General Plan (Land Use & Circulation) & M-2 Area Zoning Update

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Topic Session 3: Community Amenities

March 24, 2016

PLACEWORKS

Agenda

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- Welcome & Introductions
- Presentation
  - Community Amenities
  - Affordable Housing
  - Developer Contribution Methods
- Topic Stations
- Questions & Comments
- Next Steps
  - April 21: GPAC Meeting

Meeting Objectives

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More education on community amenities, affordable housing, and developer contribution

- Answer questions
- Receive comments

Group Agreements

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- Speak one at a time
- Speak respectfully
- Listen for understanding
- Speak from your own experience
- Let the facilitator guide the process
- Silence your cell phones and devices

General Plan Update Schedule

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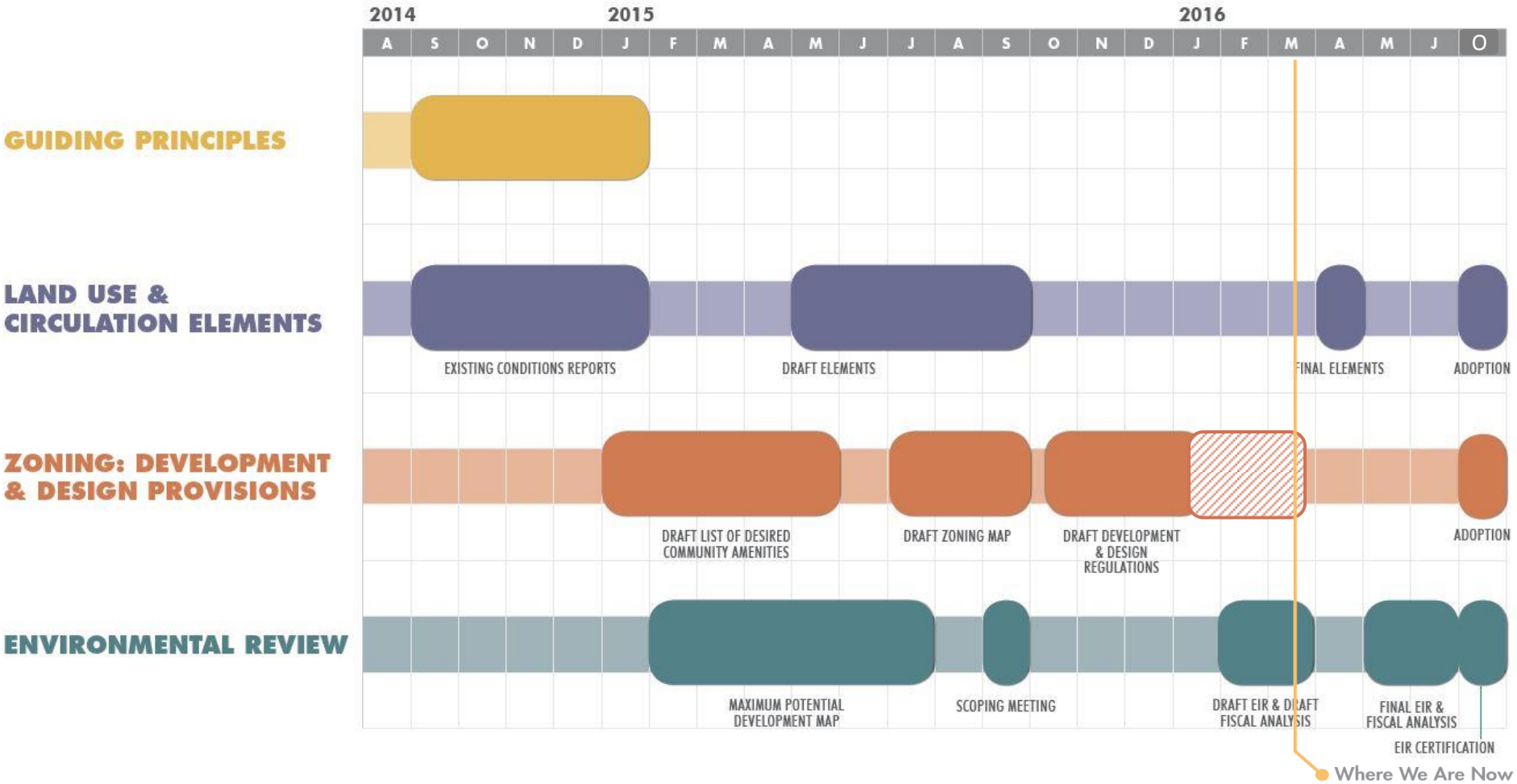
Slide 5



