

# THE NEW MEDIUM AT MENLO

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MENLO PARK DOWNTOWN MASTER PLAN



Jono Coles | Kate Ham | Sophie Schnietz | Reena Zhang



## Executive Summary

The New Medium at Menlo brings together medium-scale, mixed-income and multigenerational living. Our project will create a vibrant, pedestrian-oriented downtown with much-needed affordable housing and outdoor public space for Menlo Park. By 2034, our multi-phase master plan will turn 7 city-owned parking lots into 6 housing developments, 1 public parking garage, and an urban greenway.

With buildings no more than 5 stories that integrate into Menlo Park's existing family-oriented urban fabric, this development balances density and resident concerns, providing quality housing and public life without intrusion.

Our 453 new units - averaging at 49% AMI (approximately \$92,000 for a family of four) and spanning a wide range of sizes - will accommodate people of all ages and incomes. Overall, The New Medium at Menlo connects large families, veterans, seniors, teachers, administrative workers, formerly unhoused folks, working adults, and the existing community all within walking distance.

Notably, our development offers a new urban greenway and a public parking garage to the

greater Menlo Park community. Partnering with local organizations, we offer resident and early child care services from top tier providers in addition to transit service to the VA Medical Center, opportunities for public art, new public social spaces and bikeshare centers.

PAAD's architectural design brings new density to Menlo Park's established village character - balancing innovation and consistency with the neighborhood. Our project achieves efficiency and quality through innovative designs that maximize light and air for units. The primary innovation of our design is the absence of corridors: by using single-stair circulation, interiors are opened up to more sunlight and natural ventilation, and intentional outdoor spaces weave the domestic and the public. In this way, we achieve a higher density at a lower cost and smaller footprint than comparable projects that use double loaded corridors. This efficient, airy design is made possible by a key piece of legislation in single-stair reform. California Assembly Bill 835, currently on the State Assembly's docket, proposes only one stairway required by code for new residential buildings above 3 stories. We are strong advocates for CA AB 385 and believe our efficient and economical project is exemplary of its benefits.

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## Our Team

PAAD began in 1997 as a four-person team (Planner - Architect - Architect - Developer) of UC Berkeley graduates and has grown to become one of California's largest affordable housing developers. With over 20 years of experience in the Bay Area, PAAD is committed to creating deeply affordable homes with innovative designs integrated into vibrant, inclusive communities.

## Our Development Mission

PAAD's mission is to craft a new, vibrant downtown that is a **mixed-income, multi-generational** family neighborhood filled with **medium-scale**, high quality affordable housing and public space that integrates into Menlo Park's existing character.

## Site and Market Analysis

### Site Analysis

Downtown Menlo Park primarily consists of lower-density buildings constructed in the 1960's and 1970's but is filled with a multitude of amenities. In addition to being adjacent to El Camino Real and a Caltrain stop, the area is full of many grocery stores (Draegers, Trader Joes, and Safeway), schools (Menlo College, Menlo School, Sacred Heart), public parks (Burgess Park, Jack W. Lyle Park, and Camp Fremont Park), and local businesses and medical offices/clinics - all within one half mile of the parking lots. The site area is defined as a highest resource zone by TCAC, and listed as Difficult Development Area (DDA) by the Department of Housing and Urban Development (HUD).

### Market Analysis

Menlo Park is an affluent city with a median household income around \$180,000. 68% of the housing in the city is detached single-family houses, whereas 20+ units multifamily structures are less than 10%. Everyday, there are more than 50,000 people who commute into Menlo Park

for work, less than 15,000 people who commute outside of the city, and only 2,000 people who live and work in Menlo Park. Most of the primary workers who commute to Menlo park often live more than one hour away. Of Menlo Park households, 35% have children, average household size of 2.78, and average family size of 3.35. Menlo Park is a prime location for working families and affordable housing.

## Zoning Strategy

Development in Downtown Menlo Park is currently guided by the El Camino Real and Downtown Specific Plan drafted in 2012, passed in 2014, and the Affordable Housing Overlay Zoning Ordinance (AHO) passed in 2013. The Specific Plan envisions infill projects (especially in vacant/under-utilized lots), public space and infrastructure improvements, and improved connectivity while maintaining the "village" character of the City. More specifically, all the parcels in the site are designated as retail/mixed use, with base zoning of 40 dwelling units per acre (DUA) and a maximum height of 38 feet. The AHO offers a maximum 60% density bonus, a maximum height of 60 feet, and other incentives like decreased parking requirements.

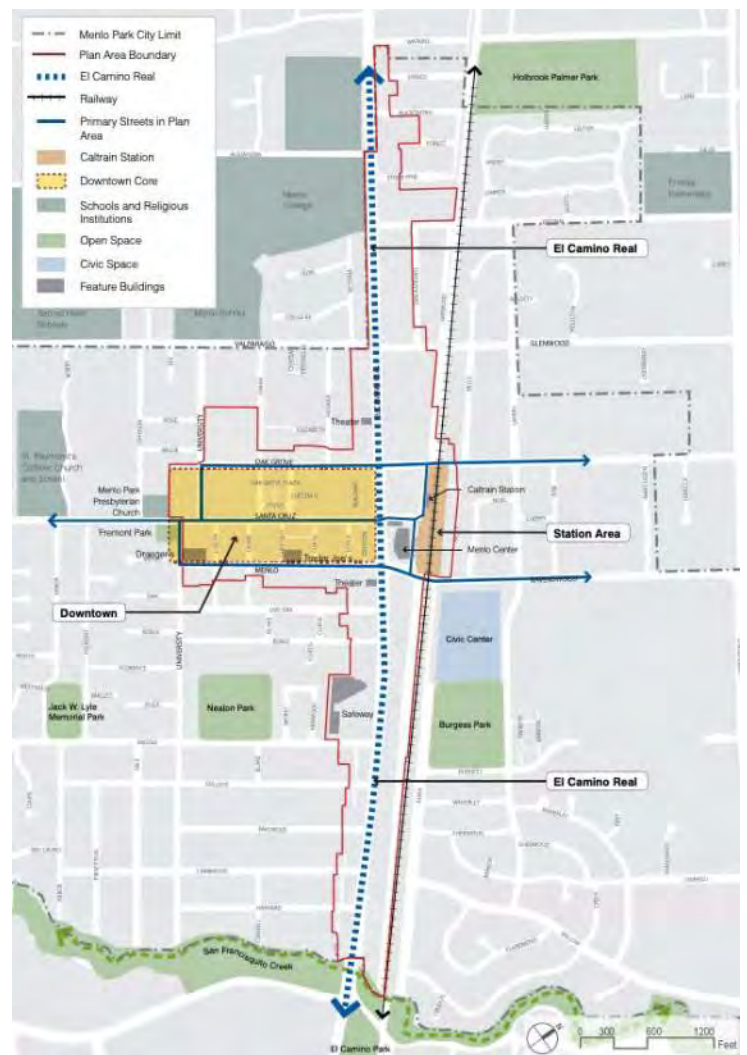
However, Menlo Park is keenly aware of their dire housing need as a wealthy and expensive Silicon Valley suburb. For context, the city did not meet its RHNA goals for very-low (93%), low (71%), and moderate (15%) income housing, yet it has an overabundance of market-rate housing (788%). Simultaneously, the upcoming RHNA (2023-2031) cycle has allocated nearly six times the number of units as the previous cycle (from 655 to 3,830), suggesting that Menlo Park needs significantly more affordable housing and will have difficulty meeting its goals without large residential projects such as this one. At the same time, the Silicon Valley city has a high jobs-to-housing imbalance, with only 4% of the 50,746 residents employed in Menlo Park living there.

In the interest of meeting their affordable housing goals, the city expressed being open to supporting affordable housing in new, creative ways that diverge from the current zoning. In their 2023-2031 Housing Element, the City identified eight parking lots downtown as prime for development for affordable housing and proposed modifying the AHO to establish a maximum of 100 DUA.\* Furthermore, a recent resident survey shows that 63% of respondents identified Downtown Menlo Park as the best site for new housing (2021).

For the six sites in our development designated for 100% affordable housing, PAAD utilizes the California Density Bonus Law, SB 35, and the Surplus Land Act (SLA). Under the State Density Bonus Law, our developments receive benefits that override local zoning, eliminate density maximums, eliminate parking requirements, and reduce fee waivers. Under SB 35 (since Menlo Park did not meet its RHNA requirements), our developments will be exempt from environmental review under the California Environmental Quality Act (CEQA), thus significantly streamlining the timeline of the project. Under the SLA, the City is required to give PAAD a “right of first refusal” as an affordable

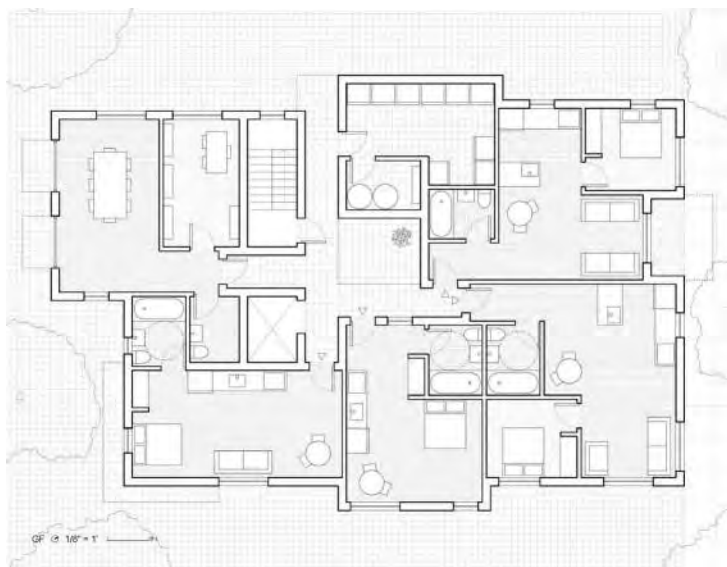
housing developer.

Our market rate development in Phase II does not utilize the State Density Bonus or SB 35 and is subject to affordability restrictions of the SLA. To meet the SLA requirements, we will provide 25% BMR units for sale in our Phase II townhomes development. Our units will be affordable to moderate income households, contributing to the mixed-income downtown community and adding much needed missing middle housing to Menlo Park. This development will also be subject to CEQA and fees from the City in order to override the base zoning, which will make the development more expensive and extend its timeline. However, since the market rate development is tied to subsidizing the much-needed public parking garage, we highly anticipate the City will offer fee waivers and other incentives.

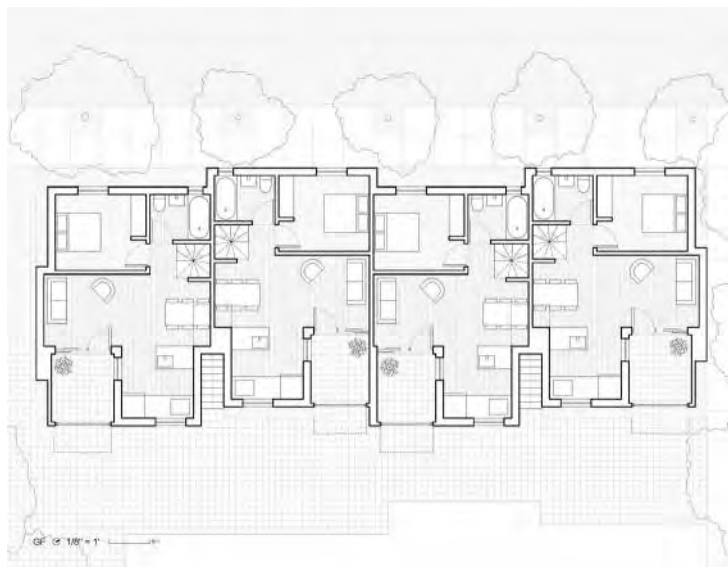


Map of Menlo Park zoning

\* Program H4.D - Modify the AHO, pg 8-24, Menlo Park Adopted Housing Element.



