



STAFF REPORT

City Council

Meeting Date:

12/2/2025

Staff Report Number:

25-181-CC

Public Hearing:

Receive the Elections Code section 9212 report regarding the proposed initiative measure entitled “Downtown Parking Plazas Ordinance Initiative”

Recommendation

Staff recommends the City Council receive the report pursuant to Elections Code section 9212 (Attachment A) regarding the proposed initiative measure entitled “Downtown Parking Plazas Ordinance Initiative.”

Background

On Oct. 10, 2025, the petition for the proposed initiative was filed with the city clerk of the City of Menlo Park (Elections Code section 9208). On Nov. 4, 2025, following the city clerk’s determination that the proponents submitted 2,200 valid signatures, which exceeded the minimum number of 2,103 signatures required, the City Council accepted the certification of the sufficiency of the petition for the proposed initiative. At the same meeting, the City Council was required to take one of following three actions as required by the California Elections Code section 9215:

- A. Adopt an ordinance of the City Council of the City of Menlo Park adopting the citizen sponsored initiative measure to prohibit the City of Menlo Park from selling, leasing, donating, disposing of or conveying City-owned Downtown Parking Lots that would affect or diminish the availability or convenience of parking, without voter approval; or
- B. Adopt a resolution of the City Council of the City of Menlo Park submitting the citizen sponsored initiative measure to prohibit the City of Menlo Park from selling, leasing, donating, disposing of or conveying City-owned Downtown Parking Lots that would affect or diminish the availability or convenience of parking, without voter approval, to the voters at the next general municipal election (Nov. 3, 2026), or at a special election to be held 88-103 days after the call of the election the citizen sponsored initiative measure; establishing the schedule for submission of ballot arguments; and authorizing and requesting the County of San Mateo conduct the election; or
- C. Adopt a resolution ordering a report pursuant to Elections Code section 9212; authorize a one-time budget appropriation in the amount of \$164,951; and authorize the City Manager to execute an amendment to the Master Services Agreement with M-Group in the not-to-exceed amount of \$164,951 to draft and complete the Elections Code section 9212 report.

The City Council selected Option C and ordered the preparation of a report with the following topics all of which are encompassed by Elections Code section 9212:

- 1. Its fiscal impact.
- 2. Its effect on the internal consistency of the city's general and specific plans, including the housing element, the consistency between planning and zoning, and the limitations on city actions under section 65008 of the Government Code and Chapters 4.2 (commencing with section 65913) and 4.3 (commencing with section 65915) of Division 1 of Title 7 of the Government Code.
- 3. Its effect on the use of land, the impact on the availability and location of housing, and the ability of the city to meet its regional housing needs.

4. Its impact on funding for infrastructure of all types, including, but not limited to, transportation, schools, parks, and open space. The report may also discuss whether the measure would be likely to result in increased infrastructure costs or savings, including the costs of infrastructure maintenance, to current residents and businesses.
5. Its impact on the community's ability to attract and retain business and employment.
6. Its impact on the uses of vacant parcels of land.
7. Its impact on agricultural lands, open space, traffic congestion, existing business districts, and developed areas designated for revitalization.

The City Council also requested topics identified in letters from Menlo Together/Housing Leadership Council of San Mateo County dated Nov. 4, 2025, and Rutan and Tucker, LLP dated Nov. 4, 2025, included in Attachments B and C, to be evaluated and studied in the Elections Code section 9212 report as time permits.

The report shall be presented to the legislative body within the time prescribed by the legislative body, but no later than 30 days after the elections official certifies to the legislative body the sufficiency of the petition. The report is being presented within the prescribed 30 days. After the report is presented, the City has two options: (1) adopt the ordinance after the presentation or within 10 days or (2) order an election pursuant to section 1405 of the Election Code. At this meeting, the City Council will have the opportunity to take action and select one of these options.

Analysis

The Elections Code section 9212 report, included as Attachment A, was prepared by a consultant team of M-Group, BAE and Hexagon, with assistance from City staff and City Attorney's Office. The consultant team was selected for their technical expertise, knowledge of Menlo Park, and ability to prepare a report within the statutory 30-day deadline. The report before the City Council evaluates how the proposed initiative would impact the topic areas set forth above. The report is intended to present factual information and professional judgement to arrive at conclusions or hypotheses into potential results of the initiative measure should it be adopted.

The report is presented to the City Council in compliance with Elections Code section 9212 and completes the scope of work within the authorized funding. The consultant team is available for questions.

Impact on City Resources

The fee for the preparation of the report pursuant to Elections Code section 9212 was \$164,951. At the City Council meeting of Nov. 4, 2025, the City Council approved a budget appropriation of \$164,951 from the unassigned fund balance in the General Fund and authorized the city manager to execute an amendment to the Master Services Agreement with M-Group to draft the report.

Environmental Review

The report is not a project subject to California Environmental Quality Act (CEQA). A project under CEQA does not include "[t]he submittal of proposals to a vote of the people of the state or a particular community that does not involve a public agency sponsored initiative." (Stein v. City of Santa Monica (1980) 110 Cal. App.3d 458; *Friends of Sierra Madre v. City of Sierra Madre* (2001) 25 Cal. 4th 165).

Public Notice

Public notification was achieved by posting the agenda, with the agenda items being listed, at least 72 hours prior to the meeting.

Attachments

- A. Ballot measure impact analysis pursuant to Elections Code section 9212
- B. Letter from Menlo Together and Housing Leadership Council of San Mateo County dated Nov. 4, 2025
- C. Letter from Rutan and Tucker, LLP dated Nov. 4, 2025

Report prepared by:
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Report reviewed by:
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BALLOT MEASURE IMPACT ANALYSIS

Pursuant to Election Code 9212

November 25, 2025

Prepared By:
City of Menlo Park Community Development Department
City Attorney's Office
Metropolitan Planning Group
Hexagon Transportation Consultants
Bay Area Economics (BAE)

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Attachments

- A. Proposed Measure Entitled “Downtown Parking Plazas Ordinance”
- B. City of Menlo Park Affordable Housing on City-Owned Downtown Parking Lots Feasibility Study. Dated August 2024
- C. City of Menlo Park Request for Proposals – Development on Downtown Parking Plazas 1, 2, and 3. Dated September 15, 2025

Introduction

This report covers the topics included in the Election Code Section 9212 as well as the topics directed by the City Council at its November 4, 2025, meeting. References in the text to “Ballot Measure” refer to the Ballot Measure titled “Downtown Parking Plazas Ordinance” submitted to the City of Menlo Park (the “City”) on October 10, 2025, included as Attachment A.

The Ballot Measure would amend the Menlo Park Municipal Code to prohibit the City of Menlo Park from selling, trading, leasing, donating, disposing, or otherwise conveying all or a portion of City-owned Downtown parking lots for any reason that would affect or diminish the availability or convenience of parking without voter approval, with certain exceptions.

The Ballot Measure would also require voter approval before the City could modify, alter or construct any improvements on any of the Parking Plazas which diminishes the availability, access, convenience or use of public parking for Downtown customers, workers and visitors.

For the full text of the proposed city ordinance that would be adopted with approval of the Ballot Measure see Attachment B.

This report describes how the Ballot Measure would impact the following topic areas as provided for in Section 9212 of the state election code:

1. **Fiscal Impacts:** Its fiscal impact.
2. **Planning Impacts:** Its effect on the internal consistency of the city's general and specific plans, including the housing element, the consistency between planning and zoning, and the limitations on city actions under Section 65008 of the Government Code and Chapters 4.2 (commencing with Section 65913) and 4.3 (commencing with Section 65915) of Division 1 of Title 7 of the Government Code.
3. **Housing Impacts:** Its effect on the use of land, the impact on the availability and location of housing, and the ability of the city to meet its regional housing needs.
4. **Infrastructure Impacts:** Its impact on funding for infrastructure of all types, including, but not limited to, transportation, schools, parks, and open space. The report may also discuss whether the measure would be likely to result in increased infrastructure costs or savings, including the costs of infrastructure maintenance, to current residents and businesses.
5. **Business Impacts:** Its impact on the community's ability to attract and retain business and employment.
6. **Vacant Land Impacts:** Its impact on the uses of vacant parcels of land.
7. **Other Impacts:** Its impact on agricultural lands, open space, traffic congestion, existing business districts, and developed areas designated for revitalization.

Within these seven sections, the report also evaluates other topics and questions as directed by the City Council at their November 4, 2025, meeting. There were two letters received, both dated November 4, 2025: one from Menlo Together and the Housing Leadership Council of San Mateo County, and one from Rutan & Tucker representing the proponents of the Downtown Parking Plazas Ballot Measure. The City Council directed that as many of the topics and questions from the two letters be addressed in the 9212 Report as possible, with other items, that may take longer to evaluate, to return at a future meeting. This report covers all of the Election Code 9212 topics as well as all of the City Council directed items in Table 1 below.

The additional items and sections where they are discussed in the report are noted in Table 1: Location of , below (some topics are discussed in multiple sections):

Table 1: Location of Additional Impacts in 9212 Report

Item	Section in Report
<i>Items from Menlo Together / Housing Leadership Council of San Mateo County, dated November 4, 2025</i>	
How would the measure affect the city's ability to comply with state housing laws, including production of affordable housing and affirmatively furthering fair housing (AFFH). Put another way, Menlo Park currently has a compliant housing element. If this measure passed, what would Menlo Park need to do to stay in compliance and prevent additional builder's remedy proposals in the current housing element cycle?	3. Housing Impacts
How would the measure affect the city's ability to add new homes and modern parking and transportation management strategies downtown?	3. Housing Impacts
	Impacts on Adoption of Modern Parking and Transportation Management Strategies
Are there examples of other nearby cities that have added new homes and modern parking and transportation management strategies to their downtowns, and do we know how that has changed vacancy rates of retail spaces and sales tax?	Parking Structures in Nearby Downtown Districts
	Impacts on Business Viability and Vacancy Rates
How would the measure affect employers' ability to attract and retain workers,	Potential Workforce Housing Impacts and Worker Attraction and Retention

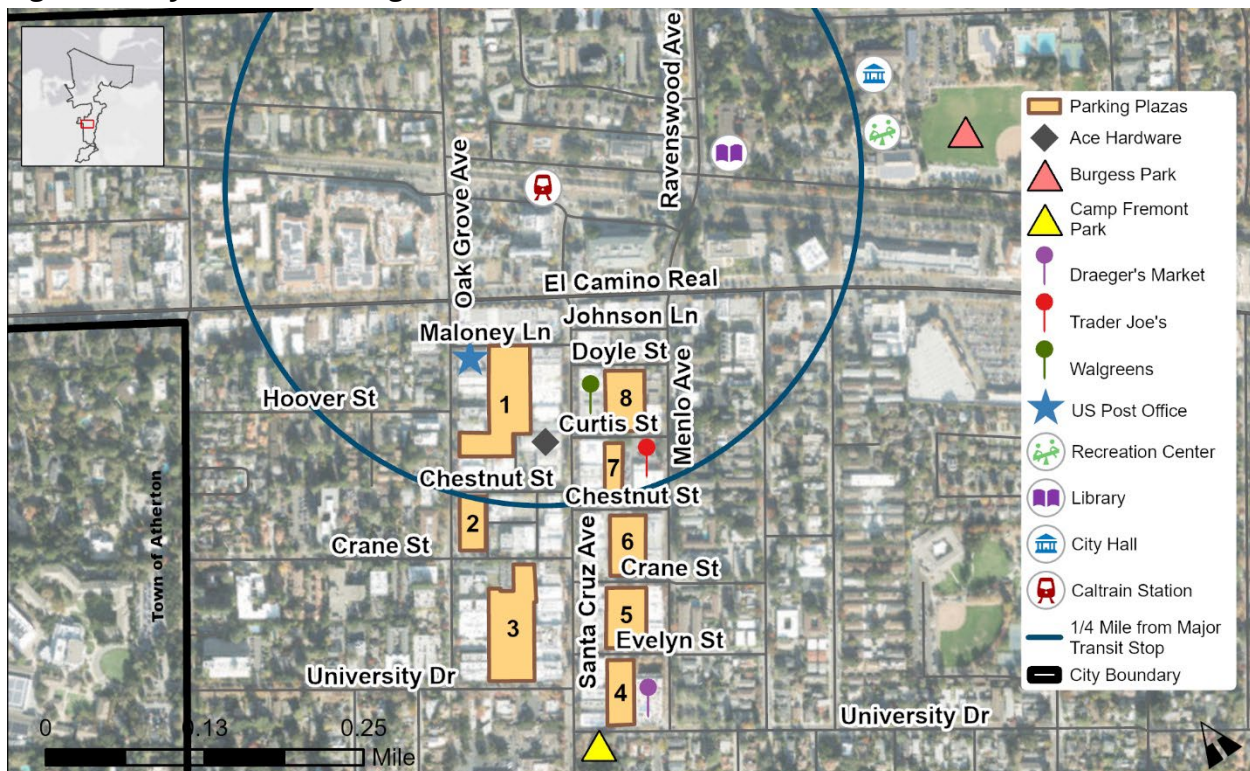
Item	Section in Report
especially workers that are employed with local retailers, pre-school teachers, health aides, and other low income employees?	
How would the measure affect Menlo Park's climate and environmental justice goals? For example, through its impact on people driving to or through Menlo Park for work because they cannot afford to live here?	Environmental Justice Element
	Internal Consistency of Climate Action Plan
How would the measure affect racial and economic equity?	Impacts on Racial and Economic Equity
What would be the potential legal costs to the city if the city found that the measure was in conflict with state law or unenforceable, given Section 10 of the ballot measure, which would indemnify the proponents for legal expenses and losses incurred against "any judgement against the constitutionality, statutory permissibility, or implementation of this Ordinance, in whole or in part, if any court of law"?	<i>Due to the speculative nature of legal claims and analysis, legal analysis is not performed as part of this report.</i>
<i>Items from Rutan & Tucker, LLP, dated November 4, 2025</i>	
Business viability and economic impacts on downtown merchants and property owners	4. Infrastructure Funding Impacts
	Impacts on Business Viability and Vacancy Rates
Risk of litigation, including potential claims related to business access and viability	<i>Due to the speculative nature of legal claims and analysis, legal analysis is not performed as part of this report.</i>
Parking availability and downtown access, including ADA accessibility	Impacts on Traffic Congestion
Traffic circulation, congestion, and emergency response access	Impacts on Traffic Congestion
	Fire Safety and Emergency Evacuation
Fire safety and evacuation implications	Fire Safety and Emergency Evacuation
Soil and environmental contamination risks associated with redevelopment of the parking plazas	Impacts on Business Viability and Vacancy Rates

Item	Section in Report
School capacity and projected enrollment impacts	Public School Facilities
Financial exposure to the City, including legal costs, mitigation costs, infrastructure costs, and potential lost tax revenue	1. Fiscal Impacts <i>Due to the speculative nature of legal claims and analysis, legal analysis is not performed as part of this report.</i>

Executive Summary

The report finds that the Ballot Measure would potentially limit new development by adding additional barriers to development on the City-owned Downtown parking lots. This would impact development of affordable multifamily housing on these lots which is a significant program of the Housing Element to provide affordable housing. There are very few other areas in the city that would support the development of 345 affordable housing units within the current Housing Element period, and none of these locations are in areas as transit and amenity rich as downtown Menlo Park. The City is currently focusing on affordable housing development on Parking Plazas 1, 2, and/or 3. There is no contemplation of redevelopment of the other five plazas at this time (see Figure 1: City-Owned Parking Lots in Downtown Menlo Park).

Figure 1: City-Owned Parking Lots in Downtown Menlo Park



The Ballot Measure could complicate the City meeting its Regional Housing Needs Allocation (RHNA) requirements under State law, as well as the fair housing requirements contained within the Affirmatively Furthering Fair Housing (AFFH) law adopted by the State of California in 2018 (AB 686).

Over time, the City would have reduced flexibility in planning for future housing or other land uses because the Ballot Measure could limit the City's ability to plan for mixed-use development, housing, and/or new parking facilities on City-owned sites downtown as allowed for in the El Camino Real/Downtown Specific Plan.

There is also the possibility that the City could have its Housing Element deemed non-compliant with state law if the City is not able to implement the downtown affordable housing program in a timely manner or to modify its Housing Element to support the development of 345 affordable housing units elsewhere in the City in order meet numerical housing goals and/or fair housing requirements.

The state's department of Housing and Community Development (HCD) advises jurisdictions that there are various consequences that may apply when a city does not have a housing element in compliance with Housing Element Law, including ineligibility or delay in receiving certain state funds, referral to the California Office of the Attorney General (AGO), court-imposed financial penalties, the loss of local land use authority to a court-appointed agent, and the application of the Builder's Remedy provisions of the Housing Accountability Act.¹

Fiscal Impacts

If housing is built on the sites, the City would likely face higher service costs than the revenue it would receive, resulting in a net cost to the General Fund. Mixed-use or commercial projects could generate more revenue and have a positive fiscal impact. All types of development, including housing, mixed-use, and commercial projects, could be harder and slower to pursue, and may be less likely to occur, if the Ballot Measure passes.

If development is discouraged or delayed, the City would avoid new service costs but could also miss out on potential new revenue from property tax, sales tax, and future projects such as mixed-use development. The measure could also indirectly reduce grant funding tied to building housing near transit and limit the long-term economic benefits that come from creating workforce housing that supports local employers.

Infrastructure Funding Impacts

Passage of the Ballot Measure would make it more difficult for the City to advance development on the Downtown parking lot sites, which could affect Menlo Park's ability to secure regional transportation funding tied to transit-oriented development. If development becomes harder or shifts elsewhere, the City could face higher infrastructure costs and fewer opportunities to fund improvements through developer contributions. If development does not occur, infrastructure needs would be lower, but the City could lose potential funding, on-site improvements, and grant competitiveness associated with redeveloping these centrally located, transit-accessible sites.

Business Impacts

Downtown Menlo Park continues to face elevated retail vacancies and a slower rebound in taxable sales than the broader city. New housing on the City-owned parking lots, which

¹ Gov. Code Section 65585, subds. (j), (l), 65589.5, subd. (d)(5).

would take longer and be more difficult to develop if the Ballot Measure passes, could add residents who would generate additional spending at local businesses. Passage of the Ballot Measure would be more likely to preserve the current supply of surface parking, offering stability, but could make long-term reinvestment more difficult and reduce the City's ability to modernize parking or introduce new uses that could strengthen visitation and economic vitality.

Racial and Economic Equity

Passage of the Ballot Measure would negatively affect racial and economic equity by making it harder to develop affordable housing on the Downtown parking lot sites, which are located in a "Highest Resource" area with strong access to opportunity. Delays or barriers to building affordable units in this location would limit progress toward addressing the City's significant housing cost burdens, particularly among Black, Latino, and lower-income households, and would exacerbate longstanding patterns of unequal access to high-opportunity neighborhoods.

Purpose

Within the scope of the 9212 election code and as prescribed by the City Council, the purpose of this Report is to provide a professional, factual and objective analysis of the potential impacts of the Ballot Measure to the City of Menlo Park.

Background

On March 20, 2024, the California Department of Housing and Community Development (HCD) certified the City's 2022-2031 Housing Element. The Housing Element includes many programs designed to meet the City's RHNA, in compliance with State law. Program H4.G outlines a plan to develop at least 345 affordable housing units and replacement parking on some combination of downtown parking lots.

The Downtown Parking Plazas Ordinance ("Ballot Measure"), if adopted, would add Title 17, Chapter 17.01 to the City's Municipal Code and, among other provisions, prohibit the City from selling, trading, leasing, donating, disposing or otherwise conveying all or a portion of City-owned Downtown parking lots for any reason that would affect, or diminish the availability or convenience of parking, without voter approval, with exceptions for maintenance work and related capital improvement projects, and temporary events.

The Ballot Measure defines "Parking Plazas" as the eight separate parking lots located in downtown Menlo Park, described as "publicly owned" and "owned by the City." Their APNs are provided in Table 2: Parcels Affected by the Ballot Measure, below:

Table 2: Parcels Affected by the Ballot Measure

Common Designation	Assessor's Parcel Number	Location Description
Parking Plaza 1	071-102-400	Lot between El Camino Real and Chestnut on west side of Santa Cruz
Parking Plaza 2	071-094-180	Lot off Oak Grove
Parking Plaza 3	071-092-290	Lot between University and Crane on west side of Santa Cruz
Parking Plaza 4	071-273-160	Lot next to Draeger's
Parking Plaza 5	071-281-160	Lot between Evelyn Crane
Parking Plaza 6	071-283-140, 071-283-050	Lot next to Wells Fargo, between Crane and Chestnut
Parking Plaza 7	071-284-100; 071-284-080	Lot next to Trader Joe's, between Chestnut and Curtis
Parking Plaza 8	071-285-160	Lot between Curtis and Doyle

Specifically, the Ballot Measure would prohibit the City from taking the following actions without voter approval if such action would diminish the availability, access or convenience of public parking for Downtown customers, workers and visitors:

1. Disposing, selling, trading, leasing, donating, or otherwise conveying all or any portion of a Parking Plaza;
2. Designating a Parking Plaza as "surplus" or "exempt surplus" land pursuant to the Surplus Land Act;
3. Modifying, altering, or constructing any improvements on the Parking Plazas;
4. Changing the use of a Parking Plaza.

If the City wishes to take one of these actions, it must place that action on the next regularly scheduled election, and the action will only become effective if approved by a majority of the voters.

There are exceptions to the voter requirement. Actions taken to maintain, repair, renovate or improve the Parking Plazas do not require voter approval as long as they are intended to preserve, improve or expand availability of access or convenience for public parking. Temporary events, such as farmers' markets or other similar events, are also permitted

without voter approval as long as such activities are temporary and do not last more than three consecutive days.

The Ballot Measure is also retroactive to May 15, 2025. If the City takes any of the actions above between May 15, 2025, and the Ballot Measure's effective date, the actions shall be null and void unless the action is reenacted with a vote.

On September 15, 2025, the City released a Request for Proposals (RFP) for development of housing in compliance with program H4.G of its Housing Element, focused at this time on evaluating Parking Plazas 1, 2, and/or 3 for housing, replacement public parking, and other complimentary uses (Plazas 4 through 8 are not being evaluated for redevelopment at this time). For the full text of the RFP, see Attachment C. The program aims to integrate affordable housing options in high-resources areas of the community while adhering to the Surplus Land Act. The state Surplus Land Act aims to make publicly-owned land available for affordable homes by requiring a process jurisdictions must follow to prioritize affordable housing proposals when considering redevelopment opportunities.²

On October 10, 2025, the petition for the proposed Ballot Measure was filed with the City Clerk of the City of Menlo Park (Elections Code section 9208) within the required time following the publication date.

Signature verification is performed by the County of San Mateo, Office of the Assessor-County Clerk-Recorder & Elections ("County"). Having completed the comprehensive review of signatures, the County notified the city on October 20, 2025 that "of the 3,928 signatures submitted" in support of the initiative (Ballot Measure) petition, "2,760 were checked and 2,200 signatures were verified as valid." The 2,200 verified signatures exceed the minimum of 2,103 signatures required to qualify the Ballot Measure for the ballot.

Based on the validation of the petition format and content (Elections Code section 9239) along with the signature verification (Elections Code sections 9215 and 9240), the City Clerk certified the petition as sufficient to qualify as an initiative petition, or Ballot Measure, for the ballot.

The City Council was required to take one of three actions as required by the California Elections Code section 9215. At their meeting on November 4, 2025, the City Council directed the preparation of this report as authorized under section 9212. The report would need to be presented to the City Council no later than December 4, 2025.

² See "Updated Surplus Land Act Guidelines" (California Dept. of Housing and Community Development: August 1, 2024), available at <https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/final-updated-surplus-land-act-guidelines-2024.pdf>

1. Fiscal Impacts

This chapter analyzes the potential impact that passage of the ballot measure could have on the City of Menlo Park's operating budget. The City of Menlo Park funds key services for residents and local businesses, including police, public works, libraries, and recreation. These services are supported by revenue from property tax, sales tax, transient occupancy (lodging) tax, and other sources. Passage of the ballot measure could affect City operating revenues and service costs to the extent that it influences whether development occurs on any of the parking lot sites.

Passage of the ballot measure would make it more difficult for the City of Menlo Park to pursue development and improvements on any of the downtown parking lot sites due to the time, cost, and uncertainty associated with obtaining voter approval. While development and improvements could still occur even if the measure passes, the likelihood of new development could be reduced, either because voters do not approve a proposed project because the City elects not to move forward given the additional procedural hurdles, or because potential developers are deterred from or cannot obtain adequate financing for development projects given uncertainty associated with a ballot measure. At a minimum, development would be delayed due to the voter approval requirement, which could add years to the process. Conversely, if the ballot measure does not pass, development and improvements on the sites would be more likely to proceed in a timely manner.

In September 2025, the City issued a Request for Proposals (RFP) for residential development on Lots 1, 2, and/or 3. The RFP prioritizes 345 affordable residential units, though developers may propose additional affordable units, include market-rate units, or propose a mixed-use development. While this development could still occur if the ballot measure passes, the measure would make the development subject to a citywide vote because the Ballot Measure would be effective retroactively from May 15, 2025. This would require any City action to convey the property to a housing developer subsequent to the effective date to be approved by a vote of the people, thereby prolonging the process, and timeliness of implementation.

Property Tax Revenues

The City receives a share of the property tax generated by all taxable real property within City limits. The City owns Lots 1, 2, and 3, meaning these sites currently do not generate property tax revenue because they are owned by a public agency. The City also owns downtown Lots 4, 5, 6, 7 and 8, with the exception of a portion of one lot owned by Wells Fargo Bank and a portion of another lot owned by Draeger's Market. Privately-owned portions of the parking lots are subject to property tax.

If the City proceeds with conveying the parking plazas to a developer to construct 100-percent affordable housing on Lots 1, 2, and/or 3, these developments would likely be

exempt from property tax, as 100 percent affordable housing developments are generally property tax exempt. As a result, the City would be unlikely to realize additional property tax revenue from these sites if they are developed as 100 percent affordable housing.

However, if development on Lots 1, 2, or 3 or any future projects on other sites include market-rate housing, mixed-income development, nonresidential uses such as retail/restaurants, or affordable housing owned and operated by a for-profit entity, these developments would not be exempt from property tax. If a non-exempt development were to occur on the sites, property tax revenue would increase compared to current conditions, as the property tax exemption that currently applies to the majority of the parking lot sites would no longer apply. Any future taxable development on the sites would be taxed based on the assessed value of the land and any new development on the site. If the City chooses to dispose of the sites through a ground lease rather than a fee-simple sale, the City would retain ownership of the sites, and therefore the sites would remain exempt from property tax; however, any development that would be subject to property tax in a case where the site is privately owned would instead pay possessory interest tax. In the case of a long-term ground lease, the City's possessory interest tax revenue would generally be approximately equivalent to the property tax revenue that the City would realize from a similar development on privately-owned site.