Realizing the General Plan Vision

Land Use and Circulation Elements

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Slide 6

GUIDING PRINCIPLES

- CITYWIDE EQUITY
- GREAT TRANSPORTATION OPTIONS
- HEALTHY COMMUNITY
- COMPLETE NEIGHBORHOODS AND COMMERCIAL CORRIDORS
- COMPETITIVE AND INNOVATIVE BUSINESS DESTINATION
- ACCESSIBLE OPEN SPACE AND RECREATION
- CORPORATE CONTRIBUTION
- SUSTAINABLE ENVIRONMENTAL PLANNING
- YOUTH SUPPORT AND EDUCATION EXCELLENCE

GENERAL PLAN

The City's Long-term Blueprint

Goal
A general, overall, desired outcome

Policy
A specific statement of commitment that sets a direction for the City to follow

Program
An action carried out pursuant to a policy to achieve a specific goal

MUNICIPAL CODE

Translates Objectives into Rules

Streets *[Title 13]*

Subdivison *[Title 15]*

Zoning *[Title 16]*
Governs Land Uses

- Development Standards
- Community Amenity Requirements
- Parking Regulations
- Code Enforcement

Storm Water *[Chapter 7.42]*

Flood Damage Prevention *[Chapter 12.42]*

Water-Efficient Landscaping *[Chapter 12.44]*

Corporate Contribution

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In exchange for added development potential, construction projects provide physical benefits in the adjacent neighborhood (such as Belle Haven for growth north of US 101), including jobs, housing, schools, libraries, neighborhood retail, childcare, public open space, high speed internet access, and transportation choices.

What's Changing

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- Three new zoning districts
  - Office District (O)
  - Life Sciences (LS)
  - Residential Mixed Use (R-MU)
- Allowance for "bonus" development
  - Taller buildings
  - More floor space (floor area ratio = FAR)
  - More housing
  - *Requires community amenities*

Community Amenities Program

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- City grants "bonus" development rights, and developers provide amenities desired by community
  - Incentive for economic activity
  - Required value of amenities based on community & land owner sharing increased land value attributable to bonus
- Amenities occur between Highway 101 and the Bay
  - Affordable housing can be located anywhere in city
  - Monetary contribution option if developer obligation is too small to provide a specific amenity

Community Amenities FAQ

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- How will requirements be determined?
- Can developers choose what they want to build?
- When will amenities be provided – when projects are completed?
- What type of affordable housing is required and how much?

Desired Community Amenities

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- List built from Belle Haven Vision and ConnectMenlo meetings
- Ranked at workshops and via survey
  - 194 online and paper surveys received
  - 136 identified Belle Haven residents
- Chance to express preferences again tonight
  - Cost estimates provided

Community Amenities (Survey Results)

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Transit and Transportation Improvements
Sidewalks, lighting, and landscaping
Traffic-calming on neighborhood streets
Bike trails, paths or lanes
Dumbarton Rail
Innovative transportation solutions (i.e. personal rapid transit)
Bus service and amenities
Community-serving Retail
Grocery store
Restaurants
Pharmacy
Bank/ATM
Jobs and Training at M-2 Area Companies
Job opportunities for residents
Education and enrichment programs for young adults
Job training programs and education center
Paid internships and scholarships for young adults

Social Service Improvements
Education improvements in Belle Haven
Medical center
Library improvements at Belle Haven
High-Quality Affordable Housing
Senior service improvements
Add restroom at Onetta Harris Community Center
Pool House remodel in Belle Haven
Energy, Technology, and Utilities Infrastructure
Underground power lines
Incentives for private home energy upgrades, renewable energy, and water conservation
Telecommunications investment
Soundwalls adjacent to Highway 101
Park and Open Space Improvements
Tree planting
Bedwell Bayfront Park improvements
Community garden(s)
Dog park