Ground Floor Plan of 4 level apartment building



Ground Floor plan of 3 level townhouse

## Design Philosophy

As we envisioned a transformed downtown Menlo Park, we considered the idea of “medium.” That is, the halfway point between two extremes or alternatively, an intervening substance through which impressions are conveyed. How could we design affordable housing for this community in a responsible, inclusive, and considerate way? The answer: a New Medium, the stepping stone to a denser urbanism that maintains Menlo Park’s family character. Our low-cost, efficient design creates buildings full of light and air with ample resident amenities to activate the neighborhood streetscape.

Light and air are essential to healthy living spaces, yet access to them is often limited in large-scale housing developments that rely on concrete podium construction and double loaded corridors. In all the buildings we designed, double loaded corridors are entirely eliminated. Minimizing interior corridors as much as possible maximizes the amount of directional exposures each unit receives. For example, all units have at least two different exposures and in many cases, they have four. This allows for ample light and air to reach each unit, which contributes to exceptional quality of life for residents.

In addition, they will have ample access to the services located on the ground floors of the apartment buildings. These service spaces include laundry rooms, bike storage, a community room, and the property manager’s office (4 Story GF, 1F). In addition, a large central fountain provides a unique play area for children as well as a pleasant gathering space for community members. Ultimately, these considerations for the health and well-being of residents contributed most to the shape of our project.

What’s more, our developments primarily use slab-on-grade construction to allow for residents to have nearly unmediated street access, providing them with inclusive access to Menlo Park’s activated downtown resources, as well as the services within the development itself. In addition to being cost-effective, this design choice creates smaller massing of buildings across our project and allows for a verdant neighborhood feel that blends in seamlessly with the downtown. This is especially pronounced in the dynamic urban greenway south of Santa Cruz Avenue where residents, shoppers, and the greater public can all enjoy the best of what Menlo Park has to offer, linking downtown blocks with a pedestrian-friendly space.

Another consideration that shaped our design approach was that of cost efficiency. Of our three

different building models, two are three levels and one is four levels. These typologies all easily meet Type V requirements, allowing us to keep construction costs low. We further reduce costs by minimizing corridors and fitting more units within the envelope. The three-level townhomes, for example, interlock and stack two separate units across three floors, allowing for only one stairway for every four units (3 Story [Small] GF, 1F). Moreover, the four-level apartment building uses very little corridor space to connect units with a point access elevator and fire stair. These corridors and circulation spaces are instead pushed outside the building, to maximize use of outdoor spaces and communal gathering areas. This rigor in internal organization allowed us to maximize the amount of units in each building envelope, contributing to average efficiency rates of over 92% and notably low construction costs.

Looking forward and responding to the city's intense demand for affordable housing, our

project has a high density that we achieved using a proposed update to the fire code. California Assembly Bill 835—which is under consideration now—would allow for single-exit, single stairway multi-unit residential buildings above 3 stories. This requires the research and approval of the State Fire Marshal, Daniel Berlant by January 1, 2025. In short, this bill would allow for point access residential buildings over three levels, which would bring our design for the four and five-level buildings up to code. This concept of point access is vital to the design not just of this building but of the other buildings on our site because it minimizes corridor space, maximizes light and air, and makes it economical to build residential projects at a medium scale of six units per floor. To reach the necessary density and efficiency while still maintaining these principles, we needed some of our buildings to be four levels.

We believe CA AB835 is the way of the future because it makes high density, high quality housing affordable for developers while still maintaining fire safety at a new standard. We want to be at the forefront of the future of California affordable housing design, and our development will capitalize on this opportunity and become a leader in this changing landscape of housing. Please see our Appendix to sign our petition in support of AB 835.



4 level apartment atrium with point-access stair

## Master Plan Program

Of the eight City-owned parking lots with development potential, our firm strategically phases our development over ten years to mitigate construction impacts and gradually introduce the neighborhood to The New Medium at Menlo. In this section, we will provide an overview of each of the phases before going into detail in later sections.

Phase I serves as our proof of concept for our affordable housing project. Our siting for Phase I is strategic: based on our firm's site visit and consultation with the City, the five parking lots south of Santa Cruz Ave are less suitable for development at the moment because the parking lots are more utilized (especially with the nearby grocery stores) and potentially require infrastructure costs for undergrounding existing utilities.

Our project is divided into four phases:

- I. Beginning with one of the largest and least financially complex lots, we construct a large-family 100% affordable development and introduce our innovative building typology. Our 4% LIHTC project has 91 units of affordable housing and is to be completed by 2028.
- II. Phase II simultaneously develops a village of townhomes and a public parking garage, partnering with reputable developers to complete each. Our 64 townhomes will be offered for sale by 2030, with 16 offered at below market rate to moderate income buyers. Funds from the townhome development will be used to subsidize both a 475-space parking garage - strategically located adjacent to El Camino Real and the Caltrain Station - and the infrastructure improvements (water, electric, and sewer) along the lots south of Santa Cruz Ave prior to being developed.



Master Plan

## MASTER PLAN AT A GLANCE

Construction Completion	June 2034
Populations & Programs	Large Families, Seniors, Veterans, Special Needs, Moderate-Income Families, For-Sale Townhomes
Total Development Cost	\$492 MM
Total Units	453 (400 affordable, 48 market, 5 manager)
Affordability	88% affordable, 49% AMI (average)
Density	150 units/acre
Community Benefits	5-story Parking Garage, Urban Greenway, Early Childcare Facilities, Senior Community Center, Public Art, Public Plaza, Bikeshare

III. Phase III and Phase IV are both hybrid 100% affordable housing projects to increase the speed of development; we pair 4% LIHTC projects on the larger lots with 9% LIHTC projects on the smaller lots. Phase III will consist of a senior 9% project specializing in veteran services and a large family 4% project with an early child care center. Both will be completed by 2034. The eighth, highly-utilized city-owned lot in front of Draeger’s remains intentionally untouched so that residents can easily carry their groceries to their vehicles.

### Community Benefits

The New Medium at Menlo provides a bounty of benefits for the greater Menlo Park community:

**5-Story Parking Garage** - For over a decade Menlo Park residents have expressed a desire for a downtown parking garage, and the City has expressed a desire for as much replacement parking as possible. Our development proposal balances these desires with the competing vision for the future of Menlo Park’s downtown to be more walkable, transit-oriented, and filled with more activated structures. Taking into account current concerns about parking, we utilize funds from our Phase II market rate development to fully subsidize a 475-space garage. Including surface

public parking, we will achieve a replacement parking ratio of 0.7 : 1 (in addition to the parking provided to all new residents). The parking garage is constructed including EV charging stations and solar panels on the roof top. On the ground floor, there will be bike and scooter share facilities, so the parking garage can also act as a small mobility center.

**Urban Greenway and Public Plaza** - At the center of our project is a pedestrian-only urban greenway parallel to Santa Cruz Ave that will revitalize downtown businesses while providing new social spaces for all Menlo Park residents. During a pleasant stroll down our European-style, tree-lined walkway, residents will encounter parklets, fountains, a large public plaza, family gathering spaces, and the city’s farmer’s market on weekends - facilitating casual social interactions that bring our city closer together.

**Community Facilities** - Early Child Care Facility, Senior Community Center - Recent research indicates that there are mutual benefits for co-locating affordable housing and childcare.\* In Phase III, we will provide space for a senior community

\* Fretwell, Joe. [Including Family Child Care in Affordable Housing: Policy, Design, and Financing Considerations](#), 2022.



center as part of our 9% LIHTC senior project. We will also develop space for a large child care center as part of our 4% large family affordable housing project. Our childcare center of approximately 1,000 sqft will focus on infant care and will partner with small, local licensed providers to serve resident families as well as the larger community at affordable rates.

**Public Art** - As a recent market study indicated,<sup>\*</sup> the revitalization of Downtown Menlo Park would be incomplete without public art. We will partner with local organizations - Downtown Business Alliance, Menlo Park Design District, and Elevate Art Menlo Park - to provide opportunities (especially along the urban greenway) for local artists to make downtown more vibrant and economically stimulated.

**Infrastructure Improvements** - The Phase II market rate development will also fund infrastructure improvements (water, sewer, and electric) needed to accommodate our project’s relative increased density and support existing businesses on Santa Cruz Ave.

PHASE I AT A GLANCE	
Construction Completion	June 2028
Populations & Programs	Large Families, Permanent Supportive Housing
Total Development Cost	\$84 MM
Total Units	91 (90 affordable, 1 manager)
Affordability	100% affordable, 46% AMI (average)
Density	150 units/acre
Efficiency	92%
Parking Ratio	0.8 spaces/unit

## Phase I: Large Family Affordable Housing

The New Medium is an affordable housing project on the 0.67-acre Lot 3 (between University Drive and Crane Street). The 5-story development provides 91 units of affordable housing and 87 surface parking spaces. Making the most of the site’s amenities of proximity to good schools, jobs, and transit, the project focuses on advancing opportunities for large, low-income families and permanent supportive housing. The 100% affordable project has affordability levels no greater than 60% AMI and offers a variety of sizes and bedrooms rather than concentrating on studios and one-bedroom. Resident services and community spaces will be included in the development.

### Financial Feasibility

The total development cost of our Phase I large-family and permanent supportive housing development is estimated to be \$84 MM and the annual base year operating expenses is \$926K. The efficiencies in our design - primarily our Type V slab on grade, retaining a portion of the lot for surface parking, and our elimination of double corridors - keep our development costs low.

For our main financing sources, we primarily rely on 4% LIHTC, for which we are very competitive given the downtown neighborhood’s rich amenities and highest opportunity designation by the TCAC Opportunity Maps (2023). Our project also utilizes a 30-month term tax-exempt construction loan of \$44 MM with a taxable tail construction loan of \$17 MM, both at a 6.80% interest rate. After conversion, The New Medium is locking in a 17-year term senior debt of \$11 MM with an interest rate of 7.46% which includes the permanent financing provided for section-8 residential units. In addition, to support the project financing, the City of Menlo Park is donating the lot to PAAD, which is worth around \$12.5 MM.

<sup>\*</sup> HdL ECONsolutions. Jan 2022 [Menlo Park Downtown Market Study](#).

The project is applying for 20 Section-8 Project-Based Vouchers (PBVs) from the Housing Authority of the County of San Mateo (HACSM) to help subsidize the LIHTC units with a \$431K annual income. Given previous numbers of vouchers awarded and HACSM's scoring criteria\* (especially the emphasis on larger units for extremely-low income units), PAAD believes that we are competitive for receiving 20 PBVs.

For gap financing, Phase I utilizes the California Department of Housing and Community Development (HCD) Multifamily Housing Program (MHP) loan, a loan from the San Mateo County Affordable Housing Fund, and solar tax credits from ITC - 45L as the project will have solar panels installed and meet Energy Star rating. We anticipate securing a \$26 MM MHP loan based on our SuperNOFA scoring (111/113 points), only losing 2 points for not being on State Excess Lands; however, because MHP is so competitive, we are using HCD's Affordable Housing Sustainable Community (AHSC) as a back-up plan, which, given our conversations with AHSC technical assistance experts, we are also highly competitive for given our proximity to Caltrain (AHSC can be used to subsidize Caltrain's electrification budget shortfall, and train improvements typically score higher than buses for greenhouse gas reductions). Locally, the development team is requesting \$2.2 MM through the County of San Mateo Affordable Housing Funding NOFA Round 11 (project scores 115/115), which we believe is a reasonable funding request given funding awards in past rounds.

