



STAFF REPORT

City Council

Meeting Date:

8/26/2025

Staff Report Number:

25-126-CC

Regular Business:

Provide feedback and authorize staff to release a request for proposals for development on downtown Parking Plazas 1, 2 and 3

Recommendation

Staff recommends that the City Council:

1. Provide feedback on the draft request for proposals (RFP) (Attachment A) for development on any or all of Parking Plazas 1, 2 and 3; and
2. Authorize staff to release the RFP to the six development teams that were selected by the City Council June 3, 2025.

Policy Issues

The potential redevelopment of City-owned downtown parking plazas with housing, replacement public parking, and other potential uses involves various policy considerations, including:

1. Housing production and affordability: The General Plan Housing Element commits to meeting the City's assigned Regional Housing Needs Allocation (RHNA) of 2,946 new dwelling units, with an emphasis on creating 1,662 of those units affordable to households at the moderate- and lower-income levels. The downtown parking plazas were identified in Housing Element program H4.G – Prioritize Affordable Housing on City-Owned Parking Lots Downtown as a significant opportunity to make progress toward these goals.
2. Equitable community development: Creating affordable housing downtown aligns with Housing Element goals to create mixed-income neighborhoods and provide housing opportunities for all income levels, particularly moderate- and lower-income households, in walkable high-resource areas near public transit.
3. Downtown vitality and parking: The existing parking plazas play a role in supporting downtown businesses and patrons. Any redevelopment should balance affordable housing needs and the creation of a new downtown residential base while maintaining an adequate supply of public parking to enhance economic vitality and downtown vibrancy, consistent with the City Council's priorities for fiscal year 2025-26.

Background

The City's 2023-2031 Housing Element includes eight City-owned downtown parking plazas as potential sites for housing development, identified as sites #9/9a, #10, and #14 through #19. The parking plazas are projected to have capacity for at least 345 affordable housing units and play a crucial role in meeting the City's RHNA and Affirmatively Furthering Fair Housing (AFFH) obligations. AFFH stems from federal and

state legislation that requires jurisdictions to take meaningful actions to combat discrimination, overcome patterns of segregation, and foster inclusive communities free from barriers that restrict access to housing opportunities.

The Housing Element includes program H4.G, which outlines a process and timeline for prioritizing affordable housing development on the downtown parking plazas. Program H4.G includes an ambitious goal of development completion in 2027. Although the targeted dates in the program have not been met, the City has made and continues to make progress in advancing the program. The draft RFP emphasizes that all efforts should be made to construct the units during the current Housing Element cycle, which ends in 2031.

The program requires compliance with the Surplus Land Act and prioritizes proposals that address difficult-to-achieve housing priorities, such as extremely low-income units or housing for people with special needs. Before disposing of (e.g., leasing) any of the downtown parking plazas, the City Council must determine that the property is surplus or exempt surplus land. The Surplus Land Act does not require the City to determine the properties are surplus or exempt surplus land before any of the steps outlined in the recommendation section above.

The City has taken the following recent key actions to implement the program:

- On Jan. 14, the City Council authorized staff to release the request for qualifications (RFQ) (Attachment B). The RFQ was issued Jan. 29, with a submission deadline of March 31. The RFQ sought qualified developers or development teams to construct and manage a mix of development, including affordable multi-family housing and replacement public parking, on any or all of the three parking plazas. The minimum project requirements included creating at least 345 affordable housing units, providing replacement public parking spaces for those lost due to redevelopment, and complying with all applicable development standards.
- On March 31, seven development teams submitted RFQ responses, and on April 4 the submittals were released for public review on the City's project webpage (Attachment C).
- On June 3, the City Council reviewed the RFQ responses and selected six development teams that responded to the RFQ to be invited to submit proposals through an RFP process. The six development teams are Alliant Communities, Eden Housing, MidPen Housing, PATH Ventures, Presidio Bay Ventures, and Related Companies and Alta Housing. The City Council also reviewed a draft RFP outline and provided feedback, which is summarized below.

A complete timeline of program actions is available on the project webpage (Attachment C).

Litigation and initiative petition

In April 2025, Save Downtown Menlo, an unincorporated organization, sued the City in San Mateo County Superior Court making various allegations including, among others:

- A. A condition precedent to the City's lease of any parking plazas is that 51% of assessment district owners must first sign a petition consenting to such lease;
- B. The City is prohibited from entering into or negotiating an exclusive negotiating agreement until it determines the parking plazas are surplus or exempt surplus land; and
- C. The City has failed to demonstrate to the public that it has complied with CEQA because CEQA compliance is required before disposition of public property.

At this time, the lawsuit does not impact the recommended action of issuing an RFP to development teams.

In May, three Menlo Park residents filed a notice of intent to circulate an initiative petition regarding the downtown parking plazas. The initiative seeks to submit to the voters a measure which would prohibit the City from taking any of the following actions, without first obtaining voter approval, if such action would diminish the availability, access or convenience of public parking for downtown customers, workers and visitors:

- A. Disposing, selling, trading, leasing, donating or otherwise conveying all or any portion of a parking plaza;
- B. Designating a parking plaza as “surplus” or “exempt surplus” land pursuant to the Surplus Land Act;
- C. Modifying, altering or constructing any improvements on the parking plazas, with limited exceptions; or
- D. Changing the use of a parking plaza.

At this time, the initiative does not impact the recommended action of issuing a RFP to select development teams.

Analysis

Staff developed the draft RFP with consideration of City Council feedback from the June 3, meeting and community input, including 141 written public comments received during the RFQ stage, highlighting considerations for downtown parking impacts, building scale, construction impacts and long-term development quality.

