

## **Menlo College Faculty and Staff Housing Considerations**

**January 12, 2023**

Menlo College is located in Atherton, California, the very center of the vibrant Silicon Valley. While the College's location affords significant advantages, the local housing market is a serious ongoing barrier to successful recruitment and retention of faculty and staff. That reality was acknowledged in the 2003 master plan for the Menlo College campus, as it has been in every succeeding update.

The barriers of entry to the Bay Area housing market are well established. The Silicon Valley population has grown substantially since the latest recession, and multifamily developments are struggling to keep up. The job growth and attractiveness of being close to the burgeoning tech markets in the area have helped fuel the population growth, which, in turn, has driven up housing costs throughout the Bay Area. Menlo College has been unable to provide salary increases sufficient to keep up with the cost of housing in the surrounding neighborhoods, something that will only be exacerbated with expected increases in local housing costs in the coming years.

Currently, the College has 21 apartments and free-standing houses available for rent to faculty and staff, and occupancy has consistently been 100% -- a direct reflection of the high cost of living in Atherton and the immediately adjacent areas. Demand exists to easily fill an additional 40 units on campus, and as many as 60 additional units for staff and students, who would otherwise be searching for and occupying other affordable housing opportunities throughout the region.

There are several potential building sites on campus, any one of which could be developed to provide a mix of studio, and one, two, and three-bedroom units for faculty and staff rentals in order to expand the capability to offer below market rate (BMR) apartments to the Menlo community. Any new building would, however, also need to address the attendant increased demand for parking on campus, most likely through a free-standing parking facility elsewhere on campus.

To suggest the likely demand for the new apartments, a survey of full-time faculty and staff was conducted several years ago. The survey generated 47 responses, for a response rate at that time of 45%. Results indicated strong likely demand for new apartment rentals: of those not then living on campus, 74% responded "yes" and another 15% responded "maybe" when asked if they would be interested in moving into an apartment building on the Menlo College campus. Reflecting the fact that most faculty and staff live more than 30 miles from campus, the majority (66%) of respondents indicated they would be willing to pay more than they were paying for their distant housing for the convenience of living on campus.



As above, potential faculty/staff apartment building sites already exist on the Menlo College campus. In addition, the Town of Atherton has informed the College that it is pursuing the rezoning of a sizable portion of the College property in the Housing Element to enable the College to develop higher-density multifamily housing by right. Funding for the construction of housing and parking is the remaining barrier to moving forward. The College has a Centennial Campaign underway, with identified priorities that include student scholarship funding, programming support, and new academic buildings; however, new faculty and staff housing is also of great interest to the College.

The College has been informed that local donors will contribute the funds necessary to prepare the conceptual design of a four story 40-60 unit multifamily complex and associated parking garage on what is currently a parking lot. This is a significant step forward to address an identified housing need for the College. The College would celebrate any campaign-generated donations directed to a new faculty/staff housing complex. Based on recent construction experience on the Menlo College campus, the likely expense for housing and parking would be at least \$30 million.

Menlo College is committed to working with the Atherton community to support such an endeavor.

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President