The New Medium has a sound cash flow. Effective gross income (primarily from residential rents, including PBVs) begins in Year 1 at nearly \$2.2 million, which covers \$840K in operating expenses and nearly \$1 million in debt service, leaving about

\* In December 2022, HACSM made available 200 PBV and 35 HUD-VASH PBV. Scoring requires 50% of PBV for 2BR+ unless 100% senior housing, with a maximum of 50% of PBV for total units. Scoring also prioritized extremely-low incomes, team experience, readiness, financial feasibility, location, plan for services, and sustainable development. See HACSM's 2022 RFP [here](#).

\$300K in net cash flow to cover fees and soft loan repayments. Net cash flow remains positive and increasing for the entirety of the project. At Year 9, the project will complete our \$1.3 MM deferred developer fee, and all remaining residual cash flow will be used towards soft loan repayment.

## Resident Amenities

At PAAD, we believe in the importance of aging in place and multigenerational living Neighborhoods. For our Phase I large-family, permanent supportive housing development we emphasize family in our resident spaces and services.

Our Phase I development features a large inner courtyard (nearly 4,000 sqft) for the use of resident families. A small children's playground is located on one side of the courtyard and includes a playful water feature. The courtyard will be lined by trees and surrounded by other community spaces, including two community rooms, a laundry room, a property management office, and a resident services office. The construction of multiple structures at ground level rather than a single residential building allows for a quasi-public spacious outdoor area easily accessible by residents and other community members passing through the development. These community spaces are placed on two opposite sides of the central courtyard, which acts as points of destination that



Render of Farmers' Market on Urban Greenway

encourage residents to utilize and gather in the outdoor space. Together the indoor and outdoor community spaces are integrated with one another and can be used as a lively and vibrant community event space for families to convene.

Our project will be in good hands in partnering with Abode Services for property management and resident services. Using a Housing First approach, Abode Services is one of the Bay Area’s largest, most established affordable housing service providers, with over thirty years of experience in the Bay Area and eight years of experience in San Mateo County partnering with the Housing Authority of the County of San Mateo to serve voucher holders. At our development, Abode will provide a wide range of supportive services onsite, including job training, parenting classes, and case management necessary for our permanent supportive housing units that serve low-income families. For property management, Abode conducts onsite management, compliance monitoring, and accounting assistance. We are planning to work with Abode to provide onsite property management. Abode’s emphasis on supporting historically-marginalized groups will contribute to the diversity of our development.

Our operating budget funding to management staff includes one onsite manager at \$95,000 annually and one full-time maintenance personnel at \$80,000 annually. Including payroll taxes

and benefits, the total budget for the property management team is \$249,285 annually. On the residential service side, we have budgeted \$800 per unit per annum, which is \$73,600 per year. This funding will be spent on having one part-time resident service staff and one part-time case manager from our third-party service provider, Abode.

In addition, our project seeks to integrate into the city’s fabric and take advantage of the new ~500,000 sqft Menlo Park Community Campus\* (100 Terminal Avenue) that is currently in development and will be completed in 2024 by the time our project is completed. The Meta-funded, multigenerational facility will replace and upgrade existing community facilities and will include a senior center, fitness center, meeting and classrooms, youth center (child care), library and pool. With this new opportunity, we will partner with the City of Menlo Park to provide discounted membership services and direct shuttle service from Downtown Menlo Park to the campus in Belle Haven.

PAAD’s goal is to make The New Medium an affordable housing development project that prioritizes family care and provides community spaces that promotes safety and health. The partnership with Abode Services for property management and resident services ensures that families receive necessary supportive services.

UNIT MIX

	30% AMI	40% AMI	50% AMI	60% AMI	Manager
Studio	5	7		10	
1BR	5	4		8	
2BR	6	5	7	5	1
3BR	6	5	8	5	
TOTALS	22	21	15	28	1

\* Menlo Park Community Campus, [menlopark.gov](http://menlopark.gov).

## Phase II: Townhomes & Parking Garage

Phase II of our Downtown Menlo Park development project consists of a residential market rate development and a parking garage. PAAD chose to develop townhomes for sale because according to our projections a rental market rate development cannot fully fund the cost of a parking garage. We will partner with a market rate developer to build and sell townhomes - the land value from which cross-subsidize the 5-story above-ground parking structure. Both developments are projected to be completed by 2030.

Our townhome development on the other large northern lot includes 48 market rate units for sale (3BR, 3BA at 1,850 sqft) and 16 BMR units for sale (2BR, 1BA; 8 at 1,250 sqft and 8 at 938 sqft). Each unit will have their own parking space. Given our market analysis and factoring in conservative estimates in case of a market downturn, we anticipate the market rate townhomes will sell for \$1.75 MM each and \$796K each for the BMR units, affordable to families making 120% AMI. With 64 units total at a density of 29 DUA, our total development cost is \$96.7 MM. This development will not only provide housing to moderate income families, but also generate \$12.9 MM land value that will be contributed to the public parking garage and the infrastructure cost of future Affordable Housing developments Phase III and Phase IV. To the benefit of the City, the market rate units will generate \$28.5 MM in property tax income over the course of 20 years that the City could potentially use to implement more community benefits and infrastructure upgrades.

In addition, PAAD is constructing a parking garage on the southern lot closest to the Caltrain Station. Inputting our data into an online parking garage pricing calculator,<sup>\*</sup> we find that the total construction cost will be approximately \$19.4 million at \$130/sqft and \$41,000/stall. The 5-story



Exterior render of townhouse patio

garage will be complete with photovoltaic panels and 475 stalls. To cover the \$22.3 MM parking garage and infrastructure funding stack, we combine \$12.9 MM in contributions from the market rate development with a \$9.7 MM senior debt loan to be repaid with parking revenues. The City could also supply additional subsidy by charging for hourly parking throughout the downtown area, as they have been intending to do.

Currently across the 7 city-owned lots slated for the New Medium at Menlo development (our proposal does not include the Draeger's parking lot), there are 1,104 spaces to be removed. A 2010 parking study<sup>\*\*</sup> found that about 80% of the spaces were used at peak hours (weekday lunch), suggesting that effectively 883 spaces need to be replaced; we believe that given how old this study is, this is a conservative estimate of the effective number of spaces that need to be replaced. With 475 stalls in the public parking garage and the additional 133 surface parking spaces, this would make our replacement parking ratio effectively 0.7.

<sup>\*</sup> See our results from Watry Design's [The Garagenator](#).

<sup>\*\*</sup> Transportation, Circulation, and Parking Study, [menlopark.gov](http://menlopark.gov).

## Phase III & IV: Hybrid Affordable Housing

Completing our downtown master plan, Phase III and Phase IV are both 100% affordable housing projects with the same typology as our Phase I development though with podium community service space and parking. Utilizing a hybrid LIHTC strategy to allow the developments to apply for tax credits at the same time without competing against one another, for each phase we pair a 4% LIHTC project on a larger lot with a 9% LIHTC project on a smaller lot. We anticipate both the 4% developments will be of the same unit mix as our Phase I development, and both the 9% developments will be 30 units at 30% AMI and 30 units at 60% AMI, with one manager's unit each.



View from University Drive

The Phase III 61-unit 9% project will focus on senior and veteran populations and cost approximately \$43.5 MM (after inflating costs by 2% per year). We anticipate receiving \$22.5 MM from LIHTC. Our development also relies on receiving 15 HUD-VASH PBVs, assuming annual income of \$500K and a Section 8 permanent loan of \$5 MM. For gap funding, PAAD will apply for a \$10 MM loan under HCD's Veterans Housing and Homelessness

Prevention (VHHP) program. As per the VHHP requirements, 50% of our units (30) will serve extremely-low income veterans and 60% of those units (18) will be permanent supportive housing units. We anticipate being competitive for VHHP based on our SuperNOFA scoring calculations (111/113 points), only losing 2 points for not being on State Excess Lands. PAAD will also apply for a half-million loan from the San Mateo County Affordable Housing Fund. Note that the project will have 30 surface parking spaces with a parking ratio of 0.5 spaces/unit, as it is common for senior developments to need less parking.

The project will have higher annual operating expenses of \$12K/unit to adequately support the seniors and veterans. We will partner with Nation's Finest, a veterans service provider that already works with a nearby veterans affordable housing development in Menlo Park (795 Willow Road), to offer veteran related services onsite. PAAD will also work with them to provide free shuttle service to the Menlo Park VA Medical Center, which is a 10-minute drive away from the development. For the other seniors in the project, PAAD will partner with Menlo Park based organization Peninsula Volunteers, Inc. (PVI) to offer onsite senior programming for our residents.

Our Phase III 4% project will focus on low-income large families and will provide an early child care center for the residents and the larger community. We anticipate either HCD's AHSC or Infrastructure Infill Grant (IIG) would be a good fit for this project, as AHSC could be used to fund the urban greenway and IIG could be used to fund the necessary infrastructure improvements. For our onsite child care center, we decided to focus on infant care since it has the biggest need: recent research shows that there is significant unmet needs for childcare in San Mateo County, particularly for infant care where only 34% of demand is being met.\* PAAD anticipates that

\* [2023 article from The Almanac](#) referencing [2022 Child Care Needs Assessment report](#)

the City will support the center’s development. According to Menlo Park’s 2023-2031 Housing Element,\* the City is interested in facilitating the development of affordable childcare centers, such as by streamlining zoning; we plan to work with local childcare organizations to advocate for municipal incentives to develop our much-needed infant child care center.

For Phase IV, our 4% project must resolve entitlement issues regarding a small parcel owned by Wells Fargo for their sign. To resolve this issue, PAAD proposes the following options in order of simplicity. The first option is to partner with Wells Fargo to donate the land and become our limited partner under LIHTC for the affordable housing development. Even if Wells Fargo is not interested in joining a LIHTC deal, after the development we can dedicate a new place for Wells Fargo to implement a new sign. We could also request they sell the land to PAAD at a discount. If all else fails, our third option is to have the City invoke eminent domain (this is legal for the pursuit of affordable housing) and force the sale of the property to the City to be sold to PAAD. The last two options will involve an appraisal, the cost of the parcel, and associated legal expenses. We anticipate this piece of land will not cost much since it does not generate advertising income. We estimate that this cost to be approximately \$1,000.

## Conclusion

The New Medium at Menlo represents a forward-thinking and innovative approach to Menlo Park downtown development that prioritizes the providing high-quality affordable housing while enhancing the overall community amenities and benefits. By converting these city-owned parking lots into housing development, public spaces, and a parking garage, this master development plan offers much-needed affordable housing and outdoor public space to the city of Menlo Park.

The New Medium at Menlo also offers a range of general benefits to the downtown community that align with the city’s goals and objective:

- Over achieving Affordable Housing development goal by providing 453 new residential units, including 400 income restricted units to meet Menlo Park’s RHNA goals.
- Contributing to economic revitalization, providing jobs and supporting local businesses by developing a pedestrian-friendly urban greenway to active ground floor activity and increase foot traffic.
- Focusing on infill, transit-oriented development, and sustainable design to meet City’s greenhouse gas emission targets.
- Providing Infrastructure improvement and public parking garage for replacement parking that also serves a mini mobility hard for bikes and scooters to promote green transportation
- Offering rich community amenities such as early child care facilities, senior community centers, public open spaces, and shuttle services.

With our development and design approach, we will collaborate with the communities to craft a new vibrant Menlo Park downtown that is a mixed-income, multi-generational neighborhood filled with medium scale, high-quality affordable housing and outdoor space that integrate into Menlo Park’s existing character.