The draft RFP builds on information requested in the RFQ, shifting from a qualification-based stage of the selection process to a comprehensive proposal evaluation stage among the six selected development teams. The RFP requires development teams to provide greater specificity, inviting teams to create or further refine concepts and provide additional details in areas such as design and function, schedule, community engagement, and financial and implementation feasibility.

The draft RFP maintains the three fundamental project requirements established in the RFQ, but adds additional details based on City Council feedback:

- Minimum 345 residential units affordable to households earning 15% to 80% of Area Median Income (AMI) (\$185,700 for a San Mateo County household of four in 2025),
- Replacement of at least 556 existing surface parking spaces for public use, to be financed and constructed by the developer without expectation of City financial contributions, and
- Consistency with all applicable development standards and regulations, as opposed to a project requesting waivers and incentives/concessions under state density bonus laws and/or the City's AHO.

The draft RFP also specifies a requirement to ensure that at least 80% of the property is developed with housing, and at least 40% of the housing units are affordable to households with incomes at or below 60% of AMI, with half of those units affordable to households with incomes at or below 50% of AMI to meet the requirements of Government Code §37364 and qualify as exempt surplus land under the Surplus Land Act, which would be addressed at a later stage in the selection process. The draft RFP offers flexibility regarding the terms of the disposition, with opportunities to consider a ground lease or sale of the land.

The RFP sets expectations for proposals in the following key areas:

- Qualifications and capacity, including information about the development team, previous similar developments, and evidence of capacity to carry out the proposed project, both financially and in terms of the developer's overall development workload,
- Conceptual plans and project understanding, meaning a clear grasp of project objectives, a description of the project goals, components and its integration with the existing downtown, preparation of plans (including elevations or massing diagrams, landscaping, and site access and circulation), details regarding parking for residents and downtown patrons/workers, and sustainable design features,
- Description of potential environmental effects and any proposal to mitigate potential impacts, as well as the developer's approach to environmental review under the California Environmental Quality Act (CEQA) and any proposed streamlining legislation and/or tools,
- The developer's understanding of the City's responsibilities in the project,
- Schedule and budget, including a work plan, timeline and financial breakdown by major task from design development through lease-up, and a pro-forma with a complete table of assumptions including all anticipated costs and funding sources,
- Community benefits, engagement, and local partnerships, indicating how the developer intends to engage the community throughout the project, identification of community benefits beyond the minimum project requirements, a detailed community outreach and engagement strategy at every step of the project timeline, specific plans to minimize disruption during construction, identified local partners for construction, resident services, and operations, and identification of any commitments to use of local building and construction trade and union labor,
- Implementation plan with a quarterly timeline throughout the development process, and identification of potential risks and mitigation approaches throughout the development process, and
- Property management and services, ensuring that the developer has a plan to manage and maintain a high-quality development that meets resident and community needs in the long term.

Proposals will be reviewed and recommended to City Council using the following general criteria:

- Development concept,
- Developer experience and capacity,
- Financial strategy,
- Community engagement, and
- Property management and services.

The scoring categories are intended to aid the selection committee in comparing different proposals on a similar basis and formulating a recommendation to the City Council. Ultimately, the City Council may select any of the development teams who submit proposals, independent of the selection committee's review criteria or recommendations. The city may also conduct finalist interviews and a community open house before the City Council's final selection of a developer.

Timeline and next steps

Pending City Council authorization, staff anticipates releasing the RFP in early September 2025 for a period of approximately 90 days, with a due date in early December 2025. A selection committee including staff would conduct proposal evaluations, gather community feedback, and present recommendations to the City Council in early 2026. This timeline would allow adequate time for development teams to prepare

comprehensive proposals while maintaining momentum toward the City's Housing Element implementation goals.

Impact on City Resources

The development selection process will continue to require staff time to evaluate future RFP responses, address any development team questions in responding to the RFP, and conduct community outreach. Future phases of the project could require resources to negotiate agreements with any selected development team and provide ongoing project review and management. Additional consultant services may be needed for specialized aspects of the project, such as review of financial documents and technical studies.

Environmental Review

This action is not a project within the meaning of the CEQA Guidelines §§15378 and 15061(b)(3) as it will not result in any direct or indirect physical change in the environment. Future development proposals that emerge from the disposition process may require environmental review, which could be fully or partially covered by the Housing Element Update Subsequent Environmental Impact Report certified by the City Council Jan. 31, 2023, through Resolution No. 6808. The exact level of environmental review would be determined based on the specific nature and scope of any selected development proposal.

Public Notice

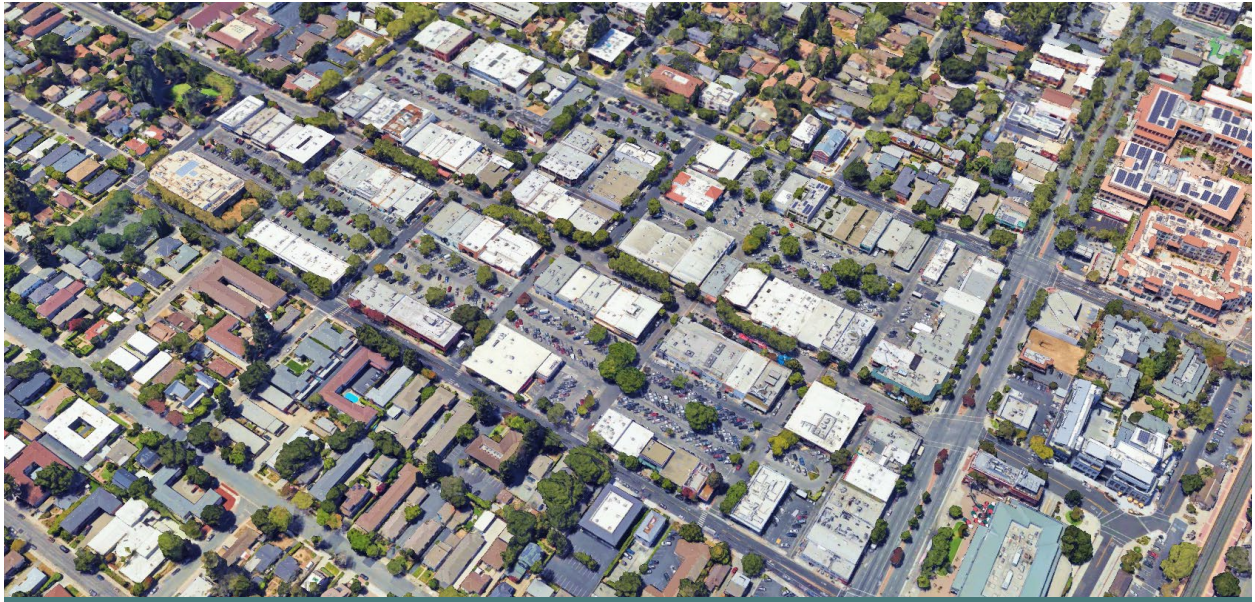
Public notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting. In addition, information about the meeting was included on the project webpage, email notifications to subscribers, and the City's Weekly Digest email.