Sales Tax Revenues

The City receives a portion of the sales tax generated by taxable purchases within its boundaries. New residential development on the parking lot sites would generate sales tax through spending by residents of new housing units, which would have a positive fiscal impact on the City. The Supplemental Fiscal Impact Analysis that was completed in August 2025 for the Parkline Master Plan project in Menlo Park provided an estimate that, on average, each resident in Menlo Park makes approximately \$8,100 per year in annual taxable expenditures in Menlo Park, resulting in approximately \$77 per resident per resident per year in City sales tax revenues.³

Between the third quarter of 2024 and the second quarter of 2025 (the most recent four quarters of data available), Downtown businesses generated approximately \$990,000 in sales tax revenue for the Menlo Park General Fund, approximately 20 percent of all citywide taxable sales tax revenue and 1.3 percent of all City General Fund revenues in the 2024/25 fiscal year.

As discussed in the Business Attraction and Retention section, redevelopment of the parking lots would likely replace surface parking with structured parking, for at least a portion of Lots 1, 2, and/or 3. This change could influence the frequency and duration of visits by Menlo Park residents, workers, and visitors to the affected portion of Downtown, thereby affecting taxable sales, though whether the net effect would result in an increase or decrease in visitors' Downtown spending is uncertain. If changes in parking were to have a negative impact on taxable sales associated with changes in visitor behavior, spending by

³ The City's share sales tax revenue is equal to 0.95 percent of the taxable sale price.

new residents could potentially offset or exceed any associated losses. Passage of the ballot measure would make it more difficult to pursue mixed-use or nonresidential projects on the parking lot sites, which could otherwise contribute to sales tax generation. It would also extend the timeframe for developing public open spaces or gathering areas that could attract additional visitors and local spending due to the requirement for obtaining voter approval, and could ultimately prevent these uses from being developed if not approved through the election process.

Transient Occupancy Tax Revenues

Menlo Park levies a transient occupancy tax (TOT) on lodging revenues at a rate of 14 percent, scheduled to increase to 15.5 percent in January 2026. The City's current request for proposals for redevelopment of downtown Lots 1, 2, and/or 3 does not include hotel development, so no direct change in TOT revenue is expected in the short term under either outcome of the ballot measure. However, if the City were to consider pursuing a hotel on any of the parking lot sites in the future, passage of the ballot measure would add additional time and uncertainty to the development process and reduce the likelihood that development would occur. To the extent that the ballot measure negatively impacts the potential for future hotel development on the sites, it could have a negative impact on the City's ability to collect TOT revenue from future development on the sites.

In addition, development on the sites could have indirect effects on TOT. If new development enhances the quality of the Downtown experience, local hotels could potentially achieve higher occupancy or room rates. Conversely, if the ballot measure passes the parking lots are more likely to remain unchanged, though development and improvements could still occur in a scenario in which the Ballot Measure passes.

Service Cost Impacts

The City of Menlo Park provides essential municipal services such as police, public works, libraries, and recreation. For many residential developments, the cost of providing these services exceeds the revenues generated, resulting in a net negative fiscal impact. Because the City's request for proposals for development on Lots 1, 2, and/or 3 is expected to include a large share of property tax-exempt affordable housing, service costs for the development that the City is currently pursuing would likely exceed revenues by a greater margin than for taxable projects. If market-rate residential development were to occur on the parking lot sites, either as part of a proposal for Lots 1, 2, and/or 3 or on another lot in the future, the net fiscal impact could still be negative, though to a lesser extent than with tax-exempt residential development.

If the City were to pursue nonresidential development on the parking lot sites in the future, the net fiscal impact is likely to be positive. Compared to residents, people that work in a city tend to place a lower level of demand on local services, leading to comparatively low costs to provide services to nonresidential development. As a result, the overall net fiscal impact associated with nonresidential development is often positive after accounting for the revenue that nonresidential development generates, particularly for developments that

generate sales and use tax (retail and some office users) or transient occupancy tax (lodging uses).

Grant Revenue Impacts

The City of Menlo Park receives grant funding from the Metropolitan Transportation Commission (MTC), the regional funding agency for planning and infrastructure projects. Compliance with MTC's Transit-Oriented Communities (TOC) policy will be a factor in remaining competitive for these funding opportunities. The TOC Policy connects land use and transportation by prioritizing housing, jobs, services, and shopping near transit hubs, such as train stations and bus corridors. New housing units on the downtown parking lot sites would help the City comply with the TOC policy. With housing built elsewhere away from transit hubs, the City could experience a loss of this source of grant funding which could delay or reduce the number of infrastructure projects that the City implements.

Indirect Fiscal Benefits of Workforce Housing

While residential development on the downtown parking lot sites could have a negative direct fiscal impact, it could also generate indirect fiscal benefits. Affordable and workforce housing can help attract and retain employers in Menlo Park by providing housing opportunities for their employees who work locally.

Employer retention supports the City's fiscal health by generating revenues from property tax, sales tax (both retail and business-to-business), transient occupancy tax, and other sources. As discussed above, nonresidential development, which relies on the ability to attract and retain workers, often has a positive fiscal impact on the City's General Fund.

Summary of Fiscal Impacts Associated with New Development

Passage of the ballot measure would not directly change the City's current revenues or service costs but would make development and/or modifications to the downtown parking lot sites more difficult and uncertain. Because the measure introduces the requirement that voter approval be obtained in order for the City to convey the parking lot sites for development, change their use, or implement any capital projects that would reduce parking, additional costs and procedural steps would be borne by the City thereby reducing the likelihood of new development moving forward, although it would not prevent development altogether. As a result, fiscal impacts would depend primarily on whether the City and/or developer partners ultimately decide to proceed with development.

If development does occur, new housing would likely have a negative net fiscal impact on the City's annual operating budget due to increased service costs and insufficient revenue from residential development to fully offset the cost of providing services to new residents, particularly in the case of affordable housing that is exempt from property tax. These costs would need to be covered under the City's General Fund annual operating budget, and are not covered by one-time development impact fees, which are used to cover the capital costs of infrastructure that is needed to serve new development. However, mixed-use or non-residential development could provide fiscal benefits through additional property tax and sales tax revenue.

Conversely, if the measure discourages or delays development, the City would avoid the service cost increases associated with residential development but would also forgo any potential revenue gains from increased sales tax from resident spending or mixed-use or non-residential development. In addition, to the extent that the ballot measure reduces the likelihood of new workforce housing, it could limit potential indirect fiscal benefits associated with supporting local employers. Workforce housing helps strengthen the City's long-term fiscal base by improving worker attraction and retention.

2. Planning Impacts

This section reviews the Ballot Measure's effect on the internal consistency of the City's general and specific plans, including the housing element, the consistency between planning and zoning, and the limitations on city actions under the following California Government Code sections:

- Section 65008 of the Government Code (prohibits discrimination in housing and land use),
- Chapters 4.2, commencing with Section 65913 (addresses the shortage of affordable housing and encourages the development of new housing).

Internal Consistency of the City's General Plan

California state law requires internal consistency of the General Plan, as well as consistency with zoning and specific plans.⁴ The Ballot Measure may affect the internal consistency of the City's General Plan by potentially limiting the attainment of goals, policies, and programs in the Land Use Element, Environmental Justice Element, and Housing Element.

The Ballot Measure would amend the Menlo Park Municipal Code to prohibit the City of Menlo Park from selling, trading, leasing, donating, disposing, or otherwise conveying all or a portion of City-owned Downtown parking lots for any reason that would affect or diminish the availability of convenience of parking without voter approval, with certain exceptions.

This section focuses on the Ballot Measure's relationship with the General Plan's Land Use Element, Circulation Element, and Open Space and Conservation, Noise and Safety Elements. There is also a subsection that reviews impacts on the Environmental Justice Element. The relationship between the Ballot Measure and the Housing Element is the subject of section 3. *Housing Impacts* of this report.

The Ballot Measure itself passing would not immediately impact these topics and the related General Plan sections because ultimately the impact would be determined by a subsequent Ballot Measure for the approval, or not, of any development including the multi-family housing on the City-owned Downtown parking lots envisioned in the city's Housing Element or any other potential land use intended to further General Plan goals, policies or programs.

However, as discussed previously, the Ballot Measure would potentially limit new development by adding an additional barrier to development on the downtown Parking Plazas. The Ballot Measure's increased procedural requirements, additional costs, and potential delays do not align with the Menlo Park General Plan principles, goals, and policies by complicating the pursuance of goals that underpin the city's General Plan.

⁴ Gov. Code Section 65300.5

The definition of “regulatory barriers and constraints to housing” is any condition or policy that restricts the ability of individuals to obtain or maintain affordable housing. These barriers can include zoning regulations, land use restrictions, and other regulations that limit the supply of affordable housing or restrict the ability of individuals to access it.⁵

The existing General Plan includes several goals, policies and programs that support housing and a complementary mix of uses within the Downtown area. Although parking is an important use in the Downtown, the mix of uses that make an equitable, healthy, and complete community can shift over time. It is the aim of a General Plan to guide that mix of uses while accommodating local and regional changes. The General Plan provides the following Guiding Principles that describe this effort:

Citywide Equity: *Menlo Park neighborhoods are protected from unreasonable development and unreasonable cut-through traffic, share the benefits and impacts of local growth, and enjoy equal access to quality services, education, public open space, housing that complements local job opportunities with affordability that limits displacement of current residents, and convenient daily shopping such as grocery stores and pharmacies.*

The Ballot Measure potentially impacts the Citywide Equity goal by creating a barrier to new affordable housing in the Downtown. This could have a particularly dramatic impact on the addition of future lower income downtown residents who would benefit the most from living in a very high resource area with easy access to transit, parks, food stores and employment opportunities.

Healthy Community: *Everyone in Menlo Park enjoys healthy living spaces, high quality of life, and can safely walk or bike to fresh food, medical services, employment, recreational facilities, and other daily destinations; land owners and occupants take pride in the appearance of property; Menlo Park achieves code compliance and prioritizes improvements that promote safety and healthy living; and the entire city is well-served by emergency services and community policing.*

The Ballot Measure impacts the Healthy Community goal by increasing barriers to potential Downtown housing. Downtown is the most walkable part of the city with access to fresh food, medical services, employment opportunities, and other daily destinations.

Complete Neighborhoods and Commercial Corridors: *Menlo Park neighborhoods are complete communities, featuring well integrated and designed development along vibrant commercial corridors with a live-work-play mix of community-focused businesses that conveniently serve adjacent neighborhoods while respecting their residential character.*

⁵ See “Regulatory Barriers and Constraints” (San Joaquin Valley Regional Planning Agencies Policy Council: 2022), available at <https://sjvcogs.org/housing-elements/regulatory-barriers-and-constraints/>

The Ballot Measure potentially impacts the Complete Neighborhoods and Commercial Corridors goal by making it more difficult to integrate development and a work-play-mix of businesses into the commercial corridors Downtown. New downtown residents could benefit new and existing businesses and create a more vibrant area. The Ballot Measure would potentially delay or deny the ability to provide housing and mixed-use projects in the El Camino Real/Downtown Specific Plan Downtown (D). The policies and goals below rely on a mix of uses that may change over time, as changing trends may require changing concentrations of retail, other commercial, residential, and open space uses.

Housing Element Program H4.G furthers Policies LU-2.3, LU-3.3, LU-4.3; Goal LU-5; and Policy LU-5.1, below:

Policy LU-2.3: Mixed Use Design. Allow mixed-use projects with residential units if project design addresses potential compatibility issues such as traffic, parking, light spillover, dust, odors, and transport and use of potentially hazardous materials.

Policy LU-3.3: Neighborhood Retail. Preserve existing neighborhood-serving retail, especially small businesses, and encourage the formation of new neighborhood retail clusters in appropriate areas while enhancing and preserving the character of the neighborhood.

Policy LU-4.3: Mixed Use and Nonresidential Development. Limit parking, traffic, and other impacts of mixed-use and nonresidential development on adjacent uses, and promote high-quality architectural design and effective transportation options.

GOAL LU-5: Strengthen Downtown and the El Camino Real Corridor as a vital, competitive shopping area and center for community gathering, while encouraging preservation and enhancement of Downtown's atmosphere and character as well as creativity in development along El Camino Real.

Policy LU-5.1: El Camino Real/Downtown Specific Plan. Implement the El Camino Real/Downtown Specific Plan to ensure a complementary mix of uses with appropriate siting, design, parking, and circulation access for all travel modes.

All the City-owned downtown parking lots are in the Downtown (D) district of the Specific Plan area. This district is characterized by a mix of retail and service uses, including parking and potential non-parking uses, such as public space improvements and residential uses. These policies encourage mixed-use projects with residential units and parking, while preserving neighborhood character and limiting negative parking and traffic impacts.

The Ballot Measure conflicts with the above General Plan items because the Ballot Measure potentially limits multi-family residential, mixed use, and parking structure development – development that would support these goals and policies – in an area that already includes such uses for the parking lots in the El Camino Real/Downtown Specific Plan and its

subsequent amendments. The Ballot Measure limits development by adding a significant barrier to development of City-owned land within the plan area.

Environmental Justice Element

The Ballot Measure would also have specific impacts on the Environmental Justice Element, which was adopted in 2024.⁶

The Environmental Justice Element, which was developed during the 6th Cycle Housing Element process (as well as an update to the City's Safety Element), serves to identify and address public health risks and environmental justice concerns, as well as foster the well-being of the City's residents living in underserved communities.

Through an intensive outreach process, the community identified three top priorities for advancing environmental justice:

1. Provide safe, sanitary, and stable homes
2. Promote access to high quality food
3. Reduce pollution exposure and improve air quality

The Ballot Measure would inhibit the City's ability to pursue these priorities by delaying and/or denying the availability of new housing units. This Ballot Measure potentially reduces future access to food for lower income households by making it more difficult to develop affordable homes within very short walking distances to the many grocery stores, cafes, and restaurants in Downtown Menlo Park. This can also result in increasing pollution exposure and reducing air quality by increasing driving distances to the destinations in Downtown Menlo Park, if the needed housing is provided further away from downtown.

Moreover, the Ballot Measure would serve to maintain status quo development patterns in Menlo Park. These development patterns, and the opportunities and burdens they provide, are noted in the Environmental Justice Element as:⁷

The opportunities Menlo Park provides – and the burdens of environmental risk -- are not equally experienced by all Menlo Park residents. Minority and low-income populations are more likely to live in inadequate housing, to face greater health risks, and to have more difficulties in making their voices heard. This contributes to a pattern where minority and low-income community members are more susceptible to displacement and at the greatest risk to move into other jurisdictions with fewer high-quality jobs and lower performing schools.

⁶ The Environmental Justice Element (adopted 2024) is available at <https://www.menlopark.gov/Government/Departments/Community-Development/Planning/Comprehensive-planning/Environmental-Justice-EJ-Element>

⁷ Menlo Park Environmental Justice Element (2024), page 15

The Ballot Measure would therefore likely serve as a constraint and a barrier to the City's Environmental Justice goals.

Internal Consistency of the City's El Camino Real/Downtown Specific Plan

The Ballot Measure could potentially conflict with the goals and vision of the El Camino Real/Downtown Specific Plan ("Specific Plan"), an important tool for the systematic implementation of the General Plan. There have been several standards, guidelines, and design concepts for private and public development shown in the Specific Plan that support improvements in the public parking plazas which would aim to support the local serving and small street-front retail businesses by bringing in more foot-traffic downtown.

The Specific Plan was adopted on July 12, 2012, and has been periodically amended (2014, 2018, 2021, 2023) with the most recent from November 2023 as part of the Housing Element Update process.⁸

The Specific Plan has identified the eight separate parking plazas located in Downtown Menlo Park as potential opportunity sites for improving parking management, improving pedestrian amenities, and overall street character. The recommended public space improvements in these public parking plazas include:

- A pocket park in a small area of Parking Plaza 2 adjacent to Chestnut Street, east of the potential parking structure.
- A pocket park on a section of Parking Plaza 3 adjacent to Crane Street, east of the potential parking structure.
- A pedestrian link along the northern edge of Parking Plazas 4 through 8, connecting the rear of Santa Cruz Avenue businesses adjacent to the parking lots.
- Flexible space/public parking on Parking Plazas 5 and 6, serving as space for periodic events, festivals, and large public gatherings but otherwise available as public parking.
- A marketplace on the edges of Parking Plazas 6 and 7 adjacent to Chestnut Street, to complement surrounding shops and provide permanent or temporary structures/stalls/tents for vendors and merchants.

Currently, there are over 1,500 public parking spaces downtown. Nearly all of the parking plazas provide free 3-hour parking, except that Parking Plaza 4 provides free 2-hour parking.

Most of the on-street parking spaces have time restrictions of 90 minutes or two hours, with some 15-minute zones on Santa Cruz Avenue. Parking Plazas 1 and 5 allow for longer-term paid parking, with on-site meter payment.

⁸ The El Camino Real/Downtown Specific Plan (adopted 2012, last amended in 2024) is available at <https://www.menlopark.gov/Government/Departments/Community-Development/Planning/Comprehensive-planning/El-Camino-Real-and-Downtown-Specific-Plan>

The Specific Plan includes “vision goals” for enhancing downtown through guiding principles that promote vibrancy, healthy living, and sustainability. These goals are further detailed in Section B.3, Opportunities and Constraints, on pages B11 and B12 of the Specific Plan:

Build on Downtown Character.

Downtown Menlo Park is a walkable district with small blocks with most of the retail uses concentrated along Santa Cruz Avenue. The buildings downtown are one or two stories with relatively small floor area. Enhancing the walkability downtown by improving pedestrian movement along Santa Cruz Avenue and along the side streets perpendicular to Santa Cruz Avenue will reinforce the village character.

Opportunities exist to create limited new social spaces in the public parking plazas and through widening of sidewalks, which will further enhance the downtown character.

As discussed above, intensifying mixed use development around the intersection of Santa Cruz Avenue and El Camino Real will also contribute to a vibrant downtown by increasing foot traffic and by enhancing pedestrian orientation of downtown.

Improve and “Leverage” Existing Public Parking Plazas.

The downtown parking plazas provide needed parking for downtown stores and services. However, their current configuration is inefficient, with narrow drive aisles and sub-standard spaces in some cases.

The City-owned parking plaza provides opportunities for infill development including new retail/restaurant uses, residential uses, with an emphasis on affordable housing, public open space, and structured parking, enhancing the vitality and vibrancy of downtown.

Such changes can enhance downtown character without reducing the inventory of available parking spaces. The opportunities listed will enhance foot traffic through increased patronage and support of local retail businesses downtown, in turn leading to increased sales.

The parking plazas also provide opportunities for improved parking management, such as by relocating longer-term parking to garages and improving short-term parking opportunities elsewhere.

Improve Pedestrian Amenities and Overall Street Character.

Opportunities exist to improve pedestrian amenities (street furniture, widened sidewalks), and overall street character, in downtown, particularly along Santa Cruz Avenue, the north-south streets, and on downtown parking plazas. In some places, on-street parking may be reconfigured and accommodated elsewhere to provide room for pedestrian improvements.

Passage of the Ballot Measure may affect the City's ability to implement the vision and goals outlined in the Specific Plan. The Ballot Measure could impact the ability for redevelopment including enhanced pedestrian amenities, new public spaces like small scale pavilions (i.e., The Marketplace shown in the Specific Plan), buildings for permanent or temporary vendors, sheltered plazas, and residential housing or mixed-use developments catering to the needs of the various households with varying income levels which are some components that could add vibrancy and vitality downtown and generate more foot-traffic for the local serving businesses.

As explained previously, the Ballot Measure would defer opportunities for housing production and economic diversification in Downtown while maintaining the existing use of land that is primarily dedicated to surface parking. The Ballot Measure, if approved, could limit the City's ability to make any changes, alterations or modifications on the public parking plazas, as certain projects proposals could require additional review, cause project delays, or require voter approval before moving forward. Higher-density development planned downtown near shops, services, and transit stations could support transit use, lower VMT, and assist the City in meeting its housing supply objectives.

The Ballot Measure could limit the City's ability to develop public parking management strategies and facilities to meet the current and future commercial and residential parking needs of the community. Changes or alterations to the parking configuration, shared parking options, parking supply,, enforced time limits or paid parking could be considered a modification or change of use that could diminish the availability, access or convenience of public parking, and may require voter approval before implementation to the public parking plazas could occur.

Chapter C – Plan Principles, Framework + Program contains both sustainability goals and provides sub-area concept plans.

Chapter C – Plan Principles, Framework + Program.

The text below is from section C.5 Sustainability in Chapter C – Plan Principles, Framework + Program of the Specific Plan Page C.19

The Specific Plan incorporates sustainability strategies into its sub-area concepts and guidelines as reflected in the Leadership in Energy and Environmental Design for Neighborhood Development (LEED-ND) rating system credits, developed by the U.S. Green Building Council.

- *Support housing and job proximity by proposing infill development and encouraging residential mixed-use opportunity for living and working downtown.*
- *Promote compact development by optimizing available land made through encouragement of new infill development and higher intensity development.*

- *Reduce parking footprint by limiting the amount of space dedicated to surface parking, providing shared parking facilities and integrating parking within development footprints.*

The Ballot Measure could limit the City's ability to comply with the sustainability strategies adopted in the sub-area concepts of the Specific Plan. It may restrict the City's efforts to reduce the parking footprints such as decreasing land used for surface parking, introducing shared parking facilities, or pursuing infill development that supports mixed-use living and working downtown.

Chapter C also portrays convenient shared parking at all eight public parking plazas with proposed potential parking garages on public parking plazas 1, 2, and/or 3 and potential public space programming options. The concept of the downtown in this chapter is to:

- Provide convenient shared parking at public parking plazas,
- Accommodate public space enhancements, and
- Support downtown businesses and future parking demand.

The concept locates up to two parking garages, with one to one and a half levels below-grade and up to four levels above, on a combination of Parking Plazas 1, 2, and/or 3 north of Santa Cruz Avenue. Public parking continues at parking plazas south of Santa Cruz Avenue.

More context on usage of public space in the Specific Plan is provided in Chapter D – Public Space:

Chapter D – Public Space

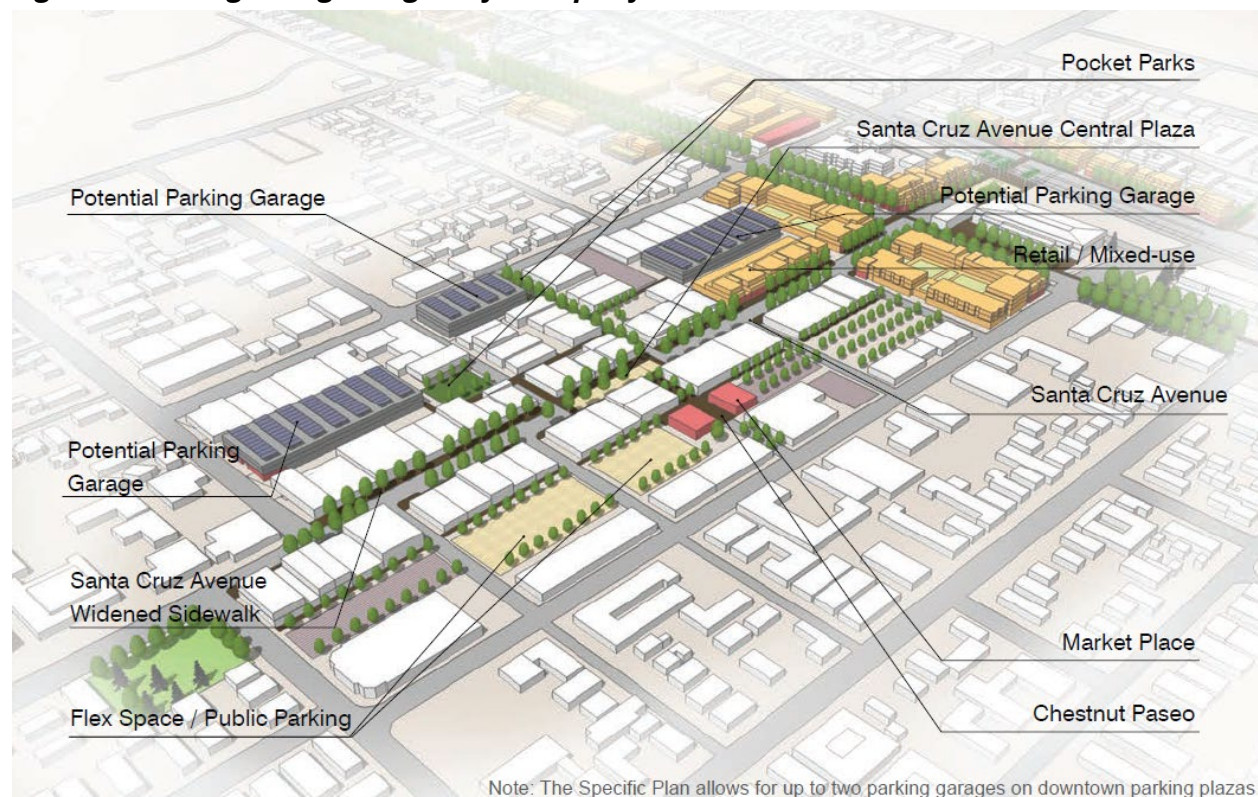
The text below is from section D.2 Downtown in Chapter D – Public Space of the Specific Plan Page D.8

The Specific Plan establishes a comprehensive network of public spaces downtown that enhance the civic and social life of the community and supports downtown businesses. Because there is no existing civic plaza or vacant public land, the Specific Plan relies on existing public rights-of-way and public parking plazas to create much-needed civic and social spaces. The public space improvements downtown consist of:

- *Flex Space/Parking and Housing (Parking Plazas)*

The Specific Plan was envisioned to accommodate shared parking in parking garages in the Downtown area (see Figure 2: Parking Garage Diagram from Specific Plan Chapter C on Plan Principles, Framework + Program).

Figure 2: Parking Garage Diagram from Specific Plan



The Ballot Measure could restrict or potentially prohibit the City's ability to construct multi-level parking garages on Public Parking Plazas 1, 2, or 3 without voter approval. This would limit opportunities to reduce the overall parking footprint (the total amount of land devoted to parking) through development of consolidated parking into shared facilities as envisioned by the Specific Plan.

As stated in the Specific Plan on Page B.22, drivers circling in search of a parking space downtown causes localized congestion, diminishes pedestrian safety and comfort. The Specific Plan calls for consolidating downtown parking into centralized parking garages which could alleviate these challenges by improving traffic circulation, freeing up surface lots for other essential uses such as new businesses to help the downtown area be more vital and successful. However, the Ballot Measure could delay, restrict and possibly prohibit the City from implementing such modifications, improvements, or reconfigurations to the parking plazas, thereby limiting opportunities to enhance overall downtown accessibility and functionality.

The Specific Plan envisioned flexible approaches to public space in the parking plazas, given the lack of an existing civic plaza or available public land. It relied on public rights-of-way and parking plazas to introduce needed civic and social spaces. Passage of the Ballot Measure could limit the City's ability to consider alternative uses for these plazas that could offer community gathering areas and programmed activities; see Figure 3: Public Space and Plazas in Specific Plan.

