



STAFF REPORT

City Council

Meeting Date:

2/10/2026

Staff Report Number:

25-018-CC

Informational Item:

Update on request for proposals for development on Parking Plazas 1, 2 and 3, and tentative project schedule

Recommendation

This is an informational item that does not require City Council action. Staff recommends that City Council receive this update on responses to the request for proposals (RFP) for development on downtown Parking Plazas 1, 2 and/or 3, and a tentative project schedule.

Policy Issues

The potential redevelopment of City-owned downtown parking plazas with housing, replacement public parking, and other uses involves 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 an opportunity to make progress toward these goals. Program H4.G proposes the following timeline for implementation of the program: (1) Solicit proposals and conduct a feasibility study to assess which parking lots are most suitable for residential development in 2023; (2) issue an RFP for affordable housing development on some or all of the parking lots sites, including information on City land write-down incentives in 2024; (3) complete development entitlements in 2025; and (4) seek to complete development of 345 or more affordable housing units on a combination of parking lot sites consistent with the Housing Element sites inventory in 2027.
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 visitors. Any redevelopment should consider the balance between new housing and 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 (hereinafter the “parking plazas.”). The parking plazas were projected to have capacity for at least 345 affordable housing units based on rezoning of the parking plaza sites as a part of the Housing Element rezonings and based upon applicable development standards. Program H4.G, which sets forth the policies regarding redevelopment of the parking plazas, enables the City to meet its RHNA and Affirmatively Furthering Fair Housing (AFFH) obligations.

On Jan. 29, 2025, the City released a request for qualifications (RFQ) for development on Parking Plazas 1, 2, and 3. Seven development teams submitted responses by March 31, 2025. On June 3, 2025, the City Council reviewed the RFQ responses and selected six development teams to be invited to submit proposals through an RFP process: Alliant Communities, Eden Housing, MidPen Housing, PATH Ventures, Presidio Bay Ventures, and Related Companies and Alta Housing.

On Aug. 26, 2025, the City Council provided feedback on a draft RFP and authorized staff to release the RFP. The RFP (Attachment A) was released Sept. 15, 2025, with proposals due Dec. 15, 2025. The RFP included three overarching project priorities that expanded on the information requested in the RFQ:

- Minimum 345 residential units affordable to households earning 15% to 80% of Area Median Income (AMI);
- Replacement of at least 556 parking spaces for public use, to be financed and constructed by the developer without expectation of City financial contributions; and
- Consistency with all applicable City development standards and regulations to enhance the resident experience and livability of the development.

The RFP also specified a priority 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 Section 37364 and qualify as exempt surplus land under the Surplus Land Act, which would be addressed at a later stage in the selection process. In addition, the RFP noted that 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.

A complete project timeline with additional background information and documents is available on the City’s project webpage (Attachment B).

Analysis

Update on proposals received

Three development teams submitted proposals in response to the RFP:

- Alliant Communities provided a proposal (Attachment C) for development of all three parking plazas with 345 units of 100% affordable housing (inclusive of 60 senior units) and 556 replacement public parking spaces, with additional residential parking and amenities;
- Presidio Bay Ventures created a proposal (Attachment D) for development of all three parking plazas with 347 units of 100% affordable workforce housing, 556 replacement public parking spaces, and additional residential parking and amenities; and
- Related California and Alta Housing prepared a proposal (Attachment E) for a mixed-income

development across the three parking plazas with 346 affordable units (inclusive of 126 senior units) and 154 market-rate units for a total of 500 units, 574 replacement public parking spaces, and additional residential parking and amenities.

All three proposals were published on the project webpage on Dec. 16, 2025. A table summarizing the proposals in more detail is provided as Attachment F.

Tentative schedule and next steps

Staff proposes a multi-step process to engage the community, gather feedback, and evaluate the three proposals before making a recommendation to the City Council. The tentative schedule includes a community open house tentatively scheduled in March 2026, where the three development teams would be invited to share their proposals with residents during a walk-through event with individual developer display stations. This would provide an opportunity for community members to learn about each proposal, ask questions directly of the development teams, and provide feedback to the City.