Attachments

- A. Draft RFP for Development on Downtown Parking Plazas 1, 2 and 3
- B. Hyperlink – RFQ for Development on Downtown Parking Plazas 1, 2 and 3:
menlopark.gov/files/sharedassets/public/v/1/community-development/documents/projects/under-review/downtown-parking/downtown-parking-plazas-rfq-final-v2.pdf
- C. Hyperlink – Project webpage: menlopark.gov/downtownhousing

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City of Menlo Park **DRAFT** Request for Proposals

Development on Downtown Parking Plazas 1, 2, and 3

Issued: **[DATE]**

Submittal Deadline: **[90 days after issuance]**

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Notice of Request for Proposals

Project: Development on Downtown Parking Plazas 1, 2, and 3

1. The City of Menlo Park (hereinafter “City”) is issuing a Request for Proposals (RFP) seeking proposals from qualified developers (hereinafter “Developers”) for the development of multi-family housing, public parking for downtown patrons and employees, and other complementary uses such as open space, retail and/or personal services (hereinafter “Project”) on one or more of the following City-owned surface parking plazas in downtown Menlo Park:
 - Parking Plaza 1 is an approximately 2.28-acre property located near Oak Grove Avenue and El Camino Real (Assessor’s Parcel Number (APN): 071-102-400)
 - Parking Plaza 2 is an approximately 0.56-acre property bounded by Oak Grove Avenue, Chestnut Street, and Crane Street (APN: 071-094-180)
 - Parking Plaza 3 is an approximately 1.99-acre property bounded by Oak Grove Avenue, Crane Street, and University Avenue (APN: 071-092-290)

All three properties are located within walking and cycling distance of the Menlo Park Caltrain station and El Camino Real.
2. Only the six Developers selected by the City Council in June 2025 following the review of the Request for Qualifications (RFQ) submittals are invited to respond to the RFP. However, each invited Developer may partner with other affordable housing developers and/or market-rate housing/commercial mixed-use developers to achieve the project fundamentals, maximize community benefits, and ensure financial feasibility of any proposal. Each Developer may submit only one proposal, either individually or as part of a development team partnership.
3. The City is seeking to lease (or possibly to sell) any or all of the subject sites to develop a minimum of 345 residential units affordable to households making 15% to 80% of area median income (AMI) and the replacement of at least 556 existing surface parking spaces for public use that meet the City’s current standards. All replacement public parking must be able to be financed and constructed by the Developer without financial contributions from the City. The City’s preferred concept is a well-designed, well-maintained, high-quality residential or mixed-use development that will contribute to the City’s 2023-2031 Housing Element goals and enhance downtown vibrancy.
4. The City will receive proposals electronically at the following website no later than 5 p.m. on [DATE]: [INTERNET ADDRESS].
5. All responsive proposals will be reviewed and evaluated by the City to determine which proposal(s) best meets the City’s needs and interests for the project. The criteria by which the City will evaluate proposals are set forth in the RFP.
6. The City reserves the right to reject any and all proposals for any reason. The City further reserves the right to waive any irregularities in any proposal or the RFP process.

The City reserves the right and retains full discretion to negotiate, modify, or reject any proposed terms, conditions, or components of a proposal, including, without limitation, provisions pertaining to the lease or sale of City-owned property and any other contractual arrangements.

7. This RFP does not commit the City to enter into a contract or to proceed with the Project or any actions or components of the Project.
8. The City is not responsible for, nor shall it bear, any costs incurred in the preparation of proposals and/or any work rendered by a firm prior to a contract award, and Developers waive any claim against the City for costs incurred in preparing a proposal in response to this RFP.
9. For questions regarding the RFP, Developers should use the contact information below. Email is preferred, but phone calls will be accepted:

Tom Smith, Principal Planner
tasmith@menlopark.gov
(650) 330-6730

The deadline for submitting questions is [30 days after issuance]. All questions and responses will be shared with all six Developers.

10. The selection process may require Developers to participate in additional steps, such as a community open house and/or interviews. A tentative timeline of additional steps will be provided in January 2026 to Developers that submit proposals.

1. Community Context and Background

1.1 Project Overview and Vision

The City of Menlo Park seeks qualified Developers to transform downtown Parking Plazas 1, 2, and 3 with a vibrant residential or mixed-use development. The project presents a unique opportunity to advance two important City objectives: meeting local housing needs while enhancing the vitality of downtown Menlo Park.