View of Phase 1 development

\* For instance, see Program H2.F - Childcare Allowances in the Housing Element

















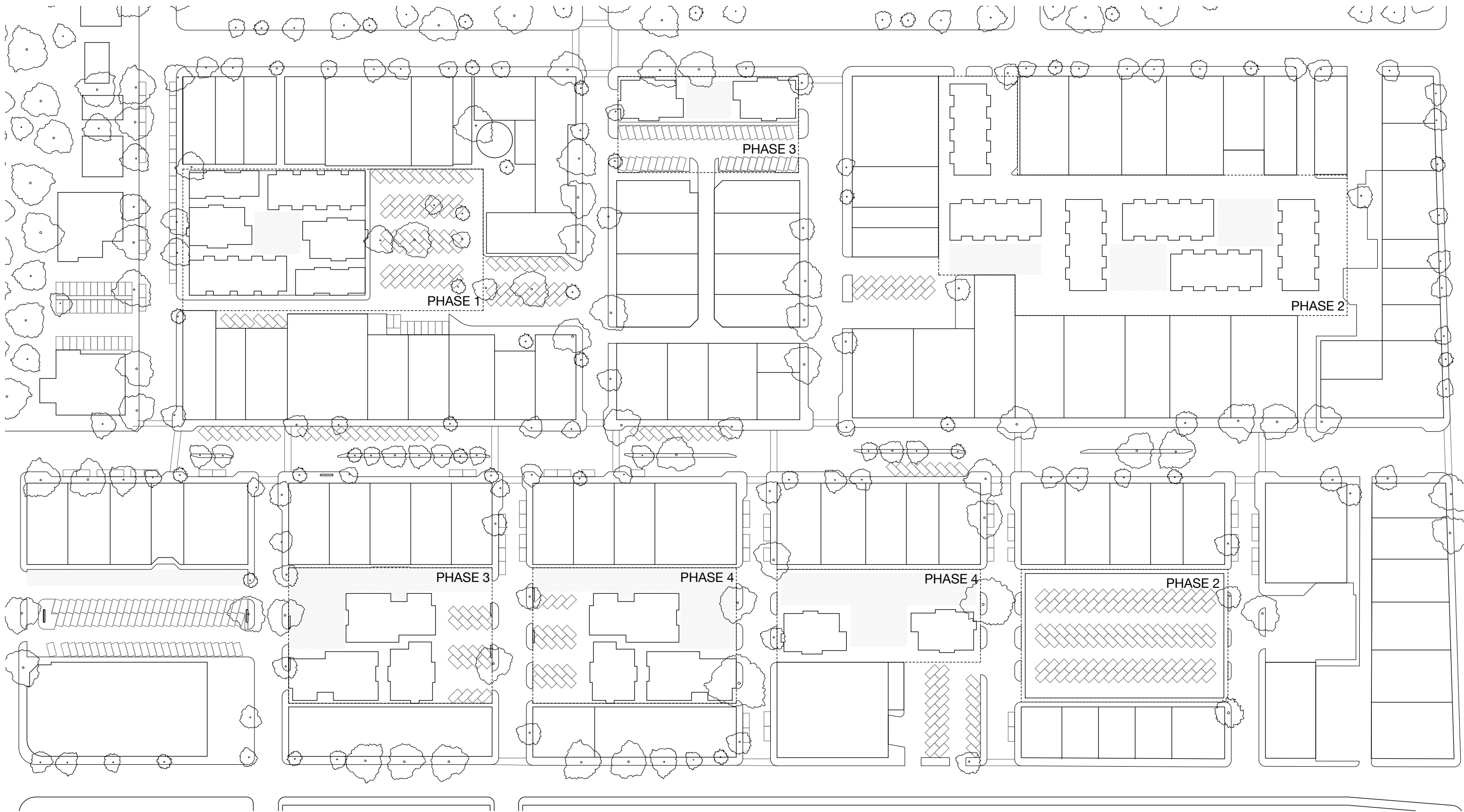


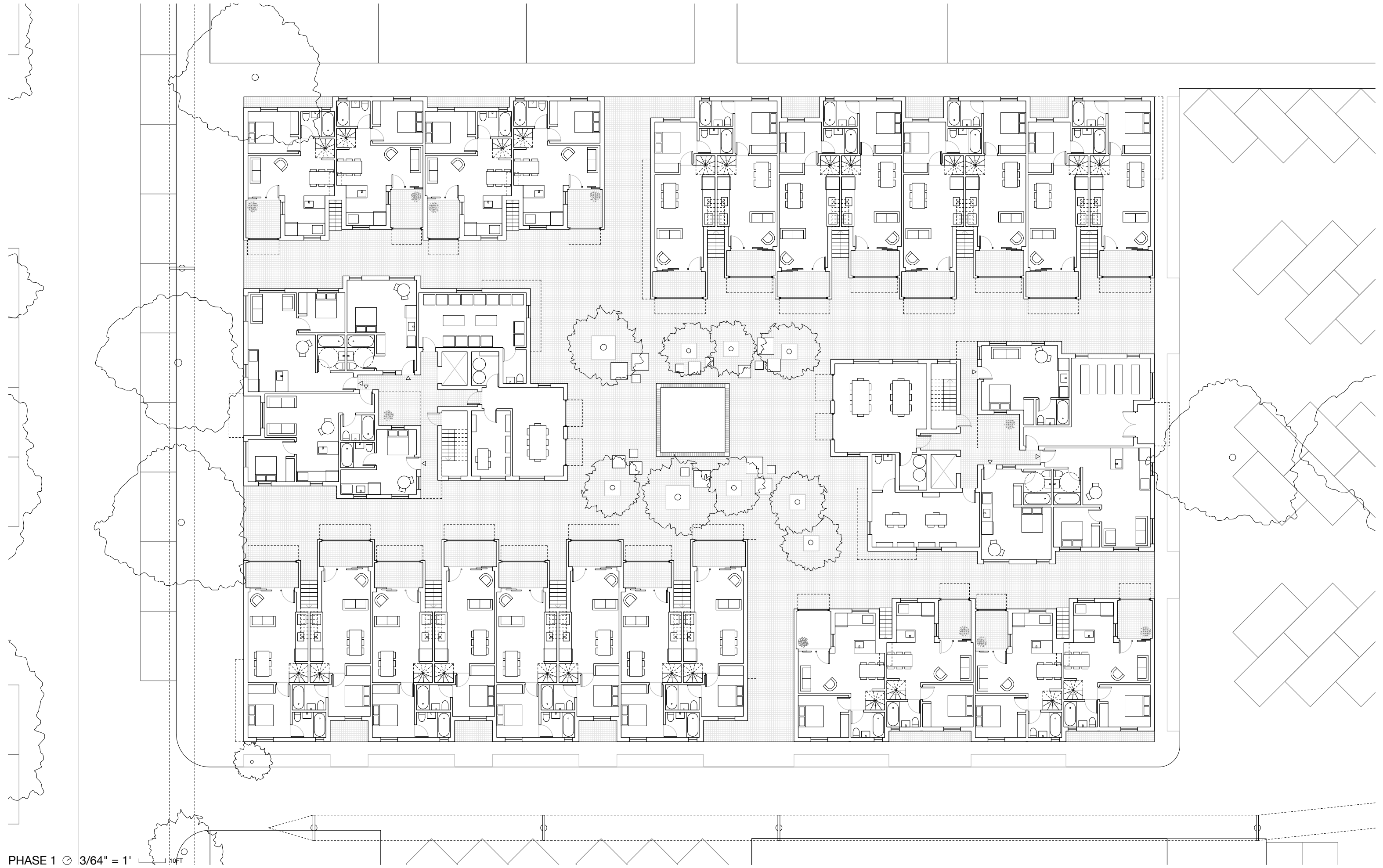




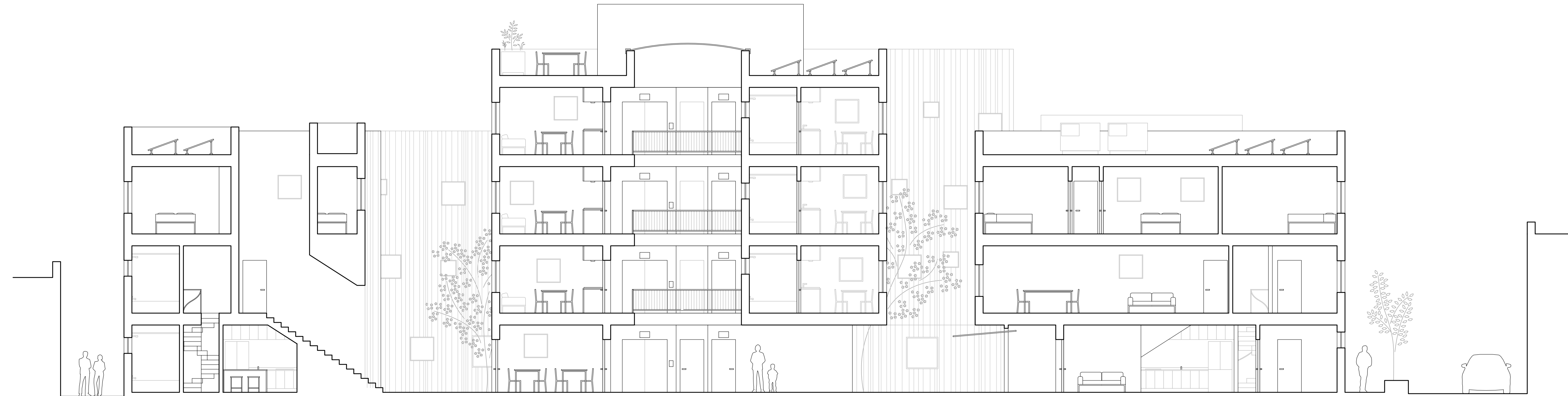


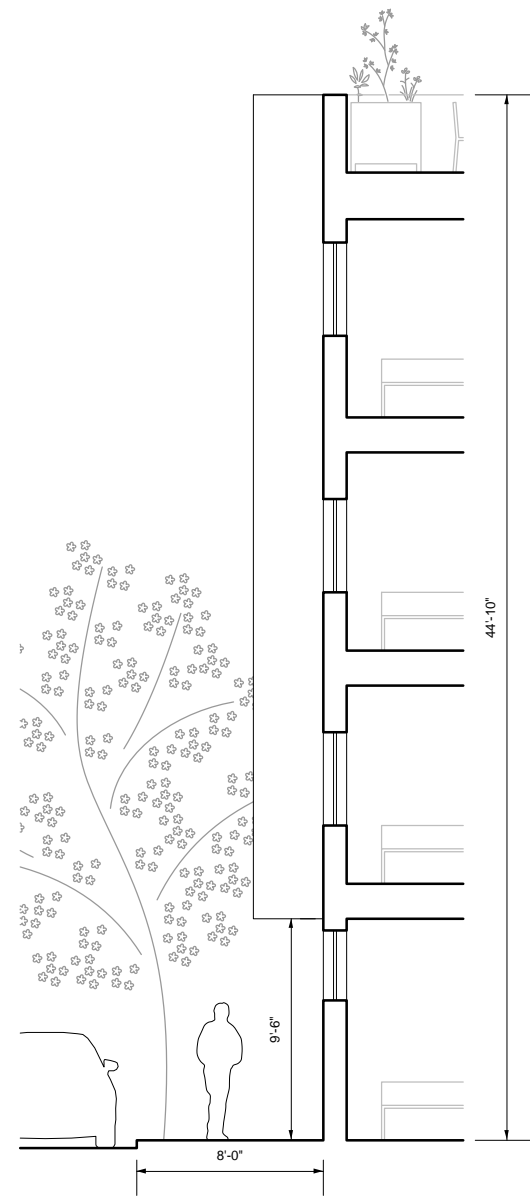




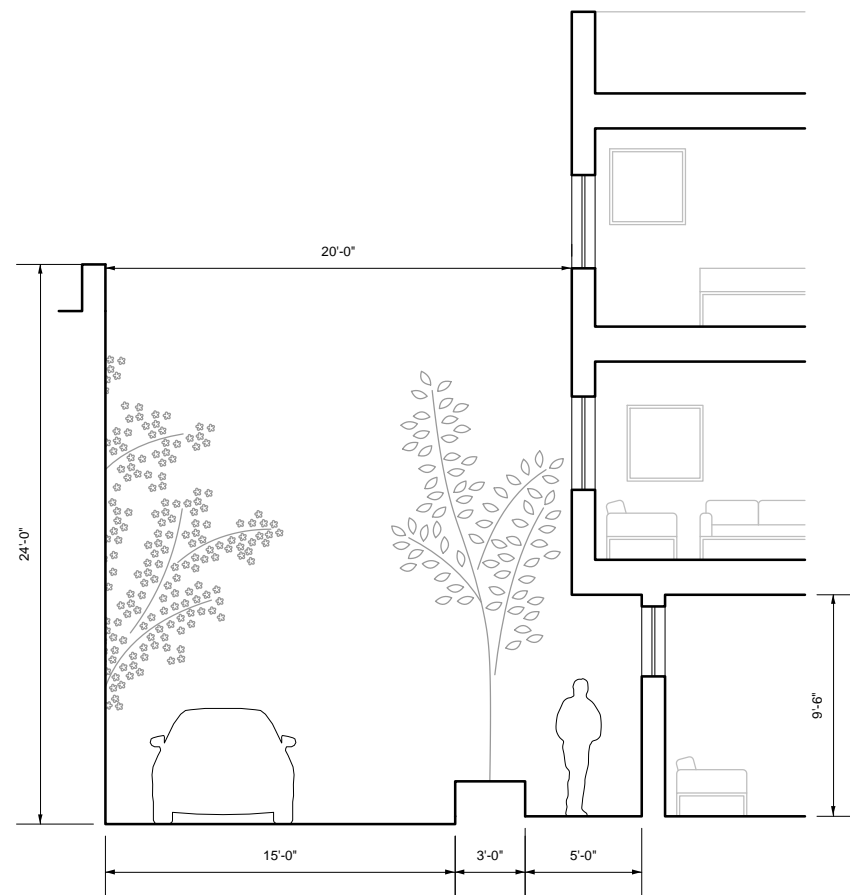




