and restaurant uses on the first floor and 12 residential units on the second and third floors. Two detached townhouses would be located on the R-3 zoned parcel adjacent to the mixed-use building, at 612 Cambridge Avenue.

The proposal includes a request for architectural control to construct the new multifamily units, a use permit to construct the two townhouses on a substandard lot with respect to lot width located in the R-3 (Apartment) zoning district, at 612 Cambridge Avenue, environmental review, and a vesting tentative map. The required parking for each unit, in addition to the commercial areas of the mixed-use building, would be provided in two stories of below-grade parking. The applicant's BMR proposal letter and select sheets from the project plans are included as Attachments D and E, respectively.

The proposal is subject to additional review and refinement prior to Planning Commission recommendation and City Council action on the overall project, which requires architectural control, a use permit, environmental review, and a vesting tentative map to create condominium units and commercial

space, in addition to a BMR agreement. The City Council will take final action on all requested entitlements for the proposed project.

### ***BMR Housing Program & related requirements***

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") since the project includes more than four residential units. In accordance with the City's BMR Guidelines, it is preferred for residential developments of 10 to 19 units that the developer provide a number of BMR units that is no less than 10 percent of the number of proposed units (in the case of this project, 1.4 BMR units). The BMR Ordinance requires the applicant to submit a Below Market Rate Housing proposal for review by the Housing Commission.

Residential use of the property is allowed by the applicable zoning regulations and the proposed project includes 14 residential units. The applicant is proposing to satisfy the project's BMR obligation through the construction of two BMR rental units on site, affordable to low income households, which is 0.6 units greater than the 1.4 units required. Based on previous comments by the Housing Commission, staff understands that the creation of new BMR on-site units (as opposed to payment of an in-lieu fee) is preferred, and that provision of such units, especially units capable of accommodating families in and around the El Camino Real corridor, is also generally desired.

The applicant indicated they may wish to convert the residential units of the project to for-sale at some time in the future. As such, the City has prepared a modified BMR Agreement to account for the for-sale scenario, based on the terms based on the BMR Ordinance and BMR Guidelines.

The proposed BMR units would both be on the second floor of the mixed use building, consisting of a two-bedroom, two-bathroom unit (Unit 3) and a one-bedroom, one-bathroom unit (Unit 5). As stated earlier, all parking for the units would be accessed by the two-story below-ground parking structure within the mixed-use building. The BMR units would generally have the same floor plan and size as several of the other units within the mixed use building. Each unit within the mixed use building has a unique floor plan, but the unit sizes (1,298.8 square feet for Unit 3 and 1,013.1 square feet for Unit 5) would be comparable to several of the other market-rate units. As shown on the proposed elevations, the exterior of the BMR units would be indistinguishable from those of the market-rate units with the same Monterey-Spanish architectural style. Select plan sheets that include a site plan with project data illustrating the sizes of the units, floor plans and elevation drawings of the proposed BMR units are provided in Attachment E. Since the BMR units would be equivalent in size as to several of the market-rate units, staff believes that the requirements for BMR unit characteristics, including the size, location, design, and materials as identified in the BMR Guidelines are met by the proposed project.

### ***Menlo Park Relocation Ordinance and Assembly Bill (AB) 1482 (Tenant Protection Act of 2019)***

Menlo Park adopted a Tenant Relocation Ordinance on March 12, 2019, applicable to properties with five (5) or more dwelling units located on one (1) lot. This property contains four (4) residential units and is therefore not subject to the Tenant Relocation Ordinance. The current owner/applicant purchased the property in 2018 and each of the four (4) tenants vacated units voluntarily in 2018 and early 2019.

AB 1482, the Tenant Protection Act, became effective on January 1, 2020. AB 1482 includes rent increase limits and just cause eviction requirements, among other provisions, for residential properties 15 years or older. The applicant reported that new tenants occupied four (4) residential units in September 2019. The applicant is aware these tenants may be subject to AB 1482 in the future, if the duration of their occupancy lasts twelve (12) or more months.

### Summary

At this time, the Housing Commission is expected to review the draft BMR agreement and term sheet and provide their recommendations to staff, the applicant, and the City Council.

### **Correspondence**

At the time of the preparation of this staff report, staff has not received any correspondence regarding the proposed BMR Housing term sheet or draft BMR agreement. Any correspondence received prior to the Housing Commission meeting will be disclosed during the review of this project at the meeting.

### **Conclusion**

Staff believes that the applicant's proposal of two on-site BMR units meets the BMR Ordinance and BMR Guidelines requirements. Further, the size and location of these BMR units near the El Camino Real corridor and the Downtown area supports the City's goal of producing housing near transit corridors and community amenities. Staff recommends that the Housing Commission recommend to the City Council approval of the two on-site BMR units under the terms stated in the proposed BMR term sheet.

### **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.

### **Environmental Review**

An Initial Study and Mitigated Negative Declaration, collectively referred to as the MND, have been prepared and circulated for public review in compliance with the California Environmental Quality Act (CEQA). The public review period began on September 3, 2020 and ended on October 2, 2020. The MND is available for review on the City's website (<http://www.menlopark.org/ArchiveCenter/ViewFile/Item/4442>), and copies are also available upon request. As stated in the correspondence section, one question pertaining to the MND was received by staff, and staff addressed the matter. It should be noted that since releasing the MND for public review, staff noted a clerical error and will be revising the MND to include the use permit in the list of entitlements needed for the proposed project.

The MND analyzes the potential environmental impacts of the project across a wide range of impact areas. In general, the MND determines that the development on the 201-211 El Camino Real property (which is entirely zoned within the El Camino Real/Downtown Specific Plan) is consistent with the program Environmental Impact Report (EIR) that was prepared for the Specific Plan and the program EIR for the ConnectMenlo General Plan Update, and that the development on 612 Cambridge Avenue (which is in the R-3 zoning district) represents a minimal change since the removal of the four onsite units would result in two compliant residential units, or 10 net new residential units across the two properties as a whole.

Relevant mitigation measures from the Specific Plan Environmental Impact Report (SP EIR) and General Plan Environmental Impact Report (GP EIR) have been applied and would be adopted as part of the Mitigation, Monitoring, and Reporting Program (MMRP), which is to be included with the project's discretionary actions. Full compliance with the MMRP would be ensured through the conditions of approval. Mitigations include construction-related best practices regarding air quality and noise, air filtration for the residential units, payment of transportation impact-related fees (condition 8h(i)), protection of biological and archeological resources, preparation of a Phase I site assessment and implementation of a Transportation Demand Management (TDM) program. The MMRP also includes two fully completed mitigation measures relating to cultural resources. For SP EIR Mitigation Measure CUL-1: due to the age of the structures being greater than 50 years, a historic resource evaluation was conducted by a qualified architectural historian and concluded that the structures located at 201-211 El Camino Real and 612 Cambridge Avenue are not historic resources. For SP EIR Mitigation Measure CUL-2a: a cultural resources study was performed by a qualified archaeologist/cultural resources professional and it determined that the proposed project would have no impact on cultural resources. All studies and documents are available for review upon request. No new significant impacts have been identified for the proposed project.

### **Public Notice**

Public Notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting. Public notification also consisted of courtesy notification by mail of owners and occupants within a 300-foot radius of the subject property.

### **Attachments**

- A. Proposed BMR Term Sheet
- B. Draft BMR Agreement
- C. Location Map
- D. 201-211 El Camino Real and 612 Cambridge Avenue BMR Proposal
- E. Excerpts of Project Plans

Report prepared by:  
Matt Pruter, Associate Planner

Report reviewed by:  
Rhonda Coffman, Deputy Community Development Director, Housing

**201 El Camino Real and 612 Cambridge Avenue  
Draft Below Market Rate Housing (BMR) Agreement Term Sheet**

1. Applicant owns property known as Assessor's Parcel Numbers: 071-413-200; 071-413-370 and 071-413-380 ("Property"), more commonly known as 201-211 El Camino Real and 612 Cambridge Avenue, Menlo Park;
2. Applicant is proposing to demolish an existing commercial building and four existing residential dwelling units, merging two of the lots, and constructing twelve (12) apartment units, (above commercial space) at 201-211 El Camino Real plus two townhouse units on 612 Cambridge Avenue. The Applicant is requesting architectural control, use permit, street vacation, public benefit bonus, and vesting tentative map approval for this project;
3. The proposed project consists of more than four (4) residential units; 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. The amount of commercial space in this project (approximately 7,076 sf) does not trigger any BMR requirement;
4. The development of fourteen (14) new residential units would result in a requirement of one BMR housing unit plus an in-lieu fee payment for the fractional (.4) unit;
5. Applicant has elected to satisfy the BMR requirement for the proposed project by constructing one on-site BMR unit, and in lieu of providing an in-lieu fee for the remaining fractional unit, as a public benefit would provide a second on-site BMR unit for a total of two on-site BMR units. The two BMR units would initially be provided as rental units to eligible low income households with the option to convert to low-income BMR for sale condominiums;
6. The characteristics of the BMR units shall be in conformance with Section 5 of the BMR Guidelines;
7. The requirements for BMR rental and ownership developments shall be in conformance with the BMR Guidelines;
8. Applicant shall enter into a BMR Agreement memorializing these terms in a form acceptable to the City Attorney, pursuant to the BMR Ordinance and BMR Guidelines.



This document is recorded for the benefit of the City of Menlo Park and is entitled to be recorded free of charge in accordance with Sections 6103 and 27383 of the Government Code.

RECORDING REQUESTED BY  
AND WHEN RECORDED MAIL TO:  
City of Menlo Park  
Attn: City Clerk  
701 Laurel Street  
Menlo Park, CA 94025

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## BELOW MARKET RATE HOUSING AGREEMENT

AND

## DECLARATION OF RESTRICTIVE COVENANTS

(201-211 El Camino Real and 612 Cambridge Avenue Project)

**THIS BELOW MARKET RATE HOUSING AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS** (“**Agreement**”) is entered into as of \_\_\_\_\_, 2020 (“**Effective Date**”), by and between the City of Menlo Park, a California municipal corporation (“**City**”), and HuHan Two, LLC, a limited liability company (“**Owner**”). City and Owner may be referred to individually as a “**Party**” or collectively as the “**Parties**” in this Agreement.

### RECITALS

A. Owner is the owner of those certain parcels of real property having current addresses at 201-211 El Camino Real (APN 071-431-200), 612 Cambridge Avenue (APN 071-413-380) and an unaddressed property (APN 071-413-370), in the City of Menlo Park, California (collectively, the “**Property**”), as more particularly described in Exhibit A attached hereto. The Property is commonly known as 201 El Camino Real.

B. Owner applied to demolish approximately 6,032 square feet of existing commercial space and 2,892 square feet of existing residential space on the Property and to develop a three-story, mixed-use development consisting of approximately 7,076 square feet of retail and restaurant uses on the first floor and 12 residential units on the second and third floors, with a below-grade parking structure, and two detached townhouses, along with associated site improvements. (“**Project**”).

C. Menlo Park Municipal Code Chapter 16.96, the Below Market Rate Housing Program (“**BMR Ordinance**”), and the Below Market Rate Housing Program Guidelines (“**Guidelines**”) require the Owner to provide 10 percent or 1.4 units as affordable to below

market rate (“**BMR**”) households. The Owner is seeking to develop at the public benefit bonus level and has proposed 0.6 additional BMR units as the public benefit for a total of two on-site BMR units for low income households.

D. On October 27, 2020, after a duly noticed public hearing, and on the recommendation of the Planning Commission, the City Council granted architectural control, conditional use permit, vesting tentative map, public right-of-way vacation, and environmental review approvals for the Project (“**Project Approvals**”). Because the Project Approvals include a vesting tentative map, the housing units could be sold as condominiums; however, the Owner has indicated that the residential units will be rental for an indefinite period.

E. The Project Approvals require the Owner to provide two BMR units affordable to low-income households, whether the units are rented or sold (“**Low Income Units**”). In accordance with the BMR Ordinance and Guidelines, Owner is required to execute and record an approved Below Market Rate Housing Agreement as a condition precedent to the issuance of a building permit for the Project. This Agreement is intended to satisfy that requirement.

**NOW, THEREFORE**, the Parties hereto agree as follows. The recitals are incorporated into this Agreement by this reference.

## 1. **CONSTRUCTION OF THE IMPROVEMENTS**

1.1 **Construction of the Project.** Owner agrees to construct the Project in accordance with the City Municipal Code, the Guidelines, the Project Approvals, and all other applicable state and local building codes, development standards, ordinances and zoning codes and to meet the following conditions in accordance with the Project Approvals:

(a) Prior to issuance of any building permit to construct any portion of the Project, Owner shall execute, acknowledge and deliver this Agreement to the City, which shall be recorded.

(b) No portion of any residential unit may be approved for occupancy until the Owner has completed and designated two Low Income Units in the Project, the City has approved the Low Income Units for occupancy, and the terms of Section 2 or Section 3 have been otherwise complied with.

(c) The exterior materials used in the construction of the Low Income Units will be similar and indistinguishable from those of the market rate units. The interior finishes of the Low Income Units shall be similar to those of the market rate units.