The project prioritizes the development of 345 housing units on City-owned downtown parking lots to help meet the City's Regional Housing Needs Allocation (RHNA) of 2,946 new dwelling units and implement the 2023-2031 Housing Element (program H4.G). The development will focus on creating a community that provides affordable housing opportunities in a walkable, high-resource area near public transit. The project will also advance the City's downtown enhancement vision by introducing residents who will serve as a customer base for local businesses, providing walkable homes nearby for community workers, activating sidewalks and open spaces throughout the day, and potentially incorporating new public spaces and ground-floor uses that complement existing downtown offerings. Replacement public parking will be incorporated to support local businesses and customers while demonstrating how thoughtful redevelopment can serve as a catalyst for broader downtown enhancement, aligning with the City Council's fiscal year 2025-26 priority of promoting downtown vibrancy.

1.2 About Menlo Park

Menlo Park is a city of beautiful, tree-lined neighborhoods and active commercial districts. Located conveniently between the major metropolitan areas of San Francisco and San Jose, Menlo Park is home to just under 34,000 residents in its 19 square miles. The stunning natural surroundings of the City afford views of the San Francisco Bay to the east and the Pacific Coastal Range to the west. Menlo Park's climate is moderate to warm, with an average of 265 sunny days a year.

Menlo Park's residents reflect a range of backgrounds and interests who tend to be well educated and actively engaged in community life. Excellent public and private schools serve its many young families, while residents of all ages enjoy the City's numerous parks and recreational facilities. The City's proximity to Stanford University and Menlo College provide a multitude of academic, cultural and athletic event opportunities. The arts and leisure activities of the major urban areas of San Francisco and San Jose are close by and easily accessible via Caltrain. These and many other amenities contribute to Menlo Park's outstanding quality of life.

Located in the heart of Menlo Park is a downtown featuring unique shops and restaurants, and entertainment, including the Guild Theatre. Set in a pleasant, pedestrian-oriented atmosphere, Menlo Park's downtown area attracts locals and visitors alike. Known worldwide as the "Capital of Venture Capital," Menlo Park is well situated to benefit from and help shape new technologies and markets originating from Silicon Valley. Additionally, the city is host to numerous technology and healthcare related companies, including such major employers as Meta (formerly Facebook), SRI International, Pacific Biosciences, Exponent, Grail, Personalis, and CSBio.

1.3 Housing Element and Project Background

The City's certified [2023-2031 Housing Element](#) identifies a RHNA of 2,946 new dwelling units at all income levels. The Housing Element includes program H4.G, which prioritizes the development of affordable housing on City-owned downtown parking lots, with a goal of creating at least 345 units affordable to very low-income households (30 to 50 percent of area median income (AMI)) by 2027. The program establishes the following milestones:

- Conduct feasibility study (2023);
- Issue request for proposals for affordable housing development (2024);
- Complete development entitlements (2025); and
- Seek to complete development of 345 or more affordable housing units (2027).

The City-owned downtown parking lots, numbered one through eight, are located within the Downtown (D) district of the El Camino Real/Downtown Specific Plan, which allows multi-family residential and mixed-use development. In 2023, the City adopted Specific Plan amendments to increase residential densities, floor area ratios (FARs) and/or heights in most of the Specific Plan districts, including the D district. Additional information on site zoning is available in section 2.3 of this RFP.

A complete project timeline and additional information about the Housing Element and development on the downtown parking lots are available on the City's project webpage at menlopark.gov/downtownhousing

1.4 Goals and Related Initiatives

Downtown Menlo Park serves as the heart of the community, offering a unique mix of local businesses, restaurants, and services in a walkable environment. Through the El Camino Real/Downtown Specific Plan and other planning efforts, the City has consistently emphasized enhancing downtown's vitality, increasing foot traffic to support local businesses, creating gathering spaces for community events, improving the overall pedestrian experience, and promoting green spaces and sustainable building practices to meet climate goals.

The development of the downtown parking plazas presents an opportunity to advance these goals while addressing critical housing needs. New residential development can provide a built-in customer base for downtown businesses, activate streets during evening hours, potentially incorporate new public spaces and ground-floor uses that complement existing downtown offerings, promote sustainable, all-electric construction, and provide access to public transportation, bike and pedestrian facilities, and an expanded network of electric vehicle chargers. The City envisions development on the parking plazas serving as a catalyst for downtown enhancement.

Public parking also plays an important role in supporting downtown businesses and maintaining economic vitality. The City recognizes that management of parking resources – including the

amount, location, and type of parking – can assist the success of local businesses and the overall downtown experience.

1.4.1 Public Plaza Design and Improvements for the 600 Block of Santa Cruz Avenue

On July 8, 2025, the City Council considered design concepts and options to activate and improve space for a public plaza in the closed portion of the 600 block of Santa Cruz Avenue, an approximately 40-foot-long portion of the eastbound vehicle travel lane between Curtis Street and Doyle Street. This activation of public space supports “downtown vibrancy,” one of the City Council’s top five priorities for the 2025-26 fiscal year.

An interdepartmental team with staff from the City Manager’s Office, Community Development, Library and Community Services, Public Works, and the consultant M-Group, prepared a [staff report](#) and identified sample design concepts and the following themes for City Council consideration:

- Allow multiple uses,
- Enhance safety,
- Design for welcoming space and aesthetic appeal, and
- Activate the space with events.

The City Council directed the interdepartmental team to continue envisioning a range of uses for the space. City staff is designing a public outreach strategy to launch later this year. The public outreach will include a mix of on-site pop-up events at the current space, participation at events downtown, a dedicated webpage, online form, and both print and digital communications. The outreach will encourage the public to identify and prioritize recommended improvements and suggest preferred uses for the public space. Outreach results will inform proposed designs for the public plaza, subject to future City Council review.