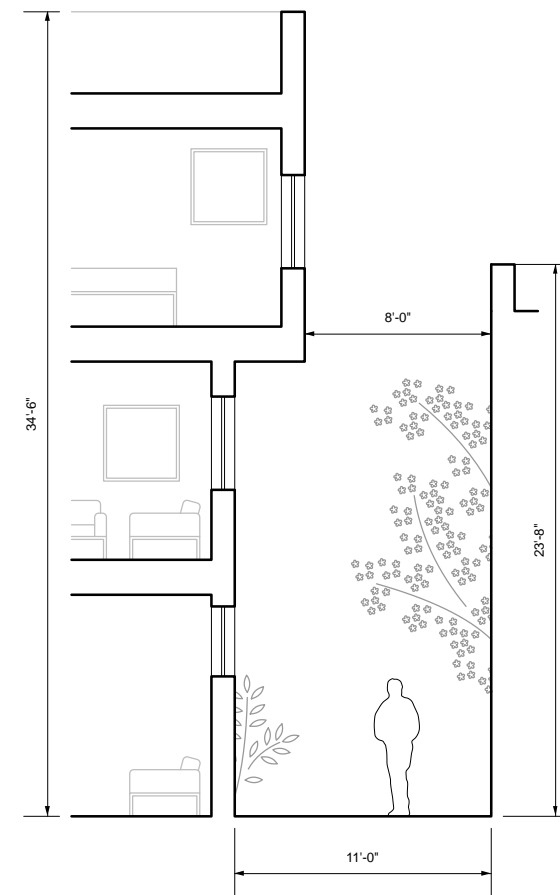




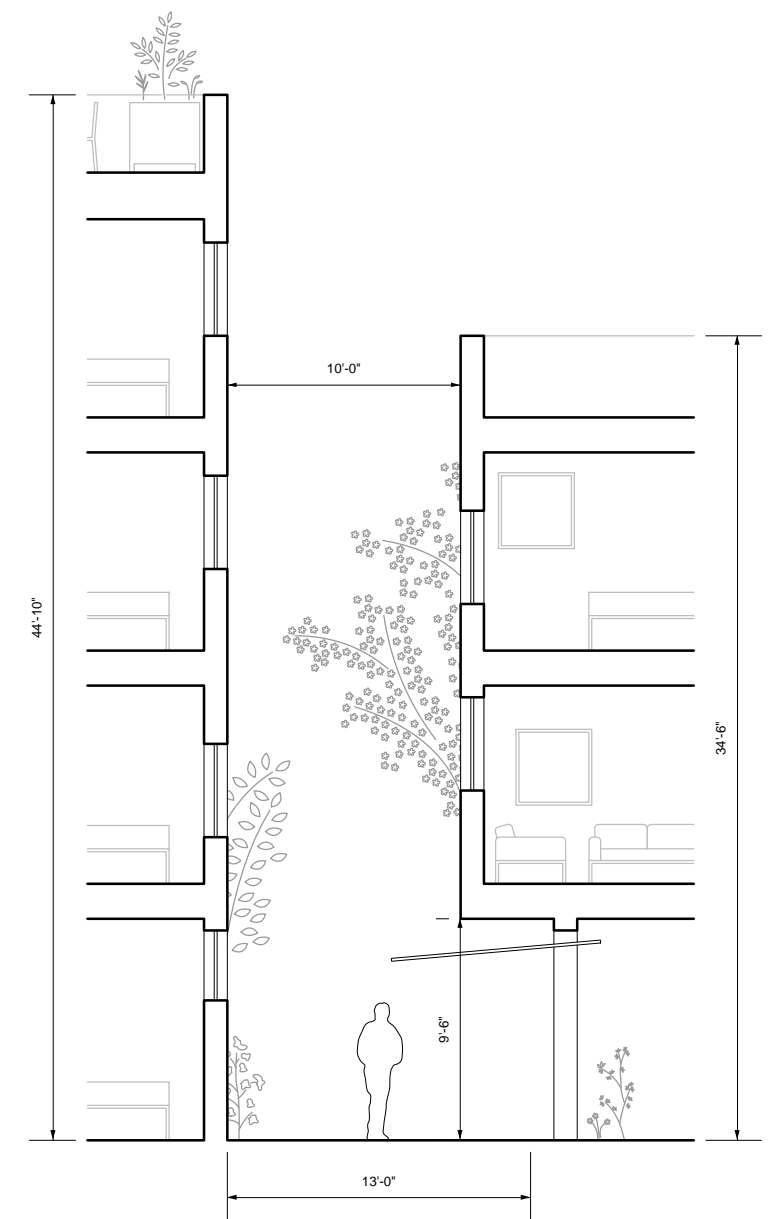
STREET



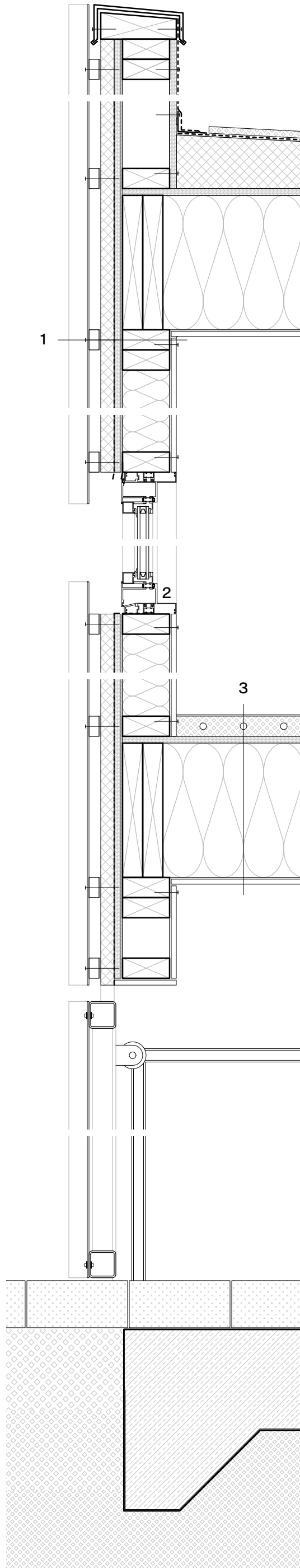
ALLEY & LOT



RETAIL



CORRIDOR

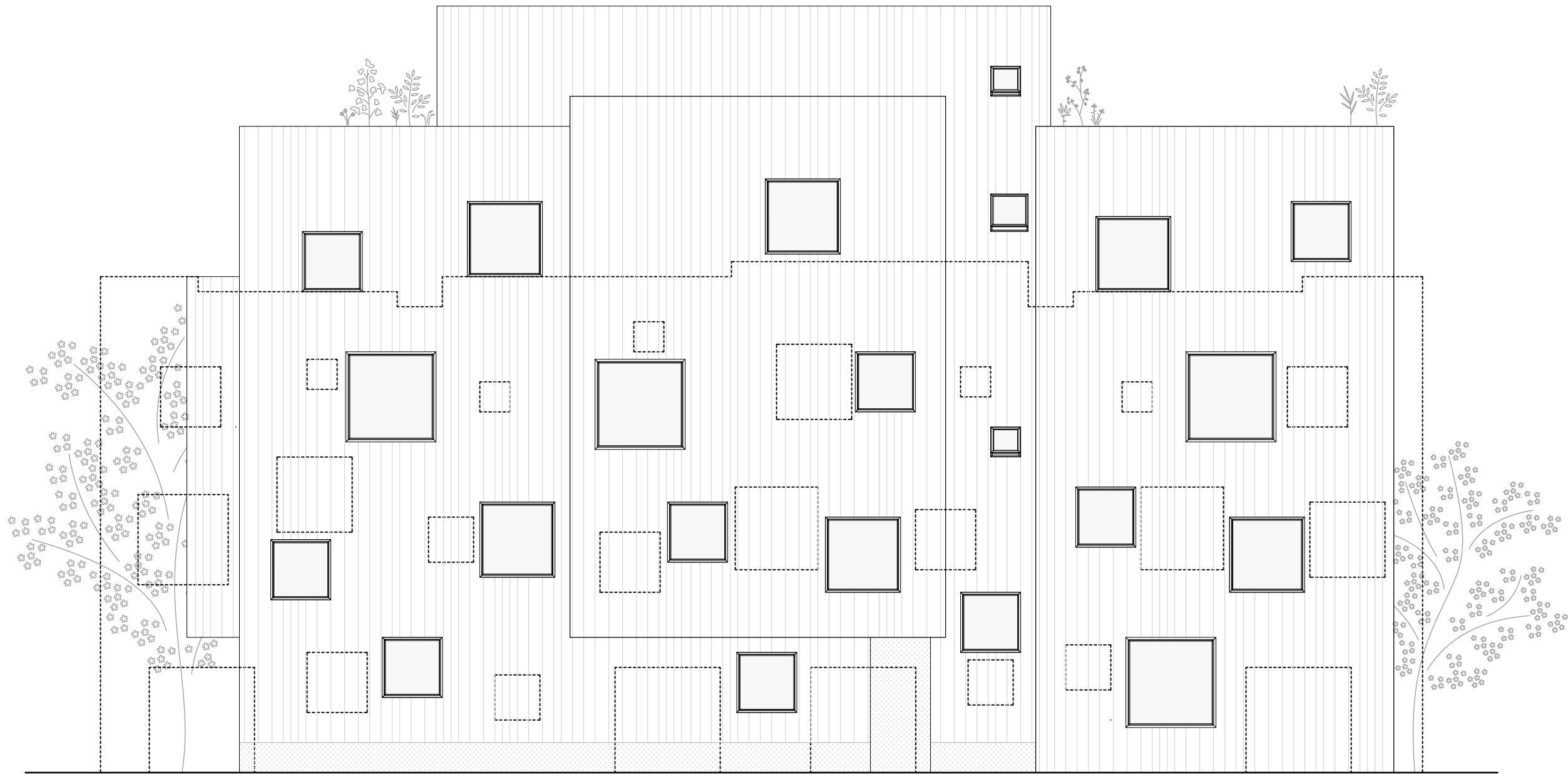


1. Corrugated Steel Panel  
 Lathe and Neoprene Spacer  
 Rigid Insulation  
 Fluid-Applied Barrier  
 OSB Substrate  
 Insulated 2x4" Blocking  
 Interior Gypsum