Figure 3: Public Space and Plazas in Specific Plan

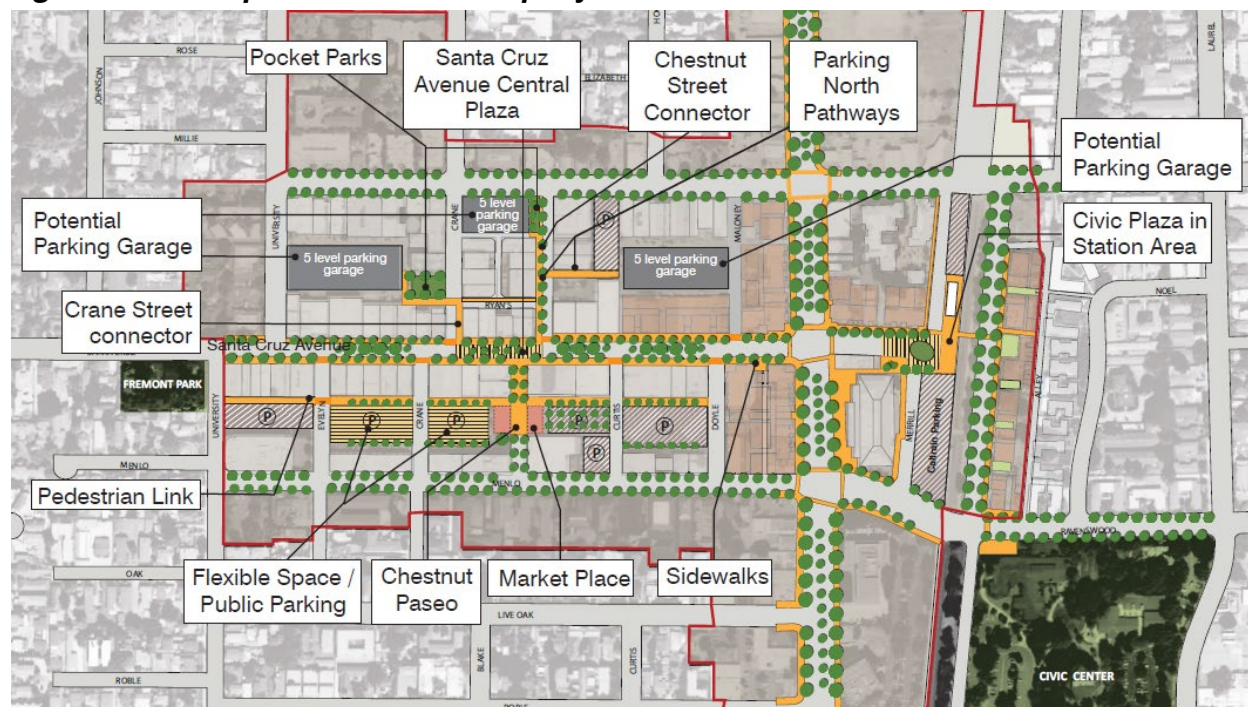


Figure D6. Downtown Public Space Plan with Major Public Space Improvements*

*The eight city-owned surface parking lots (Parking Plazas #1-8) would allow multifamily residential development. These sites are the subject of Housing Element Program H4.G (Prioritize Affordable Housing on City-Owned Parking Lots Downtown).

Chapter E – Land Use and Building Character.

The text below is a small excerpt from section E.2 Land Use Designations, Use Regulations, and Special Uses in Chapter E – Land Use + Building Character on Page E.4

The Downtown/Station Area Retail/Mixed Use designation focuses on uses that enhance downtown vibrancy by building upon existing community-serving retail and personal services in the downtown area. While emphasizing retail for ground-floor uses, the designation allows for a mix of uses, including office and residential uses, enhancing downtown vibrancy through an increased customer base for restaurants and retail businesses. It also allows for theaters (commercial recreation, hotels and some public and semipublic uses. This designation covers the current public parking plazas, which could accommodate residential and other non-parking uses.

All the City-owned downtown parking lots are zoned under the Downtown (D) district of the Specific Plan. The Ballot Measure would restrict the public parking plazas from realizing their full use potential permitted under the Downtown/Station Area Retail/Mixed-Use land use designation. The Specific Plan envisions mixed-use developments with ground floor retail/commercial uses and residential units on upper floors. The land use designation also allows for 100 percent residential development, supporting the area's intent to

accommodate housing and other non-parking uses that contribute to a more vibrant and active downtown.

Non-Parking Improvements on Downtown Parking Plazas on Page E.11 of the Specific Plan. *The Specific Plan calls for enhanced public spaces and increased development intensities to increase downtown vibrancy, foot traffic and transit use. The plan considers the public parking plazas as opportunities for public open space, and limited retail (see marketplace concept above), in conjunction with new parking structures that satisfy parking demand in downtown Menlo Park for both visitors and employees.*

In all cases, parking in support of businesses must be evaluated when considering implementing changes to public parking plazas. Evaluation can include study for potential consolidation of parking in certain locations to allow for the development of new uses besides parking in other locations. The Specific Plan allows for non-parking uses on parking plazas, in particular, open space improvements, such as small pocket parks, the marketplace concept, and residential uses. Except as specifically provided in the Specific Plan, the downtown parking plazas shall remain in parking use.

The majority of the parking plazas are publicly owned. A few portions of the parking plazas are privately owned, and would require cooperation with, and approval of, the private owners to change the use of those parcels. If the community decides it is in the city's best interest to enhance the parking plaza parcels with open space improvements, and/or a permanent market, and/or housing, it is important that the City have a parking strategy in place to ensure an adequate parking supply.

The Ballot Measure could limit the City's ability to fully realize the development potential of the public parking plazas as identified in the Specific Plan. The Ballot Measure would prolong and potentially discourage the creation of public and open spaces that foster a vibrant, accessible, and active downtown. The Specific Plan allows for the integration of non-parking uses on public parking plazas, depending on the implementation of a comprehensive parking strategy that offsets any displaced spaces and ensures an adequate parking supply to meet both current and future demand.

The Specific Plan envisions incorporating non-parking uses such as infill residential development, small pocket parks and marketplace spaces on public parking plazas to encourage higher development intensity, enhance downtown vitality, and support increased foot traffic and transit use. However, it also specifies that downtown parking plazas are to remain dedicated to parking unless mentioned otherwise under the provisions of the Specific Plan.

The Ballot Measure could restrict or delay the City from making the necessary modifications, alterations, or improvements to these parking plazas to implement its Specific Plan vision. The Ballot Measure could limit the City's capacity to improve traffic

circulation, pedestrian safety, transit-oriented uses and overall downtown functionality by preventing the consolidation of surface parking into parking garages unless these improvements are approved by voters at a regularly scheduled election.

The Ballot Measure would directly impact the ability to implement the Housing Element *Program H4.G (Prioritize Affordable Housing on City-Owned Parking Lots Downtown)*. The Ballot Measure could impact the ability to develop multifamily residential uses and other uses and improvements on any of the eight city-owned surface parking lots (Parking Plazas 1 through 8). Without the timely implementation of housing per Program H4.G, the City would need to more heavily rely on the development of affordable housing on other existing housing opportunity sites that are not within the City’s control during the Housing Element cycle. This could create more uncertainty regarding the likelihood of affordable housing development to meet the City’s needs. Alternatively, additional housing sites may need to be identified in other areas within Districts 2 through 5, per Housing Element policy, to maintain Housing Element compliance with state housing law.

The Specific Plan defines the permitted development intensity using floor area ratio (FAR) and for residential uses, dwelling units per acre, also referred to as density. In January 2024, as part of implementation of the 2023-2031 Housing Element, the City increased allowable densities and other development standards for all Specific Plan districts. The development standards for the zoning district of Downtown (D) are shown in Table 3: Relevant Development Standards in Specific Plan on Page E.15, as follows:

Table 3: Relevant Development Standards in Specific Plan

	Area	Land Use	Development Intensity				Building Height	
			Density (per acre)	Non- Residential FAR	Residential or Mixed Use FAR	Step Up FAR	Residential or Mixed- Use Building Height	Non- Residential Building Height
Base Standards	Downtown	Retail/Mixed- Use (MSO)	60	2.00	2.75	3.15	60’ – 64’	38’
Public Benefit Bonus Standards	Downtown	Retail/Mixed- Use (MSO)	100	2.25	3.75	4.50	81’ – 85’	38’

The Ballot Measure would limit the ability to maximize development potential on the public parking plazas by preventing the potential use of the allowable base-level and public-benefit bonus-level maximum floor area ratio (FAR) and density as included in the Specific Plan. The bonus level of development, achievable with the provision of a public benefit as described in the Specific Plan, allows for significantly taller buildings with higher density on the public parking plazas.

The Ballot Measure would potentially limit the Specific Plan's vision plan goals to "Revitalize underutilized parcels and buildings" by limiting development on the Parking Plazas, which could lead to worsening housing shortages and affordability challenges. It could also potentially reduce local economic activity that could enhance downtown vitality and increase foot traffic for existing and new businesses.

As per the Affordable Housing on City-Owned Downtown Parking Lots Feasibility Study completed by the City, three parking plazas (1, 2, and 3) have the potential to accommodate 288 - 483 housing units that could be constructed at the base and bonus density levels of development (without use of the AHO or any state bonuses).

This increased allowable FAR and density could help achieve several Specific Plan and Housing Element goals including stimulating redevelopment of underutilized parcels, increasing transit use, enhancing downtown vibrancy, retail sales, and increasing residential opportunities. The increased allowable FAR and density could also help finance public space improvements and produce more below market rate housing.

The table below from the *Affordable Housing on City-owned Downtown Parking Lots Feasibility Study* completed by the City, Table 4: Downtown Parking Lots Maximum Units Under Specific Plan Zoning, shows approximate maximum number of units that could be constructed on each parking plaza at the base and bonus levels (without use of the AHO or any state bonuses).

Table 4: Downtown Parking Lots Maximum Units Under Specific Plan Zoning

Parking Plaza Number	Location Description/ Site Inventory Number	Maximum Base Density Units	Maximum Bonus Density Units*
Parking Plaza 1	Lot between El Camino Real and Chestnut on west side of Santa Cruz	136	228
Parking Plaza 2	Lot off Oak Grove	33	56
Parking Plaza 3	Lot between University and Crane on west side of Santa Cruz	119	199
Total units on 1, 2, and 3 parking plazas		288	483
<i>Parking Plaza 4</i>	<i>Lot behind Draeger's</i>	<i>37</i>	<i>62</i>
<i>Parking Plaza 5</i>	<i>Lot between Evelyn and Crane</i>	<i>60</i>	<i>100</i>

Parking Plaza Number	Location Description/ Site Inventory Number	Maximum Base Density Units	Maximum Bonus Density Units*
Parking Plaza 6	Behind Wells Fargo, between Crane and Chestnut	45	76
Parking Plaza 7	Near Trader Joe's, between Chestnut and Curtis	41	69
Parking Plaza 8	Lot between Curtis and Doyle	60	100
Total units on all 8 parking plazas		531	890

*Units before State Density Bonus Law density increases

State legislation allows greater flexibility for development within a quarter-mile and half mile of a major transit stop such as the Menlo Park Caltrain Station. All eight City-owned parking lots fall within half a mile of the Menlo Park Caltrain Station.

Assembly Bill (AB) 1763 expands the State Density Bonus Law to encourage 100-percent affordable housing. Under this legislation, qualifying projects within a half mile of a major transit stop are not subject to density limits and may increase building height by up to three additional stories or 33 feet beyond local zoning allowances.⁹

In addition, eligible projects would not have any minimum parking requirements. Projects could also use any provisions of the City's AHO in combination with the flexibility afforded by state legislation to maximize development on any site falling within a half mile of a major transit stop. The table below, shows how AB 1763 could increase the maximum development potential on a downtown site. See Table 5: AB 1763 Development Potential in the Downtown District.

Table 5: AB 1763 Development Potential in the Downtown District

Standard	Base Level Development Maximum	Bonus Level Development Maximum
Density	Unlimited	Unlimited
Maximum Height	93 – 97 feet (likely 7 – 8 stories)	114 -118 (likely 9 – 10 stories)

As per the Assembly Bill 2097 (2022), there are no minimum parking requirements on development projects located within a half-mile radius of a major transit stop, and all eight

⁹ "Affordable Housing on City-owned Downtown Parking Lots Feasibility Study Draft" (City of Menlo Park: August 2024), available at <https://www.menlopark.gov/files/sharedassets/public/v/1/community-development/documents/projects/under-review/downtown-parking/downtown-parking-lots-redevelopment-feasibility-analysis.pdf>

public parking plazas fall within the half-mile radius of a major transit stop (Menlo Park Caltrain station).

As per AB 2097, eligible projects would not have any minimum parking requirements and the reduction in required parking may reduce costs, provide greater flexibility in design, and thereby enable more affordable and below market rate housing.

The Ballot Measure could prevent the City from implementing contemporary parking strategies, as seen in AB 2097 as well as the MTC TOC policy.¹⁰ Instead of reducing parking and enabling people to access and use transit more often for more types of trips by centering housing, jobs, services and shopping around public transit, the Ballot Measure would perpetuate an expanded parking footprint Downtown and result in land near transit dedicated to parking rather than utilized for public and open space improvements that could enhance downtown vibrancy, attract additional foot traffic, and better support local businesses.

Chapter F – Parking Standards include an overview of how the Specific Plan aims to fully accommodate the parking demand associated with the development levels allowed by the Specific Plan. Although new public space improvements and limited new development would result in some loss of existing parking, the Specific Plan addresses this by increasing the parking supply and by improving the management of existing and adding new parking spaces through the construction of parking garages as the need arises on public parking plazas 1, 2, and/or 3.

The Specific Plan envisions the construction of up to two new parking structures on a combination of Parking Plazas 1, 2, and/or 3, and the relocation of parking spaces to these parking garages for public space improvements.

- For Parking Plaza 1, the Specific Plan proposed a five-level garage (one level below-grade and four above) with 650 publicly accessible spaces.
- For Parking Plaza 2, the Specific Plan allowed for a five-level garage (one level below-grade and four above) with 250 publicly accessible spaces.
- For Parking Plaza 3, the Specific Plan proposed a five-level garage (one level below-grade and four above) with 650 publicly accessible spaces.

Public Parking Plazas 1, 2, and/or 3, located north of Santa Cruz Avenue, provide the most suitable combination of size, access, and fewer site constraints for public space enhancements, potential parking structures, or residential development as identified in the Specific Plan. Passage of the Ballot Measure may affect the City's ability to follow through with the recommendations of leveraging the Parking Plazas for flexible uses or housing as outlined in the Specific Plan.

¹⁰ See "Transit-Oriented Communities (TOC) Policy" (Metropolitan Transportation Commission: Last Updated November 2025), available at <https://mtc.ca.gov/planning/land-use/transit-oriented-communities-toc-policy>

The Ballot Measure could limit the City's ability to explore parking management strategies, including shared parking arrangements in which parking spaces within new residential developments could be made available for public use during daytime business hours when residents are more likely to be away, and vice versa.

Without this flexibility, the City could have fewer options to manage parking demand efficiently. The City could pursue a range of tools such as transportation and parking management programs, continued enhancements to bicycle and pedestrian facilities, and phased development to help reduce disruptions to downtown businesses and visitors who rely on the existing parking supply¹¹.

Internal Consistency of Planning and Zoning

All the City-owned Downtown parking lots are in the Downtown (D) district of the Specific Plan area (Zoning District SP-ECR-D). The D District is characterized by a mix of retail and service uses, with retail clustered directly on Santa Cruz Avenue. The D District is in the *Downtown/Station Area Retail – Mixed Use* and *Downtown/Station Area "Main Street" Overlay* land use designation, which emphasizes community-serving retail and personal services at the ground-floor level and residential/office uses above.

Table E14 of the Specific Plan provides the standards for the D District. In addition to parking uses, the Specific Plan allows for non-parking uses on parking plazas, in particular, open space improvements, such as small pocket parks, the marketplace concept, and residential uses. The Specific Plan provides illustrations to help demonstrate D District standards and guidelines, including examples of mixed-use residential projects with underground parking, mixed-use commercial projects with underground parking, and a parking garage project.

The Ballot Measure would affect the internal consistency of the City's zoning regulations, specifically for the D District because it would create an additional barrier to development on these parcels. The D District standards allow for the City-owned Downtown parking plazas to remain in parking use while also providing standards and guidelines for mixed-use projects and parking structures to support new development. These standards may need to be updated if the Ballot Measure passed, in order to accommodate the new requirement for a public vote.

Effect on the Use of Land

The Ballot Measure may have impacts that could restrict land use allowances and the ability of the property owner (the City) to follow Surplus Land Act requirements. Specifically, the Ballot Measure proposes a new section 17.01.030 Preservation of Parking Plazas that would have several impacts that would complicate the conveyance of the property:

¹¹ Affordable Housing on City-owned Downtown Parking Lots Feasibility Study Draft – August 2024

1. Sell, trade, lease, donate, dispose or otherwise convey any of the Parking Plazas, or any portion thereof, for any reason which would affect the use of the Parking Plazas for parking or which would diminish the availability, access or convenience of public parking for Downtown customers, workers and visitors.

This section provides that the transfer, lease or conveyance of any property interest that would affect the use of the Parking Plazas would require a subsequent ballot measure. This would impact the ability of the City to implement various plans including the General Plan, the Housing Element and the Specific Plan.

2. Designate any of the Parking Plazas as “surplus land” or “exempt surplus land” under the California Surplus Land Act (Government Code sections 54220 et seq.), or otherwise designate the parking plazas in a way which could affect the use of the Parking Plazas for parking or which would diminish the availability, access or convenience of public parking for Downtown customers, workers and visitors.

This section, along with other sections of the proposed measure, would require a subsequent ballot measure following any City determination that the Parking Plazas are exempt surplus land or surplus land pursuant the Surplus Land Act.

3. Modify, alter or construct any capital project or other physical alteration on any of the Parking Plazas which permanently diminishes the availability, access or convenience of public parking for Downtown customers, workers and visitors.

This section would require a subsequent ballot measure prior to any physical alterations of the Parking Plazas if such alterations would permanently diminish the availability, access or convenience of public parking. This section does not make clear what type of physical alterations may constitute a diminishment in the availability, access and/or convenience of public parking. For example, electronic vehicle charging spaces or accessible parking spaces often require more space than the existing surface parking spaces. Inclusion of these spaces may therefore be considered a diminishment of parking. In addition, increased bicycle parking could be seen either as a diminishment or as an increase (because the bicycle parking would allow more vehicles in a single space).

Internal Consistency of Climate Action Plan

SB 32 (2006) — California Global Warming Solutions Act of 2006 extended the state's greenhouse gas (GHG) emissions reduction goals, which mandates a GHG reduction of 40% below 1990 levels by 2030.

Menlo Park's 2030 Climate Action Plan (CAP), last amended in 2024, serves to present researched strategies that will help reduce greenhouse gas emissions (GHG) originating in Menlo Park, based on the findings of the city's greenhouse gas emissions inventory analysis which is completed annually.¹² The Ballot Measure could inhibit several CAP goals to reduce greenhouse emissions, including:

¹² The Climate Action Plan (Adopted 2020, last amended 2024) is available at <https://www.menlopark.gov/Government/Departments/City-Managers-Office/Sustainability/Climate-Action-Plan>

CAP Strategy No. 4 - Reduce vehicle miles traveled (VMT) by 25% or an amount recommended by the Complete Streets Commission

The Ballot Measure would inhibit the City's opportunity to reduce VMT by complicating the potential development of the City-owned Downtown parking lots. As identified in a 2024 Urban Institute study, one of the most straightforward strategies to reduce VMT is to increase residential and commercial density (have more homes and more places to work and spend money) in downtown area.¹³ By shortening distances between where people live and what they need to do – including shortening such distances to the point where car travel is unnecessary, a jurisdiction may reduce VMT and greenhouse emissions.¹⁴

¹³ Yonah Freemark “Reducing Transportation Emissions through Land-Use Policy and Investments” (Urban Institute: 2024), available at <https://www.urban.org/urban-wire/reducing-transportation-emissions-through-land-use-policy-and-investments>

¹⁴ Bryn Grunwald, et al “Urban Land Use Reform” (Rocky Mountain Institute: 2023), available at <https://rmi.org/insight/urban-land-use-reform/>

3. Housing Impacts

The Ballot Measure would impact the internal consistency of the City's 6th Cycle Housing Element, and may impact the City's ability to meet its housing goals.

The City of Menlo Park's useable land area (not including the Baylands and the Bay itself) is 5.49 square miles or 3,517 acres, as shown in Table 6: Land Use Designations below. As shown in the table, approximately 9 acres (0.2 percent) is at issue in the Ballot Measure.

Table 6: Land Use Designations¹⁵

Land Use Designation	Acres	Percentage of Land in City	Percentage of Land Where Housing is Allowed in City
Very Low Density Residential	168	4.8%	6.0%
Low Density Residential	1,372	39%	48.7%
<i>Vacant Land</i>	2.6	0.07%	0.09%
Medium Density Residential	355	10.1%	12.6%
High Density Residential	35	1%	1.2%
Commercial	254	7.2%	9.0%
Bayfront	511	14.5%	18.1%
Specific Plan Area	122	3.5%	4.3%
<i>City-Owned Downtown Parking Lots</i>	9	0.2%	0.3%
Parks & Recreation	349	9.9%	N/A
Public/Quasi-Public	231	6.6%	N/A
Utilities/Railroad ROW	121	3.4%	N/A
TOTAL	3,517	100%	2,817

Although this is a small subset of all the total land available for housing in Menlo Park, the Downtown Parking Lots are unique assets for affordable housing for a variety of reasons, including:

- City ownership allows for mitigation of land costs for projects aligned with City housing goals. Cost of land is one of the single greatest barriers to affordable housing development in San Mateo County.
- The parking lots are located in Menlo Park's downtown core, adjacent to amenities such as grocery stores, pharmacies, and other shops as well as several parks.

¹⁵ *Menlo Park General Plan Land Use Element* (adopted November 19, 2016). Information adapted from Table 1, Page LU-13

- Menlo Park's most active public transit includes Caltrain and SamTrans bus lines on El Camino Real. The parking lots are less than a half-mile from these key connectors to employment and educational opportunities, as well as other public services.

The American Planning Association generally promotes planning for people and de-prioritizing parking.¹⁶ Much of this research has been guided by the output of Donald Shoup, whose *The High Cost of Free Parking* changed the paradigm for parking policy in California.¹⁷ State law has encouraged local jurisdictions to focus on reducing parking requirements for individual development projects (and indeed, California's AB 2097 removes minimum parking requirements from developments near major transit stops, which could apply to residential development in the City-owned Downtown parking lots at issue in this Ballot Measure). The City, as the property owner of the Downtown parking lots, does have the ability to include parking in any potential development scenario, and has included a priority for replacement parking in its RFP for development on Parking Plazas 1, 2 and/or 3.

Although there is potential for affordable residential development in other parcels not affected by the Ballot Measure, none of these locations are as well-situated for such development as the City-owned Downtown parking lots, as described in the Site Inventory and Analysis chapter of the 6th Cycle Housing Element.

Ballot Measures and Land Use

Future land use decisions will be constrained by the Ballot Measure. Other cities with similar Measures experience very few, if any, attempted ballot measures to change land uses due to long timeframes, significant expense and uncertain outcomes. In a March 2024 research paper, the San Francisco Bay Area Planning and Urban Research Association (SPUR) noted that:¹⁸

[Ballot] measures curb urban sprawl and protect open space by limiting new development to infill locations. But without concurrent incentives to promote infill development — that is, development of vacant or underutilized land in already-developed areas — many of the measures have the potential to limit the supply of housing overall.

Moreover, other growth management ballot measures that have passed within city boundaries, such as zoning restrictions, voter approval requirements, height and bulk limits, and infrastructure provisions or parking requirements, have had a direct negative impact on infill housing production.

¹⁶ "Housing Policy Guide (American Planning Association: 2019), available at https://planning.org-uploaded-media.s3.amazonaws.com/publication/download_pdf/Housing-Policy-Guide-rev.pdf

¹⁷ Donald Shoup's bibliography is available on his personal website, at <https://www.shoupdogg.com/publications/>

¹⁸ Emma Jordan "Planning by Ballot (SPUR: 2024), available https://www.spur.org/sites/default/files/2024-03/SPUR_Planning_by_Ballot_0.pdf. Page 3

San Francisco Bay Area Planning and Urban Research Association (SPUR) points out that “most voter approval requirements aim to enshrine zoning approval in the hands of the local citizenry and to lengthen the approval process to discourage growth.”¹⁹ The study specifically referenced Costa Mesa’s Measure Y (requiring voter approval for development projects exceeding 40 dwelling units) and Escondido’s Measure S (required voter approval of many types of changes to the General Plan).

In these cases, the cities mitigated the earlier ballot measures, either through putting a new measure on the ballot years later or by directly referencing overriding State law. In the City of Alameda, whose Measure A set a maximum density throughout the City, HCD eventually issued a letter stating that the voter initiative was in direct violation of state law.²⁰

In 2024, Eureka citizens put Measure F on its local ballot, which would both “Require the City to maintain current levels of public parking on specified downtown City-owned off-street public parking lots” and rezone a school district site for additional affordable housing.²¹

In a letter to the City of Eureka, HCD noted that any amendments to the housing element due to the local measure would require HCD review and could lead to a finding of noncompliance. Such a finding could lead to consequences such as ineligibility or delay in receiving certain state funds, losing local land use authority, application of “the Builder’s Remedy” provisions of the Housing Accountability Act to certain qualifying housing development projects, and/or more.²²

It is unclear whether Menlo Park’s Ballot Measure would require revision of its 6th Cycle Housing Element similar to Eureka’s Measure F, which explicitly included Housing Element amendments. At the November 5, 2024, election, Eureka’s Measure F was defeated.²³

If the Measure were to pass, HCD would likely weigh in and advise on whether the effect of the Measure mandates revisions to the City’s 6th Cycle Housing Element.

¹⁹ Ibid., Page 10

²⁰ Paul McDougall “RE: City of Alameda Measure A Provisions and Housing Element Compliance” (California Dept. of Housing and Community Development: Nov. 29, 2021), available at <https://www.hcd.ca.gov/community-development/housing-element/docs/alaalamedacity-ta-112921.pdf>

²¹ Information on the measure is available on the City of Eureka’s website, at <https://www.eurekaca.gov/DocumentCenter/View/5340/23-7-21-Eureka-HFA-DV-Initiative>. For additional context on the discussions behind the measure, see Ben Christopher, “Ballot battles, lawsuits and a ticked off millionaire: What’s behind Eureka’s parking lot war?” (Cal Matters: July 25, 2024), available at <https://calmatters.org/housing/2024/07/eureka-affordable-housing-parking/>

²² Melinda McCoy “RE: Adopted Housing Element Revision Process – Letter of Technical Assistance” (California Dept. of Housing and Community Development: October 9, 2024), available at <https://www.hcd.ca.gov/sites/default/files/docs/planning-and-community/HAU/eureka-ta-he-compliance-100924.pdf>

²³ Information on the results of the voting are available at Ballotpedia: [https://ballotpedia.org/Eureka,_California,_Measure_F,_General_Plan_Amendment_Initiative_\(November_2024\)](https://ballotpedia.org/Eureka,_California,_Measure_F,_General_Plan_Amendment_Initiative_(November_2024))

Internal Consistency of 2025-2031 (6th Cycle) Housing Element

The 6th Cycle Housing Element, certified by HCD on March 20, 2024, includes a policy framework to guide the City in successfully producing a variety of housing types, including affordable housing, during the period from 2023-2031. The City's Regional Housing Need Allocation (RHNA) is approximately 3,000 units, of which 1,166 are for lower income households. The Ballot Measure would be inconsistent with the following Housing Element policies and programs:

Policy H1.1: Local Government Leadership. *Recognize affordable housing as an important City priority. The City will take a proactive leadership role in working with community groups, other jurisdictions and agencies, non-profit housing sponsors and the building and real estate industry in following through on identified Housing Element implementation actions in a timely manner.*

The Ballot Measure would arguably de-prioritize affordable housing in deference to the status quo by restricting the City's ability to work collaboratively using its land assets, particularly as related to the implementation of Housing Element program H4.G. The Ballot Measure would make it difficult for the City to take a proactive leadership role if the City did not leverage its own resources (City-owned land) towards affordable housing.