Following the community open house, staff is recommending the development teams present their proposals to the City Council at a late March or early April meeting. Based on the RFP responses, as well as open house feedback and the City Council presentations, staff would prepare a recommendation and the City Council would be asked to provide direction on a preferred development team and proposal in April or May.

If the City Council selects a preferred development team and proposal, staff would begin the formal process required under the state Surplus Land Act (SLA) for the disposition of publicly-owned properties. This would include adoption of an SLA resolution, notification to the California Department of Housing and Community Development (HCD), approval of an exclusive negotiating agreement (ENA) with the selected developer, and ultimately approval of a disposition and development agreement (DDA) following a General Plan conformity determination by the Planning Commission. A DDA is a contract between the City and a housing developer that would govern the sale or long-term lease of the parking plazas. The DDA would establish the terms under which development of the parking plazas must be designed, entitled, and constructed. It would include developer deliverables such as financing, project approvals, and construction timing.

Table 1 below provides a tentative timeline for these activities. Following the April/May City Council meeting, timing is provided as the estimated number of days needed to complete an activity after finishing the previous schedule milestone.

Table 1: Tentative schedule		
Date/Sequential Timing	Activity/Action	Details
March 2026	Community open house	Walk-through event with individual developer display stations
Late March/Early April 2026	City Council meeting	Developer presentations
April/May 2026	City Council meeting	Direction on preferred proposal
30-45 days	City Council meeting	Adoption of Surplus Land Act (SLA) resolution
1 day	Notification to HCD	Provide resolution to state and complete required 30-day period before entering into exclusive negotiating agreement (ENA)
45-60 days	City Council meeting	Approve ENA
60-120 days	Planning Commission meeting	General Plan conformity determination required by SLA; recommendation on disposition and development agreement (DDA)
30-90 days	City Council meeting	Approve DDA

The above steps and timeline further the City's goals of meeting the timelines set forth in Program H4.G. Where a city does not implement adopted and certified housing element policies or programs, HCD can revoke its finding that the city's housing element is in compliance with State housing element laws until it determines the city has come into compliance with State laws. HCD is authorized to refer such noncompliance to the California Attorney General for enforcement action. Loss of housing element certification can trigger the loss of certain state funding and subject the City to the builder's remedy.

The City conducts a yearly review of Housing Element implementation and housing production through an annual progress report (APR). The APR provides a look back at the previous year's achievements and a running total of housing production since the start of the Housing Element cycle (the current cycle runs from 2023-2031). The 2025 APR is tentatively scheduled to be reviewed by the City Council on March 24, 2025, prior to the April 1 HCD due date.

Citizen initiative

In May 2025, Menlo Park residents filed a notice of intent to circulate an initiative petition regarding the downtown parking plazas. The measure has qualified for the Nov. 3, 2026, general election ballot. The initiative would require voter approval before the City could take certain actions that would diminish the availability, access, or convenience of public parking for downtown customers, workers, and visitors. The proposed next steps of hosting a community open house, gathering public feedback, and further evaluating the proposals would not conflict with the pending ballot measure. City staff will continue to evaluate progress in the tentative schedule and potential impacts of the ballot measure, if approved by voters, and provide updates to the City Council as necessary.

Impact on City Resources

The project will continue to require staff time to evaluate proposals, prepare for a community open house, provide ongoing project management, and conduct community outreach. Additional consultant services

may be needed for specialized aspects of the project, such as review of financial documents submitted as part of the RFP responses. Future phases of the project could also require resources to negotiate agreements with any selected development team.

