



# CONNECTMENLO

menlo park land use & mobility update

## Housing Commission Meeting Summary

*The Housing Commission meeting was conducted to hear ConnectMenlo housing-related topics on May 28, 2015 (7:00 – 9:00 pm) in the Menlo Park Senior Center at 100 Terminal Avenue.*

### **HOUSING COMMISSIONERS PRESENT**

Carolyn Clarke, Chair  
Julianna Dodick, Vice-Chair  
Sally Cadigan  
Michele Tate

### **CITY STAFF AND CONSULTANTS PRESENT**

Justin Murphy, Assistant Community Development Director  
Deanna Chow, Senior Planner  
Clay Curtin, Assistant to the City Manager and Housing Commission Liaison  
Charlie Knox, PlaceWorks  
Rosie Dudley, PlaceWorks

## MEETING PURPOSE

The primary purposes of this Commission meeting was to hear from a panel of housing experts on a variety of housing-related issues, including housing economics, affordable housing policies and strategies, anti-displacement policies, and local housing implementation within a regional setting.

## MEETING SUMMARY

Carolyn Clarke, Chair of the Housing Commission brought the meeting to order, provided an overview of the agenda and asked the Commissioners to introduce themselves. She then turned it over to the ConnectMenlo team to begin the meeting.

The City of Menlo Park's Assistant Community Development Director, Justin Murphy, provided an overview of the existing demographics and housing policies in the City. PlaceWorks Principal Charlie Knox introduced the panelists:

- Wayne Chen, Acting Housing Division Manager, City of San Jose
- Pilar Lorenzana-Campo, Deputy Policy Director, Non-Profit Housing Association of Northern California
- Daniel Saver, Housing Staff Attorney, Community Legal Services
- Libby Seifel, Principal, Seifel Consulting Inc.

Mr. Knox then moderated the discussion by asking each panelist specific housing-related questions which have been raised throughout the ConnectMenlo process. Ms. Seifel asked the audience how long they have lived in Menlo Park and if they rent or own their homes. The vast majority of attendees were home owners. She explained that renters are the most vulnerable in the current market and cited a study: Moving Silicon Valley Forward, which outlines why building affordable housing is so

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important to reduce traffic. While the number of jobs in the Bay Area is increasing, 67 percent of them are paying \$50,000 or less per year which means the workforce cannot afford the housing on the market.

Ms. Lorenzana-Campo spoke about the jobs/housing fit which is more than the discussion of balancing jobs per residents. The “fit” measures the number of low-wage jobs in each city and compares it to the number of homes that are affordable to the employees using the benchmark that an individual should not pay more than 30 percent of income on his/her housing. Currently, Menlo Park has a fit ratio of 5:1, which means five low-wage workers are competing for each affordable unit. Typically, one high-paying job comes with four low-paying jobs. These figures mean that people will have to drive far distances between home and work which will not only exacerbate traffic, but also lead to unstable health and communities. It is a good time for Menlo Park to consider these issues, and review its housing policies and how to improve the jobs/housing fit.

Mr. Chen described how San Jose and other cities throughout the Bay Area are facing similar housing shortages and displacement issues. San Jose is diverse, with many distinct neighborhoods with working class populations. Unlike some of its neighbors, San Jose is housing-rich and jobs-poor. Thus, it has aimed to create urban villages through its general plan (like Santana Row, The Alameda, and Willow Glen) that build housing along with retail and office space. The financing of these villages requires a new tax strategy, developer agreements and other creative incentives to create jobs. One technique the City of San Jose has used is to treat construction of affordable housing as a community benefit.

Mr. Saver described strategies to address and minimize displacement. When existing residents are forced out due to the price of housing, cities lose established communities. By focusing on community stabilization and neighborhood preservation, cities can preserve existing social networks in communities. Menlo Park and other cities throughout the Bay Area must address both direct and indirect displacement. Examples of direct displacement are when buildings are redeveloped and replaced with new buildings thus occupants have to leave or renters are evicted. Forced eviction is another example. A method to address direct displacement is to strengthen Menlo Park’s laws to require “just cause for eviction” as is done in San Francisco, Berkeley, and Palo Alto. The City could craft the language as it chooses to define just cause (e.g. if tenant fails to pay rent, destroys property or owners are moving in, etc.). It could offer relocation money to help occupants find new housing similar to Mountain View which provides three months’ rent.