Program H1.H: Transparency on Progress towards RHNA and Mid-cycle Review. *Publish information regarding below market rate development "pipeline" projects, including the anticipated number of units and affordability, on the City's housing website in coordination with the Housing Element's annual progress report. Annually monitor production and affordability of the four pipeline projects identified in the sites inventory not yet under construction and evaluate whether build out will occur as anticipated. Conduct a mid-cycle review in 2027 to evaluate:*

- (a) Housing production levels in comparison to the RHNA and realistic capacity assumptions in the Housing Element, particularly for pipeline projects and on non-vacant sites*
- (b) The effectiveness of the updated Affordable Housing Overlay (AHO) and Below Market Rate (BMR) Or producing affordable units,*
- (c) The effectiveness of zoning changes implemented as part of the Housing Element, including the revised Affordable Housing Overlay (AHO), and*
- (d) Any governmental constraints that restrict housing development.*

Report back to City Council, and if falling significantly short in affordable production and/or failing to resolve governmental constraints, identify the constraints that are affecting residential development as described by potential housing developers and tracked by City staff. Parameters for evaluating effectiveness may include criteria such as: a) waiver requests under State Density Bonus Law; b) insufficient usage of the AHO in tandem with State Density Bonus Law; and/or c) insufficient production of affordable units. These identified constraints will be connected to a staff recommendation of, as applicable: sites for

increased densities, new or revised programs to reduce governmental constraints, and/or any recommended adjustments to the zoning ordinance (particularly the AHO and BMR housing regulations) to improve effectiveness.

The Ballot Measure would serve as a new governmental constraint that could restrict or delay housing development. If passed, this program would direct City staff to evaluate the constrain and potentially make recommendations for revisions to the Housing Opportunity Sites or other adjustments to improve effectiveness in meeting the City's RHNA.

Policy H4.4: Mixed-Use Housing. *Encourage well-designed residential mixed-use developments where residential use is appropriate to the setting. Encourage mixed-use development in proximity to transit and services, such as shopping centers, the C-4 district along Willow Road near the Willows neighborhood, properties zoned C-1, C-1-A, C-1-C, C-2 and C-2-A, C-2-B, C-2-S, and P, as well as near the downtown to support downtown businesses (consistent with the El Camino Real/Downtown Specific Plan).*

The Ballot Measure would impact the ability for mixed-use housing development to occur in the downtown to support downtown businesses (see "Impacts on Business Viability and Vacancy Rates" in 7. Other Impacts).

Policy H4.6: Retention and Expansion of Multifamily Sites at Medium and Higher Density. *Strive to protect and expand the supply and availability of multifamily and mixed-use infill housing sites for housing, maximizing multifamily uses on properties.*

The Ballot Measure could impact the City's ability to expand the availability of such housing types by reducing and delaying the opportunity for these developments to occur in the Downtown area.

Policy 4.12: Emphasis on Affordable Housing. *To the extent possible, focus housing development on 100 percent affordable housing developments, particularly in areas near existing amenities and in high-opportunity areas of the city. Ministerial review could support this on 100 percent affordable projects within the AHO and in areas under SB 10 or citywide.*

The Ballot Measure could impact the City's ability to focus on 100 percent affordable housing opportunities near amenities. There is a potential for 100 percent affordable housing to be developed on the City-owned Downtown parking lots which would be impacted by the Ballot Measure. The downtown area is the most amenity and transit-rich area of Menlo Park. By delaying any housing development in this area, affordable housing developers will likely seek development in other jurisdictions that do not have similar restrictions in high-opportunity areas. This would impact Menlo Park's ability to meet its RHNA goals.

Policy 4.14: Fair Share Distribution of Housing throughout Menlo Park. *Promote the distribution of new medium- and higher-density residential developments that affirmatively further fair housing throughout the city,*

considering relationship to surrounding residential uses, particularly near public transit and major transportation corridors in the city. This includes potential new housing in commercial areas along Willow Road, Middlefield Avenue, and Sand Hill Road.

The Ballot Measure could impact the ability to distribute housing throughout the City to affirmatively further fair housing. As demonstrated during the development of the 6th Cycle Housing Element, there are very few areas of Menlo Park near public transit and major transportation corridors and in close proximity to services, employment and high performing schools. Impacts to the City's ability to develop medium and higher-density housing on the City-owned parking lots in the Downtown area could require additional housing development in other neighborhoods, impacting the fair share distribution of housing.

Policy 4.16: Neighborhood Responsibilities within Menlo Park. *Seek ways specific to each neighborhood to provide additional housing as part of each neighborhood's fair share responsibility and commitment to help achieve community-wide housing goals. This may range from in-lieu fees, accessory dwelling units, higher density housing sites, infill housing, mixed-use, or other new housing construction.*

The Ballot Measure could impact the Downtown neighborhood's opportunities to meet its neighborhood responsibilities per Policy 4.16. The downtown neighborhood does not have the large-lot single-family residential development that would ease implementation of accessory dwelling unit (ADU) production or SB-9 lot splits. There is no vacant land downtown and not many underutilized properties that could be redeveloped without removing existing buildings. Higher density residential development on City-owned Downtown parking lots represents one path to facilitate residential development Downtown. The Ballot Measure may delay or deny that opportunity, which would necessitate a different approach to adding housing to the downtown.

Program H4.G: Prioritize Affordable Housing on City-Owned Parking Lots Downtown. *Promote housing development on underutilized City-owned parking lots in downtown and adhere to procedures consistent with the Surplus Lands Act to provide affordable housing developers a first right of refusal (AB 1486). Solicit proposals and conduct a feasibility study to assess which parking lots are most suitable for residential development (2023); issue RFP for affordable housing development on some or all of the parking lots sites, including information on City land write-down incentives (2024); complete development entitlements (2025); 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 (2027). The City of Menlo Park shall grant additional points to proposals that address the city's most difficult to achieve housing priorities including providing a greater number of extremely low-, very low-, low-, and moderate-income units, or committing to make a percentage of the units preferential for people with special*

needs who will benefit from coordinated on-site services, such as for people living with disabilities, including developmental disabilities.

The Ballot Measure would directly impact the City's ability to fulfill this program. The addition of governmental constraints would be inconsistent with the timeline identified in this program, which is discussed in greater detail below.

Policy H6.6: Reduce Personal Automobile Usage. *Encourage residents to reduce reliance on personal automobiles for transportation and encourage use of public transit and other alternative forms of mobility.*

The Ballot Measure could make it more difficult for residents to reduce reliance on personal automobiles by maintaining parking in the most transit-rich area of Menlo Park and creating barriers to future housing on City-owned parcels near transit. Parking, especially free parking, incentivizes automobile use. This is inconsistent with Policy H6.6.

Housing Element Program H4.G: Prioritize Affordable Housing on City-owned Parking Lots Downtown

As previously stated, passage of the Ballot Measure would inhibit Program H4.G, Prioritize Affordable Housing on City-Owned Parking Lots Downtown. The requirement to secure voter approval would not necessarily make development on Downtown parking lots impossible to achieve, but it would create a significant barrier or constraint to development. As a result, HCD may seek to require the City to analyze whether the Ballot Measure poses new constraints to housing development, thereby impacting the City's 6th Cycle Housing Element. If, after review, HCD finds that the Housing Element is no longer in compliance with State law, they may require additional changes to the Housing Element so that the Housing Element remains in compliance, or the Housing Element may be found out of compliance. This could potentially lead to consequences such as losing opportunities for funding, losing local land use authority, and opening the City to qualifying "Builder's Remedy" projects.

In HCD's certification letter, the department specifically noted Program H4.G as one of 16 programs called out as requiring "timely and effective implementation."²⁴ "The City must monitor and report on the results of these and other programs through the annual progress report, required pursuant to Government Code section 65400," as stated in the letter. "Government Code section 65585, subdivision (i) grants HCD authority to review any action or failure to act by a local government that it determines is inconsistent with an adopted housing element or housing element law. This includes failure to implement program actions included in the housing element. HCD may revoke housing element compliance if the local government's actions do not comply with state law."

²⁴ Paul McDougall "RE: City of Menlo Park 6th Cycle (2023-2031) Adopted Housing Element" (California Dept. of Housing and Community Development: March 20, 2024), available at https://www.menlopark.gov/files/sharedassets/public/v1/community-development/documents/projects/housing-element-update/he-adopted-certification_032024.pdf

Effect on Regional Housing Need Allocation (RHNA)

The 6th Cycle Housing Element must demonstrate adequate capacity for 2,946 new housing units for the 2023-2031 time period. Cities that cannot demonstrate meeting or exceeding their housing requirements during the eight-year planning period may risk not having their housing element certified by HCD. As shown in Table 7: 6th Cycle RHNA Allocation for Menlo Park and Land Inventory Summary, Menlo Park's 6th Cycle Housing Element planned for these 2,946 units and a buffer of 884 units (approximately 30 percent of the 2,946 total units).

Table 7: 6th Cycle RHNA Allocation for Menlo Park and Land Inventory Summary

Income Category:	Very Low	Low	Moderate	Above Moderate	Total
	0-50% AMI	51-80% AMI	81-120% AMI	>120% AMI	
6 th Cycle RHNA	740	426	496	1,284	2,946
30% Buffer	222	128	149	385	884
Total	962	554	645	1,669	3,380
Lower-Income Units	1,516				
Pipeline Projects*	133	277	197	3,038	3,645
ADUs	26	25	26	8	85
Total Sites Inventory	1,514		571	0	2,085
Surplus	809		298	1,762	3,168

* The "Pipeline Projects" row is current as of Housing Element certification in 2024. For an update, see Table 11: 6th Cycle RHNA Progress for Menlo Park through November 4, 2025.

Between pipeline projects (projects that were under development at the time of writing the 6th Cycle Housing Element), accessory dwelling unit (ADU) assumptions, and sites in Menlo Park's Housing Opportunity Sites Inventory, the 6th Cycle Housing Element planned for a surplus of 809 units combined in the Very Low and Low income categories beyond this RHNA-plus-buffer number of 1,516 units (962 Very Low income plus 554 Low income units).²⁵

²⁵ See 6th Cycle 2023-2031 Housing Element (City of Menlo Park: Adopted 2023, amended 2024), available at: https://www.menlopark.gov/files/sharedassets/public/v/3/community-development/documents/projects/housing-element-update/2023-2031-city-of-menlo-park-housing-element-clean_010324.pdf. Table 7-4 on Page 7-4

Since the Housing Element was certified in 2022, there has been progress in how the City is meeting its RHNA, as seen in Table 8: 6th Cycle RHNA Progress for Menlo Park through November 4, 2025.

Table 8: 6th Cycle RHNA Progress for Menlo Park through November 4, 2025

Income Category:	Very Low	Low	Moderate	Above Moderate	Total
<i>Units Counted Towards RHNA</i>	132	111	126	751	1,120
Remaining RHNA	608	315	370	533	1,826

The City is almost three years into the 8-year planning period for the 6th Cycle Housing Element. While the city is making good progress on its RHNA required housing production, it is too soon in the planning period to say whether the loss of the planned 345 affordable homes in the downtown may impact the City's ability to meet its State-mandated housing goals.

Effect on Affirmatively Furthering Fair Housing (AFFH)

Assembly Bill 686 (2018) Housing Discrimination: Affirmatively Further Fair Housing is a bill which amended the government code relating to housing, so that it is in compliance with the federal Fair Housing Act.

AB 686 creates new requirements for all State and local agencies (including, but not limited to, all cities, counties, and housing authorities) to ensure that their laws, programs and activities affirmatively further fair housing, and that they take no action inconsistent with this obligation.

When housing choice and access are limited because of someone's race, sexual orientation, or disability status, there are far-reaching impacts on access to job opportunities, access to quality education, and on mental and physical health. As indicated by the California Department of Housing and Community Development (HCD):

Past and present discriminatory policies and practices, including long-term disinvestment, have resulted in neighborhoods with concentrated poverty and poor housing stock, limited access to opportunity, unsafe environmental conditions, underfunded schools, dilapidated infrastructure, and other disproportionately experienced problems. In addition, governmental policies have subsidized the development of segregated, high-resourced suburbs in metropolitan areas by constructing new highway systems—often through lower income communities of color— to ensure access to job opportunities in urban centers.¹⁵

AFFH policy seeks to combat housing discrimination, eliminate racial bias, undo historic patterns of segregation, and lift barriers that restrict access in order to foster inclusive communities and achieve racial equity, fair housing choice, and opportunity for all Californians.

For the 6th Cycle Housing Element, any additional constraints to development on the City-owned Downtown parking lots may complicate the City's ability to meet its AFFH requirements to provide a variety of housing opportunities throughout the city and to increase affordable housing in high-resourced areas.

The vast majority of large-scale housing developments, including affordable housing either as a proportion of housing through Menlo Park's Below Market Rate Housing Program or through 100-percent affordable housing development, has occurred east of US-101. This area, particularly the historically underserved neighborhood Belle Haven, has experienced rapid displacement in the 21st century.

One of the policies of the City's 6th Cycle Housing Element is to balance a fair share distribution of housing throughout the city (Policy H4.14). Program H4.G is a key part of this policy. Complicating its implementation by constraining development per the Ballot Measure could potentially lead HCD to find the Housing Element out of compliance with state law regarding Affirmatively Furthering Fair Housing.

Possible Effects on Future Housing Element Planning Efforts

Looking further into the future over the next 10, 20 or 30 years, the Ballot Measure could generally slow development and improvements in the Downtown area. This could push densification strategies to the city's other commercial corridors and neighborhoods.

State and regional authorities have prioritized housing density and infill development in and around transit through laws such as SB 79 (2025) and policies such as the Transit-Oriented Communities policy. The Transit Oriented Communities policy impacts grant funding opportunities, in particular. The Ballot Measure would complicate development aligned with these state and regional objectives, which could potentially complicate future planning efforts.

4. Infrastructure Funding Impacts

This section evaluates the potential impacts that passage of the ballot measure would have on funding for infrastructure. The measure would affect infrastructure funding and could influence both infrastructure needs and the availability of funding. With housing built elsewhere away from transit hubs, the City could experience a loss of grant funding from the MTC, as non-compliance with their TOC policy could make the City less competitive for transportation infrastructure funding opportunities.

The Ballot Measure could affect whether the City is able to advance development on the City-owned parking lot sites, which are in a location that provides excellent access to transit. Although the City is currently focused on residential development and parking replacement on these sites (with the possibility of a non-residential component), it could, in the future, pursue other types of development on the downtown parking plazas such as non-residential uses, a park, or other forms of open space. The ballot measure would also make these efforts more difficult and the outcomes more uncertain, as any such proposal to redevelop the parking plazas would require voter approval.

If the measure prevents development on the sites, the overall effect on the amount and location of new housing that must be served by infrastructure in Menlo Park is unclear.

One possible outcome, discussed above, is that the City may need to identify new locations for the affordable units planned for the parking lot sites in order to meet its 6th Cycle Housing Element and RHNA commitments, potentially shifting the 345 envisioned affordable units to other sites within the City.

For other types of development not required by State mandates, such as new parks, open space, or non-residential uses, preventing development on these sites could ultimately result in fewer such amenities or projects in Menlo Park because they too would require a ballot measure if such development was proposed on a City-owned Downtown parking lot.

The following sections qualitatively assess how the ballot measure could affect infrastructure needs and funding in Menlo Park. Three broad outcomes are possible if the ballot measure passes:

1. Development could occur on one or more of the parking lot sites by obtaining voter approval. Development could include the affordable housing development that the City is currently pursuing for Lots 1, 2, and/or 3, a mixed-use development, market-rate housing, nonresidential uses, or community uses such as a park or open space.
2. Development could be prevented on the sites but rezoning and other City legislative changes could be made to relocate the housing elsewhere to meet policy or State requirements.
3. Development could be prevented on the sites without being replaced elsewhere, resulting in fewer total units or amenities citywide.

The infrastructure funding implications under each scenario are outlined below.

Transportation Infrastructure

Passage of the ballot measure could have the following impacts on transportation infrastructure funding:

Scenario 1: Development occurs on one or more parking lot sites with voter approval.

If development is able to proceed on the parking lot sites through voter approval, new uses on the sites, such as affordable or market-rate housing, nonresidential development, mixed-use development, or community uses such as a park or open space, could generate needs for transportation infrastructure improvements. Menlo Park collects a transportation impact fee to finance roadway and transportation improvements, which would generate revenue to address transportation infrastructure improvements in many development scenarios. This fee is waived for affordable housing, however, and therefore affordable units that would be built on the sites would not generate transportation impact fee revenue. Transportation impact fees would also not be assessed on parks or open space. Other funding sources for transportation infrastructure include State funds, parking permit revenues, special gas tax levies, countywide sales tax revenues, and grants. In addition, developers may also directly construct improvements needed to address transportation infrastructure needs associated with their projects.

Under this scenario, transportation funding needs and revenues would generally resemble those under a scenario in which the Ballot Measure does not pass and development could proceed, assuming that the requirement for voter approval does not lead to major differences in the amount or type of development that occurs.

Scenario 2: Development does not occur on the parking lot sites but is relocated elsewhere.

If development is shifted to alternative locations to meet market demand, community needs, policy goals or State housing obligations, the overall amount of development citywide would remain similar to Scenario 1. Transportation impacts could vary from Scenario 1, however, with differences depending on where development is ultimately built and any resulting changes in travel patterns (see “Impacts on Traffic Congestion” in Section 7. Other Impacts for more detail on impacts on traffic). Because the Downtown parking lot sites are close to transit in a walkable neighborhood, they are likely locations within Menlo Park that would require a comparatively low level of investment to meet the transportation infrastructure needs associated with new development. Therefore, new development in other locations could likely result in infrastructure funding needs that are either equal to or greater than the level of investment needed to address these needs for a development on the Downtown sites. New development would pay the City’s transportation impact fee regardless of location, with the exception of affordable housing, parks and open space, or other uses for which the fee does not apply.

Scenario 3: Development does not occur and is not relocated.

If development on the parking lot sites does not occur and is not planned elsewhere, the total amount of new development in Menlo Park would be lower than in Scenarios 1 and 2. This could mean an overall reduction in the amount of affordable housing, market-rate

housing, non-residential development, parks, or other uses in Menlo Park, depending on the type of development that would otherwise occur on the parking lot sites. Transportation infrastructure needs and associated costs would correspondingly be lower. Overall impacts on funding would likely be minor, given the City's reliance on a broad mix of funding sources for roadway and transportation improvements.

A potential indirect impact is that reduced residential development could affect the City's compliance with State housing mandates, which could influence eligibility for certain State transportation funding streams tied to Housing Element compliance.

Parks and Open Space Infrastructure

Passage of the ballot measure could have the following impacts on parks and open space funding:

Scenario 1: Development occurs on one or more parking lot sites with voter approval.

If development occurs on the sites, parks and open space needs would depend on the mix of uses, which could include affordable housing, market-rate housing, non-residential uses, parks, and/or other uses. The City is currently pursuing residential development on Lots 1, 2, and/or 3, which would increase demand for parks and recreational facilities. However, the City's RFP for these sites calls for publicly accessible open spaces where feasible, creating the possibility that redevelopment could increase the City's available park and open space resources. In this instance, new parks and open space would likely be constructed by the developer, though ongoing maintenance could fall to the City and would typically be funded through the General Fund.

More broadly, any new residential development on the sites would generate additional demand for parks and open space, though some or all of this additional demand could be addressed through open space provided as part of new projects. Any subdivision project, which would include condominiums and townhouses, would be required to either provide a park or open space dedication or pay a recreation in-lieu fee.

Non-residential development on the sites would generally lead to less demand for parks and open space compared to residential development, as residents are typically the primary users of parks and open space in a community. As a result, the parks and open space funding needs associated with a non-residential development scenario would generally be lower than in a residential development scenario.

Other uses of the sites could include parks or open space, which would increase the City's overall inventory of parks and open space infrastructure. This could require City funds to construct, operate, and maintain new park facilities, which would likely be financed through a combination of recreation in-lieu fees and General Fund revenues. To the extent that parks or open space could be provided as a condition of the development of other projects on the parking lot sites (either the development of Lots 1, 2, and/or 3 as currently under consideration or any other development in the future), the City's financial obligations would be lessened because the developer could cover some or all of the cost.

Overall, funding needs and revenues under this scenario would be similar to a scenario without the Ballot Measure, assuming voter approval does not materially change the scale or type of development that proceeds on the sites.

Scenario 2: Development does not occur on the parking lot sites but is relocated elsewhere.

If residential uses are shifted to alternative locations, demand for parks and open space would likely shift to the locations of new residents. However, if development occurs on sites not owned by the City, opportunities to require publicly accessible open space as a component of the project may be reduced. While some projects would be required to provide publicly-accessible open space, these requirements do not apply in all cases. In addition, on sites that the City does not own, a developer would only be required to provide the minimum amount of publicly-accessible open space required, whereas the City may be able to achieve more than the minimum requirement as part of a development on the Downtown parking lot sites. To the extent that new development on other sites results less publicly-accessible open space than development on the parking lot sites, additional City funding such as recreation in-lieu fees, the General Fund, or applicable grant programs would be needed to construct a comparable amount of parks or open space in Scenario 2 compared to Scenario 1.

Scenario 3: Development does not occur and is not relocated.

If development does not occur on the parking lot sites or elsewhere, demand for parks and recreation facilities would be lower than in Scenarios 1 or 2. However, the City could also lose the opportunity to secure developer-provided publicly accessible open space on the sites. Any future desire to convert parking lots into parks or open space would likely require City funding.

Stormwater

Passage of the ballot measure could have the following impacts on stormwater infrastructure funding:

Scenario 1: Development occurs on one or more parking lot sites with voter approval.

Stormwater impacts would depend on the site design and the resulting change in impervious area. Redevelopment often reduces impervious coverage by incorporating landscaped areas, courtyards, and stormwater retention features. If a redevelopment project instead increases impervious surface area, the City's storm drainage fee would apply. Overall, stormwater needs and funding sources under this scenario would be similar to those under a scenario without the Ballot Measure.

Scenario 2: Development does not occur on the parking lot sites but is relocated elsewhere.

If development occurs on alternative sites, stormwater impacts would vary based on each site's characteristics and design. The same fee structure would apply to any net increase in impervious area. Since the storm drainage fee is intended to cover the cost impacts associated with new development, the net funding needs under this scenario would generally resemble Scenario 1, as any differences in funding needs due to differences in impacts would be accounted for by either an increase or decrease in storm drainage fees.

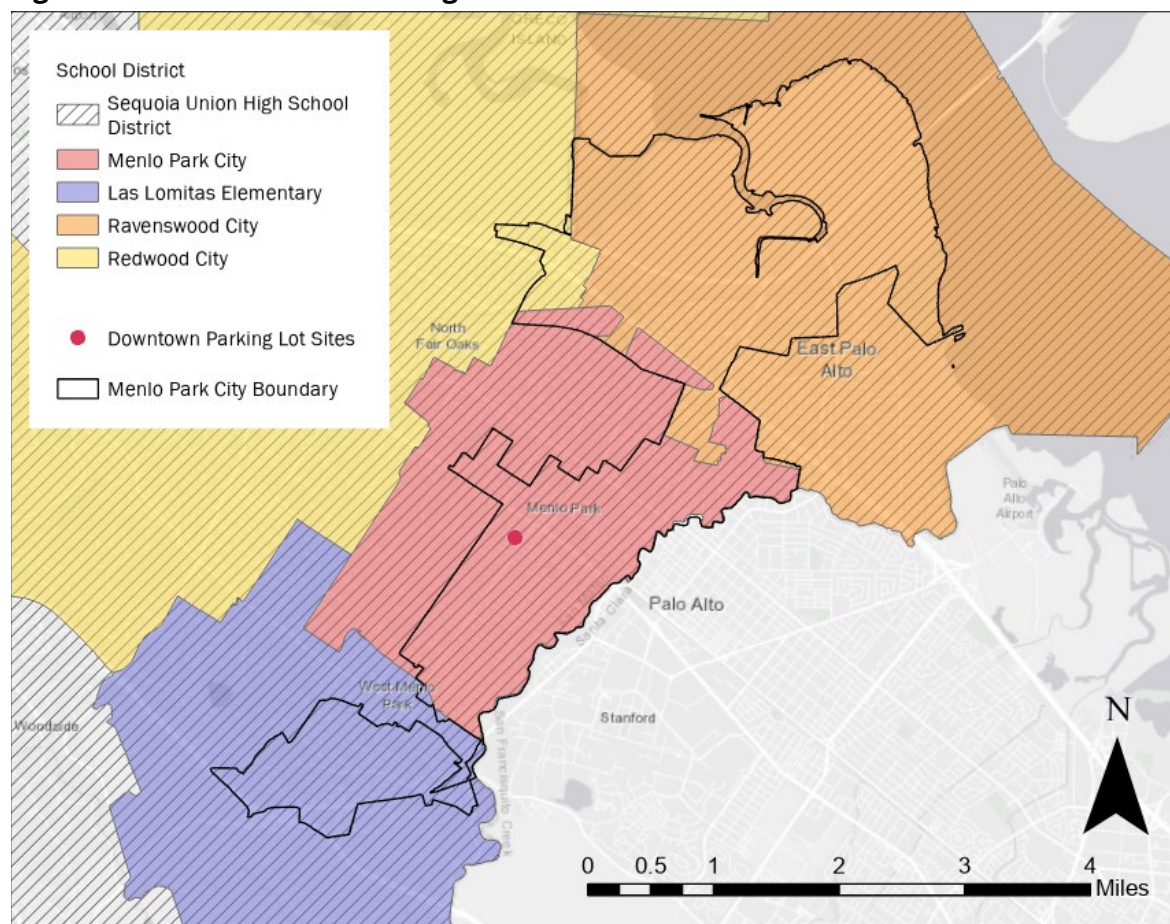
Scenario 3: Development does not occur and is not relocated.

If development does not occur, the stormwater conditions associated with the existing surface parking lots (large, fully impervious areas), would remain. Redevelopment might otherwise reduce runoff if new projects incorporated stormwater improvements. In this scenario, the City would not receive storm drainage fee revenues from redevelopment, but stormwater demands would not increase relative to existing conditions. Broader system improvements would continue to rely on the General Fund, grants, and other citywide sources.