1.4.2 Downtown Parking Management Plan

In 2023, the Metropolitan Transportation Commission (MTC) awarded the City a parking management grant. The grant aims to support projects that align with Plan Bay Area 2050 strategies by managing parking demand to reduce vehicle miles traveled (VMT), greenhouse gas (GHG) emissions, and maximize the efficient use of parking. The parking management study is underway and will suggest strategies to manage existing parking resources in the downtown area. The City will provide updates to Developers on the downtown parking management plan as available throughout the process. For purposes of this RFP, replacement public parking with at least a one-to-one replacement of all 556 existing spaces (across Parking Plazas 1, 2, and 3) is strongly preferred.

1.4.3 Improvements to Parking Plazas 7 and 8

The City’s Capital Improvement Plan includes improvements to Parking Plazas 7 and 8, located south of Santa Cruz Avenue, with planning and survey work on the resurfacing efforts currently underway. The project scope involves resurfacing, signing and striping, and new ADA/EV stalls on the two parking lots.

1.4.4 Downtown/Station Area Main Street Land Use Amendments

A private property owner, Windy Hill Property Ventures, is proposing amendments to the Specific Plan to allow additional use types on the ground floor for all properties within the Downtown/Station Area Main Street Overlay (“Main Street Overlay”) land use designation. The Main Street Overlay land use designation is generally located along Santa Cruz Avenue between University Drive to the west and Merrill Street to the east. The Main Street Overlay currently promotes a retail emphasis by limiting non-retail ground floor uses on Santa Cruz Avenue. The proposed amendments would allow additional flexibility to locate uses such as personal services, personal improvement services, and other use types on the ground floor along Santa Cruz Avenue.

2. Property Information

2.1 Location

The three parking plazas identified for development are all located north of Santa Cruz Avenue in downtown Menlo Park. The sites benefit from proximity to downtown amenities, the Caltrain station, and El Camino Real corridor. Each plaza currently serves as surface public parking for downtown patrons and workers. Below is a brief description of each parking plaza. Maps, aerial photographs, and additional analyses are provided in the [feasibility study](#).

2.2 Site Characteristics

Parking Plaza 1 is the largest of the available sites at 2.28 acres, located in the northeastern quadrant of downtown near Oak Grove Avenue and El Camino Real. The site currently provides 249 public parking spaces and includes Maloney Lane, which provides circulation between Oak Grove Avenue and Santa Cruz Avenue. The plaza features multiple access points and pedestrian connections to surrounding streets. No major title issues or known easements would limit development, but there may be unmapped utilities that would need to be addressed in site planning. Existing overhead utility lines must also be considered in site planning.

- Location: Northeastern quadrant of downtown, near Oak Grove Avenue and El Camino Real
- Size: 2.28 acres (including Maloney Lane)
- Current use: 249 public parking spaces and Maloney Lane
- Key features: Largest of the parking plazas; multiple access points; proximity to Caltrain station

Parking Plaza 2, though the smallest of the lots at 0.56 acres, offers an efficient rectangular configuration bounded by Oak Grove Avenue, Chestnut Street, and Crane Street. The site currently provides 95 parking spaces, including four electric vehicle charging stations. The parking plaza has strong accessibility with frontages on three streets and sidewalks on all sides. The site features minimal constraints and no heritage trees, making it particularly suitable for development. A 1968 plan line for the widening of Crane Street must be considered in site planning.

- Location: Northern edge of downtown, bounded by Chestnut Street, Oak Grove Avenue, and Crane Street

- Size: 0.56 acres
- Current use: 95 public parking spaces
- Key features: Regular rectangular shape; strong accessibility from three streets; minimal constraints

Parking Plaza 3 encompasses 1.99 acres in the northwestern quadrant of downtown, near Oak Grove Avenue and University Drive. The site currently provides 212 public parking spaces and has good access to surrounding blocks through multiple vehicular and pedestrian entry points. Three privately-owned pedestrian connections link the parking plaza to Oak Grove Avenue. The plaza has no significant title issues or known easements that would impede development, but there may be unmapped utilities that would need to be addressed in site planning. Existing overhead utility lines must also be considered in site planning.

- Location: Northwestern quadrant of downtown, near Oak Grove Avenue and University Drive
- Size: 1.99 acres
- Current use: 212 public parking spaces
- Key features: Second-largest of the eight parking plazas; good access to surrounding blocks

Developers are responsible for evaluating site constraints and site conditions. The City will assist in the acquisition and provision of title reports for the properties.

2.3 Zoning and Development Standards

All three sites are located within the Downtown (D) district of the El Camino Real/Downtown Specific Plan, which allows multi-family residential and mixed-use development. Development standards vary between the base level of development and the public benefit bonus level of development. At the base level, residential density of 60 dwelling units per acre is permitted with a maximum FAR of 2.75. Building heights may reach 60 to 64 feet (typically 4 to 5 stories) with a maximum façade height of 40 feet facing public rights-of-way or public open spaces, as shown in Table 1 below.

Parking Plaza	Acreage	Parking spaces	Max. base level density	Max. base level height	Max. base level FAR
Parking Plaza 1	2.28 acres	249	60 du/ac	60-64 feet	2.75
Parking Plaza 2	0.56 acres	95	60 du/ac	60-64 feet	2.75
Parking Plaza 3	1.99 acres	212	60 du/ac	60-64 feet	2.75

Through the provision of public benefits, developments may achieve bonus level standards including increased density up to 100 dwelling units per acre and a maximum FAR of 3.75. Maximum heights at the bonus level are 81 to 85 feet (typically 6 to 7 stories), though façade heights remain at 40 feet facing public spaces.

A complete description of all development regulations and standards is described in detail in the [Specific Plan](#), particularly Chapter E. Additional Specific Plan resources include a [summary table of zoning regulations and development standards](#) from the Specific Plan (including the Downtown (D) district in which Parking Plazas 1, 2, and 3 are located), and a [Specific Plan Standards/Guidelines Compliance Worksheet](#) summarizing many of the design standards and guidelines that may apply to a development.

