

City of Menlo Park - Hamilton Avenue East Housing Project
Meeting Notes: Request for Qualifications Pre-Proposal Conference
City Council Chambers, 701 Laurel Street, Menlo Park
August 8, 2011

After providing some background on the project and summarizing what the City is looking for in proposals, City of Menlo Park Housing Manager Douglas Frederick explained the City's 15% Below Market Rate (BMR) housing requirement for new housing developments of 20 or more units. He explained that this requirement only applies to new ownership housing, not rental housing, due to a recent court decision in L.A. However the City would still like developers of rental housing to voluntarily provide BMR rental units and will consider providing financial assistance to rental housing developers to help accomplish this. Financial assistance from the City to provide BMR housing will only be made available for rental housing; ownership housing developments must comply with the City's 15% inclusionary housing set-aside requirement.

An attendee asked if the project's feasibility would be negatively impacted by the State's recent decision to eliminate redevelopment agencies. Dr. Frederick explained in detail why he doesn't think the project will be negatively affected as a result of the State's decision.

The questions, below, were asked by attendees at the conference. Responses were provided by Dr. Frederick.

Q.1: Has the Menlo Park City Council taken any formal action regarding housing on the site?

Answer: For many years the City was interested in developing housing at a City-owned site on Terminal Avenue adjacent to Beechwood School. However, the neighborhood community was not supportive of housing at the site, expressing a strong desire that it instead be used to allow Beechwood School to expand. Finally, in May of this year, the City Council agreed that the land should go to the school and directed City staff to concentrate its efforts to develop housing on the Hamilton Avenue East site.

Q.2: When was the most recent EIR completed for the site?

Answer: An EIR for the site itself has not been completed. However, an EIR is currently underway by Facebook, which plans to move into the old Sun Microsystems campus not far from the project site. This particular EIR is necessary to justify their employee base, which they expect to eventually be between 6,000 and 9,000 people. Previous to this an EIR was completed for the Hamilton Park project, completed by Clarum Homes in 2007.

Q.3: Has soil investigation and/or remediation been conducted?

Answer: No, not that we're aware of, although some testing and remediation may have previously been done on one of the parcels that makes up the extended site owned by a private party.

Q.4: Are there height limits?

Answer: Yes, but we expect the zoning to change. The community doesn't want a lot of height, maybe two or three stories at most, with one or two stories being preferable. The surrounding neighborhood is primarily single-story. A concept that includes stepping back upper floors might make a more attractive project and be more acceptable to the community.

Q.5: What are the demographics of the surrounding neighborhood?

Answer: The surrounding Belle Haven neighborhood is part of the City's redevelopment area and is predominately low-to-moderate income with a median household income of \$56,090, compared to \$95,300 for

San Mateo County. About 42% of the housing in the neighborhood is rental housing. The majority of residents are members of minority ethnic groups. There are 1,504 housing units in the Belle Haven neighborhood, with a population of 6,949.

Q.6: Have there been discussions with the property owners of the adjacent five acres?

Answer: Yes, most are willing to sell. One of the owners said “maybe.” Because the City is not a buyer, we didn’t discuss possible purchase prices with the owners. The City recently had the 2.1 acre site appraised and its value was determined to be \$2.7 million, approximately. The appraisal was based on uses of the property that are compatible with current zoning code, with the knowledge that housing is eventually desired there.

Q.7: Are there flood control issues? Are there levees nearby?

Answer: The Belle Haven neighborhood is a flood-prone area. The City’s 2.1 acre property and the adjacent five acres of privately held sites are in the 100-year flood plain. The development will have to be constructed to raise it out of the flood plain. In a recent meeting with the San Francisquito Creek Joint Powers Authority, it appears the primary source of potential flooding is the creek – not the bay.

Q.8: What is the site’s elevation?