Public School Facilities

Elementary and middle school students living in Menlo Park attend one of four K-8 school districts: Menlo Park City School District (MPCSD), Las Lomas Elementary School District, Ravenswood City School District, or Redwood City School District (Figure 4: School Districts Serving Menlo Park). High school students attend schools in the Sequoia Union High School District (SUHSD). The downtown parking lot sites lie within MPCSD, meaning development on these sites would primarily affect MPCSD and SUHSD.

Figure 4: School Districts Serving Menlo Park



Sources: San Mateo County, Metropolitan Transportation Commission; BAE, 2025.

Background Conditions

Enrollment has declined in both MPCSD and the two SUHSD high schools serving Menlo Park over the past several years. Between the 2018/19 and 2024/25 academic years, MPCSD enrollment fell by approximately 8.4 percent, and enrollment in Menlo-Atherton High School and TIDE Academy declined by a combined 5.1 percent. These declines follow earlier periods of growth that necessitated facility expansions, including the opening of TIDE Academy in 2019 and previous expansions at MPCSD campuses. MPCSD is completing Measure U-funded improvements, including the Laurel Lower School Campus rebuild.

The Draft Subsequent Environmental Impact Report (SEIR) for Menlo Park's 2023-2031 Housing Element indicated that MPCSD has capacity for approximately 3,260 students. As of the 2024/25 school year, enrollment in the district totaled 2,685, indicating potential capacity for up to 575 students. The Housing Element Fiscal Impact Analysis estimated that implementation of the Housing Element, including development on the parking lot sites, would generate an additional 476 students, falling within the current existing capacity for the District. This indicates that the MPCSD likely has capacity to accommodate students that would be generated by future housing development on the Downtown parking lot sites.

The SEIR reports that TIDE Academy has capacity for 400 students, while Menlo-Atherton High School has capacity for approximately 2,250 students, for a total combined capacity of 2,650 students between the two schools. As of the 2024/2025 academic year, there were 212 students enrolled at TIDE Academy and 2,158 students enrolled at Menlo-Atherton High School, resulting in a combined enrollment of 2,370 for both schools and potential capacity of up to 280 additional students. The SEIR reports that the SUHSD uses a student generation rate of 0.2 students per unit to estimate the enrollment impacts from new development, suggesting that the existing capacity at Menlo-Atherton High School and TIDE Academy could accommodate the level of enrollment growth associated with up to 1,400 new residential units. The City's current RFP for the Downtown parking lot sites calls for at least 345 units. Unless residential development on the parking lot sites substantially exceeds this minimum, the high schools that serve the site could likely accommodate the students associated with the development within the District's existing facilities.

The SEIR indicated that both the Ravenswood City School District and the Redwood City School District had existing capacity. The SEIR did not provide information on existing capacity in the Las Lomitas School District. Enrollment in the Las Lomitas School District has declined slightly in more recent years.²⁶

Any multi-family housing developed in the City, including on the Downtown parking lots, would likely have a lower impact on school enrollment than Menlo Park's traditional single-family residential development. Nationwide, there are generally fewer school-aged children in multi-family housing, which is being proposed for development, than in single-family

²⁶ Enrollment data obtained from the California Dept. of Education, available at <https://dq.cde.ca.gov/dataquest/>

housing. This would naturally limit enrollment impacts. According to the 2023 American Community Survey, and as shown in Table 9: Share of Households Nationwide with School-Age Children (Ages 6-17), 28.8 percent of households nationwide have school-age children (children ages 6-17). However, that proportion is much higher for single-family units (24.5 percent of single-family homeowners have school-age children at home, compared to 31.8 percent of single-family renters) than it is for multi-family residents (7.8 percent of multi-family owners and 13.2 percent of multi-family renters have school-age children at home).²⁷

Table 9: Share of Households Nationwide with School-Age Children (Ages 6-17)

Single Family Owner	Single Family Renter	Multi-Family Owner	Multi-Family Renter
24.5%	31.8%	7.8%	13.2%

All school districts in Menlo Park levy impact fees on new development. Under State law, maximum fees are \$5.17 per square foot for residential development and \$0.84 per square foot for nonresidential development. SUHSD collects these fees for itself and its feeder districts, with elementary districts eligible for up to 60 percent of residential fees if supported by a justification study (Table 10: School District Impact Fee Rates). Impact fees typically do not fully fund new school facilities, and districts often rely on voter-approved bonds. New development would be subject to the School District’s impact fees, unless waived by the School District.

Table 10: School District Impact Fee Rates

	Rate (\$/sf)	Elementary/Middle School District Share (\$/sf)	Sequoia Union High School District Share (\$/sf)
Residential	\$5.17	\$3.10	\$2.07
Commercial	\$0.84	\$0.51	\$0.33

Scenario 1: Development occurs on one or more parking lot sites with voter approval.

If the parking lot sites are developed pursuant to program H4.G and the City’s zoning and General Plan policies, MPCSD and SUHSD would see increases in future enrollment relative to existing conditions. Recent enrollment declines and information provided in the Housing Element SEIR suggest some capacity may be currently available to accommodate additional students without major capital investment to increase the capacity of school facilities.

²⁷ “Households with Children” (National Multifamily Housing Council: 2024), available at <https://www.nmhc.org/research-insight/quick-facts-figures/quick-facts-resident-demographics/households-with-children/>. This data is nationwide. Areas with higher cost of living (such as San Mateo County and the greater Bay Area region) have fewer school-aged children generally, whether they live in multi-family or single-family housing.

Some investment may nonetheless be required to improve existing space that may currently be unused or underutilized in order to optimize the use of existing facilities.

Any nonresidential development on the parking lot sites would not directly generate new students for the school districts that serve the site.

Both MPCSD and SUHSD would receive school impact fee revenue from any future residential or nonresidential development that could occur on the sites. Based on the existing capacity at MPCSD and the two high schools that serve the site, impact fees may be sufficient to address any additional capital costs associated with ensuring that school facilities can accommodate any additional enrollment due to development on the sites. If additional funds are needed to accommodate students from new residential development, it may be necessary for the impacted district to seek voter-approved bonds.

Scenario 2: Development does not occur on the parking lot sites but is relocated elsewhere.

If the City identifies alternative sites in the City to accommodate housing originally contemplated for the downtown parking plazas, the number of new students citywide would be similar to Scenario 1, but the distribution of students across the four K-8 districts could differ. Depending on where residential development occurs, increases in enrollment could fall on districts other than MPCSD. Both the Ravenswood City and Redwood City School Districts have capacity to accommodate additional students. Information is not publicly available on the existing capacity at the Las Lomas School District, though the District has experienced a decline in enrollment in recent years.

Regardless of the development location, school impact fees would be paid to the districts serving the development site. SUHSD would receive a similar amount of high school impact fee revenue as in Scenario 1 because it serves the entire City.

Scenario 3: Development does not occur and is not relocated.

If the ballot measure prevents or substantially delays development on the parking lot sites and residential units are not built elsewhere in the city, MPCSD and SUHSD would see fewer new students than in Scenarios 1 or 2. Under this scenario, no school impact fees would be generated from development on the Downtown sites, either from the residential development that the City is currently pursuing or from any potential future nonresidential development on the sites. However, because no new housing would be constructed, there would also be no additional enrollment-driven need for new or expanded school facilities.

Potential Impacts on Routine Parking Maintenance

Routine parking maintenance typically includes re-paving and re-striping of parking spaces. The City is currently evaluating repaving Downtown parking lots 7 and 8. This process usually involves modifications to the existing parking layout to accommodate updated parking and accessibility requirements. For example, additional handicapped accessible spaces may need to be added by the city, resulting in a reduction in parking spaces overall.

It is unknown if such physical alterations would be considered a diminishment in the availability, access and/or convenience of public parking. If such physical alterations

constituted a diminishment in the availability, access and/or convenience of public parking, a future ballot measure would be required prior to implementation of such physical alterations.

Similarly, new electric vehicle charging stations could also be added in the future. These physical alterations could constitute a diminishment in the availability, access and/or convenience of public parking, and a future ballot measure would be required prior to implementation of such physical alterations.

Another scenario would involve a plan to convert one or more surface Parking Plazas to structured parking. Regardless of the outcome of the Housing Element program for affordable housing downtown, the City may in the future find the need to expand parking supply by creating structured parking, above ground, below ground, or both. A new parking structure could increase the parking supply, depending on the number of stories.

It is unknown if these physical alterations could constitute a diminishment in the availability, access and/or convenience of public parking, and a future ballot measure could be required prior to implementation of such physical alterations.

Potential Impacts on Waste Management

Another scenario involves the introduction of new trash and recycling enclosures that can be required to be installed due to stormwater run-off pollution prevention measures, or a city effort to improve an unsightly and/or unsafe situation where trash containers may conflict with vehicle and pedestrian movements within the parking lots.

In this scenario, a reduction of parking spaces could result in a loss of parking spaces in order to make room for a new or expanded trash/recycling enclosure. This situation is not explicitly included in the Exception clauses that allow for capital improvements in the Parking Plazas. Exceptions for improvements are provided but only if they are intended to preserve parking, improve parking or expand parking availability, parking access or parking convenience.

It is unknown if such physical alterations would be considered a diminishment in the availability, access and/or convenience of public parking. These physical alterations could constitute a diminishment in the availability, access and/or convenience of public parking and a future ballot measure would be required prior to implementation of such physical alterations.

5. Business Impacts

This section evaluates how the proposed ballot measure could affect business and employment attraction and retention in Downtown Menlo Park. It examines current conditions in the Downtown retail market, recent taxable sales trends, and the potential effects of the Ballot Measure on parking supply, accessibility, and future development opportunities. The section also assesses how the measure could influence Downtown visitation, local spending, and the availability of housing that supports the local workforce. Together, these factors provide insight into how passage or failure of the ballot measure could shape the long-term economic vitality of Downtown Menlo Park and its ability to sustain a healthy mix of businesses, customers, and employees.

Downtown Retail Market Overview

Downtown Menlo Park is a retail and dining hub within the City, with approximately 478,000 square feet of retail space, making up almost half of the citywide retail inventory (see Table 11: Retail Market Summary Q3 2025, Downtown Menlo Park). The area offers a mix of fast-casual and full-service restaurants, coffee shops, convenience retail, destination retail, and personal services. Retailers include grocery stores, a drug store, clothing stores, hardware store, a pet store, a book store, and a thrift store. The area is also home to a cluster of home design and décor businesses offering rugs and other flooring, art, furniture and home textiles. Services include pet groomers, hair and nail salons, banks, and a dry cleaner.

Downtown Menlo Park has historically had a strong retail real estate market, which is typically an indicator of a desirable retail location with strong levels of visitation. In the years leading up to the Covid-19 pandemic, Downtown vacancy rates were under two percent in many quarters and asking rents peaked at nearly \$6 per square foot per month (see Table 11: Retail Market Summary Q3 2025, Downtown Menlo Park).

However, downtown Menlo Park's retail market has faced significant challenges since the Covid-19 pandemic, marked by rising vacancy rates and declining rents. As shown in

Table 11: Retail Market Summary Q3 2025, Downtown Menlo Park, the retail vacancy rate increased steadily between mid-2020 and early 2022, then showed signs of recovery in late 2022 through the first quarter of 2024.²⁸ Since that time, however, the recovery has slowed: the vacancy rate more than tripled between the first quarter of 2024 and the third quarter of 2025, reaching a peak of 16.7 percent. Over the same period, asking rents declined by 13 percent, according to CoStar data. These data indicate a weakened retail market Downtown, likely driven by a combination of remote and hybrid work reducing visitation from local workers, the pandemic accelerating the ongoing shift toward online shopping, and uncertainty about the global and national economic environment. Nearly 90 percent (88 percent) of the vacant retail space in Menlo Park is in the downtown area, underscoring the area’s unique local challenges.

Table 11: Retail Market Summary Q3 2025, Downtown Menlo Park

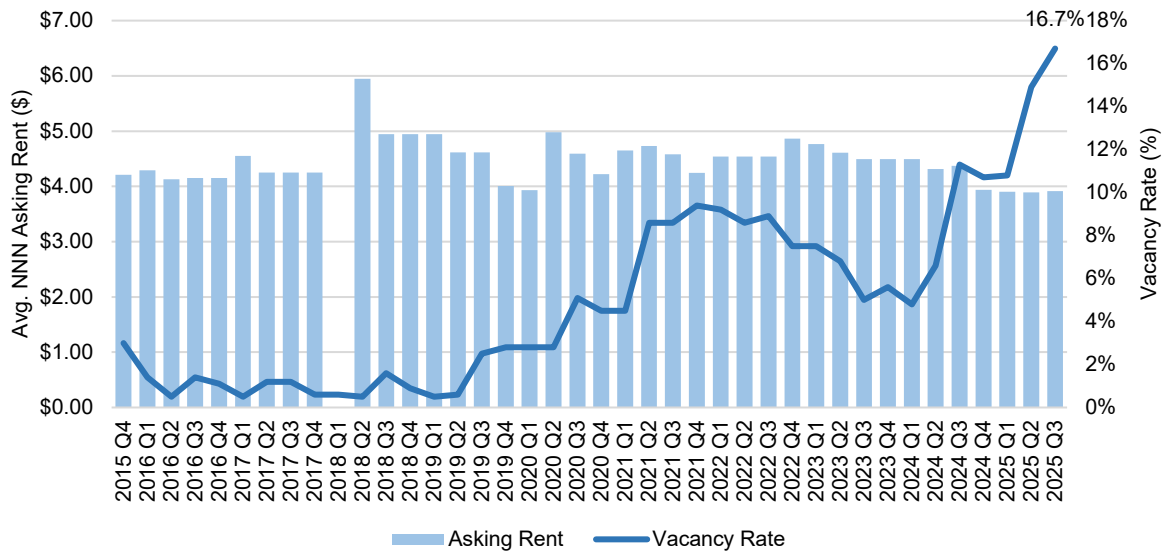
	Downtown Menlo Park	City of Menlo Park
Inventory (sf), Q3 2025	386,608	1,022,316
Occupied Stock (sf)	322,052	947,312
Vacant Stock (sf)	64,556	75,004
Vacancy Rate	16.7%	7.3%
Avg. Asking NNN Rents		
Avg. Asking Rent (psf), Q3 2024	\$4.37	\$4.23
Avg. Asking Rent (psf), Q3 2025	\$3.91	\$3.85
% Change Q3 2024 - Q3 2025	-10.5%	-8.9%
Net Absorption		
Net Absorption (sf), Q4 2015 - Q3 2025	(52,896)	(165,553)
Net Absorption (sf), Q4 2024 - Q3 2025	(20,809)	(16,309)

Note: Data shown for Downtown Menlo Park reflect market conditions in the area bound by University Drive, Oak Grove Avenue, El Camino Real, and Menlo Avenue.

Sources: CoStar; BAE, 2025.

²⁸ All retail data shown are based on properties that are designated as retail properties in CoStar’s database.

Figure 5: Retail Asking Rents and Vacancy Rates, Downtown Menlo Park



Note: Data shown for Downtown Menlo Park reflect market conditions in the area bound by University Drive, Oak Grove Avenue, El Camino Real, and Menlo Avenue.

Sources: CoStar; BAE, 2025.

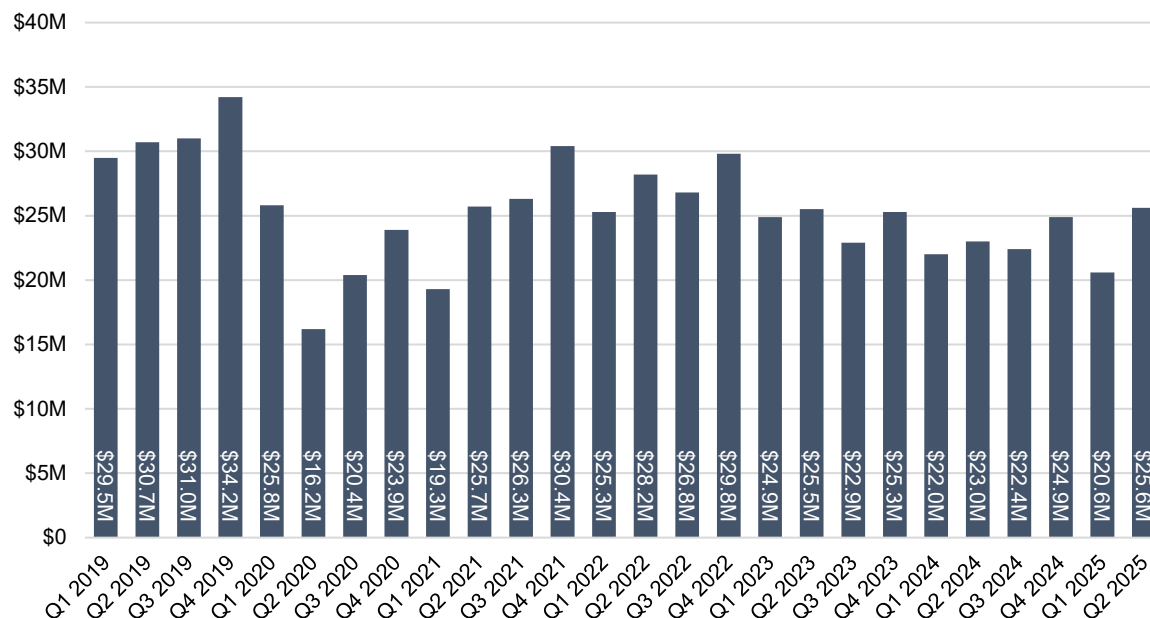
Downtown Menlo Park Taxable Sales Trends

Taxable sales in Downtown Menlo Park show signs of an incomplete recovery from the Covid-19 pandemic. As shown in Figure 6: Estimated Taxable Sales, General Retail and Food Products, Downtown Menlo Park, Q1 2019 – Q2 2025 (inflation adjusted), taxable sales on food and general retail at Downtown businesses declined sharply in the first half of 2020, with a significant drop in the first quarter followed by an even sharper decline in the second quarter. Taxable sales generally increased between the third quarter of 2020 and the fourth quarter of 2022 but have since flattened and declined somewhat. Over the past two years, quarterly taxable sales on food and general retail in Downtown Menlo Park have averaged approximately three quarters of the 2019 levels on an inflation-adjusted basis.

Outside of Downtown, taxable purchases on food and general retail have largely recovered to pre-pandemic levels. In 2024, taxable purchases in these categories outside of Downtown were approximately 94 percent of the 2019 total on an inflation-adjusted basis. During the first half of 2025, taxable sales in these categories outside of Downtown were approximately three percent higher than during the same period 2019, after adjusting for inflation. These data indicate that the recovery in Downtown Menlo Park has lagged a broader citywide recovery.

It is important to note that these data do not include non-taxable spending, which includes most grocery store purchases, prescription drugs, and personal services such as dry cleaning and hair care, among other spending categories, and therefore do not capture the full extent of all spending activity Downtown or citywide.

Figure 6: Estimated Taxable Sales, General Retail and Food Products, Downtown Menlo Park, Q1 2019 – Q2 2025 (inflation adjusted)



Note:

(a) All figures adjusted to 2025 dollars.

Sources: City of Menlo Park, 2025; BAE, 2025.

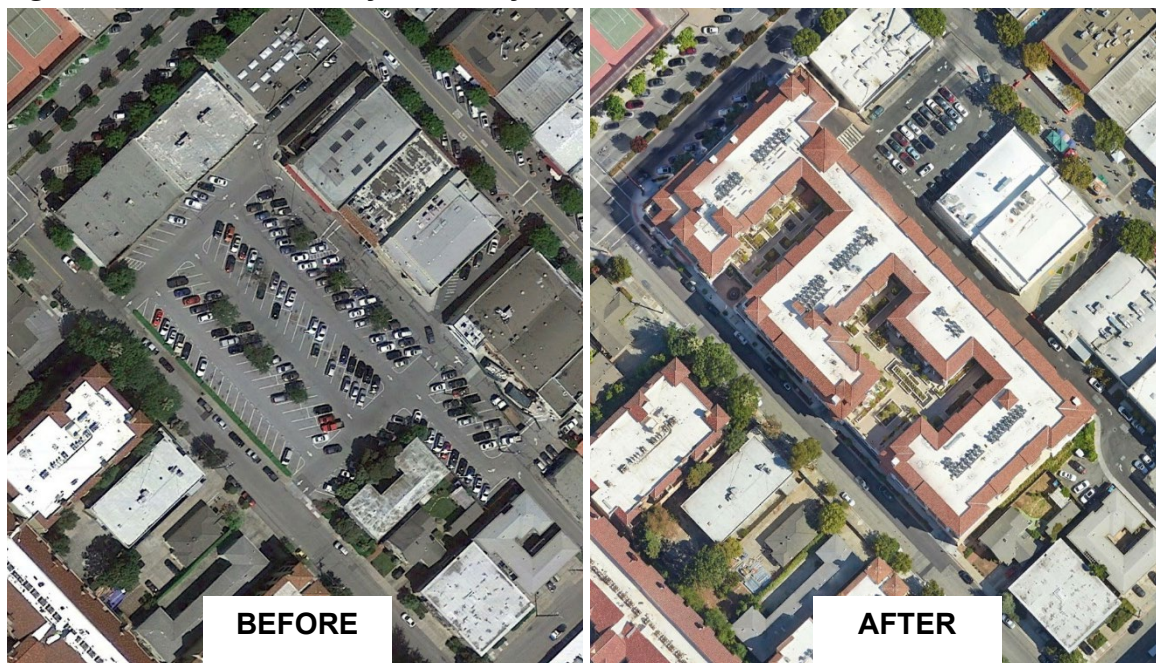
Parking Structures in Nearby Downtown Districts

Most downtown districts in nearby cities offer public parking through a mix of surface lots and parking structures. Examples include Downtown Palo Alto, San Carlos, Redwood City, San Mateo, and Mountain View, all of which provide a combination of on-street parking, surface lots, and structured facilities. In Los Altos, several surface lots remain in place, although the city has been pursuing residential development on two of these lots and is also exploring the conversion of another parking plaza into a public park. These examples demonstrate that other cities in southern San Mateo County and northern Santa Clara County have successfully pursued parking strategies that meet parking needs at least in part through public parking structures, and that parking in parking structures is a relatively typical component of downtown trips in the communities near Menlo Park. The following section presents a case study from San Carlos, where a public surface parking lot was replaced with a housing development that includes replacement parking within a new structure.

San Carlos Wheeler Plaza Parking Lot Replacement

In 2017, developers broke ground on a new mixed-use infill development at Wheeler Plaza to replace one of San Carlos' largest public parking lots and an adjacent underutilized parcel. The mixed-use development included a new replacement podium public parking structure under a 109-unit condominium development, as well as 10,000 square feet of new retail space. Figure 7 and Figure 8 below show before and after photos of the Wheeler Plaza development.

Figure 7: Wheeler Plaza Before and After, Aerial



Sources: Google Earth; BAE, 2025.

Figure 8: Wheeler Plaza Before and After, Street View



Sources: Google Maps; BAE, 2025.

Parking Replacement

The 185-space surface parking lot at Wheeler Plaza was replaced by a 254-space parking structure, for an overall increase of 69 spaces. Parking in the structure is free and limited to two hours between 7 a.m. and 6 p.m., Monday through Saturday. During the construction process, the City and developer prioritized opening the replacement parking structure before completing the full mixed-use development to ensure as minimal a loss of parking in the short term as possible. The Wheeler Plaza development also includes a separate underground parking structure with 192 parking spaces for residents (a ratio of 1.76 spaces per unit).

Retail Outcomes

Downtown San Carlos is known for its vibrant local retail scene, particularly along the portion of Laurel Street in Downtown that runs near and south of the Wheeler Plaza development. Ahead of the new development, many residents expressed concern about the impact the loss of parking would have on nearby local businesses.

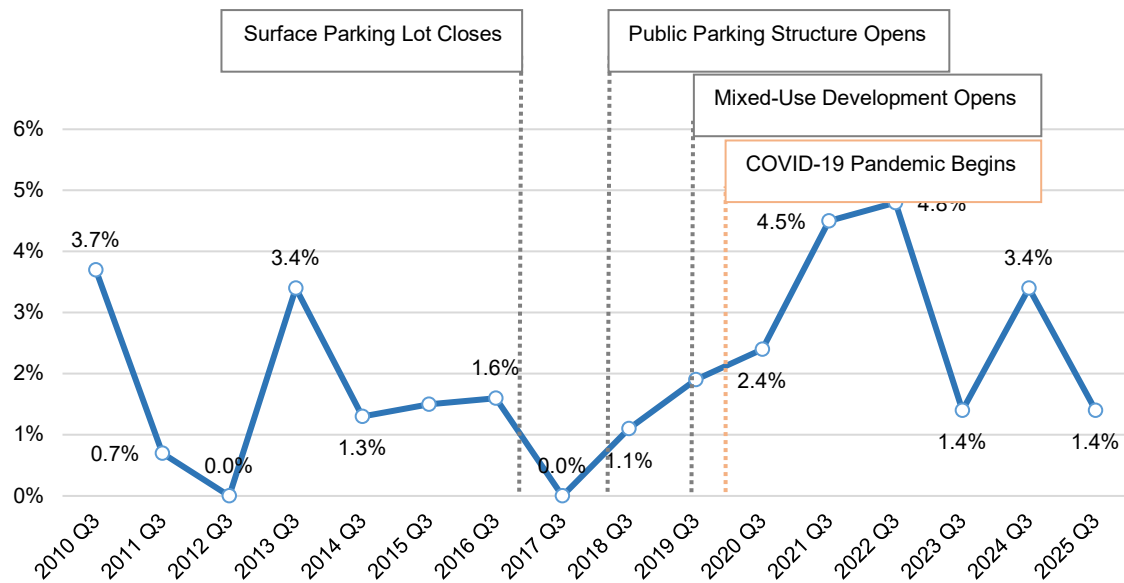
To assess the possible impacts of the development on local retail served by the former surface parking lot, below presents the retail vacancy rate within a one-quarter mile radius of the Wheeler Plaza development over the past fifteen years.

As shown in Figure 9: Retail Vacancy Near Wheeler Plaza, Q3 2010 – Q3 2025, before the surface parking lot replacement retail vacancy rates were relatively low, averaging 1.7 percent vacancy between 2010 and 2016 with a peak of 3.7 percent in 2010. Retail vacancy rates remained low during the parking structure construction process (early 2017 to mid-2018), when alternate nearby parking lots were available for visitor use.

The full mixed-use development opened in late 2019 just before the COVID-19 pandemic, with elevated but still overall low retail vacancy rates between 2020 and 2022, most likely driven by the pandemic. Since 2023, vacancy rates have returned to pre-development and pre-pandemic levels, indicating limited impact from the parking replacement on Downtown businesses attraction and retention.

It is worth noting that during the Covid-19 pandemic, the City of San Carlos closed off a block of Laurel Street within the quarter-mile radius of Wheeler Plaza to create a temporary pedestrian mall. This resulted in fewer parking spaces along that block and could also have impacted the retail conditions in the area. However, the City of San Carlos has moved to make the street closure permanent, and plans to extend it to several other blocks, possibly indicating relatively limited negative impacts of the closures.