1.2 **City and Other Governmental Permits.** Before commencement of the Project, the Owner shall secure or cause its contractor to secure any and all permits which may be required by the City or any other governmental agency affected by such construction, including without limitation building permits. Owner shall pay all necessary fees and timely submit to the City final drawings with final corrections to obtain such permits; the staff of the City will, without incurring liability or expense therefor, process applications in the ordinary course of business for the issuance of building permits and certificates of occupancy for construction that meets the requirements of the City Code, and all other applicable laws and regulations.

1.3 **Compliance with Laws.** The Owner shall carry out the acquisition, design, construction and operation of the Project in conformity with all applicable laws, including all applicable state labor standards, City zoning and development standards, building, plumbing,

mechanical and electrical codes, and all other provisions of the City Municipal Code. The Owner shall also ensure that the Project is constructed and operated in compliance with all applicable disabled and handicapped access requirements, including without limitation the Americans With Disabilities Act, 42 U.S.C. Section 12101, *et seq.*, Government Code Section 4450, *et seq.*, Government Code Section 11135, *et seq.*, and the Unruh Civil Rights Act, Civil Code Section 51, *et seq.*

## 2. OPERATION OF RENTAL HOUSING

2.1 **Low Income Units.** Owner agrees to make available, restrict occupancy, and lease two rental units on the Property exclusively to Low Income Households at Affordable Low Income Rent. The Low Income Units shall be of a quality and size comparable to all of the other residential units in the Project. Prior to occupancy of the first residential unit in the Project, the Owner shall notify the City and the City shall approve of the locations of the Low Income Units within the residential buildings. The location of the two Low Income Units are shown on Exhibit B attached hereto. The floor plan showing the size and layout of the BMR Units are shown on Exhibit C attached hereto.

2.2 **Maximum Affordable Rent, Low Income.** The maximum Monthly Rent chargeable for the Low Income Units and actually paid by a Low Income Household shall not exceed 30 percent of the Low Income Limits, adjusted for assumed household size for the unit based on the number of bedrooms the unit contains ("**Affordable Low Income Rent**"). Monthly Rent for the Low Income Units shall include the right to use at least one parking space in the residential buildings' parking garage.

(a) For purposes of this Agreement, "**Low Income Households**" shall mean those households with incomes that do not exceed the low income limits for San Mateo County, adjusted for household size, as set forth in the Guidelines, and as established and amended from time to time in accordance with the low income limits for San Mateo County established by the State of California in the California Code of Regulations, Title 25, Section 6932 or successor provision ("**Low Income Limits**").

(b) For purposes of this Agreement, "**Monthly Rent**" means the total of monthly payments actually made by the household for (a) use and occupancy of a Low Income Unit and land and facilities associated therewith, (b) any separately charged fees or service charges mandatorily assessed by the Owner which are required of all tenants, other than security deposits, (c) a reasonable allowance for an adequate level of service of utilities not included in (a) or (b) above, and which are not paid directly by the Owner, including garbage collection, sewer, water, electricity, gas and other heating, cooking and refrigeration fuels, but not including telephone service, cable, and internet service, and (d) possessory interest, taxes or other fees or charges assessed for use of the land and facilities associated therewith by a public or private entity other than Owner.

2.3 **Selection of Tenants.** Each Low Income Unit shall be leased to tenant(s) selected by the Owner who meet all of the requirements provided herein, and, to the extent permitted by law, with priority given to those eligible households as identified in Section 7 of the Guidelines. The City may, from time to time, provide to the Owner names of persons who have expressed interest in renting Low Income Units for the purposes of adding such interested persons to Owner's waiting list to be processed in accordance with Owner's customary policies. The Owner shall not refuse to lease to a holder of a certificate or a rental

voucher under the Section 8 program or other tenant-based assistance program, who is otherwise qualified to be a tenant in accordance with the approved tenant selection criteria.

**2.4 Income Certification.** On or before July 1 of each year, commencing with the calendar year that the first unit in the Project is rented to a tenant, and annually thereafter, the Owner shall obtain from each household occupying a Low Income Unit and submit to the City a completed income computation and certification form, which shall certify that the income of the household is truthfully set forth in the income certification form, on a form proposed by Owner and approved by the City's Deputy Community Development Director or his/her designee ("**Deputy Director**"). The Owner shall certify that each household leasing a Low Income Unit meets the income and eligibility restrictions for the Low Income Units. A qualified Low Income Household shall continue to qualify unless at the time of recertification, for two consecutive years, the household's income exceeds the Low Income Limits, then the tenant shall no longer be qualified. Upon the Owner's determination that any such household is no longer qualified, Owner will provide the City and tenant with not less than 60 days notice of the need to vacate the Low Income Unit and will take such other actions, as specified in Section 11.1.7 of the Guidelines, as may be necessary to ensure that the total required number of units are rented to Low Income Households.

**2.5 Lease Requirements.** At least 90 days prior to occupancy of any residential unit in the Project, the Owner shall submit a standard lease form for approval by the Deputy Director. The City shall reasonably approve such lease form upon finding that such lease form is consistent with this Agreement and contains all of the provisions required by the Guidelines. Owner shall enter into a written lease, in the form approved by the City, with each new tenant of a Low Income Unit upon such tenant's rental of the Low Income Unit. Each lease shall be for an initial term of not less than one year, and shall not contain any of the provisions which are prohibited by the Guidelines.

**2.6 Maintenance.** The Owner shall maintain or cause to be maintained the interior and exterior of the residential buildings at the Property in a decent, safe and sanitary manner, and consistent with the standard of maintenance of first class condominium projects within San Mateo County, California of the age of the Property improvements. If at any time Owner fails to maintain the Property in accordance with this Agreement and such condition is not corrected within five days after written notice from the City with respect to graffiti, debris, waste material, and general maintenance, or 30 days after written notice from the City with respect to landscaping and building improvements, then the City, in addition to whatever remedy it may have at law or at equity, shall have the right to enter upon the applicable portion of the Property and perform all acts and work necessary to protect, maintain, and preserve the Property, and to attach a lien upon the Property, or to assess the Property, in the amount of the expenditures arising from such acts and work of protection, maintenance, and preservation by the City and/or costs of such cure, including a reasonable administrative charge, which amount shall be promptly paid by Owner to the City upon demand.

**2.7 Affordability Period.** Unless sooner terminated pursuant to the terms of this Agreement, or sold to a qualified low-income purchaser with a 55-year deed restriction pursuant to Section 3, the Property shall be subject to the requirements of this Agreement from the date of recordation of this Agreement until the 55th anniversary of the date that the Low Income Units in the project are available for occupancy by a Low Income Household. For purposes of this Agreement, the duration of this requirement shall be known as the "**Affordability Period**." The requirement to provide two Low Income Units on the Property shall apply as of the effective date, and this Agreement shall not be released from the property

until the owner has provided the two Low Income Units on the Property for the Affordability Period.

**2.8 Monitoring and Recordkeeping.** Throughout the Affordability Period, Owner shall comply with all applicable recordkeeping and monitoring requirements set forth in the Guidelines and shall annually complete and submit to City by July 1st an Annual Report, as defined in the Guidelines. Representatives of the City shall be entitled to enter the Property, upon at least 24 hour notice, to monitor compliance with this Agreement, to inspect the records of the Project with respect to the Low Income Units, and to conduct, or cause to be conducted, an independent audit or inspection of such records. Owner agrees to cooperate with the City in making the Property available for such inspection or audit. If for any reason the City is unable to obtain the Owner's consent to such an inspection or audit, the Owner understands and agrees that the City may obtain at Owner's expense an administrative inspection warrant or other appropriate legal order to obtain access to and search the Property. Owner agrees to maintain records in businesslike manner, and to maintain such records for the Affordability Period.

**2.9 Expiration of Affordability Period; Release of Property from Agreement.**

(a) Prior to the expiration of the Affordability Period, Owner shall provide all notifications required by Government Code Sections 65863.10 and 65863.11 or successor provisions and any other notification required by any state, federal, or local law. In addition, at least six months prior to the expiration of the Affordability Period, the Owner shall provide a notice by first-class mail, postage prepaid, to all tenants in the Low Income Units. The notice shall contain (i) the anticipated date of the expiration of the Affordability Period and (ii) any anticipated Monthly Rent increase upon the expiration of the Affordability Period. The Owner shall file a copy of the above-described notice with the Deputy Director.

(b) Upon the expiration of the Affordability Period for the Low Income Units, the City shall execute and record a release of the Project, the Property, and each unit in the Project from the burdens of this Agreement within 30 days following written notice from the Owner, if at the time the Owner is in compliance with all terms of this Agreement, including without limitation the provisions of this section regarding notice of the expiration of the Affordability Period.

**2.10 Non-Discrimination Covenants.** Owner covenants by and for itself, its successors and assigns, and all persons claiming under or through them that there shall be no discrimination against or segregation of any person or group of persons on account of race, color, religion, sex, marital status, familial status, disability, national origin, or ancestry in the sale, lease, sublease, transfer, use, occupancy, tenure, or enjoyment of the Property, nor shall Owner itself or any person claiming under or through it, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, sublessees, or vendees in the Property.

**3. OPERATION OF FOR-SALE HOUSING**

**3.1 Low Income Units.** Owner agrees that upon conversion from a rental to for-sale condominium, Owner will make two Low Income Units on the Property available for sale to qualified low-income households in accordance with the Guidelines, including but not limited to the 55 year deed restriction required by Section 5.5 of the Guidelines. The Low Income Units shall be of a quality and size comparable to all of the other residential units in the

Project. If not previously identified and approved pursuant to Paragraph 2.1 of this Agreement, prior to the sale of the first residential unit in the Project, the Owner shall notify the City and the City shall approve of the locations of the Low Income Units within the residential buildings.

**3.2 Notice, First Refusal and Relocation Assistance.** Owner agrees to provide at least a six months advance written notice to the City and any tenant of a Low Income Unit if the Project will convert from rental to for sale condominiums. The notice will include a right of first refusal for the tenant of the Low Income Unit to purchase the Low Income Unit. If the current tenant does not exercise their right to purchase the Low Income Unit within 90 days of the notice, Owner will notify the City so that the City can offer the purchase opportunity to other qualified Low Income Households on the City's BMR ownership interest list. In addition, if the tenant does not exercise their right to purchase the Low Income Unit, Owner will provide relocation assistance in accordance with Menlo Park Municipal Code Section 8.56.050, including but not limited to the cash equivalent of three months rent.

**3.3 Sale to Low Income Households.** The two Low Income Units are to be sold in accordance with the BMR Ordinance and the Guidelines. Each Low Income Unit shall be affordable to households which are low income as defined in Section 50093 of the California Health and Safety Code, as described in the Guidelines, and are of the smallest household size eligible for the Low Income Units on the BMR waiting list maintained by the City on the date that the Sales Prices are set, as more particularly described below. The Sales Price shall be calculated according to the following formula by reference to the definitions and standards set forth below: the "**Sales Price**" shall be calculated by adding the cash down payment, to the Maximum Mortgage Amount, less lender and escrow fees and costs incurred by the buyer. The Sales Price shall be set before the commencement of the sale process for the Low Income Units.

(a) The "**Smallest Household Size**" means the household with the smallest number of persons eligible for the Low Income Units, as shown in Section 14, Table C (Occupancy Standards) of the Guidelines.

(b) The current "**Maximum Eligible Income**" shall be the most current State Income Limit for San Mateo County, Low Income category, as published by the State of California Department of Housing and Community Development, for the Smallest Household Size.

(c) The "**Maximum Allowable Monthly Housing Expenses**" is calculated by multiplying the Maximum Eligible Income by 33 percent and dividing by 12.

(d) The "**Actual Monthly Housing Expenses**" are calculated by adding the following costs associated with a particular Low Income Unit and dividing by 12: (i) any loan fees, escrow fees and other closing costs (amortized over 360 months) and/or private mortgage insurance associated therewith; (ii) property taxes and assessments; (iii) fire, casualty insurance and flood insurance, if required; (iv) property maintenance and repairs, deemed to be Two Hundred Dollars (\$200) per month; (v) a reasonable allowance for utilities as set forth in the Guidelines, not including telephones, and (vi) homeowners association fees, if applicable, but less the amount of such homeowners association fees allocated for any costs attributable to (iii), (iv) or (v) above.

(e) The "**Maximum Monthly Mortgage Payment Amount**" is calculated by subtracting the Actual Monthly Housing Expenses from the Maximum Allowable Monthly Housing Expenses.

(f) The "**Maximum Mortgage Amount**" is established by determining the amount of mortgage that a lender would loan, based upon the Maximum Monthly Mortgage Payment Amount and based upon the down payment found to be the lowest that lenders are willing to accept in a survey of lenders as described below. Survey and take the average of at least three local lenders who regularly make home loans at a typical housing expense ratio to first-time buyers in the price range of the BMR home on the day that the price is set. The mortgage amount shall be for a 30-year fixed rate mortgage with standard fees, closing costs and no points, and shall be less than or equal to the Maximum Monthly Mortgage Amount.

