



City of Menlo Park Request for Qualifications

Development on Downtown Parking Plazas 1, 2, and 3

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1. Overview of Request for Qualifications

The City of Menlo Park (“City”) is seeking qualified and experienced developers or development teams to develop one or more City-owned parking plazas in downtown Menlo Park with a mix of development, including affordable multi-family housing and parking. The properties are located north of Santa Cruz Avenue and within walking and/or cycling distance of the Menlo Park Caltrain station. The City seeks interested parties who are experienced, financially adept, and capable of developing and managing quality development, including affordable housing, while maintaining adequate public parking to serve downtown businesses and visitors.

This Request for Qualifications (“RFQ”) contains the City’s objectives for the properties, development requirements, instructions governing submittals, eligibility requirements, general evaluation criteria, and other requirements that must be met for each submittal. This RFQ is a solicitation of competitive submittals that best serve the public good.

The RFQ is the first step in the City’s process and will be used to evaluate qualified applicants. Based on the RFQ responses received, staff will return to City Council in Spring 2025 with a summary of developer feedback and receive confirmation on the next steps in the disposition process, which could include additional steps prior to developer selection, such as a request for proposals (RFP) to receive more detailed plans and concepts.

2. Community Context and Background

2.1 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 approximately 36,000 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 close 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 and upscale 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 the 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 and Personalis.

2.2 Housing Element and Project Background

The City's certified 2023-2031 Housing Element (Attachment A) identifies a Regional Housing Needs Allocation ("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).

In 2024, the City completed an Affordable Housing on City-Owned Downtown Parking Lots Feasibility Study ("feasibility study") evaluating all eight downtown parking plazas. Through analysis of physical attributes, easements, potential land use issues, and zoning considerations, Parking Plazas 1, 2, and 3 were identified as having the highest potential for redevelopment. The complete feasibility study is available as Attachment B of this RFQ, and on the City's project webpage at <https://menlopark.gov/downtownhousing>.

2.3 Downtown Goals

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.

3. Property Information

3.1 Location and Context

The three parking plazas identified for potential 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 public parking for downtown businesses and visitors. Below is a brief description of each of the three parking plazas. Maps, aerial photographs, and additional analyses are provided in the feasibility study (Attachment B).

3.2 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

3.3 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 floor area ratio (“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.

Additional development standards include:

- Minimum 25-foot setbacks where a property directly abuts private property (to provide services and emergency access);
- Zero-foot setbacks permitted along public rights-of-way;
- 45-degree building profile required above the maximum façade height for facades fronting public rights-of-way or public open spaces; and
- Minimum of 100 square feet of common open space per unit or 80 square feet of private open space per unit.

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) is provided as Attachment C, and a complete description of all development regulations and standards is described in detail in the Specific Plan (Attachment D).

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 (Attachment E), 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 retail uses are not required but may be incorporated to enhance downtown vitality. A mix of complementary uses should be designed to enhance the pedestrian environment and contribute to creating a place to live, work and play.

3.4 Current Parking Utilization

The Metropolitan Transportation Commission ("MTC") and its consultant, AECOM, conducted a preliminary parking utilization analysis of the downtown parking plazas in September 2024 to understand current parking demand patterns and inform decisions related to future replacement parking needs. Key initial findings include:

- Parking Plaza 1 experiences peak occupancy of 80 percent during weekday midday hours, with approximately 199 spaces utilized. Outside of the peak time, morning and midday periods showed approximately 60 to 80 percent utilization. In the late afternoon, parking utilization decreased to approximately 37 percent.
- Parking Plaza 2 experiences peak occupancy of 100 percent during weekday midday hours, with approximately 95 spaces utilized. The parking plaza had consistently high utilization (93 to 100 percent) from morning through early afternoon. In the late afternoon, parking utilization decreased to approximately 39 percent.
- Parking Plaza 3 experiences peak occupancy of 100 percent during weekday midday hours, with approximately 212 spaces utilized. The parking plaza had consistently high utilization (96 to 100 percent) from mid-morning through early afternoon. In the late afternoon, parking utilization decreased to approximately 50 percent.