Figure 9: Retail Vacancy Near Wheeler Plaza, Q3 2010 – Q3 2025



Note: Data represents retail space within a quarter-mile of Wheeler Plaza, where the new mixed-use development replaced the surface parking lot.

Sources: CoStar; BAE, 2025.

Potential Impacts from New Household Expenditures

Passage of the ballot measure could make it more difficult to construct housing on the Downtown parking lots, thereby impeding the addition of new households to the area. This, in turn, could negatively affect Downtown business attraction and retention, as it could delay or prevent the addition of households Downtown that would otherwise help to support those businesses through their day-to-day spending. As discussed above, Downtown Menlo Park has experienced high retail vacancy rates and decreases in taxable sales in the years since the pandemic, indicating a need for additional support for retail and services in the Downtown area.

Table 12: Estimated Annual Retail and Services Expenditures at Downtown Businesses by Households in New Affordable Units provides an estimate of expenditures by households that would reside in new housing units on the Downtown parking lots, if built.

For this analysis, development on the lots was assumed to total 345 units, all of which would be affordable to lower-income households, consistent with the priorities in the City's Request for Proposals (RFP) for Lots 1, 2, and/or 3. As shown in Table 12: Estimated Annual Retail and Services Expenditures at Downtown Businesses by Households in New Affordable Units, these 345 units would generate an estimated \$1.9 million in new annual expenditures at retail, restaurant, and service businesses in the Downtown area. This estimate is based on an analysis of retail and service expenditures for Menlo Park households, as provided by Esri, in categories that align with the mix of retail and service offerings available in Downtown Menlo Park. The spending estimate omits estimated household spending in categories that are not included in the Downtown retail and service mix, such as gasoline, luggage, computers, and major appliances. Because the average annual household income in Menlo Park is higher than the average household income among households that would live in affordable housing, this total expenditure estimate was adjusted based on an estimated average household income for households that could live in future affordable units on the parking lot sites, assuming that households in affordable units would spend a similar share of their income in these categories as the average among all Menlo Park households. This may underestimate spending in these categories by households in affordable units, as lower-income households tend to spend a greater share of their income on retail goods and services than higher-income households. Data from the Consumer Expenditure Survey (CES) indicate that, at the national level, lower-income households tend to spend a larger proportion of their income in these categories compared to higher-income households, while higher-income households spend a larger proportion of their income on taxes, pensions, and insurance.²⁹

Based on the estimated total household expenditures among lower-income households on service and retail categories that are represented in Downtown Menlo Park, this analysis estimates that these households would make approximately 50.5 percent of these expenditures in Menlo Park, based on an analysis of retail leakage data provided by Claritas. Of the total spent in Menlo Park, the analysis estimates that new households in affordable housing on the parking lot sites would spend 60 percent (approximately 30 percent of all spending in these categories) at Downtown businesses, based on their proximity to Downtown retail, restaurants, and services. This methodology results in an estimate that households in future affordable housing developments on the parking lot sites would spend an average of approximately \$5,600 per household per year (approximately 7.5 percent of annual household income) at Downtown businesses.

This estimate may be conservative, as the Esri retail and services expenditure estimates that were used to inform the analysis do not include spending in certain service categories

²⁹ The Consumer Expenditure Survey does not provide data on household expenditures by income at the city or state level.

represented in Downtown, such as personal care and professional services. Actual expenditures could also exceed the estimate if development on the sites includes more units than requested by the City's RFP, particularly if a portion of the units are market-rate, as higher-income households generally spend more on retail and services.

Table 12: Estimated Annual Retail and Services Expenditures at Downtown Businesses by Households in New Affordable Units

All Menlo Park Households			
Est. Avg. Annual Household Retail & Services Expenditures ^(a)		\$74,619	
Average Annual Household Income, 2025 ^(b)		\$335,850	
Annual Expenditures as a Share of Annual Household Income		22%	
Menlo Park Households in New Affordable Units			
Average Annual Household Income ^(c)		\$83,250	
Assumption			Estimate
Annual Expenditures as a Share of Annual Household Income ^(d)	22.2%	of household income	\$18,496
Estimated Menlo Park Capture per Household ^(e)	50.5%	of total expenditures	\$9,341
Estimated Downtown Capture per Household	60.0%	of expenditures in City	\$5,604
Est. Total Annual Spending Downtown by New Households	345	households	\$1,933,526

Notes:

(a) Based on an analysis of Esri estimates of retail goods and services expenditures for households in Menlo Park. For the purpose of this analysis, the total does not include expenditure categories that are not represented in Downtown Menlo Park.

(b) Based on estimates from Esri.

(c) Based on 2025 HCD household income limits for San Mateo County, assuming an average income level equal to 50 percent of AMI and an average household size of 2.5 persons.

(d) Assumed to be the same percentage as for Menlo Park households overall. Reflects estimated expenditures in categories that are represented by Downtown businesses only.

(e) Citywide capture rate based on an analysis of retail leakage data provided by Claritas.

Source: Ersi, 2025; Claritas, 2025; HCD, 2025; BAE, 2025.

Potential Impacts on Downtown Businesses from Parking Changes

This section evaluates how the proposed ballot measure could influence downtown parking and, in turn, affect local businesses, customers, and overall economic activity. Parking supply plays an important role in supporting business attraction and retention by enhancing access for customers, employees, and visitors to reach local establishments. The analysis below considers how passage or failure of the measure could affect parking supply, convenience, and downtown visitation, all of which influence the environment for existing and prospective businesses.

Potential Impacts on the Number of Parking Spaces

Passage of the ballot measure could delay or reduce the likelihood of development occurring on City-owned Downtown parking lots, which could cause the number of parking spaces in City-owned Downtown parking lots to be generally left unchanged. The passage of the ballot measure would support the maintenance of existing conditions in the Downtown area, but it is unclear whether improvements such as accessible parking stalls or the installation of EV chargers, which could have the effect of reducing the number of parking spaces, would be permitted without voter approval.

Though voter approval would not be required for development on the sites if the measure does not pass, development of Lots 1, 2, and/or 3 is anticipated to include replacement parking at a one-for-one ratio, resulting in no net decrease in the number of public parking spaces. The City issued an RFP seeking a developer for these sites in September 2025 that specifies that replacing all 556 existing spaces on these lots is strongly preferred for any development that could occur on the sites. As a result, the Downtown area would likely continue to have the number of spaces required to sustain existing conditions even if the ballot measure does not pass.

However, because the City is still in the process of identifying a developer for Lots 1, 2, and/or 3 and has not yet selected a specific development program for the sites, it is possible that the ultimate number of replacement parking spaces on these sites could vary from a one-to-one replacement ratio. Furthermore, the City could potentially pursue development on one of the other City-owned Downtown lots in the future, though the City has not yet initiated any plans to do so, which could result in a reduction in parking spaces on one of these other sites at some point in the future, if developed. In addition, development on the parking lot sites and construction of replacement parking would create a temporary loss of parking supply, which could affect businesses during the transition period. A reduction in overall parking availability could make access less convenient for some users, potentially discouraging short visits to nearby businesses.

Additionally, if new residential units share parking facilities with public uses, overflow from residents could reduce availability for visitors and workers unless carefully managed. The City's RFP mitigates the risk of this outcome by requiring that developers either separate public and residential parking or implement active parking management strategies, such as real-time availability systems and shared-parking enforcement, to prevent spillover impacts.

Potential Impacts Based on Changes in Parking Typology

This subsection evaluates the potential impacts on Downtown businesses based on potential changes to the configuration of parking in Downtown Menlo Park, which would occur if the parking lots sites are developed and parking is replaced in one or more parking structures rather than the existing surface lots.

If the measure passes, voter approval requirements would make development of the parking lot sites more difficult, increasing the likelihood that the parking lot sites would

remain as-is. In this scenario, the parking lots would generally sustain existing activity levels Downtown.

At the same time, the measure could have unintended consequences for parking maintenance and improvement. For example, routine upgrades such as repaving, restriping, drainage improvements, or bringing lots into compliance with updated standards could reduce the total number of spaces. If such changes required voter approval, these upgrades could take longer to implement or could be prohibited due to a lack of voter support, potentially leading to a gradual decline in parking lot conditions. Deteriorating parking facilities could make the downtown area less attractive to visitors, employees, and investors, ultimately impacting the area's appeal for both existing and new businesses. The Ballot Measure could also impede implementation of strategies that will be developed through the City's Downtown Parking Management Study, which is currently in progress, depending on the strategies that the Study identifies and whether implementation would require voter approval if the Ballot Measure passes.

If the measure does not pass, Lots 1, 2, and/or 3 would be more likely to be developed with residential uses pursuant to the RFP that the City released in September or other improvements visioned in the El Camino Real/Downtown Specific Plan. In residential development scenario per Housing Element program H4.G, parking replacement would likely need to occur in structures rather than surface lots to maintain capacity. Some users may find structured parking less convenient or safe, especially at night. Reduced convenience or perceived safety in structured parking could discourage some customers, particularly for businesses dependent on quick or spontaneous visits. Depending on the design of future projects, replacement parking could also become more concentrated in certain locations, reducing the convenience of parking near some downtown businesses relative to the existing parking inventory.

On the other hand, many visitors may find newer parking structures to be more convenient than the existing Downtown surface lots. While the existing parking lots are dispersed throughout Downtown, often requiring drivers to circulate between them during peak periods to find an available space, a centralized structure would offer greater certainty that parking is available in a single, convenient location. For drivers that prefer surface lots, the City's current plans for the Downtown parking lot sites would leave surface lots available on the southern side of Santa Cruz Avenue.

This convenience could be further enhanced by modern features such as real-time availability displays, digital wayfinding systems, and security features that enhance user comfort. Together, these improvements could help to offset some or all of the potential drawbacks associated with transitioning from surface to structured parking.

Potential Impacts on Downtown Visitation Due to Parking Changes

If the ballot measure passes, it would make it more difficult for the City to pursue development on the Downtown parking lot sites. As a result, the existing surface lots would be more likely remain in their current condition, provided that the City can continue basic

maintenance. This stability may benefit some existing businesses by ensuring consistent access for customers and employees.

However, if delayed maintenance leads to declining lot conditions, the customer experience could gradually worsen, undermining the same access and convenience the measure seeks to protect. Overall, passage of the ballot measure is likely to have a neutral impact on the area's ability to attract and retain businesses, compared to current conditions.

If the Ballot Measure does not pass, it becomes more likely that the Downtown parking lot sites could be developed and the existing surface parking would be replaced in one or more parking structures. While this would represent a change in the way that parking is provided in the Downtown area, it could have both positive and negative effects on overall visitation levels and, ultimately, Downtown's ability to attract and retain businesses. While some drivers might be deterred due to a preference for surface lots, others may find new parking structures more convenient, potentially offsetting any reduction in visits from those that prefer surface parking.

In addition, any decline in automobile-oriented visitation may be partially or fully balanced by increased use of other transportation modes, such as walking, bicycling, rideshare, or transit (including Caltrain). Some visitors may also adjust by coming at times when spaces in the remaining surface lots are more readily available, or by continuing to drive and use the parking structures even if they find them less convenient. As discussed above, most nearby downtowns are already served by a mix of parking structures and surface lots. As a result, visitors to downtowns in the broader area are generally accustomed to parking structures.

A parking structure configuration can also support broader downtown vitality. Providing parking in a centralized location can encourage visitors to explore more of Downtown on foot, as they pass by shops and restaurants on the way to their primary destination. This increased pedestrian activity can lead to higher incidental spending during a single trip and may also inspire future visits to explore new businesses. In turn, the added foot traffic contributes to a more vibrant and active street environment, reinforcing Downtown's appeal as a place where people want to stay, visit, and return.

A transition from surface parking to parking structures would also help to support Downtown visitation by making space for other uses that would bring new residents and visitors. New Downtown residents in developments that could occur on the parking lot sites could help sustain or increase visitation in the area, providing a consistent local customer base. An expanded residential customer base could help diversify and extend activity in Downtown Menlo Park, helping to offset declines that may be due in part to reduced daytime activity associated with local workers.

Adding new residents would not only increase overall visitation but also help sustain activity during evenings and weekends, supporting a more balanced and resilient Downtown economy. As discussed in the previous subsection, spending by new residents

would result in an estimated \$1.9 million per year (a 2-percent increase from 2024 levels) or more in new spending at Downtown businesses. While new development would be possible if the ballot measure passes, the measure would make it more difficult to achieve this outcome.

However, development of the parking lot sites would likely require a temporary decrease in the overall number of parking spaces that are available Downtown during the construction process, even if all spaces would be replaced once a project is complete. This reduction in parking supply could potentially discourage some drivers from visiting Downtown, which could negatively impact local businesses. Some of this impact could potentially be offset by visitors choosing other modes of transportation to visit Downtown businesses or parking in less convenient locations.

Over time, redevelopment of the parking lot sites could introduce new uses such as public gathering spaces, parks, or additional mixed-use or commercial development that bring more people downtown and support a more vibrant business environment. While this might change the way parking is used and distributed, it could ultimately contribute to higher downtown visitation, improved business performance, and a stronger foundation for long-term economic vitality.

Potential Workforce Housing Impacts and Worker Attraction and Retention

The ballot measure would either delay or prevent the construction of affordable housing in Menlo Park, which would have a negative impact on employers' ability to attract and retain workers compared to a scenario in which the measure does not pass and the City can proceed with development on these sites without voter approval. Menlo Park is situated within one of the highest-cost regions of the country, creating significant challenges for lower- and moderate-income workers seeking housing near their jobs.

These housing challenges translate to worker attraction and retention difficulties for employers. For example, a May 2022 survey by the Ravenswood City School District found that only one third of teachers and staff reported having a "safe, secure, and affordable housing option." Forty-three percent of respondents said they were considering leaving the District because of housing costs or long commutes, while more than 60 percent indicated that access to affordable housing would make them much more likely to stay.³⁰

Other employers in Menlo Park likely face similar circumstances. By impeding the development of affordable housing, the ballot measure could exacerbate existing workforce challenges by making it harder for workers to attract and retain employees.

Summary

Downtown Menlo Park remains a key retail and dining hub for the City but has experienced elevated vacancy rates and slower recovery in taxable sales following the pandemic. Businesses in the area depend on both visitors and local residents for support, and

³⁰ "Staff Housing Survey Results" presentation (Ravenwood City School District: June 2022), available at <https://drive.google.com/file/d/1r9INoWauD6f341SPcIHM3Q-Lupw9UU7/view>

additional Downtown housing could help expand the customer base and strengthen economic activity.

The ballot measure would make development of the City-owned Downtown parking lots more difficult, increasing the delay or potentially reducing the likelihood of new mixed-use or housing projects that include affordable units and replacement parking. As a result, passage of the measure would likely preserve existing conditions in the short term but limit opportunities to introduce new households that could generate roughly \$1.9 million or more in annual spending Downtown.

In terms of parking, passage of the measure would increase the likelihood of maintaining the current supply and configuration of surface lots, providing short-term stability for existing businesses. However, it could also make it harder for the City to replace or upgrade parking facilities over time, potentially leading to gradual deterioration or inefficiencies. If the measure does not pass, development on Lots 1, 2, and/or 3 would be more likely to move forward under the City's 2025 RFP, with the intent of full replacement of public parking in new structures. While some visitors may prefer existing surface lots, others may find structured parking more convenient, particularly if designed with modern amenities and clear wayfinding.

Finally, the measure could affect Menlo Park's ability to support local employers by constraining opportunities for new affordable housing. Limiting development on the City-owned Downtown parking lots would make it more difficult to address housing affordability challenges that already affect worker attraction and retention across the city. Conversely, allowing development to proceed could introduce new housing, residents, and economic activity but would also carry some risks. Construction on the parking lot sites would temporarily reduce parking availability and could create short-term disruptions for nearby businesses.

Overall, passage of the ballot measure would tend to preserve existing Downtown conditions, while failure of the measure would increase the possibility for change, offering potential long-term benefits but also introducing near-term challenges and uncertainty.

6. Vacant Land Impacts

The Ballot Measure would not directly affect vacant lots as parking lots are not considered vacant sites in the Housing Element. There is only one vacant lot identified in the Housing Element Site Inventory list (320 Sheridan Drive), which consists of 2.6 acres of land, and scattered other vacant parcels in the city (many of which are not developable or do not satisfy the criteria to be included in the Housing Element).

7. Other Impacts

Impacts on Agricultural Lands and Open Space

The city has no agricultural lands so the Ballot Measure would have no impact on this land use. To the extent that the Ballot Measure reduces or eliminates new, higher density forms of housing in or near existing single-family areas, this could put increasing pressure on the City to use open space lands for housing to meet future State housing requirements. In addition, the Ballot Measure could affect the implementation of new open space as contemplated in the Specific Plan.

Impacts on Traffic Congestion

In order to identify potential traffic impacts, a range of evaluation alternatives was developed.

These alternatives were developed in an effort to capture the range of potential effects of the Ballot Measure. These alternatives are summarized in Table 13: Traffic Analysis Alternatives, below. In all of the alternatives described below, the passage of the Ballot Measure would not necessarily prevent future changes to the parking plazas. However, due to the added cost, increased time for a final decision, and the uncertainty of the ballot measure process or outcome, the Ballot Measure may result in improvement projects being delayed or cancelled. Since the City currently only has an RFP to develop downtown parking plazas 1, 2, and/or 3 for affordable housing units, the traffic analysis alternatives focus on these potential residential units. Other non-residential developments at these parking plazas were not part of the RFP and would be too speculative to evaluate at this time.

Table 13: Traffic Analysis Alternatives

Alternative	Ballot Measure	Planned Units on Downtown Parking Lots	Other HE Sites Absorb the Lost Units
1	Pass	Not Allowed	No
2	Pass	Not Allowed	Yes
3	Not Pass	Allowed	--

Overall, the following qualitative conclusions can be determined if the Ballot Measure passes:

- There could be a slight increase to the citywide average residential VMT per capita if downtown units are not built or are moved to other parts of the city.
- There would be slight improvements to traffic congestion on roadways within the immediate vicinity of the parking plazas. However, the City's major throughfares such as El Camino Real would not experience noticeable changes to traffic volumes.

- If the Ballot Measure resulted in less citywide residential development in the long term, there would be a negative effect on regional VMT due to resulting longer trip lengths.

Scenario 1 Analysis

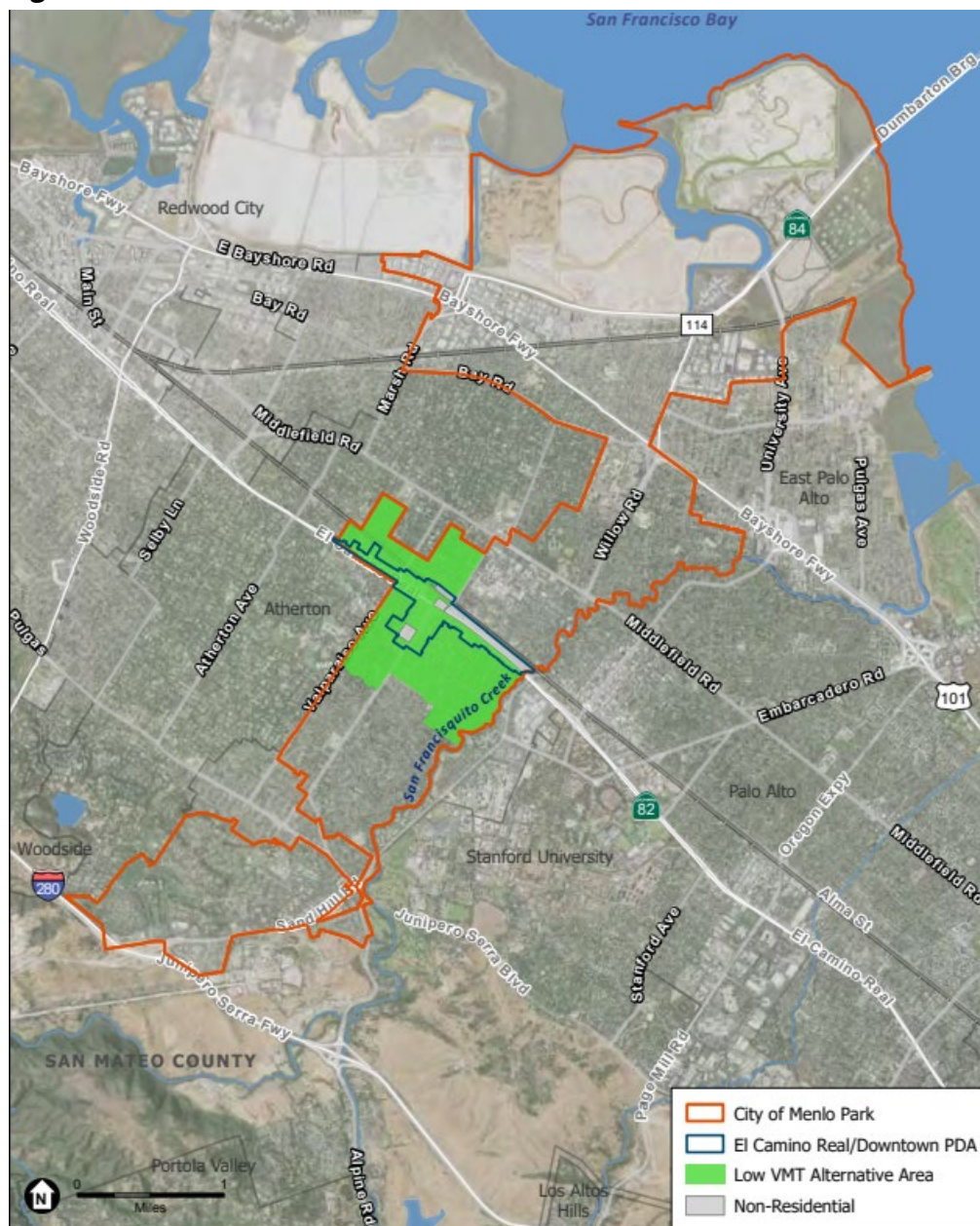
Alternative 1 assumes that the Ballot Measure passes and none of the future land use developments on the City-owned downtown parking lots are approved by voters. This assumption results in a loss of 345 affordable housing units from the City's Housing Element housing inventory. Alternative 1 further assumes that no other Housing Element Opportunity Sites in Menlo Park can absorb any of the lost 345 affordable housing units.

VMT Effect

The City's Housing Element Subsequent Environmental Impact Report (SEIR) stated that buildout of the City's Housing Element would decrease the citywide residential vehicle miles travelled (VMT) per capita. Decreasing VMT is a city and state goal to make more efficient use of the transportation system and to reduce greenhouse gas emissions. The reduction of VMT as a result of the Housing Element was the basis of the SEIR's finding of less than significant impact.

Downtown sites are located in an area with complementary land uses and are close to high quality transit such as Caltrain. Residential developments within downtown would thus exhibit lower VMT per capita compared to residential developments further away from downtown (see Figure 10: Low VMT Area in Menlo Park).

Figure 10: Low VMT Area in Menlo Park



Source: Figure 5-1 of the Draft Subsequent Environmental Impact Report of Menlo Park's 6th Cycle Housing Element (November 2022)

Therefore, under Alternative 1, the loss of the downtown units would mean that the citywide residential VMT per capita would increase slightly since there would be fewer low VMT units.

Under Alternative 1, the city's residential VMT per capita would increase slightly, but would not invalidate the Housing Element SEIR's VMT impact conclusions.

Traffic Operations

Under Alternative 1, the reduction of development in downtown would slightly reduce traffic volumes in the immediate vicinity of these parking lots. However, Menlo Park has more jobs than employed residents. Under the buildout of the City's General Plan, there would be approximately 280 percent more jobs than there are residents residing in the City. This means that a considerable portion of employees working in Menlo Park would require in-commuting. More housing in the City reduces the need for in-commuting. Less housing in the City increases the need for in-commuting.

Under Alternative 1, the lost housing units would not be absorbed within the City. The region's housing needs would mean that these units would be built further away from the City, resulting in more in-commuting to jobs in the City. This commuting traffic would likely occur on the City's major thoroughfares, such as El Camino Real. Therefore, the traffic operations improvement from the reduction of Downtown developments would be offset by an increase in in-commuting. Also, longer trip lengths would provide fewer options for alternative modes of transportation, such as cycling, walking or local transit.

Parking

The Ballot Measure Provision 5, which would introduce 17.01.040(1) into the Municipal Code, states that voter approval is not required for maintaining, repairing, renovating, or improving the Parking Plazas as long as those actions are intended to preserve, improve, or expand availability, access, or convenience of public parking.

Alternative 1 would preserve the existing parking lots as-is and would thus result in no loss of public parking supply in downtown.

Alternative 2 Analysis

Alternative 2 is similar to Alternative 1, except Alternative 2 assumes that the lost affordable housing units in downtown can be absorbed by other Housing Element sites or elsewhere in the city to maintain Housing Element compliance. It is assumed that the existing or new Housing Element sites that could absorb these "re-located" units would be in Council Districts 2 through 5. District 1 has been developed with denser housing than elsewhere in Menlo Park, both affordable and market-rate, as a result of the ConnectMenlo General Plan update. As a result, the Housing Element has a policy of dispersing new housing to the other four council districts as an important component of affirmatively furthering fair housing, as well as the General Plan's equity, social and environmental justice goals.

VMT Effect

As discussed in Alternative 1, the City's low residential VMT areas are located in downtown. Shifting residential units away from low VMT areas to higher VMT areas would slightly increase the citywide average residential VMT per capita.

Traffic Operations

Unlike Alternative 1, Alternative 2 would shift the residential units away from downtown to other locations. A more dispersed distribution of the residential units would slightly reduce the traffic volumes along El Camino Real.

The areas that are absorbing these units would experience slight increases in traffic volumes, depending on how many units each site would absorb.

It should also be noted that units located in downtown can support more walking, biking, and transit trips because of their proximity to alternative transportation services and complementary land uses. Farther away from downtown, the reliance on cars increases, and auto ownership rates increase. Therefore, from a citywide perspective, Alternative 2 would result in an overall slight increase in vehicle trip making in the City.

Parking

The parking analysis for Alternative 2 is the same as Alternative 1.

Alternative 3 Analysis

Unlike Alternatives 1 and 2, Alternative 3 assumes that the Ballot Measure does not pass. In this Alternative, the downtown lots would be redeveloped with housing, and no housing units would be lost.

Since Alternative 3 would not modify the City's Housing Element, there would be no changes to VMT or traffic operations compared to the Housing Element.

Parking

Per the City's Request for Proposal (RFP) for the downtown parking lots development, a one-to-one parking replacement for all 556 parking spaces on the three parking plazas is strongly preferred.³¹ However, some of those spaces could potentially be used by residents in the proposed housing developments, and the housing development could provide additional parking beyond what is required by State law (AB 2097). This law prohibits parking minimums near transit, but developers may still choose to provide parking and the city as the property owner can require more parking. Therefore, the number of parking spaces that would remain available to the public and residents is unknown.