3.4 **Additional Sales Price Factors.** The calculation of the Sales Price shall be based upon the factors defined below. These definitions conform to the eligibility and underwriting standards established by the major secondary mortgage market investors, such as the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

(a) **Mortgage Interest Rate.** The mean average of contract interest rates on the date that the Sales Price is set, for fixed rate, 30-year "Conforming" mortgages (presently \$765,600 or less, as such amount may be adjusted from time to time as the maximum amount of FHA Conforming mortgages), or for jumbo mortgages if applicable; as quoted by three local retail lenders. The three local retail lenders shall be selected at random by the City from the list of lenders certified by San Mateo County to make first mortgage loans with Mortgage Credit Certificates.

(b) **Points.** The mean average of points quoted by three local lenders that make mortgage loans to first time home buyers in the City of Menlo Park on the date that the Sales Price is set for fixed rate, 30 year mortgages of \$765,600 or less, or for jumbo mortgages if applicable, which lenders are selected on a random basis by the City. Points are a one-time fee paid to a lender for making a loan. One point is equal to one percent of the loan amount.

(c) **Lender/Escrow Fees.** The mean average of fees charged by three local lenders that make mortgage loans to homebuyers, which lenders are selected on a random basis by the City, plus escrow company fees, for such items as title insurance, appraisal, escrow fees, document preparation and recording fees.

(d) **Loan to Value Ratio.** The maximum ratio of the dollar amount of a conforming mortgage to the sales price of a home which a lender is willing to approve at a given point in time. For purposes of this Agreement, the loan to value ratio shall be calculated as the mean average of the maximum loan to value ratios as quoted by three

local lenders selected on a random basis by the City from a list of lenders who actively make loans to homebuyers and who participate in the Mortgage Credit Certificate program.

(e) **Housing Expense Ratio.** The mean average of the housing expense ratio as reported on the date that the sales price is set, for fixed rate, 30-year mortgages of \$765,600 or less, or for jumbo mortgages if applicable, by three local lenders that make mortgage loans to homebuyers in the City of Menlo Park, which lenders are selected on a random basis by the City. Housing expense is defined as the sum of the annual mortgage payment (including principal and interest), and annual payments for taxes, homeowners association dues, insurance, property maintenance and repairs, a reasonable allowance for utilities according to the San Mateo County Housing Authority Utility Financial Allowance Chart which is periodically updated and amended, and any secondary financing (but excluding any portion of the aforementioned expenses covered by homeowners association dues). To determine the ratio, this sum is divided by gross annual income.

(f) **Homeowners Insurance.** Calculated as the mean average of the annual cost of insurance quoted by two or three local brokers, based on their experience, for a housing unit of the price, room configuration, location, construction material and structure type of the subject Low Income Unit. Flood insurance costs, if required, shall be calculated by this same method.

(g) **Private Mortgage Insurance.** The mean average of the annual cost of private mortgage insurance quoted by two or three local lenders, based on their experience, for a housing unit of the price, location, and structure type of the subject BMR Unit.

(h) **Taxes.** The tax rate as reported by the San Mateo County Assessor's Office.

(i) **Homeowner's Dues.** Reported by the Owner and as set forth in the Public Report issued by the California Department of Real Estate for the project.

(j) **Down Payment.** Cash portion paid by a buyer from his own funds, as opposed to that portion of the purchase price which is financed. For the purpose of calculating the Sales Price, the down payment will be defined as the mean average of the smallest down payment required by the two or three local lenders surveyed.

**3.5 Price Determination for Project with Condominium Maps that Will Rent for an Indefinite Period of Time.** Guidelines Section 5.4.1 provides that projects with a condominium subdivision map that will rent BMR units for an indefinite period shall have basic sales prices established at the outset for such BMR units in accordance with the Guidelines. Such initial sales prices shall be adjusted for the period between the month of completion of the BMR units and the month of notification of intent to sell the units, with further adjustments for improvements and deterioration per the Guidelines. The adjustments shall be based on one-third of the increase in the Consumer Price Index ("CPI"), All Urban Consumers, San Francisco-Oakland-San Jose, published by the U.S. Department of Labor, Bureau of Labor Statistics, plus certain other equitable adjustments. The Sales Price shall be agreed upon in writing by Owner and the Deputy Director no later than 30 days from the date the Owner notifies the City



of its intent to convert the Project to for-sale condominiums. In no case shall the Sales Price exceed 75% of the market rate unit sales prices.

**3.6 Presale.** If there is a standard pre-sale requirement by the BMR applicant's lender for a certain percentage of units in the Project to be sold before the BMR applicant's lender will close escrow on the loan, then the time for the City's purchase or the buyer's purchase will be extended until that requisite number of units has closed.

**3.7 Term.** Any and all obligations or responsibilities of Owner under this Agreement shall terminate upon the recording of the grant deeds conveying the Low Income Units to qualified third party purchasers in accordance with the terms and provisions of this Agreement, the recording of the deed restrictions in compliance with the Guidelines against such Low Income Units.

**3.8 Third Party Purchasers.** The execution and delivery of this Agreement shall not be deemed to be for the benefit of the third party purchasers of the Low Income Unit or any other third party and any and all obligations and responsibilities of Owner under this Agreement are to the City for whose benefit this Agreement has been entered into. No third party purchaser of a Low Income Unit or market rate unit, homeowners' association or any other third party shall obtain any rights or standing to complain that the Low Income Unit was not constructed, designed, sold or conveyed in accordance with this Agreement, or the BMR Ordinance and the Guidelines as a result of this Agreement. Furthermore, the acceptance of this Agreement by the City, the acceptance of the interior specifications for the Low Income Units and the conveyance of the Low Income Units to qualified third parties shall conclusively indicate that Owner has complied with this Agreement and the BMR Ordinance and the Guidelines.

## **4 DEFAULT AND REMEDIES**

**4.1 Events of Default.** The following shall constitute an "Event of Default" by Owner under this Agreement: there shall be a material breach of any condition, covenant, warranty, promise or representation contained in this Agreement and such breach shall continue for a period of 30 days after written notice thereof to the defaulting Party without the defaulting Party curing such breach, or if such breach cannot reasonably be cured within such 30 day period, commencing the cure of such breach within such 30 day period and thereafter diligently proceeding to cure such breach within 90 days, unless a longer period is granted by the City; provided, however, that if a different period or notice requirement is specified for any particular breach under any other paragraph of this Agreement, the specific provision shall control.

### **4.2 Remedies.**

(a) The occurrence of any Event of Default shall give the non-defaulting Party the right to proceed with an action in law or equity to require the defaulting Party to specifically perform its obligations and covenants under this Agreement or to enjoin acts or things which may be unlawful or in violation of the provisions of this Agreement, and the right to terminate this Agreement.

(b) City and Owner acknowledge that the purpose of this Agreement is to allow the Owner to satisfy the requirements of the BMR Ordinance and Guidelines as set forth in the recitals. City and Owner agree that to determine a sum of money which would adequately compensate either Party for nonperformance of this Agreement is not

possible and that damages would not be an adequate remedy. Therefore, City and Owner agree that in no event shall a Party, or its boards, commissions, officers, agents, or employees, be liable in damages for an Event of Default under this Agreement. This exclusion on damages shall not preclude actions by a Party to enforce payments of monies or fees due or the performance of obligations requiring the expenditures of money under the terms of this Agreement.

**4.3 Obligations Personal to Owner.** The liability of the Owner under this Agreement to any person or entity is limited to the Owner's interest in the Project, and the City and any other such persons and entities shall look exclusively thereto for the satisfaction of obligations arising out of this Agreement or any other agreement securing the obligations of the Owner under this Agreement. From and after the date of this Agreement, no deficiency or other personal judgment, nor any order or decree of specific performance (other than pertaining to this Agreement, any agreement pertaining to any Project or any other agreement securing the Owner's obligations under this Agreement), shall be rendered against the Owner, the assets of the Owner (other than the Owner's interest in the Project), its partners, members, successors, transferees or assigns and each of their respective officers, directors, employees, partners, agents, heirs and personal representatives, as the case may be, in any action or proceeding arising out of this Agreement or any agreement securing the obligations of the Owner under this Agreement, or any judgment, order or decree rendered pursuant to any such action or proceeding. No subsequent owner of the Project shall be liable or obligated for the breach or default of any obligations of the Owner under this Agreement on the part of any prior Owner. Such obligations are personal to the person who was the Owner at the time the default or breach was alleged to have occurred and such person shall remain liable for any and all damages occasioned thereby even after such person ceases to be the Owner. Each Owner shall comply with and be fully liable for all obligations of an "owner" hereunder during its period of ownership.

**4.4 Force Majeure.** Subject to the Party's compliance with the notice requirements, performance by either Party hereunder shall not be deemed to be in default, and all performance and other dates specified in this Agreement shall be extended, where delays or defaults are due to causes beyond the control and without the fault of the Party claiming an extension of time to perform, which may include, without limitation, the following: war, insurrection, strikes, lockouts, riots, floods, earthquakes, fires, assaults, acts of God, acts of the public enemy, epidemics, quarantine restrictions, freight embargoes, lack of transportation, governmental restrictions or priority, litigation, unusually severe weather, inability to secure necessary labor, materials or tools, acts or omissions of the other Party, or acts or failures to act of any public or governmental entity (except that any action by the City regarding the Off-Site Property shall not excuse performance of the Owner). An extension of the time for any such cause shall be for the period of the enforced delay and shall commence to run from the time of the commencement of the cause, if notice by the Party claiming such extension is sent to the other Party within 30 days of the commencement of the cause.

**4.5 Attorneys' Fees.** In addition to any other remedies provided hereunder or available pursuant to law, if either Party brings an action or proceeding to enforce, protect or establish any right or remedy hereunder, the prevailing Party shall be entitled to recover from the other Party its costs of suit and reasonable attorneys' fees.

**4.6 Remedies Cumulative.** No right, power, or remedy given by the terms of this Agreement is intended to be exclusive of any other right, power, or remedy; and each and every

such right, power, or remedy shall be cumulative and in addition to every other right, power, or remedy given by the terms of any such instrument, or by any statute or otherwise.

4.7 **Waiver of Terms and Conditions.** The City may, in its sole discretion, waive in writing any of the terms and conditions of this Agreement. Waivers of any covenant, term, or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term, or condition.

4.8 **Non-Liability of City Officials and Employees.** No member, official, employee or agent of the City shall be personally liable to the Owner or any occupant of any Low Income Unit, or any successor in interest, in the event of any default or breach by the City or failure to enforce any provision hereof, or for any amount which may become due to the Owner or its successors, or on any obligations under the terms of this Agreement.

## 5. GENERAL PROVISIONS

5.1 **Guidelines.** This Agreement incorporates by reference the Guidelines as of the date of this Agreement and any successor Guidelines that may be amended from time to time and expresses the entire obligations and duties of Owner with respect to the Owner's obligations under the Guidelines. No other requirements or obligations under the Guidelines shall apply to Owner except as expressly provided for in this Agreement. In the event of any conflict or ambiguity between this Agreement, the Project Approvals, the requirements of state and federal fair housing laws, and the Guidelines, the terms and conditions of this Agreement, the Project Approvals, and the requirements of state and federal fair housing laws shall control. In the event of any conflict or ambiguity between this Agreement and the Project Approvals, the Project Approvals shall control.

5.2 **Protest.** Owner acknowledges and agrees that the Project Approvals provided adequate and proper notice pursuant to Government Code Section 66020 of Owner's right to protest any requirements for fees, dedications, reservations, and other exactions as may be included in this Agreement, that no protest in compliance with Section 66020 was made within 90 days of the date that notice was given, and that the period has expired in which Owner may protest any and all fees, dedications, reservations, and other exactions as may be included in this Agreement.

5.3 **Time.** Time is of the essence in this Agreement.

5.4 **Notices.** Any notice requirement set forth herein shall be deemed to be satisfied three days after mailing of the notice first-class United States certified mail, postage prepaid, or by personal delivery, addressed to the appropriate Party as follows:

**Owner:** HuHan Two, LLC  
86 Michaels Way  
Atherton, CA 94027  
Attn: INSERT NAME

With a copy to:  
Arent Fox  
55 2nd Street, 21st Floor  
San Francisco, CA 94105  
Attn: Steve Atkinson

**City:** City of Menlo Park  
701 Laurel Street  
Menlo Park, California 94025-3483  
Attention: City Manager

With a copy to:  
City of Menlo Park  
701 Laurel Street  
Menlo Park, California 94025-3483  
Attention: City Attorney

Such addresses may be changed by notice to the other Party given in the same manner as provided above.

**5.5 Covenants Running with the Land; Successors and Assigns.** The City and Owner hereby declare their express intent that the covenants and restrictions set forth in this Agreement shall apply to and bind Owner and its heirs, executors, administrators, successors, transferees, and assignees having or acquiring any right, title or interest in or to any part of the Property and shall run with and burden the Property. Until all or portions of the Property are expressly released from the burdens of this Agreement, each and every contract, deed or other instrument hereafter executed covering or conveying the Property or any portion thereof shall be held conclusively to have been executed, delivered, and accepted subject to such covenants and restrictions, regardless of whether such covenants or restrictions are set forth in such contract, deed or other instrument. In the event of foreclosure or transfer by deed-in-lieu of all or any portion of the Property, title to all or any portion of the Property shall be taken subject to this Agreement. Owner acknowledges that compliance with this Agreement is a land use requirement and a requirement of the Project Approvals, and that no event of foreclosure or trustee's sale may remove these requirements from the Property. Whenever the term "Owner" is used in this Agreement, such term shall include any other permitted successors and assigns as herein provided.