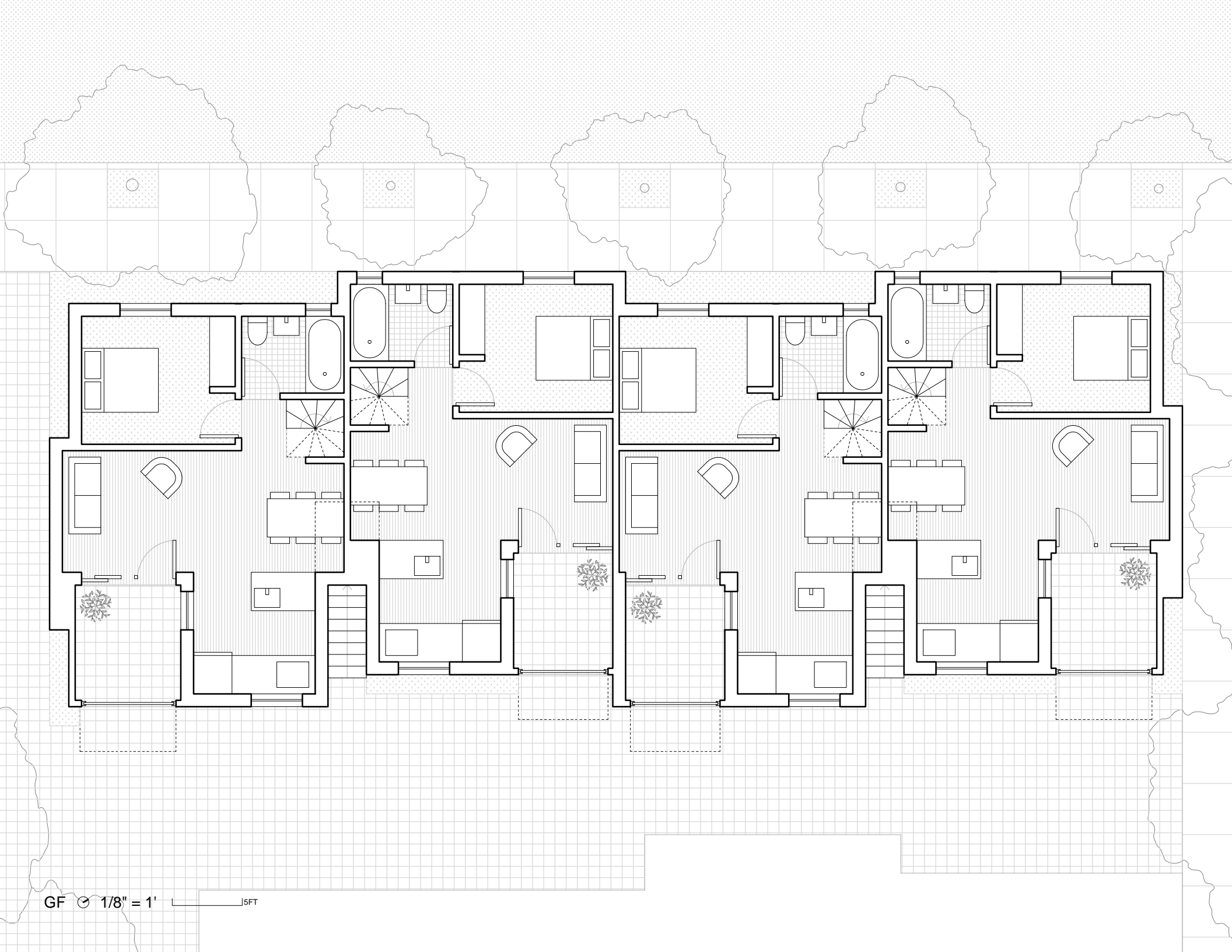
2. Western Window  
 Systems 600 Series  
 Aluminum Hinged Window

3. Skraffino Microtopping  
 Gypcrete & Integrated  
 Heating  
 OSB Substrate  
 Insulated 2x10" Joists  
 Exterior Gypsum

1" = 8"  12'