It should be recognized that during construction, some amount of the existing parking supply would inevitably be temporarily unavailable. The RFP requires the developer(s) to propose innovative solutions to ensure the short-term parking loss is minimized for the public.

Other Issues

Some other potential transportation issues related to this Ballot Measure include construction impacts, loading and emergency vehicle access. The City has standard

³¹ See "Development on Downtown Parking Plazas 1, 2 and 3" (City of Menlo Park: September 2025), available at https://www.menlopark.gov/files/sharedassets/public/v/1/community-development/documents/development-downtown-parking/downtown-parking-plazas-rfp_0925.pdf

requirements for these issues, and it is expected that any future development, regardless of location, will be required to comply with City requirements.

Impacts on Adoption of Modern Parking and Transportation Management Strategies

The City is currently undertaking a Downtown Parking Management Study to explore options that maintain access, support local businesses, and balance convenience for all users. The study aims to identify strategies to make parking easier to find and more predictable, balancing curb use for deliveries, pick-up, and longer-term parking, increasing parking turnover, and reducing “circling” for a parking spot. It is unclear if the Ballot Measure is adopted, whether the City’s future implementation of the parking management study recommendations would require voter approval.

Fire Safety and Emergency Evacuation

The SEIR Housing Element Subsequent EIR finds that the Housing Element would not impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan (Impact HAZ-4). A minimum 25 feet setback from existing development would also be required for any future development on these parking plazas. This minimum setback distance is intended allow for emergency vehicle access.

ADA Accessibility

Under Alternatives 1 and 2, it is unclear whether any restriping to incorporate additional ADA-compliant spots would require voter approval, as inclusion of any larger ADA-compliant spots would necessarily reduce the number of parking spots in the finite space of the parking plazas. Under Alternative 3, potential construction of a parking garage that could include ADA-compliant spaces in the same facility as standard parking spaces would be permitted without going to a vote of the public.

Impacts on Developed Areas Designated for Revitalization

Revitalization Areas are designated by the United States Department of Housing (HUD) under provisions of the National Housing Act and intended to promote “revitalization, through expanded homeownership opportunities.”³² There are no such areas in Menlo Park.

Impacts on Business Viability and Vacancy Rates

Many jurisdictions, including those in San Mateo and Santa Clara County, have made land use changes that increase housing density and modernize transportation management in their downtowns. Nationally, downtown housing has been linked to increased vitality and connectivity in even smaller suburban downtowns, as the people who live in these units are more likely to “go downstairs” to shop than others are to drive.³³ International studies

³² “Revitalization Areas” (US Dept. of Housing and Urban Development: July 2025), available at <https://hudgis-hud.opendata.arcgis.com/datasets/HUD::revitalization-areas/about>

³³ Corianne Rice “Why Housing is a Key to Main Street Success” (National League of Cities: 2025), available at <https://www.nlc.org/article/2025/01/21/why-housing-is-key-to-main-street-success/>

examining commercial corridors in Berlin,³⁴ Toronto,³⁵ and Washington, DC³⁶ have identified patterns that business owners tend to overestimate the number of customers who drive to their businesses than walk or bike (more customers are likely to drive to their shopping destinations in suburban locations such as Menlo Park).

Locally, Redwood City is notable for how increased residential density and revised parking standards led to downtown business growth. A journalist noted that in 2005, before the adoption of the 2011 Downtown Precise Plan, there were 12 restaurants downtown. By 2024, there were 87 restaurants: a 725 percent increase.³⁷ In Sunnyvale, downtown residential and commercial growth have supported a retail core.³⁸ This has included new development, such as a Whole Foods that opened in 2020, but also the maintenance of businesses on and around Murphy Avenue.

Retail is facing headwinds on a global level.³⁹ Before the Covid-19 pandemic, there was an established correlation between density of retail establishments and the amount of housing nearby.⁴⁰ This trend has been complicated post-pandemic, with increasing densities in suburban areas (such as much of San Mateo County, including Menlo Park).⁴¹ Although academic experts are still researching the post-Covid relationship between retail success and housing density, recent research has demonstrated that land use decisions

³⁴ Dirk von Schneidmesser and Jody Betzien “Local Business Perception vs. Mobility Behavior of Shoppers: A Survey from Berlin” (Findings: June 2021), available at <https://findingspress.org/article/24497-local-business-perception-vs-mobility-behavior-of-shoppers-a-survey-from-berlin>

³⁵ Maxine Chan, et al “Bike Lanes, On-Street Parking and Business” (The Centre for Active Transportation: Dec. 2016), available at https://www.tcat.ca/wp-content/uploads/2016/12/Bike-Lanes-On-Street-Parking-and-Business_-A-Study-of-Queen-Street-West-in-Toronto%E2%80%99s-Parkdale-Neighbourhood.pdf

³⁶ Pete Rodrigue “Survey: Most shopkeepers, shoppers overestimate car use” (Greater Greater Washington: August 2024), available at <https://ggwash.org/view/96602/survey-most-shopkeepers-shoppers-overestimate-car-use>

³⁷ Anh-Minh Lee “A sleepy Bay Area suburb is seeing a restaurant boom” (SF Gate: Feb. 16, 2025), available at <https://www.sfgate.com/food/article/redwood-city-restaurant-boom-20151468.php>

³⁸ Kevin V. Nguyen “The Silicon Valley boomtown where it feels like the pandemic never happened” (San Francisco Standard: Sep. 18, 2025): available at <https://sfstandard.com/2025/09/18/sunnyvale-real-estate-boom-silicon-valley/>

³⁹ “Downtown Downturn: The Covid Shock to Brick-and-Mortar Retail” (JPMorgan Chase: January 2023), available at <https://www.jpmorganchase.com/institute/all-topics/community-development/downtown-downturn-covid-shock-to-brick-and-mortar>

⁴⁰ “Is Retail Development Success Related to Housing Density?” (Cushman & Wakefield: April 2019), available at https://www.cushmanwakefield.com/-/media/cw/americas/united-states/insights/research-report-pdfs/2019/va_retail_sq-ft-per-capita_apr2019_final.pdf

⁴¹ Amir Forouhar, et al “Assessing downtown recovery rates and determinants in North American cities after the COVID-19 pandemic” (Urban Studies: Sep. 12, 2024), available at <https://www.urbanstudiesjournal.com/assessing-downtown-recovery-rates-and-determinants-in-north-american-cities-after-the-covid-19-pandemic/>

which promote residential uses over commercial uses may better support existing retail businesses.⁴²

Impacts on Racial and Economic Equity

Development of affordable housing on the City-owned Downtown parking lots would help to affirmatively further fair housing in Menlo Park and the region and advance racial and economic equity goals. To the extent that the ballot measure inhibits the City's ability to pursue construction of affordable housing on the sites or delays the timeline for construction, it would have a negative impact on racial and economic equity. This impact would exacerbate the historic segregation patterns identified in Menlo Park, where Black and Brown communities have been redlined into underserved communities in the Belle Haven neighborhood east of US-101, which have disparate investment from the largely white and increasingly Asian American communities west of US-101.⁴³

Affordable Housing Need

There are significant needs for affordable housing in Menlo Park to serve lower-income populations and improve economic equity outcomes. Households' housing cost burden provides one indicator of affordable housing need. The U.S. Department of Housing and Urban Development considers housing to be affordable for a household if the household spends less than 30 percent of its income on housing costs. A household is considered "cost-burdened" if it spends more than 30 percent of its monthly income on housing costs, while those who spend more than 50 percent of their income on housing costs are considered "severely cost-burdened."

Home to some of the highest rents in the Bay Area,⁴⁴ 17.9 percent of households in Menlo Park spend 30 to 50 percent of their income on housing, while 11.5 percent of households are severely cost burdened and use the majority of their income for housing. Lower-income residents are the most impacted by high housing costs and experience the highest rates of cost burden. Spending such large portions of their income on housing puts low-income households at higher risk of displacement, eviction, or homelessness.

Menlo Park's renter households experience disproportionate levels of housing cost burden compared to owner households. For renters, 23.4 percent of households spend 30 to 50 percent of their income on housing, compared to 13.5 percent of households that own their homes. Further, 14.7 percent of renter households spend at least half of their income on housing, compared to 8.9 percent of owner households.⁴⁵

In addition, data indicate that there are racial disparities in housing needs, with higher needs among Black and African American households and Latino and Hispanic households.

⁴² Leah Brooks and Rachel Meltzer "Retail on the Ground and on the Books: Vacancies and the (mis)Match Between Retail Activity and Regulated Land Uses" (JAPA: January 2024), a pre-print is available at https://www.leahbrooks.org/leahweb/papers/20240202_japa_draft_submitted.pdf

⁴³ For more information, see [Menlo Park's Environmental Justice Element](#) pg. 16 and Appendix EJ-A

⁴⁴ See Kasia Pawlowska "Rents are skyrocketing in one Bay Area suburb" (SF Gate: May 7, 2025), available at <https://www.sfgate.com/realestate/article/rents-skyrocket-bay-area-suburb-20315639.php>

⁴⁵ 2019-2023 American Community Survey Five-Year Estimates Table B25140; BAE, 2025.

According to the City's 2023-2031 Housing Element, 50 percent of Black and African American households and 55 percent of Hispanic and Latino households face cost burdens over 30 percent, while 29 percent of white households and 31 percent of Asian/API households are cost burdened.

These disparities were cited overwhelmingly as a concern during the outreach process for the City's 2023-2031 Housing Element, as were concerns related to displacement. The Housing Element acknowledges the historic and present-day patterns of segregation that have led to disproportionate housing needs for residents in communities with low-access to opportunity and the displacement risk felt by residents in these communities, which are located east of U.S. 101.

Housing production that can improve racial and economic equity outcomes and provide greater numbers of affordable units is crucial to affirmatively furthering fair housing in Menlo Park. The Ballot Measure would be expected to have a negative impact on racial and economic equity in Menlo Park by preventing or slowing down the delivery of affordable housing units Downtown, in one of the areas of Menlo Park and the broader region that provides the highest access to opportunity.

Site Characteristics Related to Racial and Economic Equity

The parking lot sites are located in a Census Tract that has been identified as a "highest resource" area, making these sites ideal for affordable housing development that will address gaps in racial and economic equity. This "highest resource" designation is based on an analysis provided by HCD and the State Tax Credit Allocation Committee (TCAC), which produce an annual set of Opportunity Maps that identify areas within every region of the state "whose characteristics have been shown by research to support positive economic, educational, and health outcomes for low-income families – particularly long-term outcomes for children."⁴⁶

TCAC and HCD created these "Opportunity Maps" using reliable and publicly available data sources to derive nine indicators to calculate Opportunity Index scores for Census tracts in each region of California. The Opportunity Map categorizes Census tracts into the following four groups based on the Opportunity Index scores:

- Highest Resource
- High Resource
- Moderate Resource
- Low Resource

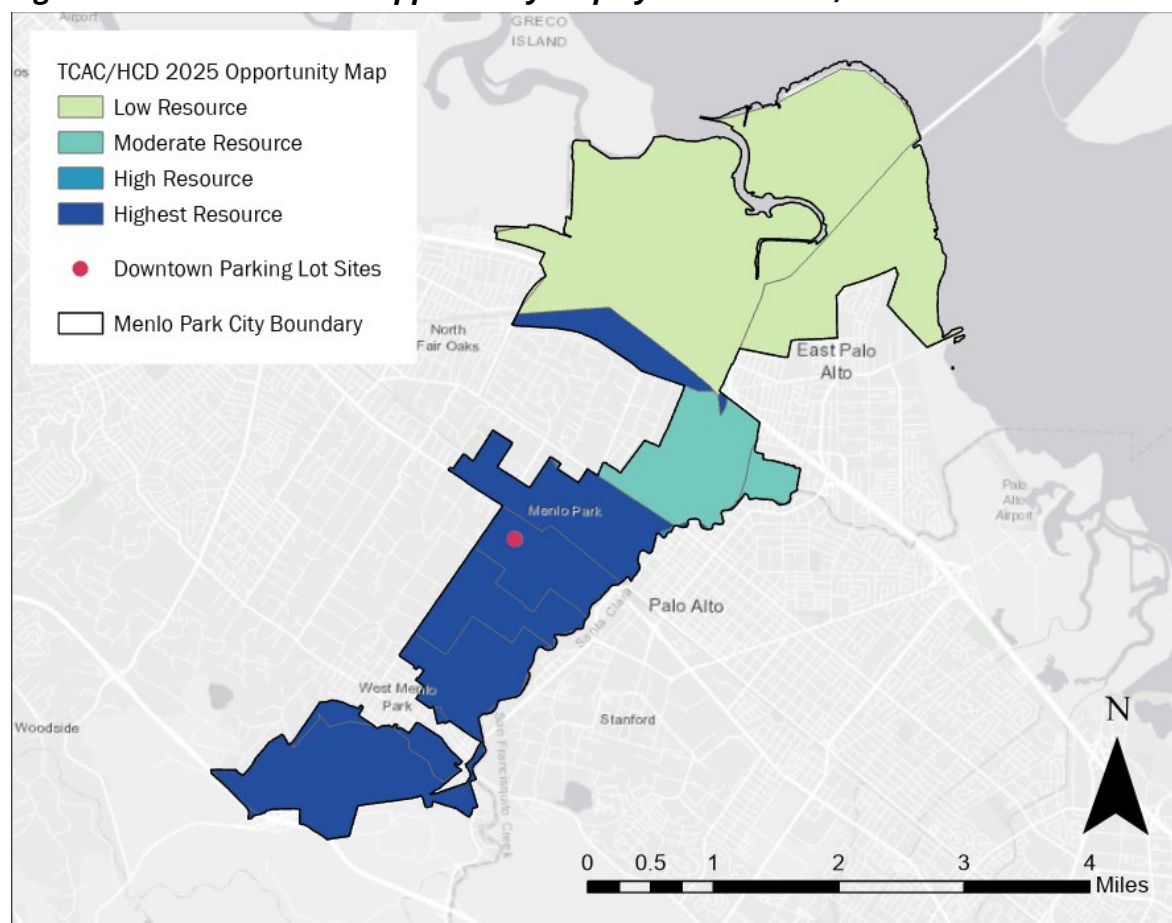
The Opportunity Index scores are calculated at a regional level, rather than a State level, to account for the significant regional variations throughout California. For each of the nine economic, educational, and environmental indicators, HCD and TCAC identify a regional

⁴⁶ California Fair Housing Task Force. December 2024. Methodology for the 2025 TCAC/HCD Opportunity Map. Available at: <https://www.treasurer.ca.gov/ctcac/opportunity/2025/opportunity-map-methodology.pdf>

median against which each neighborhood is measured. If a neighborhood falls above the median (50th percentile) for a given indicator it receives 1 point, for a total of up to 9 points. Low Resource areas have 3 or fewer points, Moderate Resource areas have 4 to 5 points, High Resource areas have 6 to 7 points, and Highest Resource areas have 8 to 9 points.

As illustrated in Figure 11: 2025 TCAC/HCD Opportunity Map by Census Tract, Menlo Park, the City-owned Downtown parking lot sites are located in a “Highest Resource” area, with high access to opportunity for residents that live there. As a result, developing affordable housing on the City-owned Downtown parking lots sites would help to improve access to opportunity for lower-income households by providing affordable housing in a high-resource area. Due to the racial disparities in housing needs discussed above, preventing or delaying the production of affordable housing on these sites would have a disproportionate impact on Black and African American households and Latino and Hispanic households. By preventing or delaying the construction of affordable housing on the Downtown parking lot sites, passage of the Ballot Measure would have a negative impact on racial and economic equity and affirmatively furthering fair housing.

Figure 11: 2025 TCAC/HCD Opportunity Map by Census Tract, Menlo Park



Sources: California Tax Credit Allocation Committee; HCD; Metropolitan Transportation Commission; BAE, 2025.

shows the Opportunity Score designation for Census tracts in Menlo Park from “Low Resource” to “Highest Resource,” as published by HCD and the California Tax Credit Allocation Committee. The maps identify the extent to which Census Tracts throughout the state have characteristics that have been shown to support positive economic, educational, and health outcomes for low-income families.

Impacts on Soil and Contamination Risks

The SEIR prepared for Menlo Park’s 6th Cycle Housing Element discusses soil and contamination risks that may arise due to development on sites identified in the Housing Element, including the City-owned Downtown parking lots.⁴⁷ The SEIR identifies two mitigation measures to ensure that contaminated materials that may be identified in eventual development are properly handled:

- Mitigation Measure HAZ-3a: Environmental Site Management Plan

Project applicants shall ensure that construction at the sites with known contamination are conducted under a project-specific Environmental Site Management Plan (ESMP) that is prepared by qualified personnel in consultation with the RWQCB or the DTSC, as appropriate. The purpose of the ESMP is to protect construction workers, the general public, the environment, and future site occupants from subsurface hazardous materials previously identified at the site and to address the possibility of encountering unknown contamination or hazards in the subsurface.

The ESMP shall summarize soil and groundwater analytical data collected on the project site during past investigations; identify management options for excavated soil and groundwater, if contaminated media are encountered during deep excavations; and identify monitoring, irrigation, or other wells requiring proper abandonment in compliance with local, State, and federal laws, policies, and regulations. The ESMP shall include measures for identifying, testing, and managing soil and groundwater suspected of or known to contain hazardous materials. The ESMP shall:

- 1) provide procedures for evaluating, handling, storing, testing, and disposing of soil and groundwater during project excavation and dewatering activities, respectively
- 2) describe required worker health and safety provisions for all workers potentially exposed to hazardous materials in accordance with State and federal worker safety regulations; and
- 3) designate personnel responsible for implementation of the ESMP.

- Mitigation Measure HAZ-3b: Vapor Intrusion Assessment

⁴⁷ City of Menlo Park Housing Element Update: Draft Subsequent Environmental Impact Report (City of Menlo Park: Nov. 2022), available at <https://www.menlopark.gov/files/sharedassets/public/v/1/community-development/documents/projects/housing-element-update/menlo-park-housing-element-update-draft-seir.pdf>

Project applicants shall ensure that a vapor intrusion assessment is performed by a licensed environmental professional for sites with potential residual contamination in soil, soil gas, or groundwater that are planned for redevelopment with an overlying occupied building. If the results of the vapor intrusion assessment indicate the potential for significant vapor intrusion into an occupied building, project design shall include vapor controls or source removal, as appropriate, in accordance with regulatory agency requirements. Soil vapor controls could include vapor barriers, passive venting, and/or active venting. The vapor intrusion assessment and associated vapor controls or source removal can be incorporated into the ESMP (Mitigation Measure HAZ-4a)

These mitigation measures, together with compliance with applicable laws and regulations regarding cleanup and reuse of a listed hazardous material site, would ensure that the approval future development would result in less than significant impacts with respect to development on sites with known hazardous materials.

Downtown Parking Plazas Ordinance

The people of the City of Menlo Park do ordain as follows:

SECTION 1. Title.

This Ordinance may be cited as the “Downtown Parking Plazas Ordinance.”

SECTION 2. Downtown Menlo Park Parking Plazas Ordinance.

The City of Menlo Park Municipal Code is hereby amended by adding new Title 17, called “Downtown Parking Plazas,” consisting of Chapter 17.01.

Title 17. Downtown Parking Plazas

Chapter 17.01. Downtown Parking Plazas

17.01.010 Findings and Purpose.

The people of the City of Menlo Park find and declare that:

1. Downtown Menlo Park is a cherished part of the City which serves as a thriving business and shopping district, as well as a vibrant community hub relied on by residents and visitors.
2. To remain accessible and successful, the City’s Downtown area must be easily navigated by car with sufficient parking to accommodate all visitors and workers. Without convenient parking, the Downtown area will suffer -- hurting businesses, discouraging visitors and undermining community welfare.
3. The eight publicly owned Downtown parking plazas (“Parking Plazas”) provide the critical infrastructure needed to support that access.
4. The Parking Plazas are located within the El Camino Real/Downtown Specific Plan (“Downtown Specific Plan”). As stated in the Municipal Code, the purpose of the Downtown Specific Plan is to preserve and enhance community life, character and vitality through public space improvements that improve connectivity.
5. The Parking Plazas were acquired, developed and maintained through funding from Downtown property owners and the general public for the specific and sole purpose of providing adequate parking to serve the needs of the Downtown community. Protecting the original public purpose for these Parking Plazas is crucial for Downtown success.

6. Any decision to alter the original use of the Parking Plazas must be made carefully and with full community engagement. The stakes are too high to entrust the future of these public assets to anyone but the people themselves.
7. At the same time, the City should have the flexibility to maintain and improve lighting, landscaping and other features of the Parking Plazas and to use them for farmers markets and other short-term community events. Improvements which expand parking availability and convenience should be encouraged.
8. City officials should analyze and pursue options for meeting the City's needs which do not impact the use of the Parking Plazas for parking and vehicular access.
9. Any decision to sell, lease, declare surplus or re-purpose the Parking Plazas for any use other than for parking and vehicular access must first be approved by a majority vote of the people of Menlo Park.
10. Voters should have a say over actions which the City takes with respect to the Parking Plazas after the City becomes aware of the initiative even if taken before this initiative appears on the ballot.

17.01.020 Definitions.

"City" means the City of Menlo Park, California, or the area within the territorial limits of the City of Menlo Park, California, and such territory outside of the City over which the City has jurisdiction or control by virtue of any constitutional provision or any law; additionally, City shall collectively refer to the Mayor, City Council (as defined in Section 1.04.010), all City departments, and all City employees.

"Downtown" shall refer in general terms to the area generally bound by El Camino Real, Oak Grove Avenue, Menlo Avenue and University Drive, as also referred in the Downtown Specific Plan as the Downtown Core within Figure B1 and in Figure C5 Downtown.

"Parking Plazas" shall refer to the following parking lots located in the Downtown area which are owned by the City:

<u>Common Designation</u>	<u>APN Number</u>	<u>Location Description</u>
Plaza 1	071-102-400	Lot between El Camino and Chestnut on west side of Santa Cruz
Plaza 2	071-094-180	Lot off Oak Grove

<u>Common Designation</u>	<u>APN Number</u>	<u>Location Description</u>
Plaza 3	071-092-290	Lot between University and Crane on west side of Santa Cruz
Plaza 4	071-273-160	Lot next to Draeger's
Plaza 5	071-281-160	Lot between Evelyn and Crane
Plaza 6	071-283-140, 071-283-050	Lot next to Wells Fargo, between Crane and Chestnut
Plaza 7	071-284-100, 071-284-080	Lot next to Trader Joe's, between Chestnut and Curtis
Plaza 8	071-285-160	Lot between Curtis and Doyle

17.01.030 Preservation of Parking Plazas.

Notwithstanding any other provision in the City's Municipal Code, General Plan, Downtown Specific Plan, or other City statutes, the City may not take any of the following actions with respect to a Parking Plaza unless and until the action is approved by a majority vote of the City's voters:

1. Sell, trade, lease, donate, dispose or otherwise convey any of the Parking Plazas, or any portion thereof, for any reason which would affect the use of the Parking Plazas for parking or which would diminish the availability, access or convenience of public parking for Downtown customers, workers and visitors.
2. Designate any of the Parking Plazas as "surplus land" or "exempt surplus land" under the California Surplus Land Act (Government Code sections 54220 et seq.), or otherwise designate the parking plazas in a way which could affect the use of the Parking Plazas for parking or which would diminish the availability, access or convenience of public parking for Downtown customers, workers and visitors.
3. Modify, alter or construct any capital project or other physical alteration on any of the Parking Plazas which permanently diminishes the availability, access or convenience of public parking for Downtown customers, workers and visitors.
4. Change the use of a Parking Plaza in any way which would diminish the availability, access or convenience of public parking for Downtown customers, workers and visitors.

17.01.040 Exceptions.

Notwithstanding section 17.01.030, the City may take the following actions with respect to the Parking Plazas without a vote of the People:

1. Maintenance, repairs or renovations to the Parking Plazas, even if these activities temporarily affect parking availability, access or convenience, if they are intended to preserve, improve or expand availability, access or convenience of public parking for Downtown customers, workers and visitors.
2. Capital improvements for the Parking Plazas, even if these activities temporarily affect parking access or availability, if they are intended to preserve, improve or expand availability, access or convenience of public parking for Downtown customers, workers and visitors.
3. Community activities, such as the farmers' market or similar events, which use the Parking Plazas on a short-term (no more than three (3) consecutive days) and temporary basis.

17.01.050 Reenactment Required for City Actions Prior to Effective Date.

1. If the City takes any action listed in section 17.01.030 on or after May 15, 2025, but prior to the effective date of this Chapter, which was not adopted in compliance with the requirements of this Chapter, that action shall be deemed null, void and of no further force or effect unless and until the action is reenacted in compliance with the requirements of this Chapter.
2. Any action listed in section 17.01.030 taken by the City on or after May 15, 2025, shall be subject to the requirements of this Chapter.

17.01.060 Required Election.

1. If the City wishes to take any action listed in section 17.01.030, the City Council must place such action on the next regularly-scheduled election ballot following the final City approval of the action.
2. The Council shall not place such action on the ballot unless and until the City has taken all steps necessary under the law to approve the action.
3. Such action shall not become effective unless and until it is first approved by the City pursuant to all legal requirements and thereafter approved by the voters pursuant to this Chapter.
4. Placing an action listed in section 17.01.030 on the ballot shall not affect other legal requirements for such action, including environmental review under the California Environmental Quality Act.

5. All materials which the City prepares for distribution to voters in connection with the election referenced herein, including the voter information pamphlet, shall describe with particularity the proposed action, the impact of the proposed action on the Parking Plazas, the change, if any, in the number or location of parking spaces, and the cost to the City.

17.01.070 Citizen Initiative.

An action listed in section 17.01.030 may be placed on the ballot via citizens initiative and will take effect based on approval by a majority of the City's voters.

SECTION 3. Earliest Possible Election.

The people of Menlo Park hereby expressly request that this measure be submitted to the voters of Menlo Park at the earliest time allowable by law.

SECTION 4. Effective Date.

This Ordinance shall become effective upon its approval by a simple majority of electors voting on the Ordinance, but shall become operative as of May 15, 2025.

SECTION 5. Conflicting Measures.

A. Any other measure concerning or affecting the availability, access or convenience of public parking for Downtown customers, workers and visitors which appears on the same ballot shall be deemed to conflict with this Ordinance.

B. In the event that this Ordinance and one or more conflicting measures appear on the same ballot, the provisions of the measure which receives the greater number of affirmative votes shall prevail in their entirety, and the other measure or measures shall be null and void.

C. If this Ordinance is approved by the voters but superseded by any other conflicting measure approved by voters at the same election, and the conflicting ballot measure is later held invalid, this Ordinance shall be self-executing and given full force and effect.

SECTION 6. Severability.

Should any provision of this measure, or its application to any person or circumstance, be determined by a court of competent jurisdiction to be unlawful, unenforceable or otherwise void, voidable, or invalid, that determination shall have no effect on any other provision, or the application of this measure to any other person or circumstance and, to that end, the provisions hereof are severable. By approving this measure, the voters express their intent that each section and subsection would have been adopted irrespective of whether any one or more sections or subsections are found to be invalid or unconstitutional, and that each section and subsection is therefore explicitly severable, part-by-part, phrase-by-phrase, and word-by-word, and that if any portion is determined by a court of competent jurisdiction to be unlawful, unenforceable or

otherwise void, voidable or invalid, that the least amount of language be severed from the ordinance.