Citywide Below Market Rate (BMR) Ordinance

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- For-sale projects of 20 or more housing units provide 15% at "moderate-income" level or lower
- Commercial developments 10,000 sq ft or greater pay an in-lieu fee
  - Office and R&D ($15.57/sq ft)
  - All other commercial and industrial ($8.45/sq ft)

Belle Haven Households by Income

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Income Category	Income Range	Number of Households	Percentage of Belle Haven Households
Extremely Low	$0 - 35,150	430	30%
Very Low	$35,151 - $58,600	359	25%
Low	$58,601 - $93,580	336	23%
Moderate	$93,581 - $123,600	181	13%
Other	Above $123,600	124	9%

Median household income:
Citywide = $115,650
Belle Haven = $53,971

Based on 2010-2014 American Community Survey 5-Year Estimates from the US Census Bureau; Belle Haven data taken from San Mateo County Census Tract 6117, which includes M-2 Area and Bohannon Business Park, but not other residential neighborhoods.
Income ranges set by San Mateo County for household of four ; Census data reflects households of various sizes.

Proposed M-2 Housing Requirement

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- 15% of units in bonus residential projects to be “low, very low, or extremely low” income level
- Bonus development can also provide similar housing above that 15% as an amenity anywhere in Menlo Park

Contribution Value Basics

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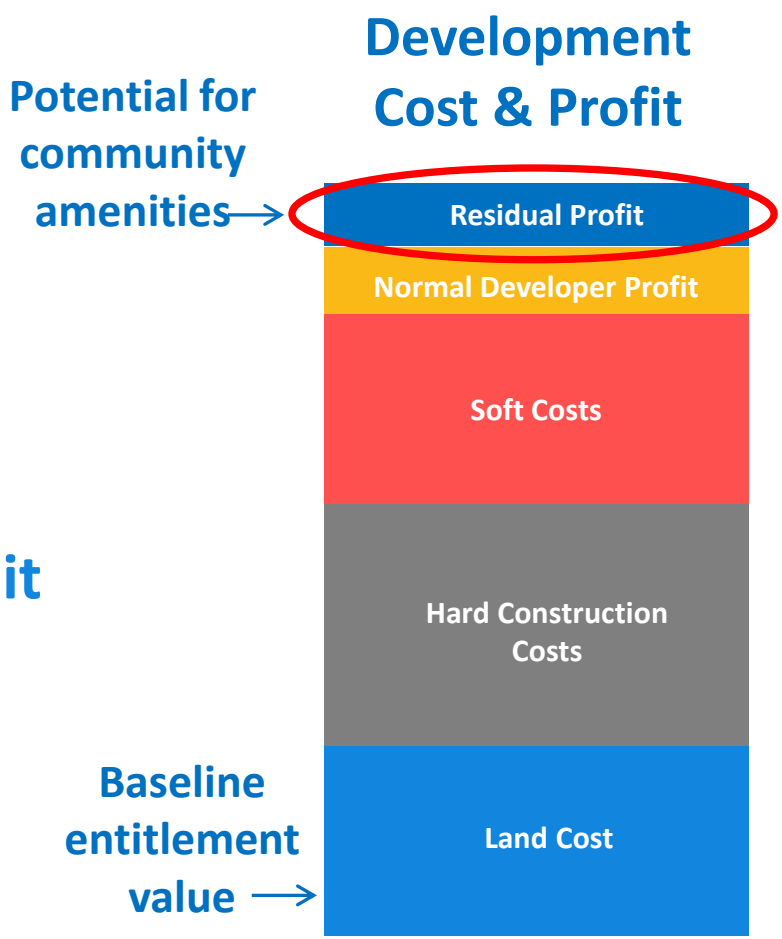
- Increase in density results in added profit
- Common methods for determining developer contribution
  - Negotiation (ECR/Downtown SP)
  - Flat fee per sq ft and/or housing unit
  - Percentage of increased profit