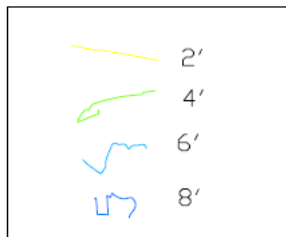
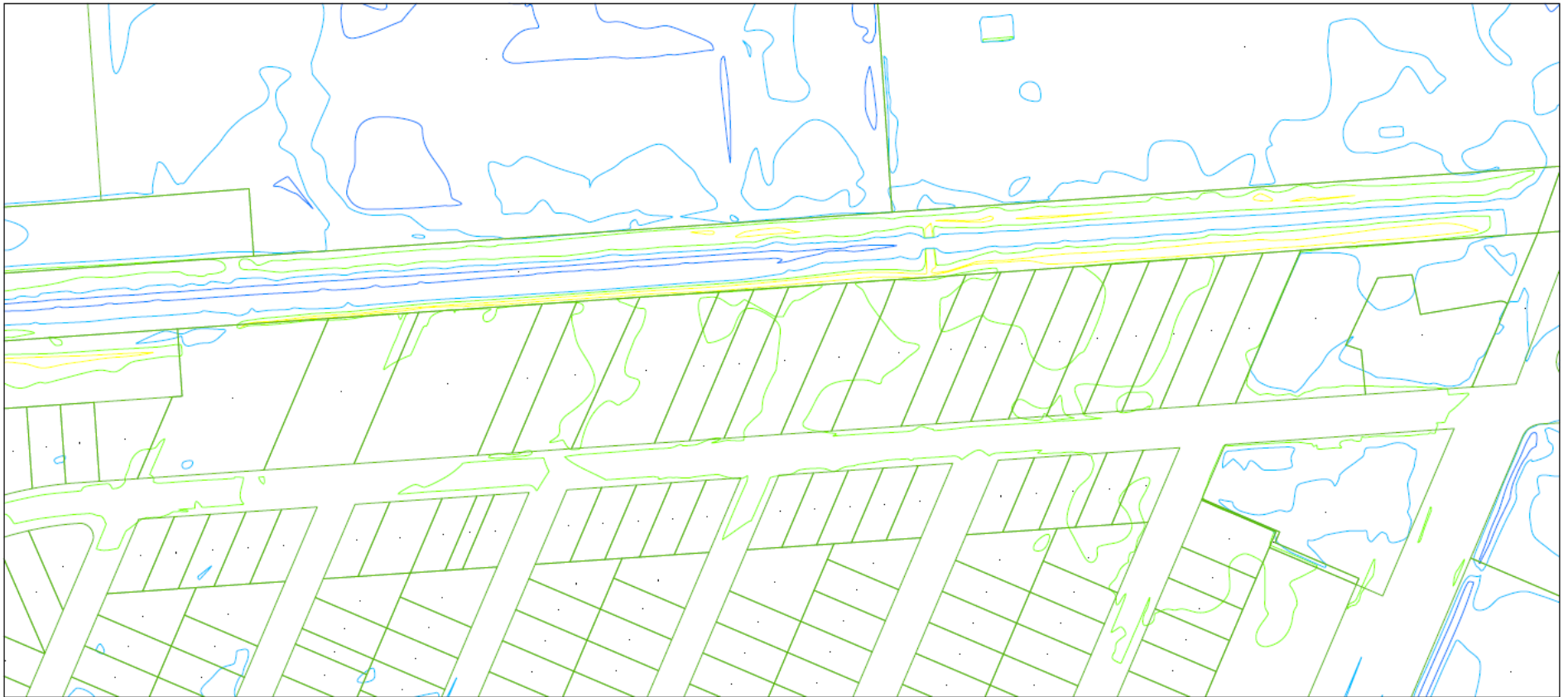
Answer: The elevation is about four feet (see map on the following page). Flood level is seven feet. Foundations must rise above seven feet to meet FEMA requirements.

Q. 9: Will a Request for Proposals (RFP) be issued as well?

Answer: No, just the RFQ. The City desires that the RFQ process will identify a developer that is committed to working with the City to develop the project.

Q. 10: Is there a specific timeline for entitlements?

Answer: There had previously been a deadline to complete the project according to redevelopment law however that deadline no longer applies. Although there are currently no specific deadlines for completion, the City would like it to be completed in a timely fashion. It would be nice for completion to coincide with Facebook’s arrival in the neighborhood as it is interested in nearby housing for its employees.



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