These utilization patterns suggest a need to maintain a minimum of approximately 506 of the 556 existing public parking spaces to serve existing demand at the peak hour across the three sites. At this time, the data prepared by MTC and AECOM is considered preliminary and may be refined as part of an upcoming downtown parking management study. The City will provide updates to proposers and/or selected developers as available throughout the process.

4. Development Requirements and Objectives

4.1 Minimum Project Requirements

The selected developer must deliver a project that:

- A. Creates a minimum of 345 housing units affordable to households at the very low-income level;
- B. Provides replacement public parking spaces for those lost due to redevelopment, integrated within the development or as standalone structure(s); and
- C. Complies with all applicable development standards and requirements.

4.2 Development Objectives

Beyond the minimum requirements, the City encourages submittals that incorporate the following elements:

- A. **Maximize 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 legislation.
- B. **Deep Affordability:** Projects should consider including units affordable to extremely low-income households (15 percent to 30 percent of AMI).
- C. **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.
- E. **Innovative Parking Management Strategies:** A minimum of 506 replacement public parking spaces should be incorporated into a development plan 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 preliminary peak hour total for the lot(s) described in Section 3.4 should be provided. 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. 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.
- F. **Open Space:** Projects should incorporate publicly accessible open spaces where feasible, particularly the pocket parks envisioned in the Specific Plan for Parking Plazas 2 and 3.
- G. **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.
- H. **Ground Floor Uses:** While not required, proposals may consider incorporating ancillary ground floor commercial uses where appropriate, provided they do not detract from the primary affordable housing objectives.

- I. Timeline: The development team will be responsible for the entitlement process, obtaining building permits, construction, and delivery of dwelling units and replacement parking, with the goal of completion in 2027.
- J. Construction Phasing and Impact Management: Disruption to downtown businesses and visitors should be minimized during construction. Strategies such as a phased development approach; 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.

5. Financial Terms and Assumptions

5.1 Land Disposition

The City will transfer the site(s) to the selected developer through a long-term ground lease with anticipated terms of 55 years for base rent of \$1.00 per year, plus additional rent arising from insurance and operational costs.

5.2 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. 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.

6. Submittal Instructions, Requirements, and Due Date

6.1 Instructions

Submittals must be organized in the same order as the submission requirements described below in Section 6.2, and documents within a submittal should clearly identify which submission component they are intended to address. Submittals must include:

- A. One unbounded original paper copy (without any binding, holes, or staples),
- B. Three paper copies (bounded or unbounded), and
- C. One electronic copy in PDF format.

6.2 Required Submittal Contents

Submissions must include the following components:

- A. Statement of Interest
Include a cover letter expressing interest in the site(s), highlighting qualifications, demonstrating understanding of project objectives, and identifying the development team primary contact person. The letter must be signed by the Executive Director, Development Director, or equivalent position for the proposing firm.

B. Developer Team Experience

Describe the developer's overall experience with similar projects and provide a description of the three most relevant completed projects, including:

1. Location, size, and dates of commencement and completion of construction,
2. Construction costs and financing sources,
3. Development team roles,
4. Local government reference and contact information for each project, and
5. Project photographs.

C. Project Concept

Describe the developer's concept of a development for the site(s), including:

1. Narrative description of development approach,
2. Preliminary considerations on site selection,
3. Population(s) served and affordability levels,
4. Conceptual approach to integrating housing and public parking,
5. Sustainable design features,
6. Conceptual timeline/schedule from entitlements to completion of development, and
7. Description of development phasing that would ensure the availability of sufficient parking.

No detailed site plans or architectural drawings are required at this time.