**5.6 Subordination.** At Owner's request, this Agreement may be subordinated to liens, including a deed of trust (in each case a "**Senior Loan**"), which secure the financing used to acquire, construct, operate, or refinance the Project, but only if all of the following conditions are satisfied:

(a) The Owner shall submit to the City an appraisal of the Property, completed or updated within 90 days of the proposed closing of the Senior Loan, demonstrating that the amount of all proposed Senior Loans does not exceed 80 percent of the appraised fair market value of the Property.

(b) The proposed lender of the Senior Loan (the "**Senior Lender**") must not be an Affiliated Party. For the purposes of this Section, an "**Affiliated Party**" is any corporation, limited liability company, partnership, or other entity which is controlling of, or controlled by, or under common control with the Owner, and "control," for purposes of this definition, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through the ownership of voting securities, by contract, or otherwise. The terms "controlling" and "controlled" have the meanings correlative to "control."

(c) Any subordination agreement shall provide that the Low Income Units described in this Agreement unconditionally shall continue to be provided as required by the Project Approvals and this Agreement, provided that any successor in interest to Owner as owner of the Property claiming through the foreclosure or sale under any deed of trust shall not be liable for any violations of the Agreement which occurred prior to such successor taking title. In addition, any subordination agreement shall provide that such successor shall, within 90 days after taking title to the Property, execute a new BMR agreement approved by the City and consistent with the provisions of this Agreement, evidencing the obligation to continue to provide the Low Income Units.

(d) No subordination agreement may limit the effect of this Agreement before a foreclosure, nor require consent of the Senior Lender or assignee to exercise of any remedies by the City under this Agreement or the Project Approvals.

(e) The subordination described herein may be effective only during the original term of the loan of the Senior Lender and not during any extension of its term or refinancing, unless otherwise approved in writing by the City Manager, which approval shall not be unreasonably withheld or delayed, provided that the conditions in this paragraph are met.

(f) Owner shall submit adequate documentation to City so that City may determine that a proposed Senior Loan conforms with the provisions of this section. Upon a determination by the City Manager that the conditions in this section have been satisfied, the City Manager is authorized to execute the approved subordination agreement.

**5.7 Intended Beneficiaries.** The City is the intended beneficiary of this Agreement, and shall have the sole and exclusive power to enforce this Agreement. It is intended that the City may enforce this Agreement in order to satisfy its obligations to improve, increase and preserve affordable housing within the City, as required by the Guidelines, and to provide that a certain percentage of new housing is made available at affordable housing cost to persons and families of low income, as required by the Guidelines, and to implement the provisions of the Project Approvals. No other person or persons, other than the City and the Owner and their assigns and successors, shall have any right of action hereon.

**5.8 Partial Invalidity.** If any provision of this Agreement shall be declared invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions hereof shall not in any way be affected or impaired.

**5.9 Governing Law.** This Agreement and other instruments given pursuant hereto shall be construed in accordance with and be governed by the laws of the State of California. Any references herein to particular statutes or regulations shall be deemed to refer to successor statutes or regulations, or amendments thereto. The venue for any action shall be the County of San Mateo.

**5.10 Each Party's Role in Drafting the Agreement.** Each Party to this Agreement has had an opportunity to review the Agreement, confer with legal counsel regarding the meaning of the Agreement, and negotiate revisions to the Agreement. Accordingly, neither Party shall rely upon Civil Code Section 1654 in order to interpret any uncertainty in the meaning of the Agreement.

5.11 **Amendment.** This Agreement may not be changed orally, but only by agreement in writing signed by Owner and the City.

5.12 **Approvals.** Where an approval or submission is required under this Agreement, such approval or submission shall be valid for purposes of this Agreement only if made in writing. Where this Agreement requires an approval or consent of the City, such approval may be given on behalf of the City by the City Manager or his or her designee. The City Manager or his or her designee is hereby authorized to take such actions as may be necessary or appropriate to implement this Agreement, including without limitation the execution of such documents or agreements as may be contemplated by this Agreement and amendments which do not substantially change the uses or restrictions hereunder, or substantially add to the costs of the City hereunder.

**IN WITNESS WHEREOF,** the Parties hereto have executed this Agreement as of the date and year set forth above.

**OWNER:**

HuHan Two, LLC

By: Yihan Lu \_\_\_\_\_  
INSERT NAME

Date: \_\_\_\_\_

**CITY:**

CITY OF MENLO PARK,  
a California municipal corporation

By: \_\_\_\_\_  
Starla Jerome-Robinson, City Manager

Date: \_\_\_\_\_

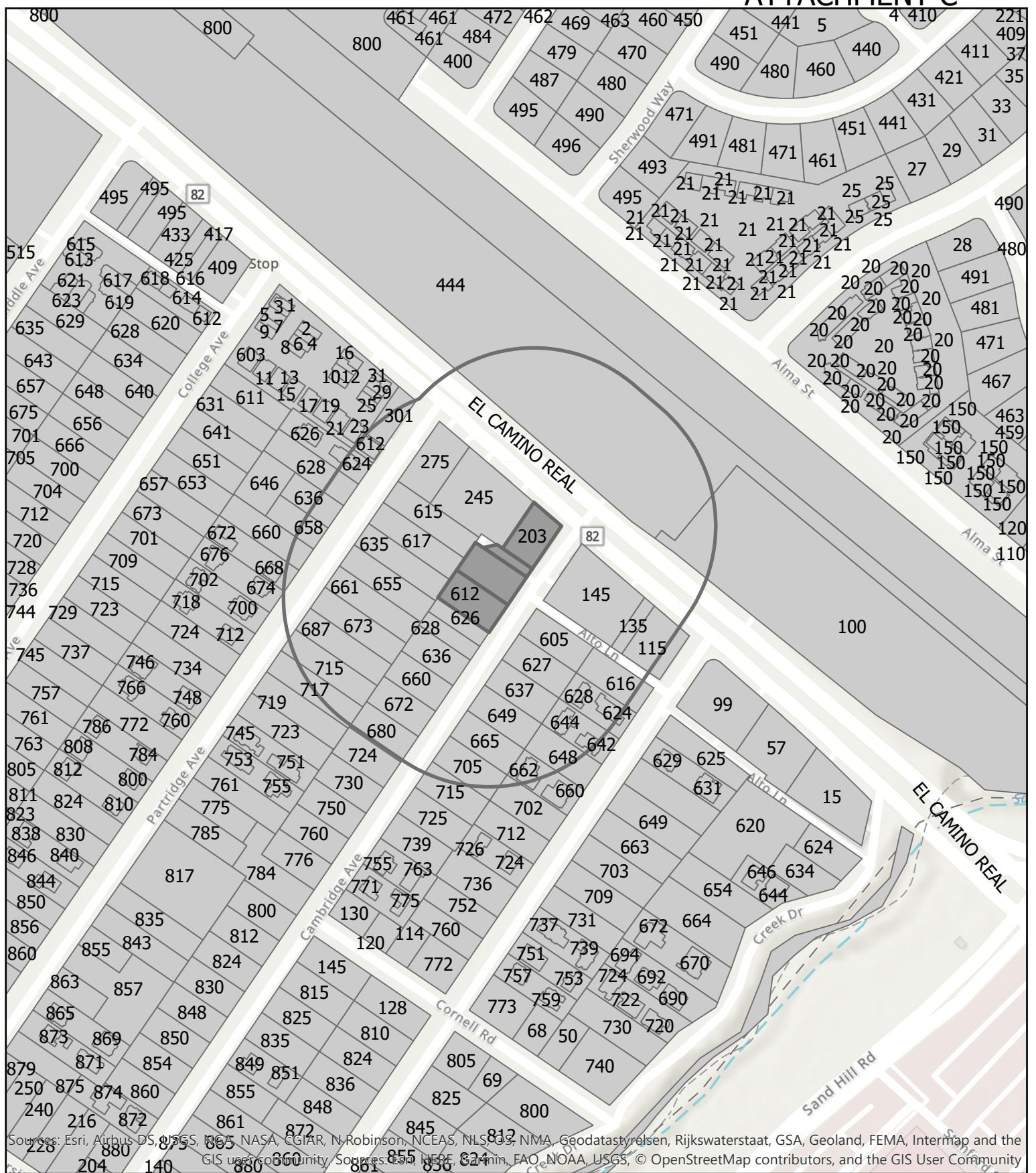
[Notarial Acknowledgements to be added for recording purposes]

**List of Exhibits:**

Exhibit A: Property Description

Exhibit B: Low-Income Unit Location

Exhibit C: Floor Plan

CITY OF  
MENLO PARK

# CITY OF MENLO PARK

## LOCATION MAP

201-211 El Camino Real and 612 Cambridge Avenue

Scale: 1:3,000

Drawn By: MAP

Checked By: RLC

Date: 10/7/2020



October 22, 2019

**DRAFT**

Matthew Pruter  
Associate Planner  
City of Menlo Park  
City Hall – 1<sup>st</sup> Floor  
701 Laurel St.  
Menlo Park, CA 94025

**Re: 201 El Camino Real / 612 Cambridge Avenue Project – Below Market Rate Housing Proposal**

Dear Mr. Pruter:

As you know, the proposed project located at 201 El Camino Real and 612 Cambridge Ave. would demolish the existing approximately 6,000 square foot commercial building (on the 201 El Camino Real lot) and residential building (on the 612 Cambridge Ave. lot) and construct a new three-story mixed-use building with an underground parking lot, and two townhouses on the adjacent lot. The mixed-use building would provide 12 residential units, approximately 5,876 square feet of retail / personal services space, and 1,200 square feet of restaurant space. The Project would be at the Public Benefit Bonus level.

As the Project's representative, I am pleased to submit this Below Market Rate Housing proposal, which outlines how the Project will comply with the City's Below Market Rate Housing Program, for your consideration.

Pursuant to Section 3.3. of the City's BMR Housing Program Guidelines, mixed-use developments must comply with the requirements for both the commercial and residential portions of the development. Here, the total commercial square footage is approximately 7,076 square feet, which is more than the existing commercial square footage, but significantly less than the 10,000 square foot threshold that triggers the BMR requirement. Accordingly, there is no BMR requirement for the commercial portion of the Project.

With respect to the residential portion of the Project, Section 3.4 of the BMR Guidelines provides that developments with 10 to 19 units must provide at least 10% of the units at below market rates to very low-, low- and moderate-income households. The proposed project would provide 14 units, therefore, the BMR requirement is 1.4 units.

As previously mentioned, we are requesting a Public Benefit Bonus to increase the allowable FAR from 1.1 to 1.46. In exchange for the additional FAR – which would allow us to provide more residential units to the community – we plan to provide an additional on-site BMR unit instead of paying an in lieu fee for the 0.4 fraction of a unit. As a result, the project will provide 12 market-rate units and 2 BMR units available to low-income households.<sup>1</sup>

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<sup>1</sup> To help address the need for affordable housing, the Project includes two BMR units even though the City's public benefit analysis prepared by BAE Urban Economics, dated May 29, 2019, provides that both the Bonus Project and



One BMR unit is a two-bedroom and the other is a one-bedroom, both of which are located on the second floor (see enclosed floor plan). The two-bedroom (unit 3) is approximately 1,299 square feet and the one-bedroom (unit 5) is approximately 1,013 square feet. The market-rate units range from approximately 900 square feet to 1,579 square feet, so the BMR units are generally proportionate in size to, and indistinguishable from, the market-rate units, consistent with the City's BMR Guidelines.

In addition, although we are seeking to subdivide the property into condominiums, our intent is to initially rent the units. We would like to have the option, however, to convert the rental units to for-sale units in the future.

Thank you for your consideration of this proposal. On behalf of the entire Project team, I would like to express how excited we are about the Project's potential to improve the El Camino Real and Cambridge Avenue corner and our commitment to providing much-needed affordable and market-rate housing to the community.

As soon as you have completed your initial review, we would like to begin discussions about preparing a proposed BMR agreement and scheduling a hearing of the Housing Commission to consider our BMR proposal.

Of course, please do not hesitate to contact me or our land use counsel, Steve Atkinson ([steve.atkinson@arentfox.com](mailto:steve.atkinson@arentfox.com)), if you have any questions regarding our proposal.

Sincerely,

Yihan Hu

Attachment

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the Base Project would result in negative residual project values totaling approximately \$4.7 million and \$5.8 million respectively, although BAE also said there is a possible scenario under which the Project could achieve some positive residual value.

Building Area Legend

- Elev.
- Hall
- Post/Pilaster
- Private Open Space
- Stair 1
- Stair 2
- Unit 1
- Unit 2
- Unit 3
- Unit 4
- Unit 5
- Unit 6
- Calculating...