For 100 percent affordable housing projects within one-half mile of the Caltrain station (which includes all three parking plazas), additional flexibility is available through the provisions of AB 1763. This state law removes density limits and allows height increases of up to three stories or 33 feet above the Specific Plan zoning. Projects may also receive up to four concessions or incentives from the City's development standards.

The City's Affordable Housing Overlay (AHO), described in [Chapter 16.98](#) of the City's Municipal Code, may provide additional development flexibility. Projects may utilize any combination of a site's base zoning, public benefit bonus provisions, AHO, and state density bonus law to maximize multi-family residential development potential.

Ground floor uses, such as retail, restaurants, personal services and/or other uses allowed in the Specific Plan, are encouraged to enhance downtown vitality if they would not detract from meeting the housing goals of the project. A mix of complementary uses should be designed to enhance the pedestrian environment and contribute to creating a place to live, work and play.

3. Proposal Requirements and Development Objectives

The City intends to select a Developer to enter into exclusive negotiations for up to all three sites; however, a Developer may meet the minimum Project requirements and desired development objectives on fewer than three sites.

3.1 Minimum Project Requirements

Proposals should meet the following minimum Project requirements:

- A. Create a minimum of 345 housing units serving a mix of extremely low-income to low-income households (15% to 80% AMI);
- B. Ensure that at least 80% of the property is developed with housing, and at least 40% of the housing units are affordable to households with incomes at or below 60% of AMI, with half of those units affordable to households with incomes at or below 50% of AMI to meet the requirements of Government Code §37364;
- C. Provide at least 556 parking spaces (a one-to-one parking replacement ratio), integrated within the development or as a standalone structure(s), and able to be constructed by the Developer without financial contributions from the City; and
- D. Design a development consistent with applicable City development and design standards, as opposed to a project which meets some standards and seeks waivers

and/or incentives/concessions pursuant to the state density bonus laws and/or the City's AHO.

3.2 Development Objectives

Beyond the minimum requirements, the City seeks proposals that incorporate the following elements:

- A. **Maximum Number of Affordable Units:** Developers are encouraged to maximize the number of affordable units through utilization of the site's zoning, the AHO, state density bonus law, and other applicable state laws.
- B. **Mixed-Income Development:** Beyond the 345 affordable housing units, Developers are encouraged to consider additional units affordable to moderate- and above moderate-income households for a development that provides a variety of housing opportunities.
- C. **Diverse Unit Mix:** A diverse mix of unit types is desired, with emphasis on multi-bedroom units suitable for families. Projects should provide a range of unit sizes to serve different household compositions.
- D. **Special Needs Housing Priority:** Favorable consideration will be given to proposals that address difficult-to-achieve housing priorities, including units for people with special needs or disabilities. If a development is 100% affordable, on-site resident services should be included as part of a proposal.
- E. **Local Preferences for Unit Leasing:** Proposed development would need to comply with the City's Below Market Rate (BMR) Housing Program Guidelines, including local live/work preferences.
- F. **Innovative Parking Management Strategies:** A minimum of 556 replacement public parking spaces should be incorporated into a proposal that uses all three lots. If a Developer proposes to develop an individual lot or subset of the three lots, an amount of replacement public parking consistent with the existing number of spaces on the subject lots should be provided, at a minimum. In addition, a developer should indicate how replacement public parking spaces would be available for general public parking and not utilized by residents of the development. Separate parking for residents is encouraged, but parking management strategies, such as real-time parking availability systems and/or shared parking between residents and public users may be considered. Creative parking management solutions should be described, including how shared parking arrangements would be handled and enforced to prevent neighborhood spillover effects and restrict overnight parking to development residents only.
- G. **Open Spaces:** Proposals should incorporate publicly accessible open spaces where feasible, particularly the pocket parks envisioned in the Specific Plan for Parking Plazas 2 and 3.
- H. **Sustainable Building Design:** Buildings should be 100 percent electric-powered and incorporate other sustainability features such as solar panels, green building practices, EV charging spaces, and energy-efficient systems.
- I. **High Quality Design and Amenities:** Proposals should emphasize high quality design with architectural styles complementary to other Specific Plan developments, durable attractive materials and finishes, and excellent tenant and community amenities.

- J. Ground Floor Uses: While not required, proposals may incorporate ancillary ground floor commercial uses where appropriate, provided they do not detract from the primary affordable housing objectives. If residential units are provided on the ground floor, they are encouraged to have individual unit access with doors facing onto the public right-of-way to contribute to active building frontages.
- K. Innovative Partnerships for Success: The City strongly encourages partnerships between affordable and market-rate housing developers to leverage complementary expertise, financing capacity, and development potential.
- L. Ambitious Achievable Timeline: The Developer will be responsible for the entitlement process, obtaining building permits, construction, and delivery of dwelling units and replacement parking. The City may consider waiving development fees, in whole or in part, through future coordination with a selected Developer. The City's Housing Element includes an ambitious goal of completion in 2027. All efforts should be made to construct the minimum 345 affordable housing units during the current Housing Element cycle, which ends in January 2031.
- M. Construction Phasing and Impact Management: Disruption to downtown businesses and visitors should be minimized during construction. Strategies should be explored and prioritized, such as phased development; noise, dust, and traffic disruption management; communications and coordination with downtown businesses; and consideration of construction timing and sequencing to avoid conflicts with business operations and peak hours of activity downtown.

4. Development Terms and Assumptions

4.1 Land Disposition

The City expects to negotiate and sign a 55-year ground lease with the selected Developer in order to transfer control of the site(s) for the sole purpose of developing an approved development, with a base rent of \$1.00 per year plus any additional rent arising from insurance and/or operational costs. The City would retain ownership of the land and the Developer would own and maintain the improvements and manage the development. The City will comply with Surplus Land Act requirements as part of the disposition process and intends to declare the land as exempt surplus using the provisions of Government Code §37364. No actions have been taken at this time but would be completed prior to selection of a Developer.