D. Financial Capacity and Approach

Describe how the developer proposes to finance the project, including:

1. Description of anticipated funding sources and financing strategy,
2. Demonstration of ability to fund predevelopment costs,
3. Experience securing similar project financing, and
4. Financial references.

Within seven days of selection, a successful proposer may be required to submit the last three years of year-end audited financial statements. Financial statements should include income statements, balance sheets, and cash-flow statements, along with any accompanying notes. The information will be held in confidence (to the extent legally feasible), and only used to evaluate the financial stability of the proposer.

E. Community Engagement

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

1. Examples of community outreach experience with past projects,
2. Description of approach to working with local businesses and residents,
3. Experience managing outreach for developments in downtowns/business districts, and

4. Experience managing construction impacts and proactively relaying information to the community.
- F. Property Management Experience
- Indicate the developer's experience in managing high-quality affordable housing properties and meeting resident needs, including:
1. Approach to property management and maintenance,
 2. Experience providing resident services, and
 3. Demonstrated history of long-term project upkeep and sustainability.

If a non-residential component is included as part of a project, similarly indicate the developer's experience in managing mixed-use and non-residential development and demonstrate an ability to attract tenants and lease commercial spaces.

6.3 Due Date

All submittals will be accepted at the Community Development Department front counter on the first floor of City Hall:

Attn: Tom Smith
 City of Menlo Park
 Planning Division
 701 Laurel St.
 Menlo Park, CA 94025

All submittals must be received by Monday, March 31, 2025 at 5:30 p.m. Submittals received after the due date and time will not be accepted.

7. Selection Process and Evaluation

7.1 Selection Criteria

Submittals will be reviewed and evaluated by qualified personnel selected by the City, who will recommend the submittal(s) that most closely meets the requirements of the RFQ and satisfies the City's needs and project objectives. Finalists may be invited for interviews and/or to respond to a Request for Proposals.

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 demonstrated understanding of the project objectives, creative approaches to meeting housing and public parking needs, feasibility of the proposed concept, and integration with the existing downtown Menlo Park context.
- **Developer Experience and Capacity:** The City will consider the developer'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 proposer's financial capability, the feasibility of the funding approach for an affordable housing project and replacement parking, experience in utilizing proposed funding sources in other developments, and strength of financial references.
- **Community Engagement and Management:** The City will consider the quality of the proposer's community engagement approach, experience in working with area stakeholders (especially local businesses), management and communication related to potential construction impacts, property management capabilities, and resident service provision approaches.

7.2 Disclaimer

This RFQ 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 submittal with more information. The City reserves the right to reject any or all submissions, to cancel this solicitation, to re-advertise for submittals, and/or to waive any informalities or irregularities in the RFQ 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.

8. Contact Information and Resources

Prospective proposers should use the contact information below for questions regarding the RFQ. 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>.

9. Attachments

- A. Hyperlink Menlo Park 2023-2031 Housing Element:
https://menlopark.gov/files/sharedassets/public/v2/community-development/documents/projects/housing-element-update/2023-2031-city-of-menlo-park-housing-element-clean_010324.pdf
- B. Hyperlink Affordable Housing on City-Owned Downtown Parking Lots Feasibility Study:
<https://menlopark.gov/files/sharedassets/public/v1/community-development/documents/projects/under-review/downtown-parking/downtown-parking-lots-redevelopment-feasibility-analysis.pdf>

- C. Hyperlink Table E2 of the Specific Plan:
<https://menlopark.gov/files/sharedassets/public/v/1/community-development/documents/specific-plan-table-e2.pdf>
- D. Hyperlink El Camino Real/Downtown Specific Plan:
<https://menlopark.gov/files/sharedassets/public/v/1/community-development/documents/general-plan/20240701-specific-plan-update.pdf>
- E. Hyperlink Chapter 16.98 of the Municipal Code, Affordable Housing Overlay:
<https://www.codepublishing.com/CA/MenloPark/#!/MenloPark16/MenloPark1698.html#16.98>