Environmental Review

This action is not a project within the meaning of the California Environmental Quality Act (CEQA) Guidelines §§15378 and 15061(b)(3) as it will not result in any direct or indirect physical change in the environment. Any future development proposal that is selected through 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. Hyperlink – RFP for Development on Downtown Parking Plazas 1, 2 and 3:
www.menlopark.gov/files/sharedassets/public/v/1/community-development/documents/development-downtown-parking/downtown-parking-plazas-rfp_0925.pdf
- B. Hyperlink – Project webpage: www.menlopark.gov/downtowndevelopment
- C. Hyperlink – Alliant Communities proposal:
www.menlopark.gov/files/sharedassets/public/v/2/community-development/documents/development-downtown-parking/alliant_rfp_20251216.pdf
- D. Hyperlink – Presidio Bay Ventures proposal:
www.menlopark.gov/files/sharedassets/public/v/1/community-development/documents/development-downtown-parking/presidiobayventures_menloparkrfp_20251216.pdf
- E. Hyperlink – Related California and Alta Housing proposal:
www.menlopark.gov/files/sharedassets/public/v/1/community-development/documents/development-downtown-parking/related-and-alta-rfp-response-and-conceptual-plans-final-20251216.pdf
- F. RFP response comparison summary table

Report prepared by:
Tom Smith, Principal Planner

Report reviewed by:
Deanna Chow, Community Development Director
Nira Doherty, City Attorney