Proposed Approach

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- Appraisal determines added land value due to bonus development rights
  - Accounts for permitted use, FAR and location, and all costs associated with compliance with regulatory requirements
  - Done at time of permit review
  - Paid for by developer
  - Peer review option if appraisal is contested
- Bonus value is expressed in $ per square foot of built floor area
- Developer contributes half of that value

Proposed Approach (Example)

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- 3-acre lot
- Base level Floor Area Ratio: 50%
  - 65,000 buildable square feet
- Land value = $9.75 million
  - Appraised value is $150 per buildable square foot
- Project will build 20,000 bonus square feet
  - Required amenities contribution = $1.5 million

    (Half of $150 x 20,000)

Contribution Value Method Summary

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Method	Benefits	Drawbacks
Traditional - Negotiated	• Allows case-by-case analysis • Adjusts to market cycles	• High City burden to administer • Lack of consistent metrics • Highly sensitive to pro forma assumptions
Traditional - Flat Fee per Square Foot or Unit	• Simple to administer • Predictable	• Does not adjust to market cycles • Does not account for project specifics • Highly sensitive to pro forma assumptions
Traditional – Percent of Profit	• Moderately predictable • Adjusts to market cycles	• Highly sensitive to pro forma assumptions
Proposed Approach Appraised FAR	• Derived from market data • Avoids complicated pro formas • Can be structured to adjust to market cycles	• Appraisals can lag the market (up and down) • If implemented for an area, periodic reappraisals required

Contribution Value: Other Cities' Practices

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Method	Jurisdictions	Jurisdiction Rates
Traditional - Negotiated	Menlo Park (ECR/DT Specific Plan)	N/A
	Palo Alto	
	Berkeley (Downtown Specific Plan)	
	Santa Monica	
Traditional - Flat Fee per Square Foot or Unit	Mountain View (ECR & San Antonio Precise Plans)	$20
	San Francisco (Eastern Neighborhoods)	Res: $12-$16; Comm: $20-$24 + added inclusionary requirements
	San Diego (select areas)	$17
Traditional - Percent of Profit	Culver City	50%
	San Francisco (Central SOMA Plan)	66%-75% (proposed target)
	Cupertino	15% (proposed, not adopted)
Proposed Approach Appraised FAR	N/A	N/A; potential innovative alternative

Contribution Value: Sample Projects

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Method	1020 Alma, Menlo Park	2211 Harold Way, Berkeley
Flat Fee per SF or unit	Monetary: $31 / In-kind: $35	$100 from 75' to 120' in building height; $150 above 120‘ (proposed)
Percent of Profit	Monetary: 17% / In-kind: 19%	Unknown
Proposed Approach Appraised FAR	Monetary: 11% / In-kind: 13%	N/A; no maximum FAR on project site
Comments	Public Benefit contribution will also include in-kind contribution of public plaza spaces, EV chargers, and a coffee kiosk	Project would also contribute additional non-monetary community amenities

Topic Stations

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- **Community Amenities**
  - *Which community amenities are most important to you?*
  - *Are there others you would like?*
- **Affordable Housing**
  - *Are you comfortable with the proposed percent of BMR housing and income levels to be provided by bonus level development?*
  - *Should Office and Life Science projects be allowed to provide BMR housing as an amenity anywhere in Menlo Park?*
- **Method for Determining Developer Contribution**
  - *What questions or comments do you have about the proposed approach?*

Next Steps

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- GPAC Meeting – April 21
- Revise Draft Zoning/Design Standards – April/May
- Planning Commission Study Session – May
- Draft EIR & Fiscal Analysis – May
- General Plan Adoption – September/October

For More Information

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- Visit: **www.menlopark.org/connectmenlo**
- Download App at: **connectmenlo2go.com**
- Contact: Deanna Chow
  Principal Planner
  City of Menlo Park
  Tel: (650) 330- 6733
  Email: **connectmenlo@menlopark.org**

Click on "Community Workshop and Events" and download Zoning Materials for Focus Group Meeting on Proposed M-2 Area Zoning