The City reserves the right to instead offer the site(s) for sale to the selected developer.

4.2 City Subsidy

The City considers the land a contribution to the development of affordable housing on the site(s). When developing a preliminary financing strategy for a Project, including the required replacement public parking, additional City subsidies should not be presumed. The City expects the Developer to leverage the City's land contribution to obtain additional project financing. Any additional opportunities for City funding would be at the City Council's discretion and based on

available funding sources, demonstrated need for such financial subsidy, and/or consideration of the needs of any competing uses for funding resources at the time of a request.

4.3 Phased Development

Developers may propose phased construction to manage community impacts and optimize financing strategies.

5. Submittal Instructions, Requirements, and Due Date

5.1 Instructions

Each Developer may submit only one proposal, either individually or as part of a development team partnership. Multiple submissions from the same Developer may result in disqualification from consideration.

Proposals must include all the contents outlined below in Section 5.2, and documents within a proposal should clearly identify which component they are intended to address.

5.2 Required Proposal Contents

Proposals must address the following components:

A. Cover Letter

1. Include a cover letter outlining Developer's interest in the site(s) and the proposed project.

B. Qualifications and Capacity

Describe the Developer's experience, credentials, and abilities to carry out the proposed Project, including the following:

1. Developer's name and address, and name and address of any proposed partner or joint venture, including any changes in team members from the RFQ.
2. Nature of Developer's development entity (corporation, partnership, joint venture, etc.).
3. Name and contact information of person or persons authorized to represent Developer in negotiations with the City.
4. Firm profile with an overview of the proposing firm/entity.
5. Evidence of Developer's (including any proposed partners) financial capability to carry out the proposed Project. The Developer's most recent certified financial statements (current within six months) must be submitted confidentially in a separate electronic file with a filename including the Developer's name and the text "CONFIDENTIAL Financial Capabilities." Evidence must include:
 - i. Ability of the Developer (and partners) to raise equity/debt dollars, including relationships with major lenders.
 - ii. Commitment and ability to fund planning and predevelopment costs during negotiation period and the resources to carry the Project forward.

- iii. Anticipated sources of financing, including documentation providing a commitment for the construction and/or permanent financing for the Project. The commitment should identify rates, fees, and terms of financing, if known.
6. Descriptions of successful projects in comparable undertakings, in terms of economic success and overall architectural design quality. Each project example must include a contact person, address, and phone number of a government reference for the jurisdiction in which the project was developed, general financial information about the project, and dates of involvement. Include a brief description of the land uses, size, pre-development and development costs, role of the Developer, and management and operating experience.
7. List of current projects in development and how this Project would fit within the Developer's overall workload.
8. Brief professional biographies of the team members proposed to execute the Project, including a summary of the qualifications, licenses, and experience of each member, and identification, qualifications, and roles of key individuals including all technical, planning, and architectural consultants on the development team would be involved with the Project.
9. Information regarding the property management team proposed to operate the development, and any providers who may offer on-site services as part of a development.
10. Developer's references, including the names and addresses of Developer's bank/lending institution.

C. Conceptual Plans and Project Understanding

Describe the Developer's concept for each site to be included in a proposed development, and understanding of the Project, including:

1. A brief statement of the Developer's goals and understanding of the development the City is seeking.
2. A written summary of the proposed development, including a narrative describing the site planning strategy, considerations for the proposed density, building typology and architectural style, and how it will complement downtown Menlo Park. Example imagery is encouraged to help convey written proposal concepts.
3. Conceptual plans showing the Developer's proposed project. Plans must include the following at a conceptual level: site plan, ground floor and typical floor plan views, at least two elevations or massing diagrams for each building inclusive of every street-facing project frontage, a streetscape to show the proposed buildings in context, a preliminary landscape plan, and a preliminary traffic access and circulation plan. Plans should identify the total floor area, residential density, and height for each building. Plans should also identify all major features such as open space, streets, parking areas, pedestrian walkways, and site amenities in addition to building footprints.
4. Summary table(s) of units, unit type, number of bedrooms in each unit type, average unit sizes, income levels by unit, size and type of proposed

nonresidential uses, size and type of proposed open spaces, and other relevant information. Indicate whether Section 8 vouchers will be accepted for any unit types.

5. Summary table(s) of proposed parking spaces by user type (resident, downtown patron/worker, etc.) and any proposed parking management strategies, such as real-time parking availability systems and/or shared parking between residents and public users. Parking management solutions should be thoroughly described, including how any shared parking arrangements would be handled and enforced to prevent neighborhood spillover effects and enforce overnight parking restrictions.
6. Description of proposed sustainable design features to be integrated into the development.
7. A list of all major contingencies for proceeding with the Project.
8. Description of the environmental effects expected from the Project, including impacts on traffic, air quality, public services, and any other impacts, and any proposal for mitigating potential impacts, and
9. Proposed City responsibilities the Project.

D. Schedule and Budget

Describe how the developer proposes to manage the Project budget and development timeline, including:

1. A work plan or schedule for development necessary to complete the Project. The proposal must specify the major tasks and the expected time of completion for each task. Tasks must include, at a minimum:
 - i. Preliminary design development and design meetings with the City and other agencies,
 - ii. Lease/sale of City property,
 - iii. Environmental compliance documentation and permitting, if required,
 - iv. Community engagement,
 - v. Final designs and approvals,
 - vi. Funding application schedule,
 - vii. Construction of housing and replacement public parking, and
 - viii. Phasing (if proposed).
2. A preliminary development pro-forma in both PDF and unlocked Excel formats with a complete table of assumptions, including all anticipated development costs, land costs, public improvements costs, and sources and uses of funds. The pro-forma should also include construction and permanent sources and uses, income and expense projections, loan sizing worksheet, 30-year cash flow projections, and a tax credit worksheet (if applicable). If multiple project variations are proposed, provide additional worksheets and a narrative to describe the pro-forma for each variation.
3. A budget including a financial breakdown of the proposed Project by task. The proposal must include documentation demonstrating the financial capability of

the Developer to accomplish the proposed Project, including the construction of replacement public parking.