Examples of indirect displacement are increases in housing costs that are unaffordable to the occupant. Currently, Menlo Park property owners can raise the rent by any amount so long as they give 60 days notice. A common concern is that landlords do not need to keep up the property because they know the demand outweighs the supply of housing. Rent stabilization, similar to what Prop 13 does for home owners in limiting the amount property taxes can increase per year, could set the maximum increment of increase allowed on rental property.

Following the panel discussion, Mr. Knox turned it back to the Commission and public to ask questions. The comments and responses are summarized below.

See the project website for a copy of the discussion: [www.menlopark.org/connectmenlo](http://www.menlopark.org/connectmenlo)

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### COMMENTS

Question 1: If we build more housing it could help solve some of our housing problems, but people are getting displaced now. How can we build fast enough to address people being displaced now?

*Pilar Lorenzana-Campo: We can't build fast enough. We have to build and preserve at the same time. We do need to build more housing and build the right kind of housing. Looking at housing data across the Bay Area, we built 90 percent of what the rich needed and 23 percent of what the poor needed. Menlo Park is underbuilding. In the years between 2007-2013, we built 43 percent of what is needed for households earning \$77K and above, and only 20 percent of a range of housing for people earning less than \$77K. We need to start building and better use tools to protect existing residents.*

*Daniel Saver: There are creative ways to link the neighborhood preservation strategies with jobs/housing fit. We could have a time-limited rent stabilization program that would expire once the housing/jobs fit were equal. We can create innovative solutions that address the problems.*

Question 2: Thank you, this is very valuable information. In these new communities you've worked in, what is integrating the new urban villages and communities of color? How was the 60 percent of the City's affordable housing selected to be placed in Belle Haven rather than the rest of Menlo Park? How will the new 4,500 new units being planned and the cars that come with them be accommodated?

*Wayne Chen: The question we have to ask ourselves is: Does the market function for everyone? That's what public agencies face when addressing these questions. Community land trusts are being used in some cities. Not all cities have the resources to do this. A new bill has been issued that requires 25 percent of public land being sold be reserved for affordable housing. It doesn't apply to all cities or transit authorities. Inclusionary housing policy for San Jose was challenged and awaiting Supreme Court decision on whether the land use authority can be returned to the City of San Jose. Menlo Park has a density bonus that allows developers to build more densely if they supply affordable housing. Menlo Park and the region need new partnerships and mechanisms to contribute to improving the community. A commercial linkage fee is one way to do that as are development agreements.*

*Libby Seifel: In San Francisco's Eastern Neighborhoods Plan, the City of San Francisco set up area-specific impact fees that fund the community amenities. Menlo Park could explore incentives that dissuade commercial property owners to hold on to property for a long time (which has resulted from Prop 13). For example property owners could be offered a tax benefit when they sell which could open more sites up for housing. MidPen Housing looked at Silicon Valley's land trust to assess potential donation of stocks to fund a land trust. One model is the Peninsula Open Space land trust; it is a good example of how to do this.*

*When thinking about rezoning we could ask for or require dedication of land for housing as part of corporate expansion. It can be leveraged with tax credits to provide more workforce housing that is affordable. We understand the feeling that this area is being "dumped on". There are some opportunities along El Camino Real., but the M-2 area has more underutilized land. The area should be developed carefully with sensitivity to address the spectrum of housing needs that will continue to increase as the area grows. When looking at the need between housing and supply—we have been undersupplying housing for a very long time all along the coast. We need to enable developers to get through the process more quickly to build diverse housing. In North Bayshore the City of Mountain View is addressing the need for more housing and integrating it with tech center growth.*