Open Space Calculation:

TOSF 2nd	
Private Open Space	83.0 SF
Private Open Space	83.3 SF
Private Open Space	83.2 SF
Private Open Space	83.2 SF
Private Open Space	82.7 SF
Private Open Space	93.7 SF
TOSF 3rd	
Private Open Space	419.0 SF
Private Open Space	189.3 SF
Private Open Space	86.2 SF
Private Open Space	86.2 SF
Private Open Space	83.9 SF
Private Open Space	83.9 SF
	1457.6 SF

Column and Pilaster Area:

Floor Area exempt per MPMC 16.04.325 (C) (1)	
Total by level:	
TOSF 1st	
Post/Pilaster	75.8 SF
TOSF 2nd	
Post/Pilaster	29.1 SF
TOSF 3rd	
Post/Pilaster	25.4 SF
38' Height Limit	
Post/Pilaster	16.7 SF
Floor Area Total	147.0 SF

Floor Area Calculation  
Residential Use Areas:

TOSF 1st	
Res Lobby	393.1 SF
Stair 2, Res	232.0 SF
	625.2 SF
TOSF 2nd	
Elev.	67.0 SF
Hall	386.2 SF
Hall	227.8 SF
Stair 1	196.9 SF
Stair 2	181.8 SF
Unit 1	1,439.4 SF
Unit 2	1,575.9 SF
Unit 3	1,298.8 SF
Unit 4	1,059.1 SF
Unit 5	1,013.1 SF
Unit 6	1,579.3 SF
	9,025.3 SF

TOSF 3rd	
Elev.	73.9 SF
Hall	339.8 SF
Hall	227.8 SF
Stair 1, Res	201.5 SF
Stair 2, Res	181.8 SF
Unit 7	1,054.0 SF
Unit 8	1,396.0 SF
Unit 9	1,140.2 SF
Unit 10	899.7 SF
Unit 11	910.9 SF
Unit 12	1,136.6 SF
	7,562.3 SF

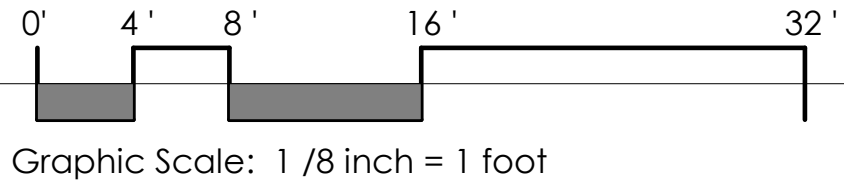
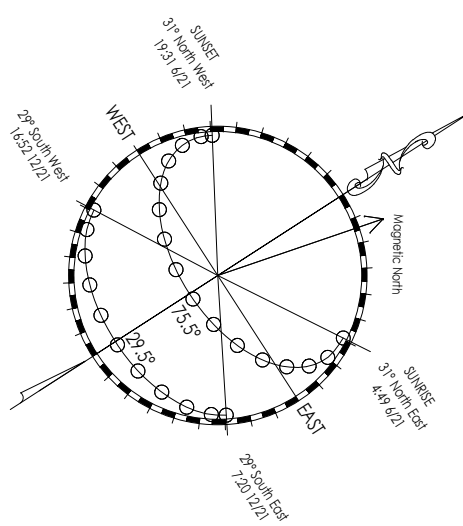
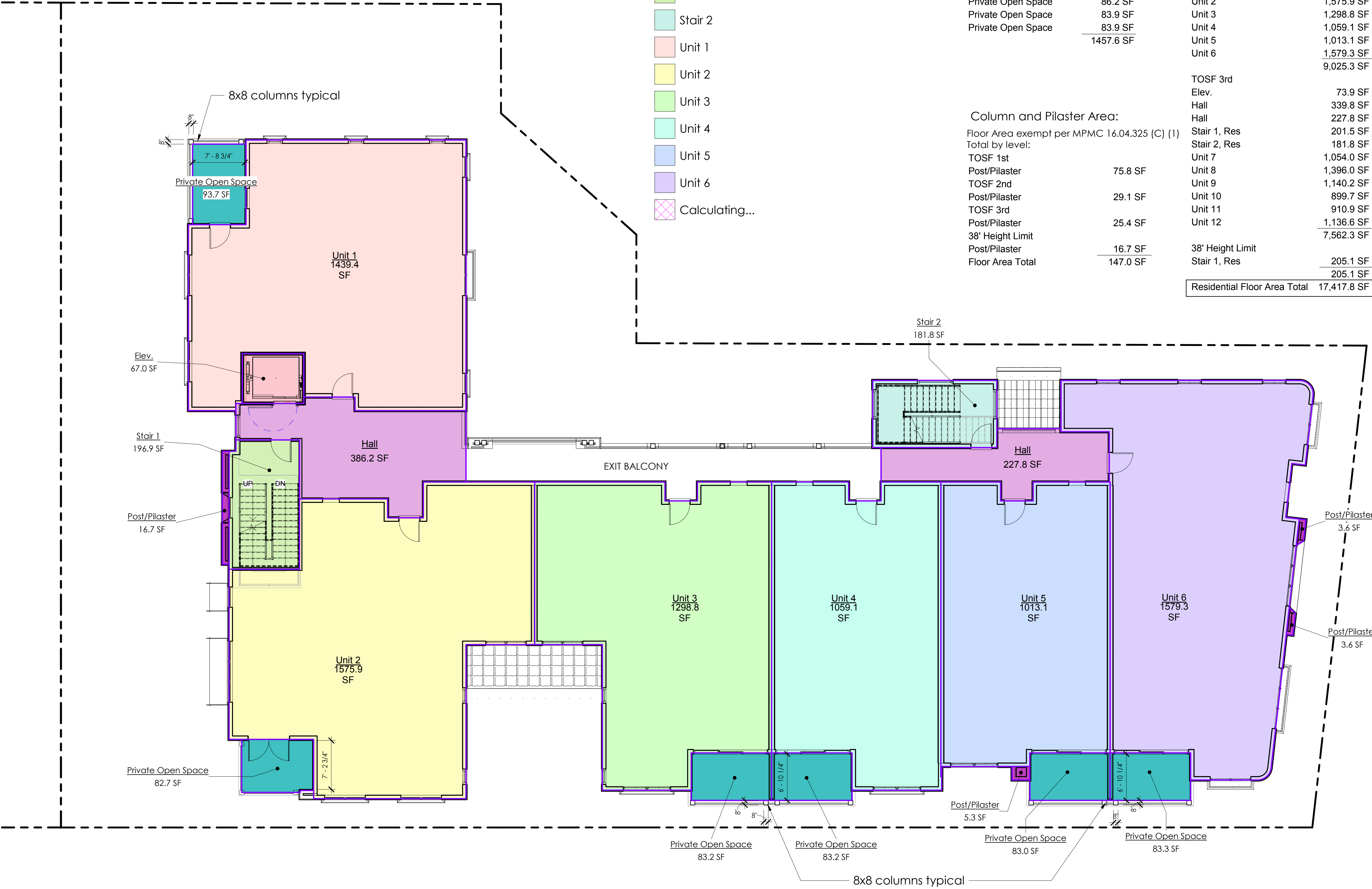
38' Height Limit	
Stair 1, Res	205.1 SF
	205.1 SF
Residential Floor Area Total	17,417.8 SF

Floor Area Calculation  
Commercial Use Areas:

TOSF 1st	
Restaurant	1,200.0 SF
Retail	5,875.8 SF
Commercial Floor Area Total	7,075.8 SF

Floor Area Calculation  
Common Areas:

Floor Area shared by uses	
TOSF 1st	
Common Circulation	788.9 SF
Common Floor Area Total	788.9 SF



① TOSF 2nd  
1/8" = 1'-0"

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# 201 EL CAMINO REAL & 612 CAMBRIDGE AVENUE

MENLO PARK, CA 94025



## DRAWING INDEX

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A-3.5						

### Chapter 5 Area and Construction Type Analysis:

Mixed use, Separated Occupancy Building per CBC 508.4

Occupancies: B, M, R-2, S-2.

Construction Type: VA

Permitted Height, Stories & Area by Occupancy Type for Buildings with S Increase for Area (SM):

Height: B,M,S: 50'

R-2 50'

Stories: B 3

M 3

R-2 3

S 4

Area: B 54,000

M 42,000

R-2 36,000

S-2 63,000

Proposed Building Height: 38'

Proposed Stories: B 1

M 1

R-2 3

Proposed Area, First Floor:

B 3,000

M 4,484

R-2 1,215

Total: 9,025

Proposed Area, Second Floor:

R-2 9,138

Proposed Area, Third Floor:

R-2 7,741

For each story area,

Aggregated sum of the Ratios:

1st. 3,000 + 4,484 + 1,215 = 0.196 < 1.0

54,000 + 42,000 + 36,000

2nd. 9,138 = 0.253 < 1.0

36,000

3rd. 7,741 = 0.215 < 1.0

36,000

For Total Building Area,

Aggregated sum of the Ratios: 0.664 < 2.0

Per Section 506.1.3, Basements need not be included in the total allowable floor area of a building provided the total area of such basements does not exceed the area permitted for a one-story above grade plan building.

Proposed Area, Basement Level 1:

S-2 13,944

Proposed Area, Basement Level 2:

S-2 13,944

Total Basement Area: 27,888 > 63,000

### Parking Calculations:

Pure Floor Area by use:

1st Floor

Residential 393.1

Retail 5,875.6 sf

Restaurant 1,200.0 sf

2nd Floor

Residential 8,646.6 sf

3rd Floor

Residential 7,179.0 sf

Total Pure Square Footage by use:

Pure Res SF 16,218.7 sf

Pure Retail SF 5,875.6 sf

Pure Restaurant 1,200.0 sf

Total Pure SF 23,294.3 sf

Percentage of Pure Floor Area:

69.63%

25.22%

5.15%

Shared Common Area, including Staircase 1, Elevator, Common Circulation and Common Lobby

Shared Common 841.6 sf

Allocation of Shared Common Area as a Percentage of Pure Floor Area

Residential 586.0 sf

Retail 212.3 sf

Restaurant 43.4 sf

Total area for parking calculation, Pure floor area plus allocation of common area.

Use:

Retail 6,087.9 sf

Restaurant 1,243.4 sf

Ratio:

4/1000

6/1000

24.35

7.46

31.81

Rounded up ->

32.0

Residential 12 Units

612 Cambridge 2 Townhomes

1.85/Unit

22.20

Rounded up ->

23.0

4.00

Rounded up ->

4.0

Required Parking: 59.0

Planning Permit #: PLN2018-00061

APN/Parcel ID: 071-413-200, 370, 380

### General Notes:

The project is subject to the California Building Standards Code at the time of Building permit application.

The project is subject to the California Green Building Standards Code (Cal Green) in effect at the time of Building permit submittal and any local amendments to the Code. Other forms of green building checklist will not be accepted in-lieu of the Cal Green requirements.

All deferred submittals other than trusses are to be approved by the Building Official prior to Building Permit application.

### MEP Notes:

All sanitary sewer lines shall have a slope of 2% unless otherwise approved by the Building Official.

All sanitary sewer lines will gravity feed to the sewer mains in the public right of way unless otherwise approved by the Building Official.

HVAC equipment shall not exceed the threshold levels as established in Chapter 8.06 of the City of Menlo Park Municipal Code.

Do not run condensate water run into the storm drain systems.

### 201 El Camino Real, Menlo Park, CA

#### Zoning Analysis

Zoning:	201 El Camino Real	ECR SW	Proposed Use: Retail, Restaurant, Residential
Site Area:	17,302 sf*		
PERMITTED DEVELOPMENT INTENSITY		PROPOSED INTENSITY	
BASE ZONING		PERMITTED WITH PUBLIC BENEFIT	
Proposed Gross Floor Area: 25,282.5 s.f.		Proposed Total FAR: 1.46 <1.5	
Proposed Res. Units: 12 Units		Proposed Density: 30.00 Units/acre	
Proposed Floor Areas:		Restaurant: 1,200.0 s.f.	
Retail: 5,875.6 s.f.		Common Circulation: 841.6 s.f.	
Residential Floor Area: 17,365.3 s.f.		BMR Units Proposed: 2 Units	
BMR requirement: 1 or in-lieu fee		1.5	
* The lot area of the R-3 zoned 612 Cambridge parcel is not included in the lot area for these calculations.			
** Residential Floor Area includes floor area on all three levels.			
Setbacks:		Front 7'	
Right Side 5'		Right Side 5'	
Left Side 7'		Left Side 7'	
Rear: 20'		Rear: 20'	
Building height 38'		Building height: 38'	
Parapet height 42'		Parapet Height: 39'-5.25'	
Elevator/ Stairs 52'		Elevator/ Stairs 46'-2.5'	
Open Space Minimum: 30%		Private Open Space 1,457.6 s.f.	
Minimum Required 5,190.6 s.f.		Common Open Space 6,599.9 s.f.	
		Total Provided: 8,057.5 s.f.	