Summary of Responses to RFP for Development on Downtown Parking Plazas ("Sites") 1, 2 and 3			
Features	Alliant Communities	Presidio Bay Ventures	Related California & Alta Housing
DEVELOPMENT TEAM PARTNERS	Community Revitalization & Development Corporation (CRDC), Lowney Architecture, Kamangar Consulting, R3 Studios, Cox Castle, LT Strategic Communications, Partner Energy, RJC Group, Millennium Design & Consulting, CONCORE Development Group, Solari Enterprises, LifeSTEPS	Pacific Housing, Inc. (PHI), David Baker Architects	PYATOK architecture + urban design, GLS Landscape Architects, BKF Engineering
HOUSING UNITS			
Site 1	167 family units (7 stories)	171 family units (7 stories)	126 affordable senior units (8 stories) + 154 market-rate units (7 stories)
Site 2	60 senior units (5 stories)	93 family units (7 stories)	120 family units (7 stories)
Site 3	118 family units (7 stories)	83 family units (6 stories)	100 family units (9 stories)
Total	345 units	347 units	500 units
AFFORDABILITY LEVELS	100% affordable housing between 15-80% AMI*, averaging 55% AMI; 57% of units at or below 60% of AMI	100% affordable housing at 80-120% AMI* geared towards workforce professionals	Mixed-income approach with 346 affordable units between 30-60% AMI* + 154 market rate units
UNIT MIX	Studios, 1-beds, 2-beds, and 3-beds	Studios, 1-beds, 2-beds, and 3-beds	Studios, 1-beds, 2-beds, and 3-beds
PUBLIC PARKING SPACES			
Site 1	300 garage spaces	101 garage spaces	0 garage spaces
Site 2	0 spaces	0 garage spaces	0 garage spaces
Site 3	256 garage spaces	455 garage spaces	574 garage spaces
Total	556 garage spaces	556 garage spaces	574 garage spaces
RESIDENTIAL PARKING SPACES			
Site 1	81 garage spaces	150 garage spaces	198 garage spaces
Site 2	32 garage spaces	64 garage spaces	30 garage spaces
Site 3	69 garage spaces	44 garage spaces	25 garage spaces
Total	113 garage spaces	258 spaces	253 garage spaces
SHARED PARKING SPACES	Shared parking strategies may be incorporated where feasible, following additional analysis and outreach	-	-
ACTIVE STREETFRONTS & OPEN SPACES			
Site 1	- Active frontages on Oak Grove Ave. and Maloney Ln.	- Open space on Oak Grove Ave. - Active frontage on Maloney Ln. and adjacent to open space on Oak Grove Ave. - Courtyard for residents	- Active frontage on Oak Grove Ave. - Plaza along Maloney Ln.
Site 2	- Pocket park on Chestnut St. - Active frontage on Oak Grove Ave., including lobby entrance and amenity space	- Active frontages on Crane St., Oak Grove Ave. and Chestnut St. - Courtyards for residents	- Public open space on Chestnut St. - Active frontage on Oak Grove Ave. - Paseo behind building on "Oak Grove Plaza" right of way
Site 3	- Public open space on Crane St. - Active frontage on University Dr. and adjacent to open space, including lobby entrances, bicycle parking, and amenities	- Open space on Crane St. - Active frontages adjacent to Crane St. open space - Courtyards for residents	- Public open space on Crane St. - Active frontage on University Dr.
SUSTAINABILITY HIGHLIGHTS	- LEED Silver certification minimum - Zero waste management plan - Active transportation plan - All-electric buildings - EV charging infrastructure	- All-electric buildings - Rooftop solar array - EV charging infrastructure - Active mobility and transportation features	- All-electric buildings - Solar arrays - Water efficient design - Energy efficient and dark sky lighting
PHASING APPROACH	Housing and structured parking construction staggered to maximize downtown parking, from 2028-2031	Initial Phase: 455 public parking stalls, housing and open space on Site 3 Secondary Phase(s): Residential structures and second open space on Sites 1 and 2	Initial Phase: Site 3 public parking garage Secondary Phase(s): Residential structures in increments of 60-120 units
COMPLETION TIMELINE	Construction 2028-2031, leasing 2030-2032	Construction through approximately 2032	Construction through approximately 2032
GENERAL EXPERIENCE & CAPACITY	Founded in 2020; three other projects under construction in Los Angeles with total of 700+ units; combined development team has collective experience with 1,000+ affordable housing communities	Multiple examples of mixed-income and mixed-use development experience in San Francisco and the Bay Area	Partnership leverages Related Companies' scale (20,700 units completed/under construction) with Alta's local experience (800+ units in the area); Related has developed 1,300+ units in San Mateo and Santa Clara Counties; recently partnered on Mountain View parking lot redevelopment
FINANCIAL STRATEGY	Menlo Park experience Sheridan Apartments (320 Sheridan Dr.) Potential funding includes Affordable Housing and Sustainable Communities (AHSC) program, federal and state bond and tax credits, county NOFAs, City impact fee loan, private financing; each building as separate tax-credit financed project; pre-development soft costs funded by Alliant	Springline Potential funding includes conventional construction debt, equity from investors, and private institutional equity, supplemental capital commitments through discretionary contributions and impact fees related to USGS redevelopment	- Potential funding includes 4% low-income housing tax credits, private permanent debt, with other local and state funding such as AHSC, state tax credits, project-based vouchers, CalHFA Middle Income Program, and market-rate housing land proceeds towards funding replacement parking
	Replacement public parking funding No request from City indicated	\$15 million contribution by developer, with suggestion of partial funding through impact fees generated through USGS redevelopment project	Capital contribution of \$5-10 million by developer from market-rate housing, potential use of infill infrastructure grants, collaboration with City on strategy that could include revenue-backed City bonds
COMMUNITY ENGAGEMENT & MANAGEMENT	Multiple forms of outreach, including one-on-one meetings, small group discussions, and workshops with multiple opportunities for feedback throughout the process; experienced in construction phase communication strategies, including project websites, timely notifications, and social media outreach	Extensive stakeholder identification, early one-on-one meetings, focus groups, town hall meetings, and community workshops; details commitment to local business inclusivity and outreach; communication during construction through mitigation plan and multiple communication touchpoints	Proposes community participation plan, early one-on-one meetings with stakeholders, dialogue through multiple channels, and relationship-building; local examples of gathering community support through transparent engagement with local businesses and residents
PROPOSED CITY RESPONSIBILITIES	- Timely review of entitlements and coordination with City departments and external agencies as needed - City loan of impact fees, to be repaid with interest - Long-term ground lease or disposition consistent with RFP - Facilitating public parking transitions during construction - Flexibility around construction scheduling to help minimize downtown impacts	- Waive all impact, planning and permitting fees - Financial contribution to construction of parking garage - Form enhanced infrastructure financing district (EIFD) or other tax-increment financing mechanism to fund garage - Waive property taxes during construction	- Bond issuer for parking garage - Provide mutually agreed disposition terms - Coordination for planning and permitting reviews - Cooperation in securing financing as necessary from various government sources and grant programs

* 2025 area median income is \$130,600 for a single person, or \$186,600 for a family of four