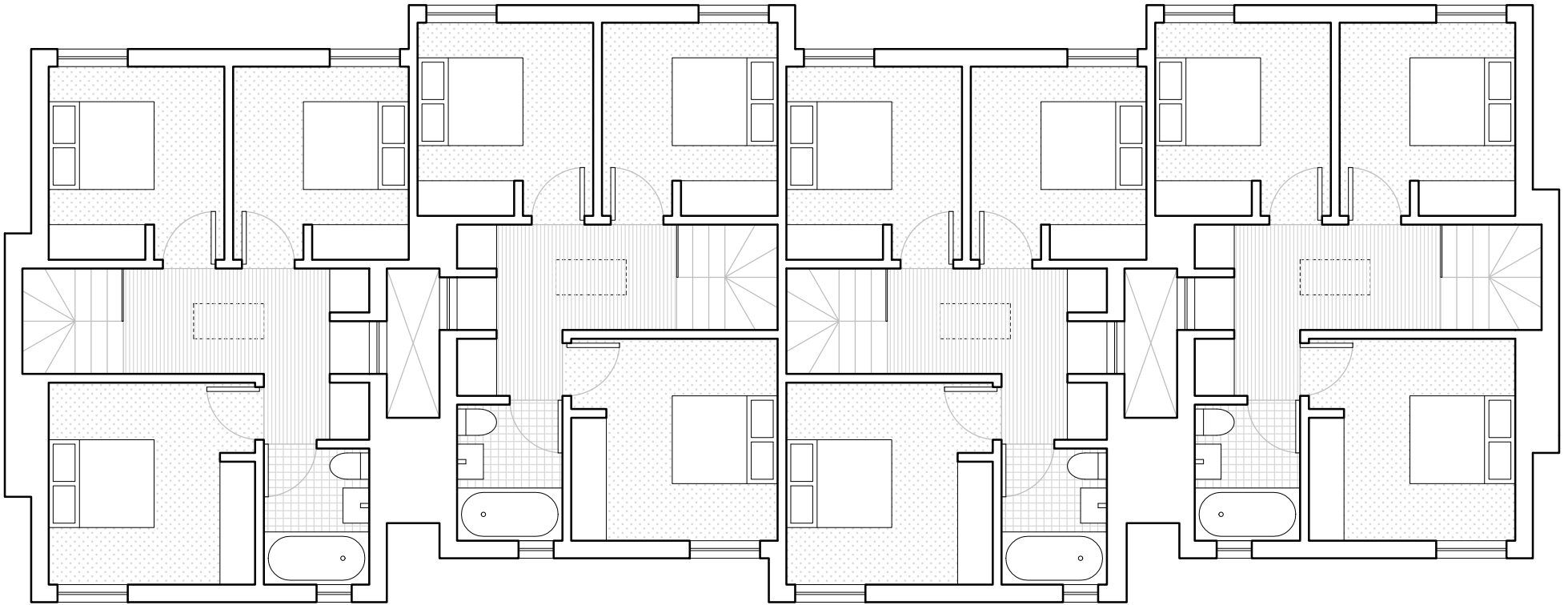


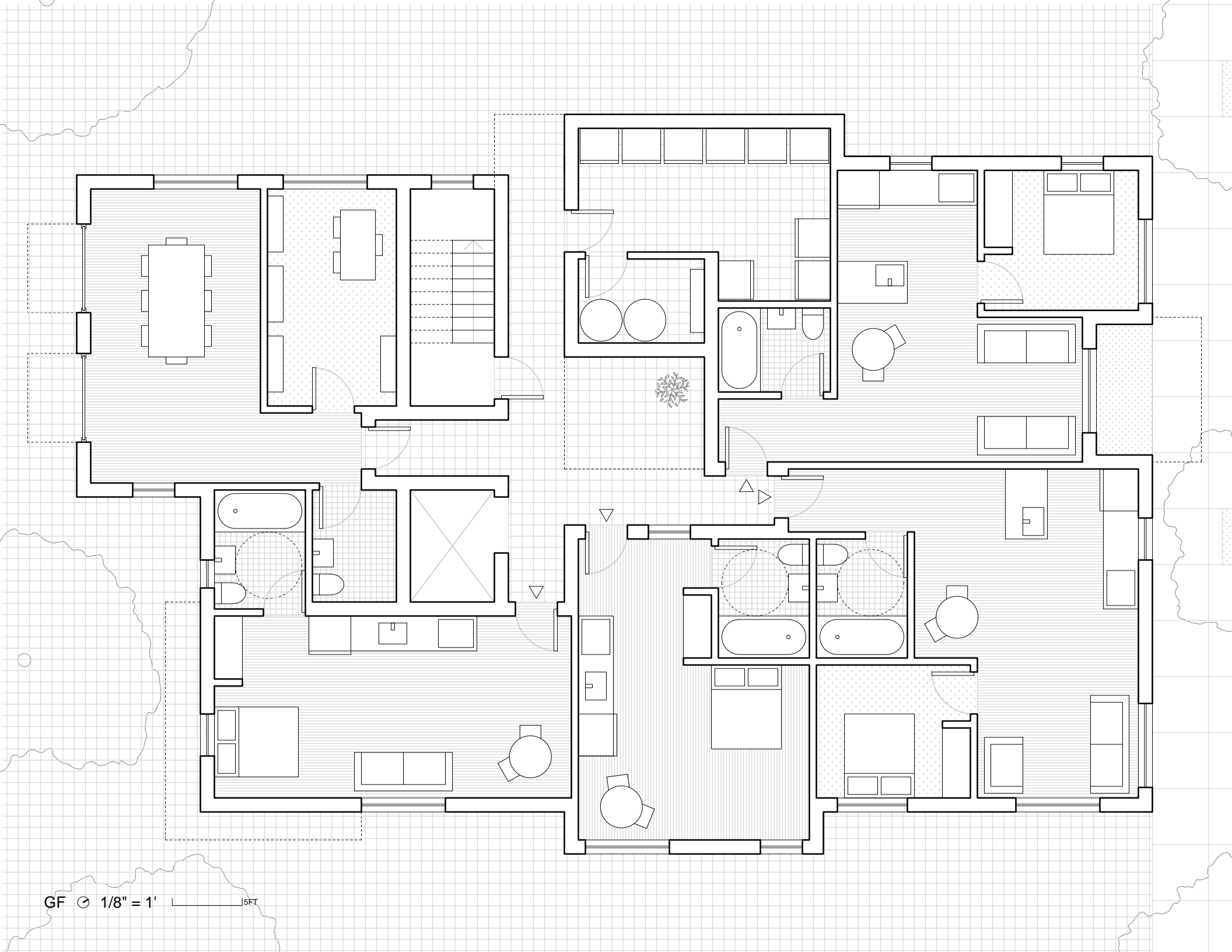




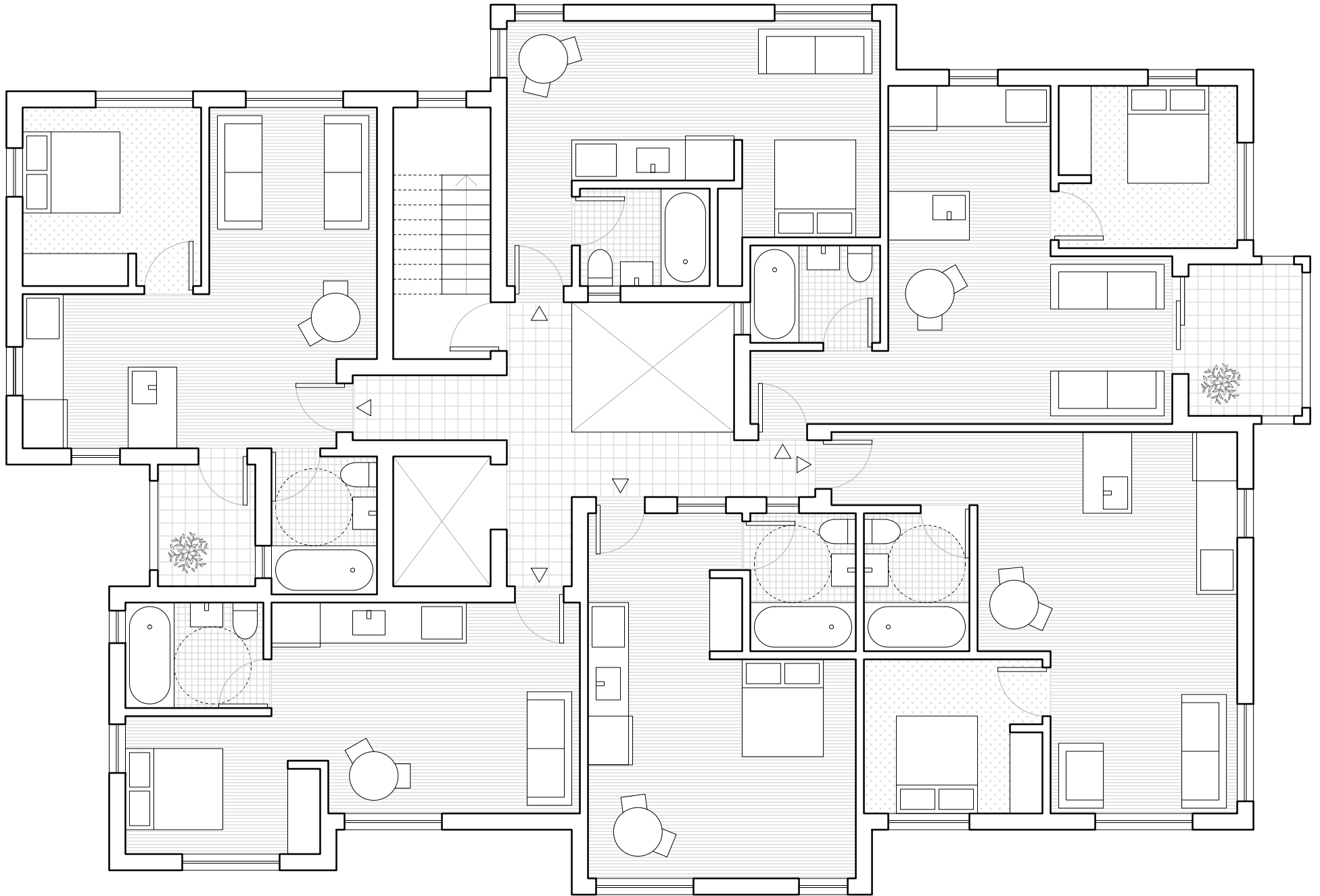
GF  $\odot$  1/8" = 1' | 5FT

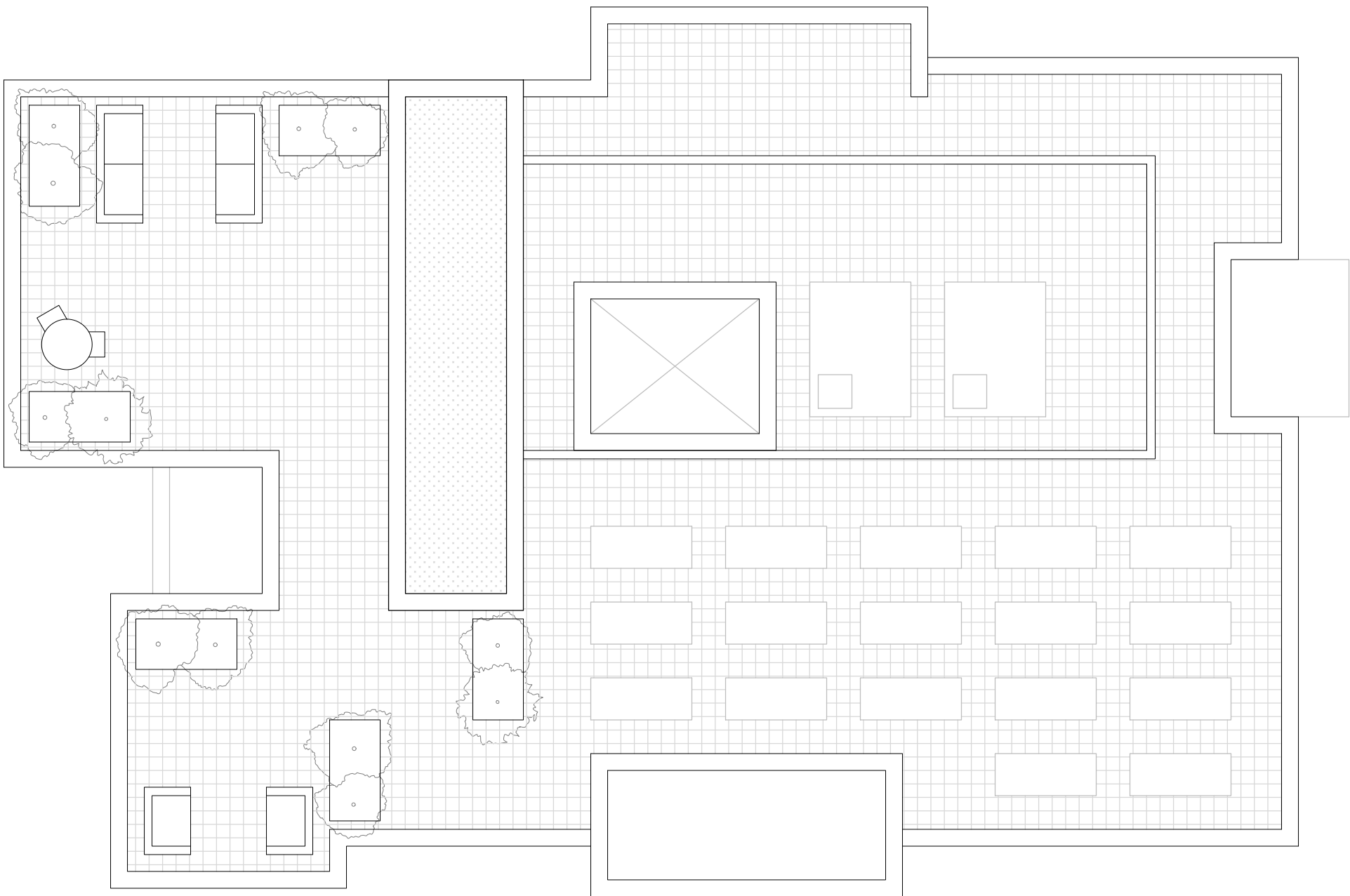


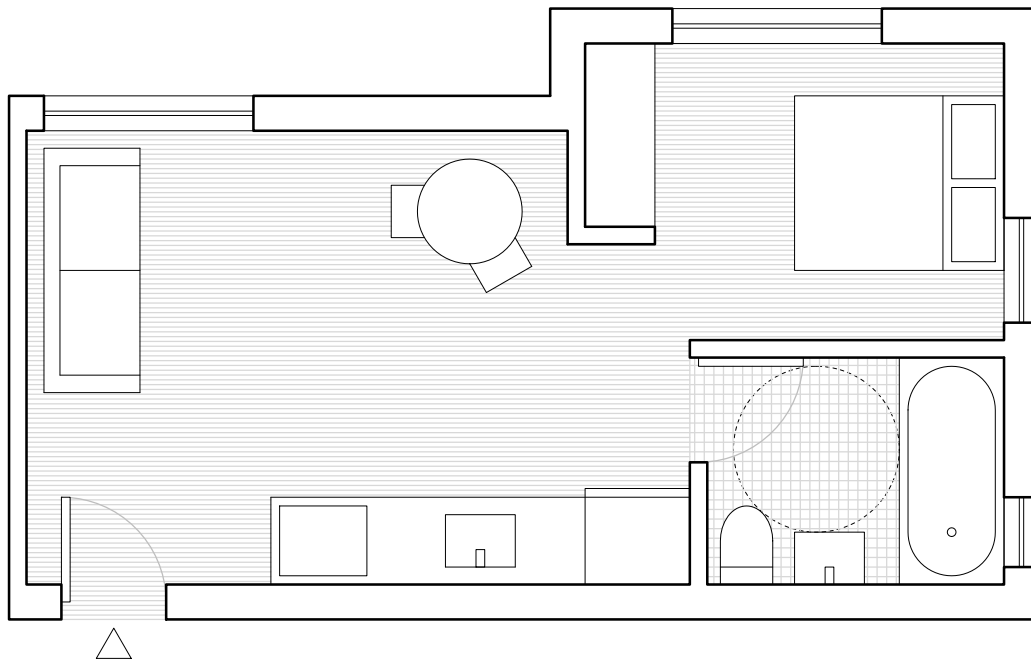


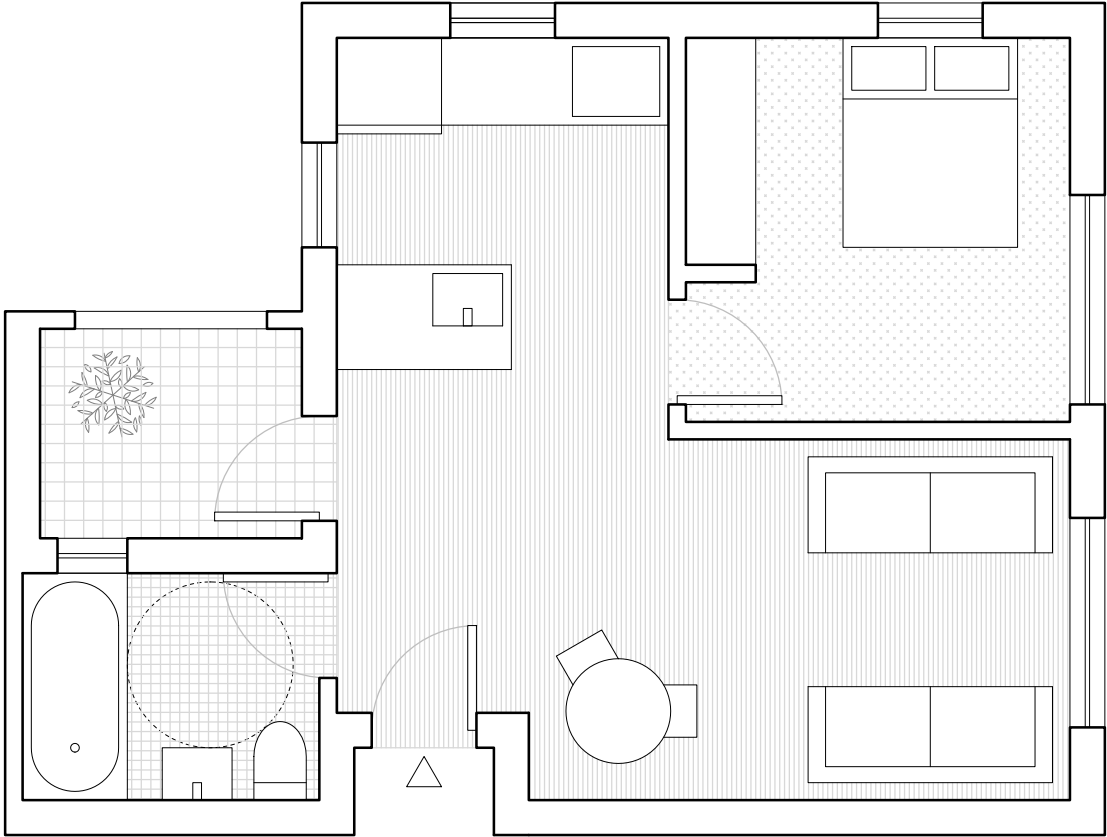


GF  $\odot$  1/8" = 1' 16FT

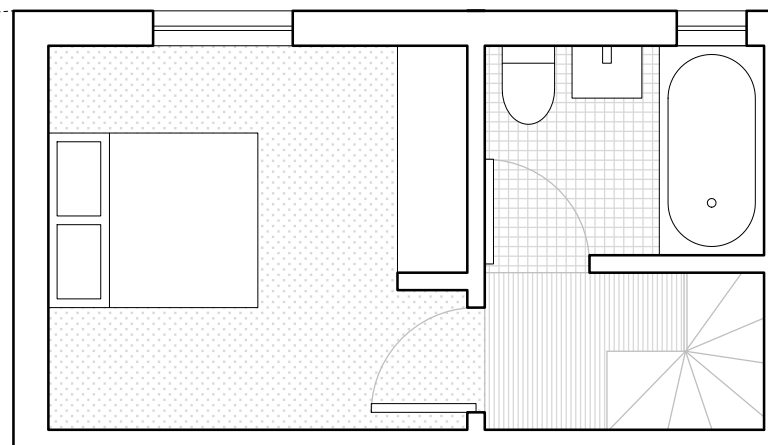
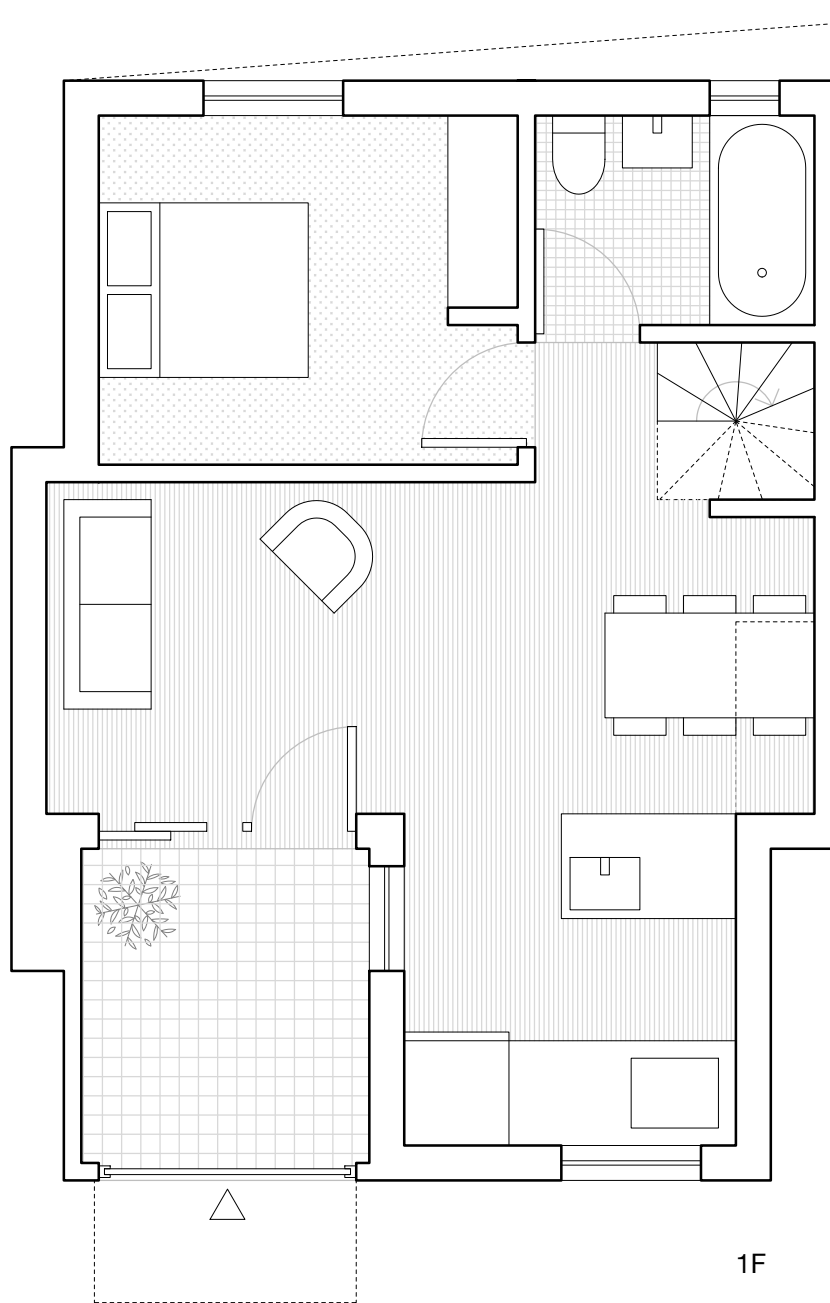


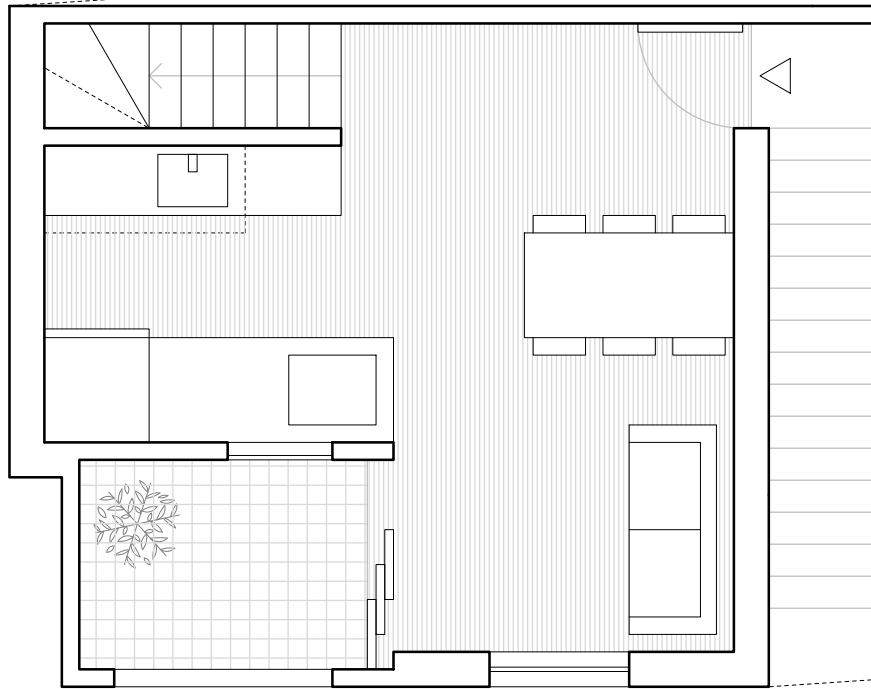




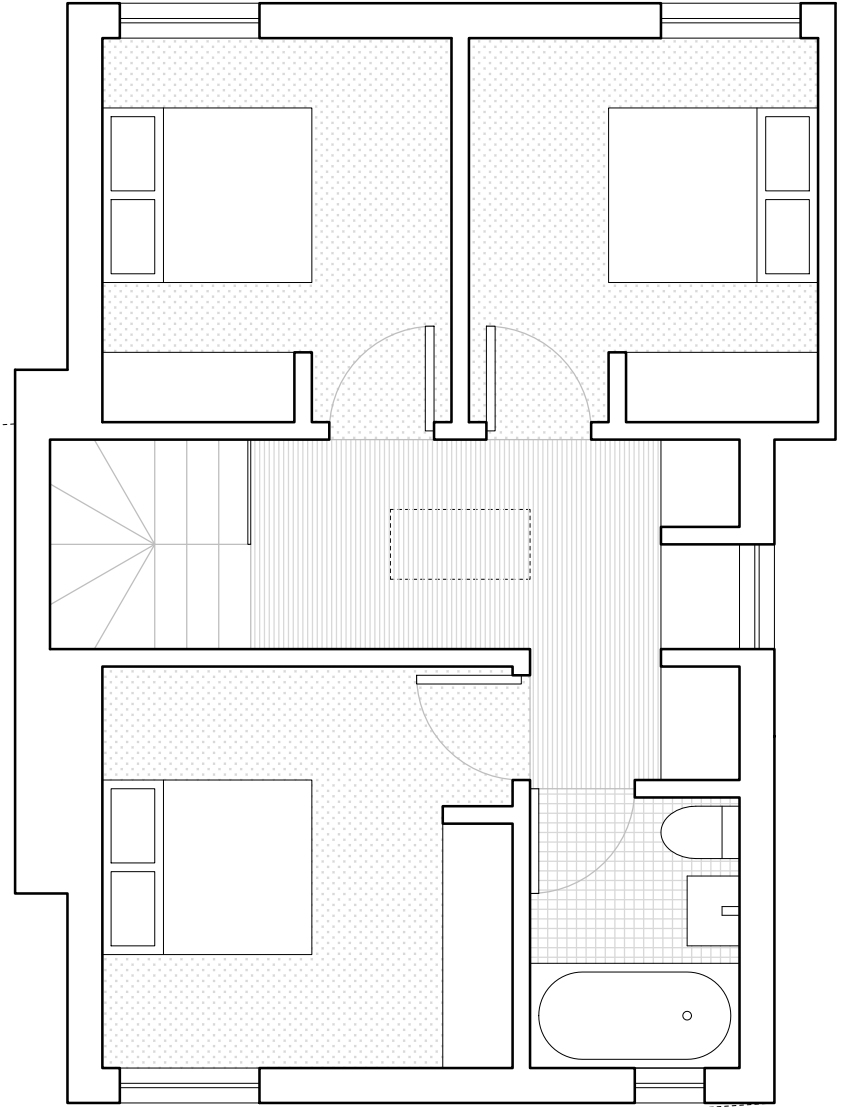








1F



2F

**Add your name  
to our letter of  
support for  
Assembly Bill  
835**



Dear Assembly Member Lee,

We are writing to express our strong support for California Assembly Bill 835, which will update the building code to require only one fire stair in multi-family construction. We believe that AB 835 is an important step towards more affordable and high quality housing in California.

Too often, American housing projects utilize monotonous corridors that limit units' facade exposures and impose an unpleasant universal condition on individual unit entries. The outdated, overly-conservative fire code requirement for multiple fire stairs in multi-family buildings curbs quality of life and design within these projects and imposes prohibitively expensive costs in construction. In short, it makes our housing low-quality or impossible to build. We must fight for single stair reform.

It is our hope that you will continue to champion this bill and work to ensure its passage. Thank you for your time and consideration.