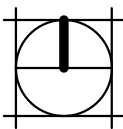
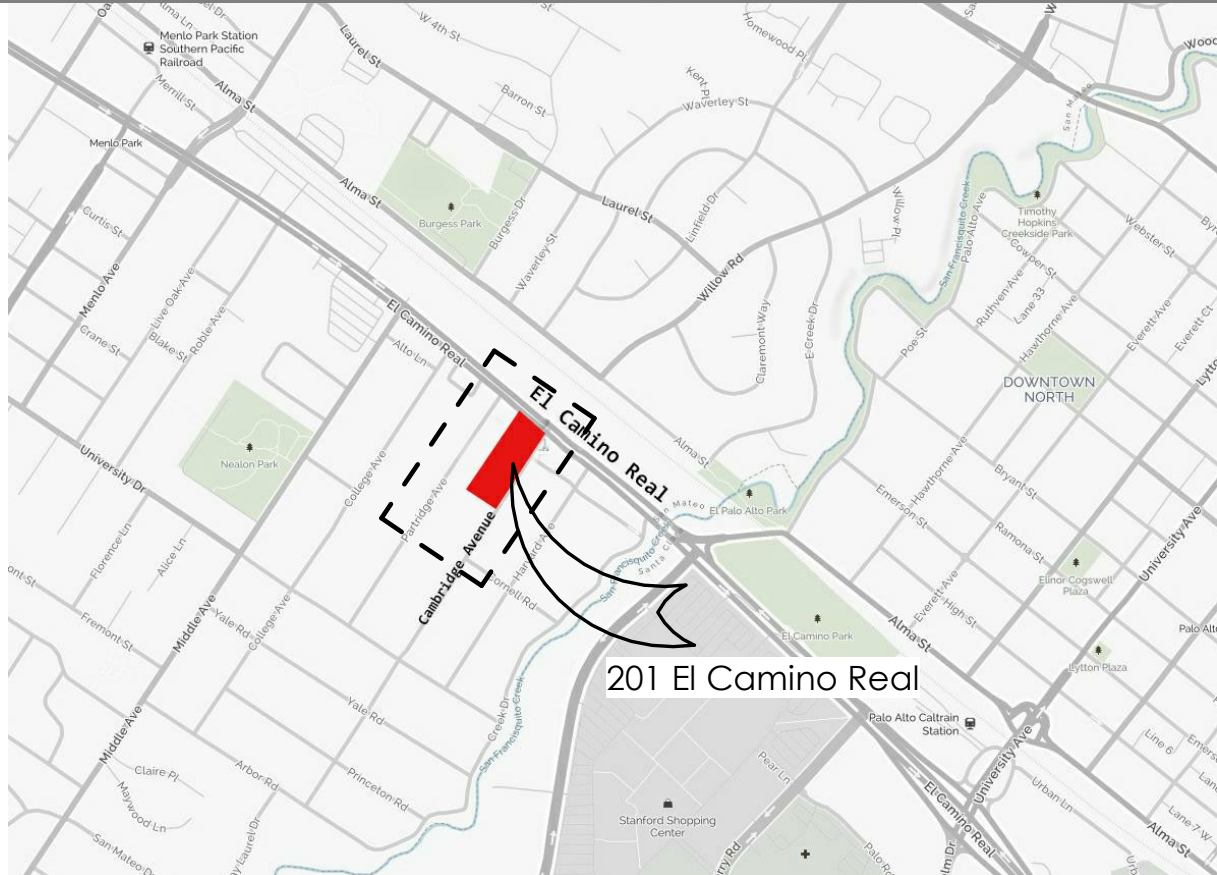
Required Vehicle Parking:		Proposed Vehicle Parking:	
Level 1: 21 cars, standard stalls		Level 2: 10 cars, standard stalls	
Level 2: 28 cars, standard stalls		Level 2: 28 cars, standard stalls	
Refer to Parking Calculation table on this sheet for a detailed analysis of required parking for each use.		*Includes Common Circulation area allocated as a percentage by use	
Total parking required: 59 Cars		Total: 59	
ADA Parking Required:		EV Charging Station Requirements:	
Commercial: 2 Spaces Required		Of Commercial Parking, 32 Space:	
1 Van Accessible		EVSE Installed (10%) 4 Required	
1 Standard Accessible		EV Spaces Ready (15%) 5 Required	
Residential: 1 Space Required:		Residential: 1 EV Space per unit. 14 Total Required	
1 Van Accessible		Of which 15% to be EVCS installed: 3 Required	
		Balance of EV Spaces Ready: 11 required	
Required Bike Parking:		Req.	
Restaurant		Long Term: 1 per 12,000 sf: (min. 2) 2	
		Short Term: 1 per 2,000 sf: (min. 2) 6	
Retail		Long Term: 1 per 12,000 sf: (min. 2) 2	
		Short Term: 1 per 5,000 sf: (min. 2) 2	
Residential, Multi Family:		Long Term: 1 per unit: 14	
		Short Term: 1 per 10 units: 2	
		Total Required 18 Long Term	
		Total Proposed 20 Short Term	

### 612 Cambridge Ave, Menlo Park, CA

#### Zoning Analysis

Zoning:	612 Cambridge	R-3	Proposed Used: 2 Residential Townhomes
Site Area:	7923 sf		
PERMITTED DEVELOPMENT INTENSITY		PROPOSED INTENSITY	
Max Density: 2 units		Proposed Density: 2 units	
Maximum FAR 0.45		Proposed FAR 0.450	
Maximum Floor Area: 3,565 sf		Proposed Floor Area: 3,564.0 44.98%	
Maximum Lot Coverage 2,377 sf		Proposed Lot Coverage 2,211.8 27.92%	
Min. Required Open Space: 3,962 sf		Open Space Provided: 5,711 72.08%	
Maximum Height: 35 ft		Proposed Height: 25' - 6"	
Parking requirement: 2 Per Unit		Parking provided: 4 ***	
Total Parking Required: 4			
***Townhouse parking provided in garage at 201 El Camino Real			

## VICINITY MAP



### HISTORICAL STUDY:

Urban Programmers

10710 Ridgeview Ave.  
San Jose, CA 95127  
Phone: (408) 254-7171  
Mobile:  
Email: bbamburg@usa.net

### TRAFFIC ENGINEER:

CHS Consulting Traffic Eng

220 Montgomery St., Ste. 346  
San Francisco, CA 94104  
Phone: (415) 392-9688  
Mobile: (510) 353-3833  
Email: chshao@chsconsulting.net

### GEOTECHNICAL:

Earth Systems Pacific

48511 Warm Springs Rd., Ste. 210  
Fremont, CA 94539  
Phone: (408) 934-9302  
Mobile: (510) 353-3833  
Email: xmeja@earthsystems.com

### SURVEYOR/ CIVIL ENG.:

Sherwood Design Civil Engineers

2548 Mission Street  
San Francisco, CA 94110  
Phone: (415) 677-7300  
Mobile: (415) 509-0707  
Email: jlejs@sherwoodengineers.com

### STRUCTURAL ENGINEER:

T.B.D

CA 94  
Phone: ( ) -  
Mobile:  
Email:

### ARCHITECT: EID Architects

Environmental Innovations in Design

412 Olive Avenue  
Palo Alto, CA 94306-2225  
Phone: (650) 226-8770  
Mobile: (650) 793-2856  
Email: stuart@EIDarchitects.com

### ARBORIST:

Advanced Tree Care

P.O. Box 5326  
Redwood City, CA 94063  
Phone: (650) 839-9539  
Mobile: (650) 537-0175  
Email: rweather@pacbell.net

### LANDSCAPE ARCHITECT:

ZAC Landscape Architects

145 Keller Street  
Petaluma, CA 94952  
Phone: (707) 696-2967  
Email: sandrareed1574@gmail.com

### JOINT TRENCH:

Millennium Design & Consulting Inc.

3200 Danville Blvd. #250  
Alamo, CA 94507  
Phone: (925) 820-8502  
Mobile: (925) 783-4300  
Email: alfred@jointutility.com

### LANDUSE ATTORNEY:

Arent Fox LLP Attorneys at Law

55 2nd Street, 21st Floor  
San Francisco, CA 94105  
Phone: (415) 805-7969  
Mobile:  
Email: steve.atkinson@arentfox.com

### GENERAL CONTRACTOR:

T.B.D.

Phone:  
Mobile:  
Email:

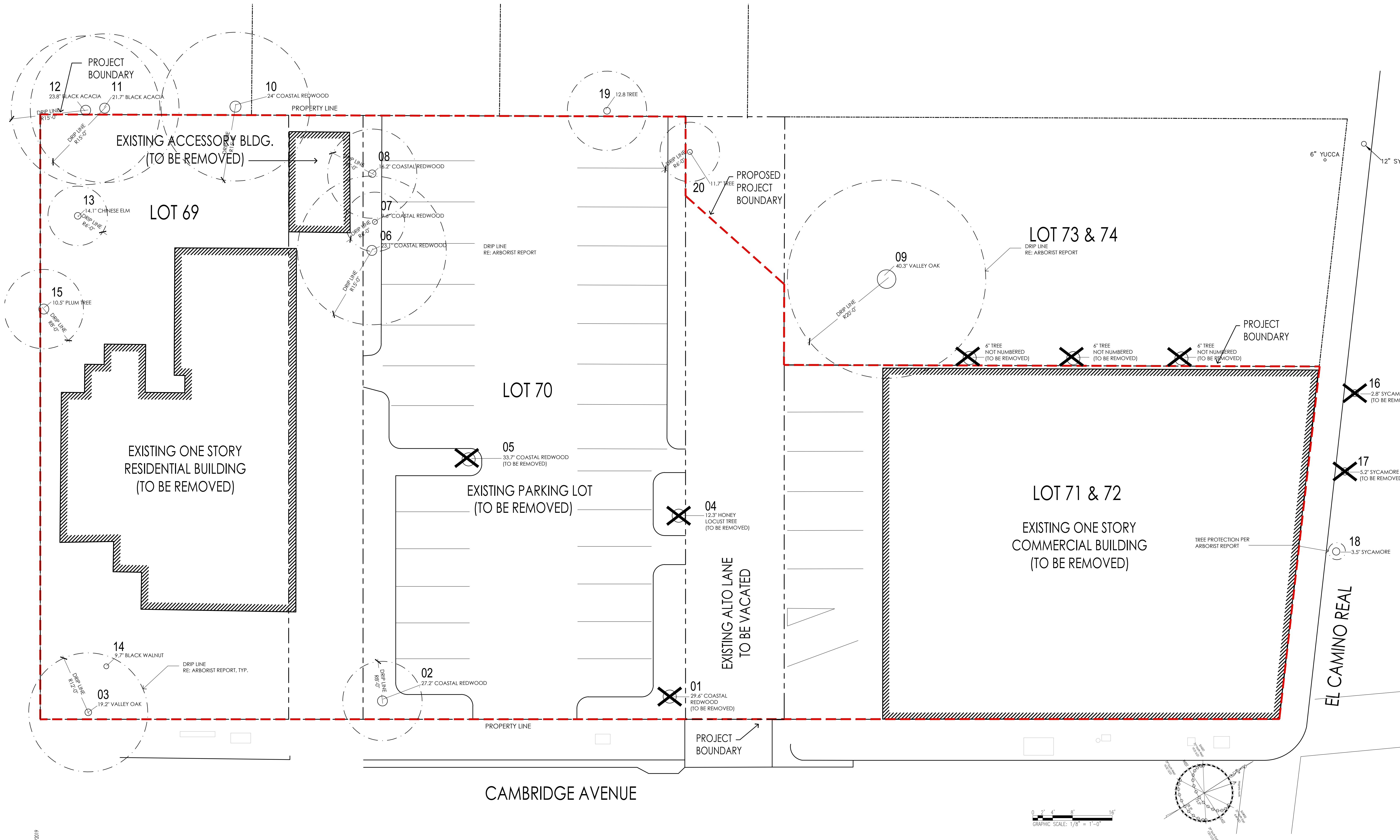
### OWNER:

HuHanTwo, LLC

86 Michaels Way  
Atherton, CA 94027  
Phone:  
Mobile: (202) 550-0045  
Email: yihanhu@stanford.edu

## PROJECT TEAM





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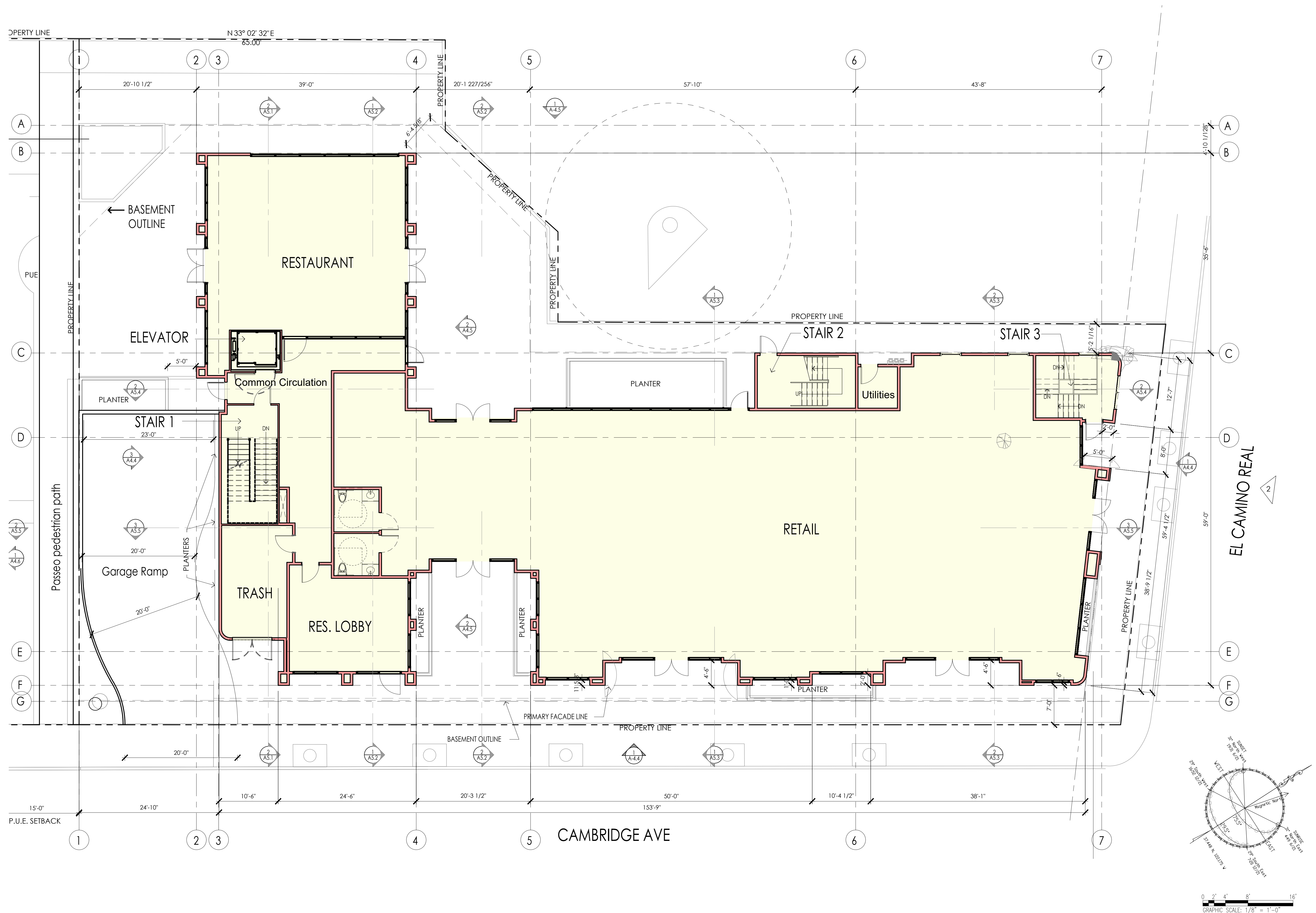
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SHEET TITLE  
EXISTING/DEMO  
SITE PLAN

SHEET NUMBER  
A-0.2a

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SHEET TITLE  
FIRST FLOOR PLAN -  
MIXED-USE

SHEET NUMBER  
A-3.1

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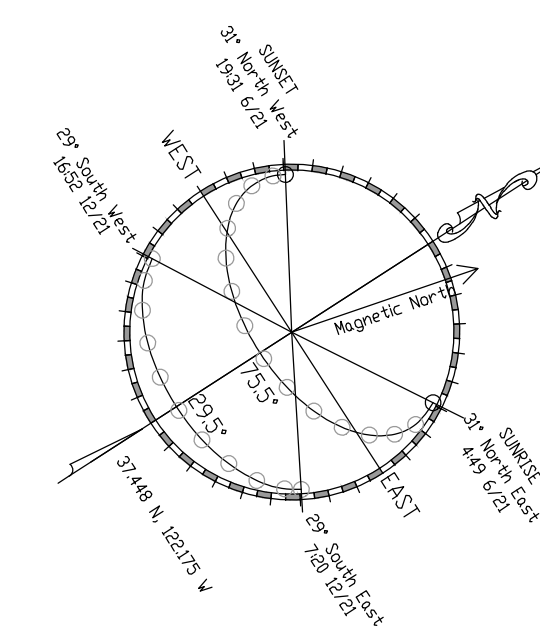
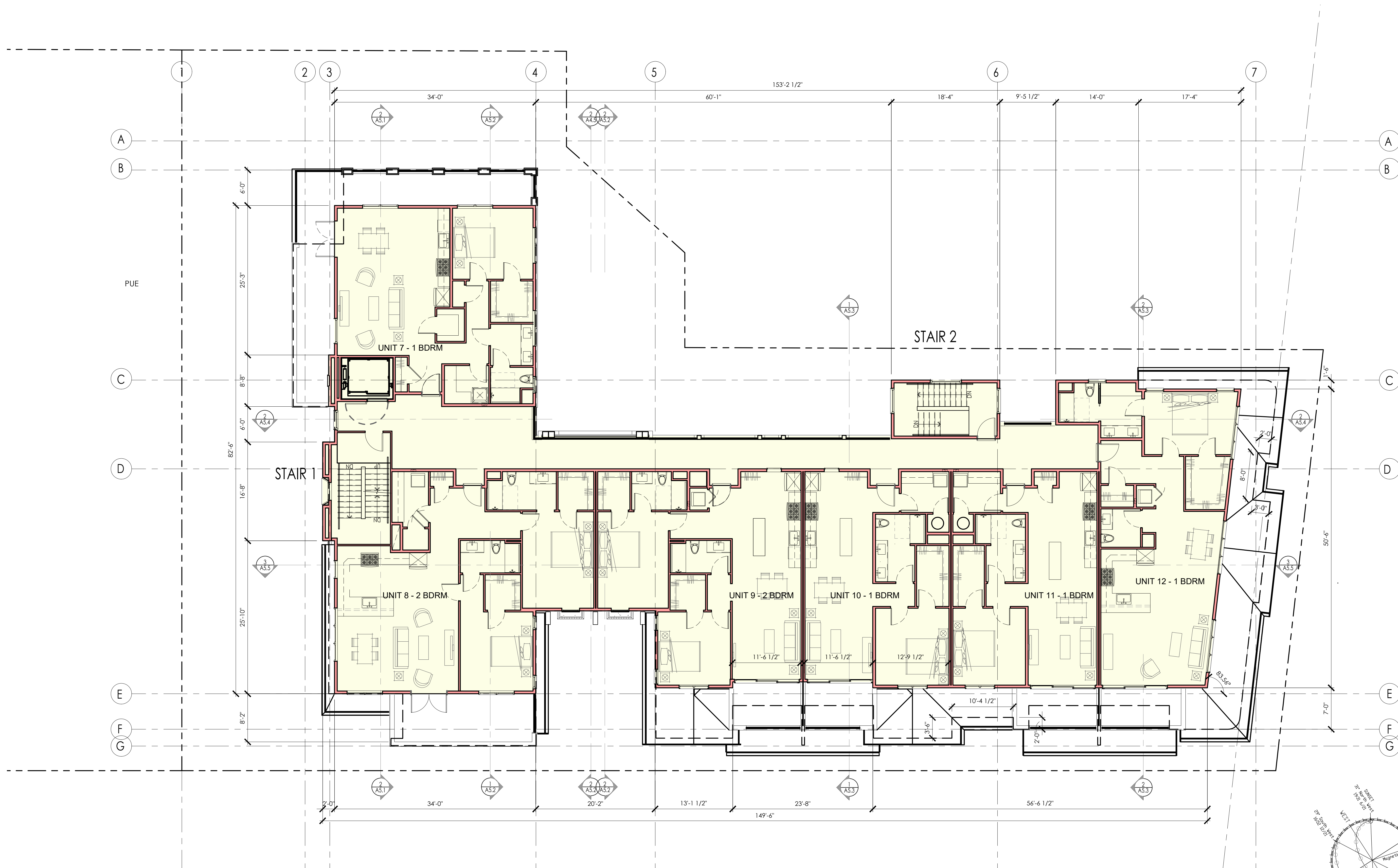
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SHEET TITLE  
SECOND FLOOR PLAN -  
MIXED-USE

SHEET NUMBER  
A-3.2

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0' 2' 4' 8' 16'  
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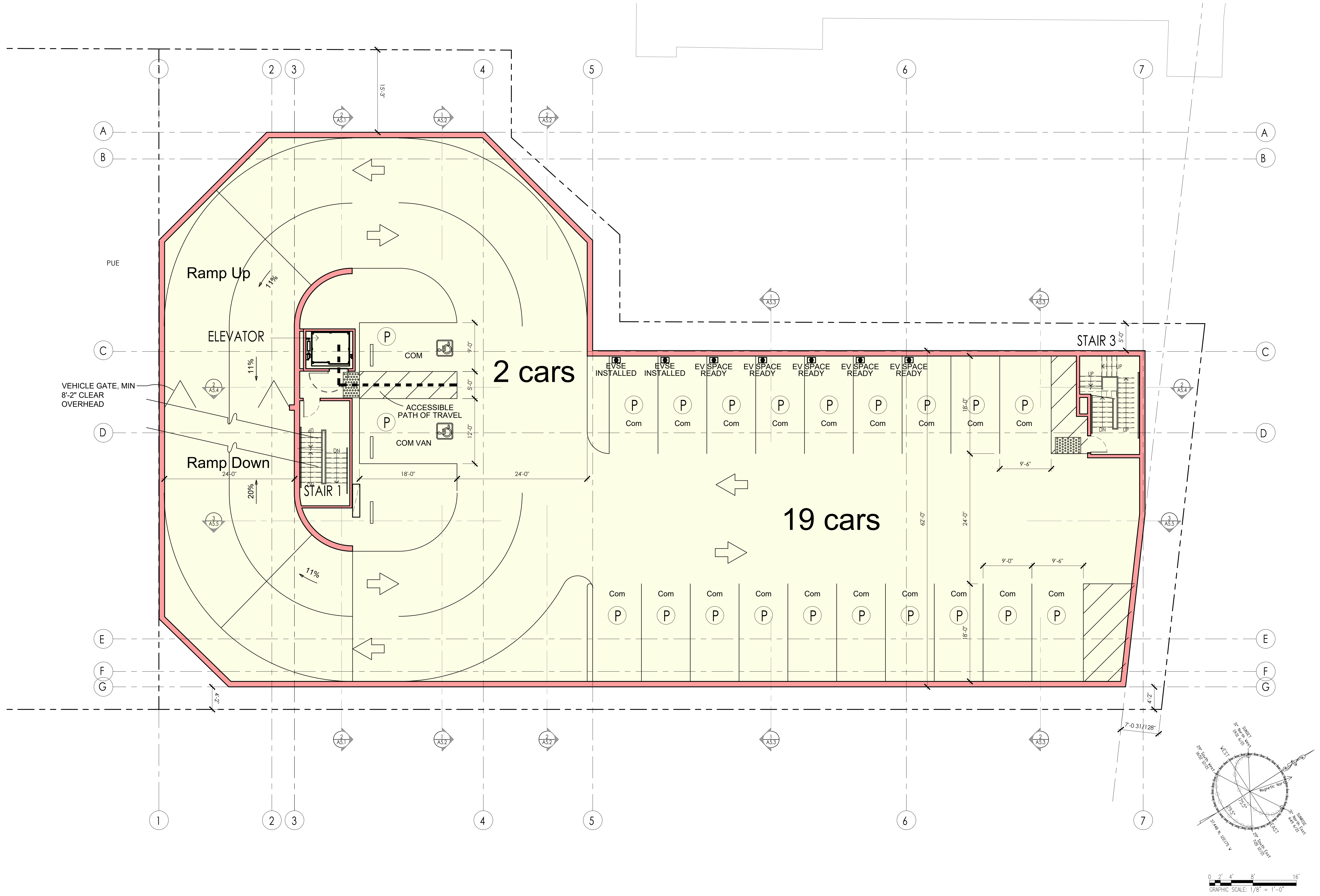
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SHEET TITLE  
THIRD FLOOR PLAN-  
MIXED-USE