E. Community Benefits, Engagement, and Local Partnerships

Indicate how the Developer intends to engage the community in project development, including:

1. Specific community benefits beyond the minimum requirements, such as public space improvements, local hiring and/or workforce development commitments, or additional services,
2. Detailed community outreach and engagement strategy with timeline, methods, and stakeholder identification,
3. Specific plans for minimizing impacts on downtown businesses, patrons, and workers during construction,
4. Planned approach to ongoing communication with the community, City, and downtown businesses throughout development,
5. Identified local partners for services, construction, and/or operations, and
6. Identification of any commitments to use local building and construction trades and union labor.

F. Implementation Plan

1. Quarterly timeline and estimated milestones from Developer selection through entitlements, financing, construction, and lease-up.
2. Specific approach to entitlements and environmental review under the California Environmental Quality Act, including which, if any, streamlining tools would be utilized (State density bonus law, AB 1763, AHO, etc.).
3. Identification of potential risks and mitigation approaches.

G. Property Management and Services

Indicate the Developer's plan for managing and maintaining a high-quality development and meeting resident needs in the long term, including:

1. Property management plan indicating approach to property management, including staffing, maintenance protocols, and tenant selection criteria.
2. Resident services plan detailing on-site services, partnerships with service providers, and funding sources.
3. Commercial management strategy (if commercial spaces are included), including approaches to tenant recruitment and management.
4. Description of proposed capital reserves, if any, for a long-term maintenance approach.

5.3 Due Date and Public Posting

Proposals will only be accepted electronically at [INTERNET ADDRESS].

All proposals must be received by [DATE] at 5:00 p.m. Submittals received after the due date and time may not be accepted.

NOTE: Proposals will be made available to the public on the project webpage at <https://menlopark.gov/downtowndevelopment> within one week of the due date. The only information excluded from public posting will be financial documents marked CONFIDENTIAL and submitted as a separate electronic file(s) to demonstrate the requested financial capabilities of the Developer.

6. Selection Process and Evaluation

6.1 Selection Criteria

Proposals will be reviewed and evaluated by a selection committee including City staff, who will recommend the proposal(s) to the City Council that most closely meet the requirements of the RFP and satisfy the City's needs and project objectives. Finalists may be invited to participate in interviews and/or a community open house prior to selection to help inform a recommendation to the City Council.

The following areas of consideration will be used to make the selection:

- **Development Concept:** The City will consider the nature of the proposed development, including a demonstration of meeting the project objectives, creative approaches to meeting housing and public parking needs, design concepts, feasibility of the proposed concepts, and integration with the existing downtown Menlo Park context.
- **Developer Experience and Capacity:** The City will consider the development team's track record of managing high-quality design and executing development projects, including affordable housing development projects, of a similar scope and complexity in a timely manner. The City will also consider the Developer's experience in partnering with local jurisdictions.
- **Financial Strategy:** The City will consider the Developer's financial capability, the feasibility of the funding approach for an affordable housing project and replacement public parking, experience in utilizing proposed funding sources in other developments, and strength of financial references.
- **Community Engagement:** The City will consider the quality of the Developer's community engagement plans, experience in working with area stakeholders (especially local businesses), and management and communication related to potential construction impacts.
- **Property Management and Services:** The City will consider the Developer's property management capabilities, proposed development management plans, and resident service provision approaches to maintain a high quality, safe, and healthy development over time.

6.2 Disclaimers

This RFP does not constitute an offer to enter into an agreement with any party. The City may, at its discretion, request that a Developer modify or supplement its proposal with more information. The City reserves the right to reject any or all proposals, to cancel this solicitation, to re-advertise for proposals, and/or to waive any informalities or irregularities in the RFP

process. Once a Developer is selected, the City will, in its sole judgment, negotiate, in its sole discretion, a satisfactory agreement that will best serve the public interest and the City's affordable housing and downtown goals.

6.2.1 Notice Regarding Related Lawsuit and Citizens' Initiative

On April 14, 2025, Save Downtown Menlo, an unincorporated association ("Plaintiffs") filed a Petition and Complaint ("Complaint") to challenge the City Council's authority to take action regarding City-owned downtown parking lots, including (1) to find any such parking lot to be surplus or exempt surplus land, or (2) to sell, lease, or otherwise convey any such parking lot for development of affordable housing. Plaintiffs seek a writ of mandate or declaratory relief to invalidate and prohibit such allegedly illegal City action. Case No. 25-CIV-02592. The City has not filed a formal response to the Complaint. It has, however, informed the Court and Plaintiffs that the City considers the suit to be misguided and without merit. The City intends to defend against Plaintiffs' allegations.

Proponents of an Initiative Ordinance are circulating a petition to collect signatures to qualify the Initiative Ordinance for the ballot. If the proponents collect the requisite number of signatures and the Initiative Ordinance were approved by the voters and deemed lawfully enacted, voter approval of any City Council decision to lease or sell the subject sites might be required if such action would diminish the availability or convenience of parking.

7. Contact Information and Resources

Prospective proposers should use the contact information below for questions regarding the RFP. Email is preferred, but phone calls will be accepted:

Tom Smith, Principal Planner
tasmith@menlopark.gov
(650) 330-6730

Download other reference materials and stay informed of project progress on the project webpage at <https://menlopark.gov/downtowndevelopment>.