SHEET NUMBER  
A-3.3

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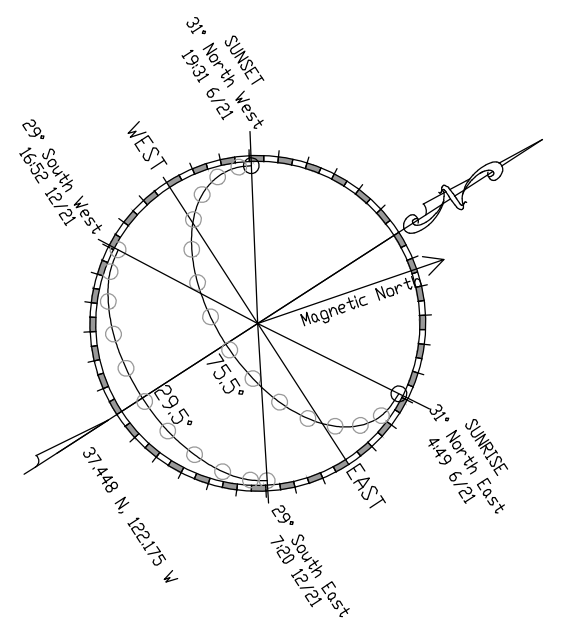
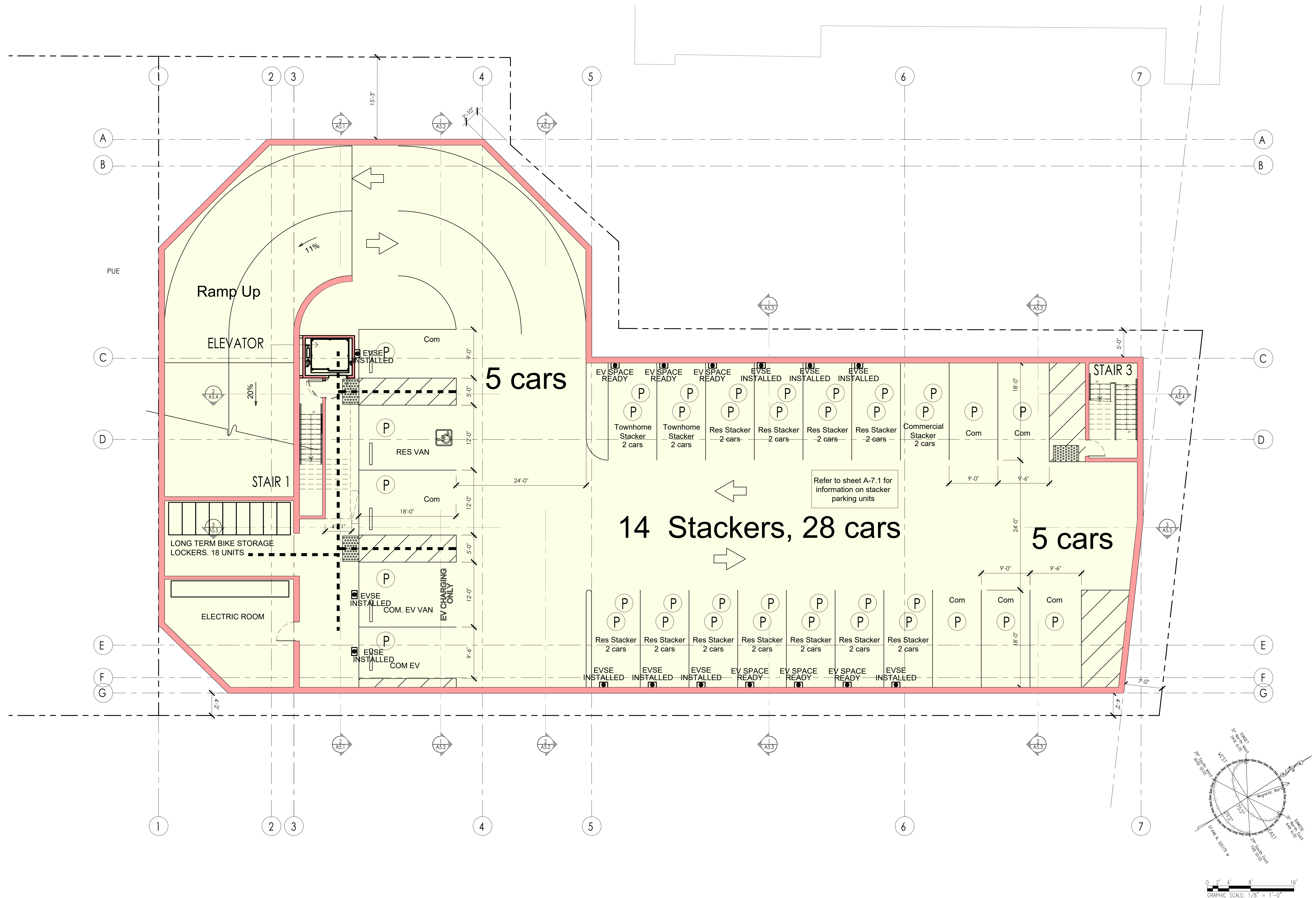




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0' 2' 4' 8' 16'  
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SHEET TITLE  
GARAGE LEVEL 2

SHEET NUMBER  
A-3.5

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② CAMBRIDGE STREETSCAPE  
12" = 1'-0"



① EL CAMINO STREETSCAPE  
12" = 1'-0"

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201 EL CAMINO REAL - 612 CAMBRIDGE AVE  
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SHEET TITLE  
PROPOSED STREET SCAPE VIEWS

SHEET NUMBER  
A-4.1

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**EID**  
ARCHITECTS  
ECO FUNCTIONAL ARCHITECTURE



# HOUSING COMMISSION

City Manager's Office  
701 Laurel St., Menlo Park, CA 94025  
tel 650-330-6620  
[menlopark.org/housingcommision](http://menlopark.org/housingcommision)



## DRAFT WORK PLAN 2020-21

Mission Statement	
<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> <p>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.</p>	
Committee Members Listing and Term Expirations	
Lauren Bigelow	April 30, 2023
Curtis Conroy	April 30, 2021
Karen Grove - Chair	April 30, 2022
Rachel Horst – Vice Chair	April 30, 2021
Wendy McPherson	April 30, 2021
Nevada Merriman	April 30, 2021
John Pimentel	April 30, 2024
Priority List	
The Housing Commission has identified the following priorities to focus on during 2020-21:	
<p><b>Summary of common items:</b></p> <ul style="list-style-type: none"> <li>• ADU's – (revise NOFA) near term goal</li> <li>• CLT – preservation of naturally affordable housing (revise NOFA to be over the counter) – near term goal</li> <li>• Develop a mix of affordable housing at all affordability levels including ELI near ECR – longer term goal</li> </ul>	
<p><b>Overarching</b></p> <p>Need more affordable housing in Menlo Park (west side of 101, west of Middlefield, west of ECR)</p>	

## Work Plan Worksheet

### Step 1 - Review purpose of Commission as defined by Menlo Park Council Policy CC-01-0004

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. The Housing Commission is charged primarily with advising the City Council on housing matters. including housing supply and housing related problems. Specific focus areas include:

- 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
- 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
- Review and recommend on the Housing Element of the General Plan

### Step 2 - Develop or review a Mission Statement that reflects that purpose (*Who we are, what we do, who we do it for, and why we do it*)

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.

### Step 3 - Discuss any priorities already established by Council

### Step 4 - Brainstorm goals, projects or priorities of the Committee

<u>Brainstorm goals, projects or priorities of the Committee</u>	<u>Benefit, if completed</u>	<u>Mandated?</u> <u>by State/local</u> <u>law or by</u> <u>Council</u> <u>direction</u>	<u>Policy</u> <u>change?</u> <u>At Council</u> <u>level</u>	<u>Resources needed for</u> <u>completion</u> (Staff, subcommittees, funds)	<u>Estimated</u> <u>Completion</u> <u>Time</u>	<u>Measurement Criteria</u> (How will we know how we are doing?)
<b>Increase production of Accessory Dwelling Units (ADUs):</b> <ul style="list-style-type: none"> <li>• Streamline and simplify by making process easier and less expensive</li> <li>• Provide funds to assist property owners to</li> </ul>	<b>Increase supply of housing</b> <ul style="list-style-type: none"> <li>• Make ADU's accessible to wider range of people</li> <li>• Increase health and safety of current occupants (of</li> </ul>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	<ul style="list-style-type: none"> <li>• Produce ADU development process navigation tools (resources: staff, ad-hoc, consultants)</li> </ul>	2021	<ul style="list-style-type: none"> <li>• Navigation tools developed</li> <li>• ADU/JADU production increase (beyond baseline for past few years, tie to HE?)– can we say what is our baseline?</li> </ul>

develop (or convert unpermitted) ADU/JADU's through the BMR Housing Fund with grants and loans <ul style="list-style-type: none"> <li>Create incentives for property owners to deed restrict affordable housing units (long term affordability)</li> </ul>	unpermitted conversions) <ul style="list-style-type: none"> <li>Help existing lower income households create ADU's to supplement income, produce more housing units and create opportunities for multi-generation living</li> </ul>			<ul style="list-style-type: none"> <li>Develop ADU/JADU funding program for lower income homeowners (resources: staff, ad-hoc, non-profit organizations, community land trusts)</li> </ul>		<ul style="list-style-type: none"> <li>Funding program developed and implemented, funds issued.</li> </ul>
<b>Partner with and support Community Land Trusts (CLTs):</b> <ul style="list-style-type: none"> <li>Provide funding support to CLT's to acquire units offered for sale for conversion to deed restricted affordable (in perpetuity)</li> <li>Look into community land trust in greater detail to consider additional opportunities for affordable housing preservation (develop expertise)</li> <li>Develop programs or process w/CLT to produce affordable housing (e.g. ADU's, rental, ownership)</li> </ul>	<ul style="list-style-type: none"> <li>Promote community stability through affordable housing preservation activities (e.g. prevent foreclosure and displacement)</li> <li>Increase housing production through ADU development</li> <li>Program w/CLT will allow city to be competitive and agile in housing acquisition for preservation</li> </ul>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	<ul style="list-style-type: none"> <li>Development and partnerships (staff, ad-hoc, community land trusts)</li> </ul>	2020-2021	<ul style="list-style-type: none"> <li>Provided access to BMR funds for acquisition of rental housing or other housing production activities (e.g. ADU/JADU loan program, home ownership program, etc.)</li> <li>Gained a better understanding of the CLT models and programs</li> <li>Mastery of CLT concept by staff and HC ad-hoc; scan of field for local-serving CLT organizations; evaluation and due diligence of local-serving CLT organizations; selection of a CLT to partner with; partnership agreement in place; program established and funded; preservation and/or production projects completed.</li> </ul>

<p><b>Increase Density/Zoning</b> (density and height):</p> <ul style="list-style-type: none"> <li>• Downtown and west side of town, along ECR and Willow road (already have high density east of 101)</li> <li>• Allocate time and resources to big picture opportunities to create affordable housing (e.g. USGS site, school site)</li> <li>• Produce housing near transit</li> <li>• Prioritize production of ELI and VL income housing near ECR/transit corridor</li> <li>• ...and/or...</li> <li>• Place higher AMI percentage BMR units downtown (better projects in better part of town) – lower AMI's should not be downtown (as it may obtain greater support from CC)</li> </ul>	<ul style="list-style-type: none"> <li>• Increase housing production dispersed throughout the City</li> <li>• Affordable housing production</li> <li>• AFFH (except for last bullet)</li> <li>• Traffic reduction</li> <li>• Achieve climate goals</li> </ul>	<p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>	<p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>	<p>Staff, HC ad-hoc, HC, PC, CC, consultants, City Attorney</p>	<p>2020-2021</p>	<ul style="list-style-type: none"> <li>• Zoning amended</li> </ul>
<p><b>Identify sites where affordable housing can be built on publicly owned land</b></p> <ul style="list-style-type: none"> <li>• Development of affordable housing on the downtown parking lots</li> <li>• Focus on 2.5 acres owned by school district. Help them rezone for teacher housing</li> <li>• Consider downtown library area as a site for affordable housing, potentially as part of a library renewal project</li> </ul>	<ul style="list-style-type: none"> <li>• Affordable housing production</li> <li>• AFFH</li> <li>• Traffic reduction</li> <li>• Achieve climate goals</li> </ul>	<p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>	<p>Yes <input type="checkbox"/> No <input type="checkbox"/></p>	<ul style="list-style-type: none"> <li>• Obtain site inventory of City/Publicly owned land (resources: staff, consultants)</li> <li>• Review current use and zoning (resources: staff, ad-hoc, consultants)</li> <li>• Make recommendations (resources: staff, HC, ad-hoc, consultants)</li> </ul>	<p>2020-2021</p>	<ul style="list-style-type: none"> <li>• Site inventory complete, available to public</li> <li>• Study session or other public meeting to review current use and zoning</li> <li>• HC votes on recommendations</li> </ul>

<b>Administration/Strategies</b> <ul style="list-style-type: none"> <li>• Amend/updated NOFA (annual and over the counter)</li> <li>• Update BMR Guidelines to include funding programs and administrative updates:             <ul style="list-style-type: none"> <li>○ ADU/JDU loan program</li> <li>○ Foreclosure prevention program</li> <li>○ First time homebuyer program</li> </ul> </li> <li>• Review BMR proposals and make recommendations to PC and CC</li> </ul>	<ul style="list-style-type: none"> <li>• OTC NOFA will allow us to fund project in a timely and opportunistic manner</li> <li>• ADU/JDU loan program will expand ADU opportunity to lower income, lower wealth residents. (AFFH)</li> <li>• Foreclosure prevention – prevent displacement, community stability, improved health and equity</li> </ul>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	<ul style="list-style-type: none"> <li>• Amend NOFA (staff, ad hoc)</li> <li>• Update BMR Guidelines (staff, ad-hoc)</li> </ul>	<ul style="list-style-type: none"> <li>• Fall 2020</li> </ul>	<ul style="list-style-type: none"> <li>• NOFA issued</li> <li>• BMR update recommendations passed by HC</li> <li>• Recommendations approved by PC/CC</li> </ul>
<b>Community Engagement</b> <ul style="list-style-type: none"> <li>• Expand engagement with monolingual community members</li> <li>• Housing Element update – host/co-host educational events/workshops on the housing element process</li> </ul>	<ul style="list-style-type: none"> <li>• Increase diversity of community participation and input</li> </ul>	Yes <input type="checkbox"/> No <input type="checkbox"/>	Yes <input type="checkbox"/> No <input type="checkbox"/>	<ul style="list-style-type: none"> <li>• Resources: staff, funding for community organization partners, interpreters, ad-hoc</li> </ul>	2020-2021	<ul style="list-style-type: none"> <li>• Three monolingual Spanish-inclusive community meetings by end of 2021</li> </ul>
<b>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.</b>						
<b>Step 6 - Once approved, use this plan as a tool to help guide you in your work as an advisory body.</b>						
<b>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.</b>						