SECTION 7. Amendments.

No provision of this Ordinance shall be amended or repealed except by a vote of the people of Menlo Park.

SECTION 8. Liberal Construction.

This Ordinance shall be liberally construed to effectuate its purposes.

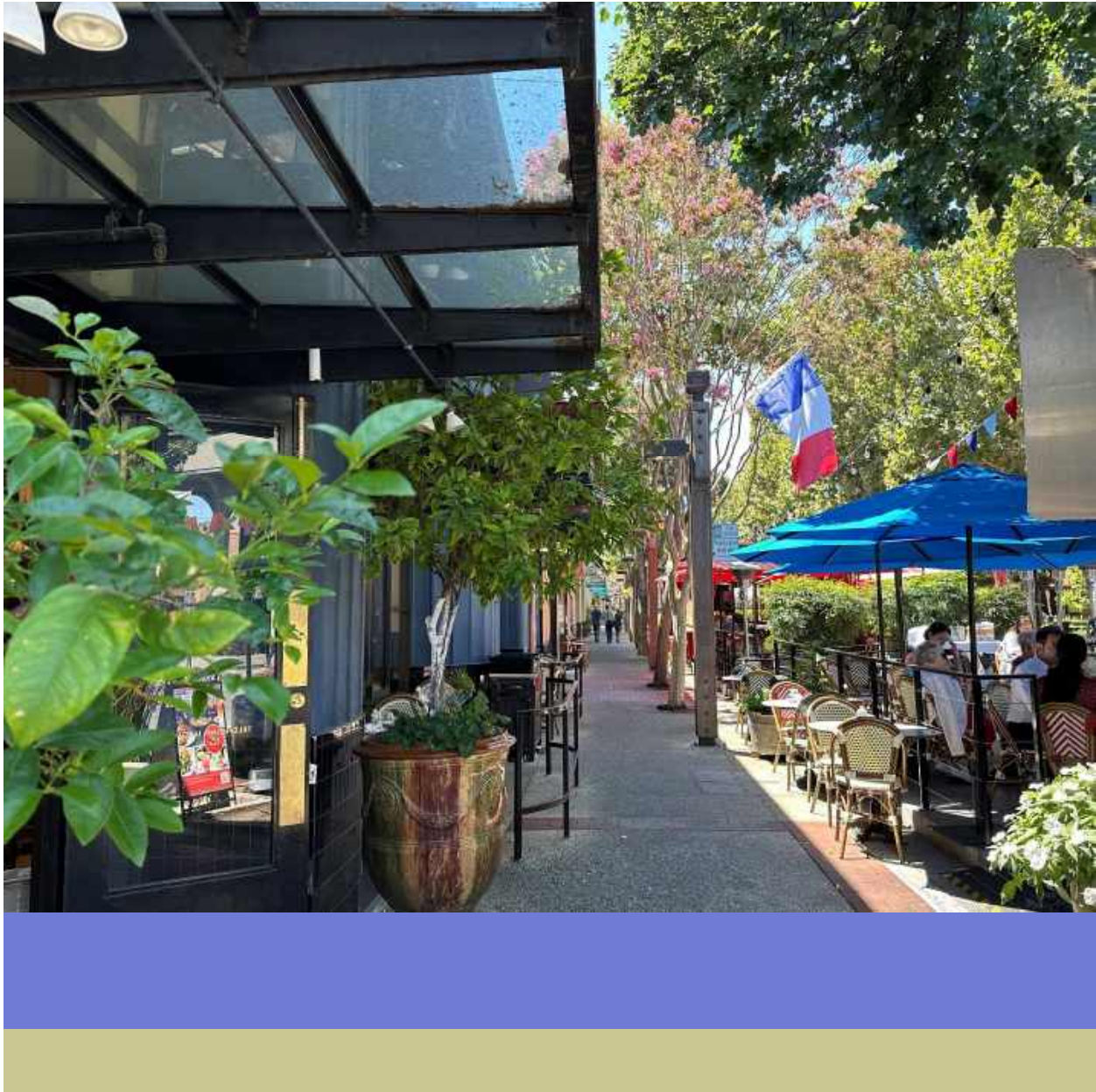
SECTION 9. Municipal Affairs.

The people of the City of Menlo Park hereby declare that preserving the availability, access and convenience of public parking for Downtown customers, workers and visitors by requiring voter approval of any change in use to the Parking Plazas constitutes a municipal affair.

The people of the City of Menlo Park declare their intent that this citizen initiative be enacted, and voter approval be required for changes to the Parking Plazas, if this Ordinance is approved by a simple majority of voters.

SECTION 10. Legal Defense.

The people of the City of Menlo Park desire that this Ordinance, if approved by the voters and thereafter challenged in court, be defended by the City. The people, by approving this Ordinance, hereby declare that the proponents of this Ordinance have a direct and personal stake in defending this Ordinance from constitutional or statutory challenges to the Ordinance's validity or implementation. In the event the City fails to defend this Ordinance, or the City fails to appeal an adverse judgment against the constitutionality, statutory permissibility, or implementation of this Ordinance, in whole or in part, in any court of law, the Ordinance's proponents shall be entitled to assert their direct personal stake by defending the Ordinance's validity and implementation in any court of law and shall be empowered by the people through this Ordinance to act as agents of the people. The City shall indemnify the proponents for reasonable expenses and any losses incurred by the proponents, as agents, in defending the validity and/or implementation of the challenged Ordinance. The rate of indemnification shall be no more than the amount it would cost the City to perform the defense itself.



AFFORDABLE HOUSING ON CITY-OWNED DOWNTOWN PARKING LOTS FEASIBILITY STUDY DRAFT

CITY OF MENLO PARK, CALIFORNIA

August 2024

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List of Abbreviations

AB	Assembly Bill
AHO	Affordable Housing Overlay
AHSC	Affordable Housing Sustainable Community
AMI	area median income
APN	assessor's parcel number
CC&Rs	covenants, conditions and restrictions
CIP	capital improvements plan
EV	electric vehicle
HCD	California Department of Housing and Community Development
HUD	U.S. Department of Housing and Urban Development
LIHTC	Low Income Housing Tax Credits
MHP	Multifamily Housing Program
MTC	Metropolitan Transportation Commission
RFP	request for proposals
RHNA	Regional Housing Needs Allocation
SB	Senate Bill
SLA	Surplus Land Act

Introduction and Scope of Study

The City of Menlo Park's certified 2023-2031 Housing Element includes a site inventory and goals, policies, and programs to help the City meet its RHNA of 2,946 new dwelling units and affirmatively further fair housing throughout the city, especially in City Council Districts 2 through 5. Among the 69 opportunity sites included in the Housing Element are eight City-owned parking lots located in downtown Menlo Park. The downtown parking lots are projected to provide capacity for at least 345 units affordable to households at the very low-income¹ level. The Housing Element includes program H4.G (Prioritize Affordable Housing on City-Owned Parking Lots Downtown), which prioritizes the use of the City-owned parking lots for affordable housing development by 2027. Program H4.G also specifies that the City will adhere to procedures consistent with the SLA to provide affordable housing developers a first right of refusal (AB 1486).

Housing Element program H4.G includes a timeline for development of the City-owned parking lots. Program milestones are shown in Table 1.

Table 1: Housing Element Program H4.G Timeline of Actions	
Year	Action
2023	Solicit proposals and conduct a feasibility analysis to assess which parking lots are most suitable for residential development.
2024	Issue request for proposals (RFP) for affordable housing on some or all of the parking lot sites, including information on City land write-down incentives.
2025	Complete development entitlements.
2027	Seek to complete development of 345 or more affordable housing units on a combination of parking lot sites consistent with the Housing Element site inventory.

The Housing Element also specifies that the City will prioritize any development proposals on the downtown parking lots that address difficult-to-achieve housing priorities including:

- A greater number of extremely low-, very low-, low-, and moderate-income units, and/or
- A percentage of units preferential for people with special needs who will benefit from coordinated on-site services, such as services for people living with disabilities, including developmental disabilities.

The focus of this study is to evaluate the physical attributes, easements, potential land use issues, and consistency with the 2012 El Camino Real/Downtown Specific Plan (Specific Plan) for the eight downtown parking lots and identify those most suitable for affordable housing development. Conceptual architectural designs, building layouts, and economic analyses are not included in this study. These considerations may be addressed through the RFP process (or a similar information/acquisition process selected by the City Council) that allows industry professionals to determine feasibility of development on the selected parking lots.

City-owned parking lots overview

The eight downtown parking lots included in the Housing Element site inventory are listed in Table 2. Although each parking lot is assigned an estimated number of units in the site inventory

¹ In terms of a jurisdiction's RHNA, the very low-income category represents households making zero to 50 percent of the area median income (AMI). The 2024 median income for San Mateo County, as determined by HUD, HCD, and the County of San Mateo, is \$186,600 based on a household of four.

to meet state housing element requirements, program H4.G would allow affordable housing development on any combination of the parking lots that could support 345 or more units and meet all zoning regulations and associated requirements.

Table 2: Downtown Parking Lots in Housing Element Site Inventory		
Parking Plaza Number	Location Description/Site Inventory Number	RHNA Allocation (Very-Low Income Units)
Parking Plaza 1	Lot between El Camino Real and Chestnut on west side of Santa Cruz (Site #14)	86
Parking Plaza 2	Lot off Oak Grove (Site #19)	21
Parking Plaza 3	Lot between University and Crane on west side of Santa Cruz (Site #15)	75
Parking Plaza 4	Lot next to Draeger's (Site #18)	23
Parking Plaza 5	Lot between Evelyn and Crane (Site #16)	38
Parking Plaza 6	Lot next to Wells Fargo, between Crane and Chestnut (Site #10)	38
Parking Plaza 7	Lot next to Trader Joe's, between Chestnut and Curtis (Site #9/9a)	26
Parking Plaza 8	Lot between Curtis and Doyle (Site #17)	38

The parking lots are located throughout the downtown area, providing a variety of opportunities for distributed affordable housing development in a high resource area of the community. The Site Inventory and Analysis chapter of the Housing Element (Chapter 7) notes that a feasibility study may be necessary to consider parking easements owned by neighboring businesses, as well as potential utility easements. There are various development possibilities for the City-owned downtown parking lots, including:

- Reserving one or more lots for redevelopment with a parking structure, and using the remaining parking lots for development of affordable housing as part of a 100 percent residential or mixed use development;
- Providing affordable housing and structured public parking on the same lot for one or more of the largest parking plazas;
- Retaining some lots for surface parking and using others for affordable housing (potentially with complementary mixed uses); and/or
- Developing portions of City-owned lots with affordable housing (potentially mixed use) and leaving surface parking on the remainder of the lots.

Background

This report references directions using the same geographic conventions as the Specific Plan and considers Santa Cruz Avenue as having an east-west orientation. Figure 1 shows the locations of the downtown parking lots, with parking plazas north of Santa Cruz Avenue numbered 1 through 3 (north to south), and parking plazas south of Santa Cruz Avenue numbered 4 through 8 (south to north).

Figure 1. Downtown Parking Lots²



Financing and development of the downtown parking lots

Between 1945 and 1964, the City formed assessment districts and issued bonds to finance the acquisition of land and construction of the downtown parking lots. The assessment district bonds were fully paid off in the 1980s, the assesseses are no longer paying assessment installations, and the assessed properties have received the long-term benefit of the financed improvements.

Previous studies and plans

A design charrette was conducted in 2005 to envision desired urban design concepts for downtown Menlo Park and the area of El Camino Real adjacent to downtown. Suggested elements deemed important for the downtown included:

² The City's 2023 "Streetaries" outdoor dining program and associated bicycle and pedestrian improvements modified the availability of on-street parking along portions of Santa Cruz Avenue, which may not be accurately reflected in this map.

- Developing community gathering spaces and enhancing pedestrian movements;
- Pursuing mixed-use development with more residential opportunities;
- Incorporating art/sculpture/water features; and
- Enhancing the effectiveness of public parking, while improving lighting and visibility to provide a safe and inviting environment.

Many of these elements were also discussed in the 2012 Specific Plan³ and later studies, as described in the topic areas below.

Parking

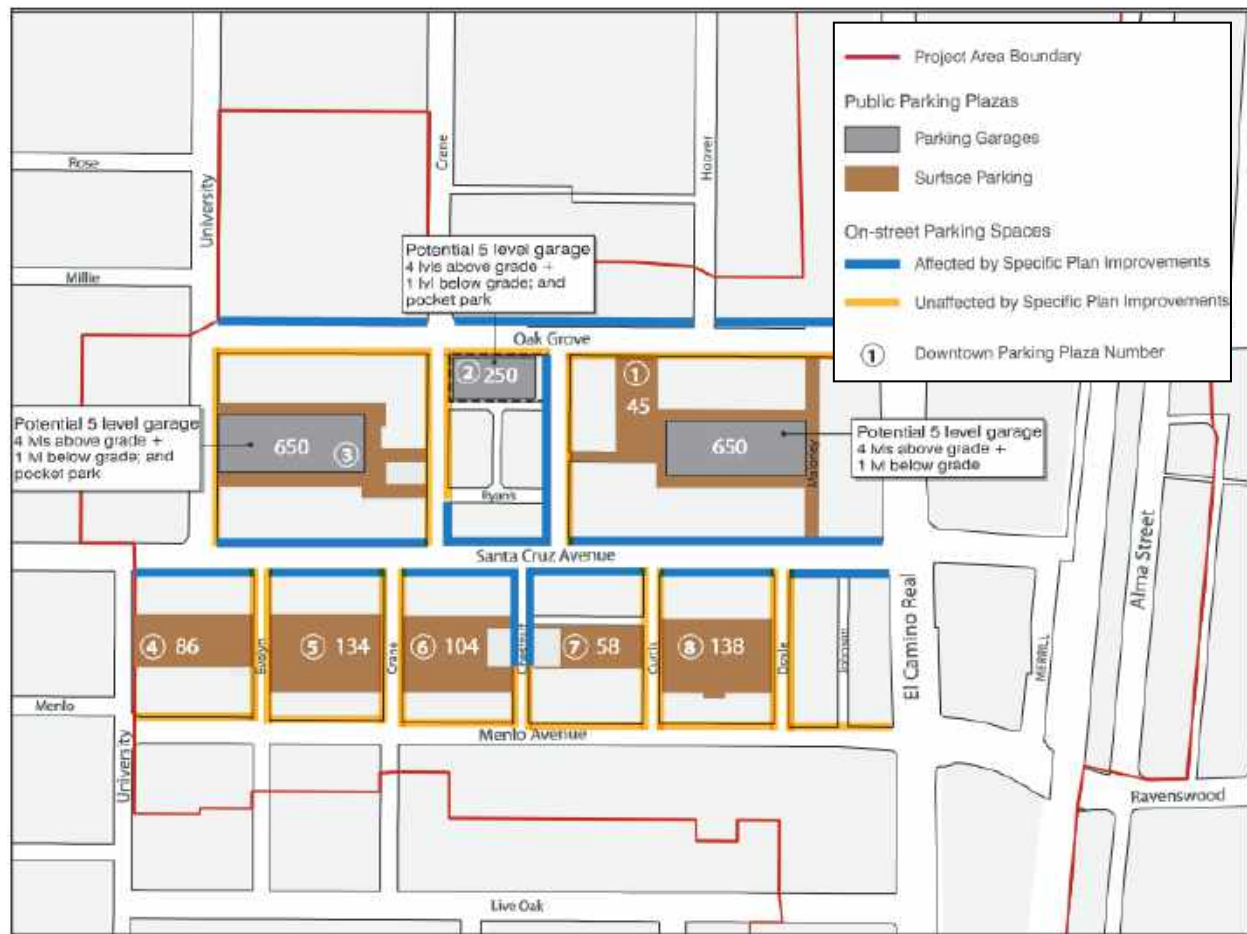
The Specific Plan advised the construction of up to two new parking structures on a combination of Parking Plazas 1, 2, and 3, and the relocation of parking spaces for public space improvements. For Parking Plaza 1, the Specific Plan proposed a five-level garage (one level below-grade and four above) with 650 publicly accessible spaces. For Parking Plaza 2, the Specific Plan allowed for a five-level garage (one level below-grade and four above) with 250 publicly accessible spaces. For Parking Plaza 3, the Specific Plan proposed a five-level garage (one level below-grade and four above) with 650 publicly accessible spaces. The Specific Plan provided flexibility on which two of the three potential garages to build in the future. Figure 2 depicts the future parking supply in downtown Menlo Park, as proposed in the Specific Plan.

The cost of a structured parking space is based on variables unique to an individual parking structure, but in the Bay Area estimates from 2012 to 2022 have ranged from \$30,000 to over \$50,000 per space, and may potentially be higher in current dollar values.⁴

³ The [Specific Plan](#), including amendments since its 2012 adoption, is available on the City's website.

⁴ Estimated cost range is based on a 2012 [Parking Structure Technical Report: Challenges, Opportunities, and Best Practices](#) report prepared for the Metropolitan Transportation Commission, and a 2023 [Comprehensive Parking Supply, Cost and Pricing Analysis](#) document by the Victoria Transport Policy Institute.

Figure 2. Specific Plan Proposed Downtown Parking Supply



Public space improvements

The Specific Plan also included recommendations for major public space improvements, many in relation to the City-owned parking plazas, as shown in Figure 3. The recommended improvements included:

- A pocket park in a small area of Parking Plaza 2 adjacent to Chestnut Street, east of the potential parking structure;
- A pocket parking on a section of Parking Plaza 3 adjacent to Crane Street, east of the potential parking structure;
- A pedestrian link along the northern edge of Parking Plazas 4 through 8, connecting the rear of Santa Cruz Avenue businesses adjacent to the parking lots;
- Flexible space/public parking on Parking Plazas 5 and 6, serving as space for periodic events, festivals, and large public gatherings but otherwise available as public parking; and
- A market place on the edges of Parking Plazas 6 and 7 adjacent to Chestnut Street, to complement surrounding shops and provide permanent or temporary structures/stalls/tents for vendors and merchants.

Figure 3. Specific Plan Proposed Major Public Space Improvements



Mixed use development, affordable housing, and downtown vitality

Certain aspects of the Specific Plan were echoed in a 2022 Menlo Park Downtown Market Study⁵ developed by HdL ECONSolutions, which recommended considering the development of parking structures on City-owned/operated parking plazas in combination with mixed-use projects of affordable housing and retail at the street level.

During preparation of the Housing Element Update in 2023, the University of California Berkeley approached the City about studying potential affordable housing developments on the City-owned parking plazas as part of a multidisciplinary graduate level studio. In May 2023, three teams of students presented development scenarios⁶ for the downtown parking lots with varying densities, architectural designs, funding sources, timelines, and a mix of affordable and market-rate housing units. While this effort was independent from the City's Housing Element Update, the students' findings and reports provided examples of potential development patterns, constraints, and opportunities that may exist in the implementation of Housing Element program H4.G.

⁵ The 2022 [Menlo Park Downtown Market Study](#) is available on the City's website.

⁶ The three student-created development scenarios are [The Menlo Collaborative](#), [Menlo Crossing](#), and [The New Medium at Menlo](#).

Physical Attributes, Easements, and Potential Land Use Issues for Parking Lots

This section provides a detailed analysis of each of the eight City-owned downtown parking lots under consideration for affordable housing development. For each parking plaza, the analysis examines its physical characteristics, location, and relationship to surrounding properties. The section also reviews any easements, title issues, or potential land use constraints known at this time that could affect future development.⁷ The information presented is based on site visits; review of maps, property records, and title reports; and analysis of existing plans and studies.

⁷ Information regarding the locations of California Water Service water lines and underground Pacific Gas and Electric lines is not currently available and is not shown on maps in this study. However, City staff will continue coordination with outside agencies and/or consultants to determine exact locations of infrastructure and map them for future phases of the project.

Parking Plaza 1

Map



General description

Parking Plaza 1 is in the northeastern quadrant of downtown Menlo Park, near the intersection of Oak Grove Avenue and El Camino Real. It is generally surrounded by buildings that front onto the adjacent streets and maintain back-of-house functions (garbage, utilities, private parking and circulation, etc.) next to the parking lot. The parking plaza is an irregularly shaped lot with driveways off Oak Grove Avenue to the north, Maloney Lane (which connects Oak Grove Avenue and Santa Cruz Avenue) to the east, and Chestnut Lane (which intersects with Chestnut Street) to the west. The lot includes City-owned pedestrian access paths from the parking plaza to Oak Grove Avenue between the buildings at 695 and 705 Oak Grove Avenue, and to Santa Cruz Avenue between the buildings at 642 and 650 Santa Cruz Avenue. Privately-owned pedestrian access paths between Oak Grove Avenue and the parking plaza are located



on the 671 Oak Grove Avenue and 681 Oak Grove Avenue parcels. A privately-owned pedestrian access path is also provided between Chestnut Street and the parking plaza on the 1164 Chestnut Street property. The lot features a small spur to the east that connects private parking lots behind the buildings at 1161, 1179, and 1189 El Camino Real to Maloney Lane. There are separate vehicular entrance and exit driveways off Maloney Lane that connect to a private parking lot for the businesses from 1137 to 1159 El Camino Real. Additionally, the post office at 655 Oak Grove Avenue includes an area of private parking and a loading zone for trucks at the rear, directly adjacent to the parking plaza. Parking Plaza 1 is the largest of the parking plazas with a total area of 2.28 acres, although the area is inclusive of Maloney Lane and the public pedestrian connections.

Site details

Table 3: Parking Plaza 1 Site Characteristics	
Characteristic type	Detail
Parcel size	2.28 acres (includes Maloney Lane ⁸ and 2 pedestrian passages)
Existing parking spaces	249
Zoning district	SP-ECR/D, Downtown
Housing Element projected units	86 very low-income units
Land ownership	City-owned
Number of parcels	1
Specific Plan recommendation(s)	Potential parking structure (650 spaces)
Utilities	Overhead lines along interior of lot (eastern side); underground utilities unknown at this time
Resurfacing/maintenance	Resurfaced 10+ years ago (exact date unavailable)
Trees	19 heritage; 25 total
Public business entrances on plaza	3 primary; 11 secondary (side/rear) entrances
Pedestrian connections	5 pedestrian passageways to surrounding streets

Easements and potential land use issues

Title report research on Parking Plaza 1 (Assessor's parcel number (APN): 071-102-400) identified the following key findings in relation to potential legal constraints, easements, and other encumbrances that could affect future development on the parking lot:

- Two utility easements, originating at Santa Cruz Avenue and running north along Maloney Lane approximately two-thirds of the way to Oak Grove Avenue
- CC&Rs requiring 16 parking spaces on the adjacent property at 610 Santa Cruz Avenue for the benefit of the City parking plaza
- Several waivers of claims for damages related to highway construction, dated 1939 (potentially removable from title)

⁸ Maloney Lane has an area of approximately .22 acres. Rights-of-way are typically deducted from total lot area to calculate the maximum density, gross floor area, and other development regulations for a site.

Parking Plaza 2

Map



Note: The blue dashed line indicates the approximate location of a 1968 plan line for the widening of Crane Street.

General description

Parking Plaza 2 is located at the northern edge of downtown and bounded by Oak Grove Avenue to the north, Chestnut Street to the east, buildings and an intersection with Escondido Lane to the south, and Crane Street to the west. It is a rectangular lot with driveways off Chestnut Street, Escondido Lane, and Crane Street. Although it is the smallest of the eight parking plazas with a total area of 0.56 acres, it has a regular shape and features strong accessibility with frontages on three streets and sidewalks on all four sides. The lot also includes four parking spaces with public EV chargers. One adjacent building has an entrance facing the lot, but none of the adjacent buildings back up to the parking lot or maintain back-of-house functions facing



the lot. As a result, there would likely be fewer conflicts between existing buildings and potential development on this site.

Site details

Table 4: Parking Plaza 2 Site Characteristics	
Characteristic type	Detail
Parcel size	0.56 acres
Existing parking spaces	95
Zoning district	SP-ECR/D, Downtown
Housing Element projected units	21 very low-income units
Land ownership	City-owned
Number of parcels	1
Specific Plan recommendation(s)	Potential parking structure (250 spaces) and pocket park
Utilities	No overhead lines crossing lot; underground utilities unknown at this time
Resurfacing/maintenance	Resurfaced 10+ years ago (2012)
Trees	0 heritage; 8 total
Public business entrances on plaza	0 primary; 1 secondary (side/rear) entrances
Pedestrian connections	Sidewalks bordering site

Easements and potential land use issues

Title report research on Parking Plaza 2 (APN: 071-094-180) identified the following key findings in relation to potential legal constraints, easements, and other encumbrances that could affect future development on the parking lot:

- City Council resolution from 1968 establishing plan lines for the widening of Crane Street by five feet on each side (must be followed or abandoned)

Parking Plaza 3

Map



General description

Parking Plaza 3 is in the northwestern quadrant of downtown, near the intersection of Oak Grove Avenue and University Drive. It is an irregularly shaped lot bounded by the rear of buildings that generally front onto Oak Grove Avenue to the north, Crane Street to the east, the rear of buildings that typically front onto Santa Cruz Avenue to the south, and University Drive to the west. Although the buildings that enclose the lot to the north and south typically feature businesses with primary entrances off Santa Cruz and Oak Grove Avenues, a few businesses have primary entrances facing the parking plaza, and a number of businesses have secondary entrances onto the parking plaza. Certain buildings also have private parking spaces at the rear directly off the parking plaza, including properties at 842, 860, 880, and 888 Santa Cruz Avenue. Most



businesses also have typical back-of-house functions located adjacent to the parking plaza. Vehicular access is provided by driveways off Crane Street and University Drive. The parking plaza is served by three privately-owned pedestrian connections from the parking plaza to Oak Grove Avenue through the properties at 825, 859, and 885 Oak Grove Avenue. Parking Plaza 3 is the second largest City-owned parking lot with 1.99 acres.

Site details

Table 5: Parking Plaza 3 Site Characteristics	
Characteristic type	Detail
Parcel size	1.99 acres
Existing parking spaces	212
Zoning district	SP-ECR/D, Downtown
Housing Element projected units	75 very low-income units
Land ownership	City-owned
Number of parcels	1
Specific Plan recommendation(s)	Potential parking structure (650 spaces) and pocket park
Utilities	Overhead lines along interior of lot (eastern side); underground utilities unknown at this time
Resurfacing/maintenance	Resurfaced 10+ years ago (exact date unavailable)
Trees	8 heritage; 23 total
Public business entrances on plaza	5 primary; 12 secondary (side/rear) entrances
Pedestrian connections	3 pedestrian passageways to surrounding streets

Easements and potential land use issues

Title report research on Parking Plaza 3 (APN: 071-092-290) identified the following key findings in relation to potential legal constraints, easements, and other encumbrances that could affect future development on the parking lot:

- No significant exceptions or constraints noted.

Draeger's parcel. The City has also allowed Draeger's to use portions of the City-owned parcel for loading activities associated with business operations, as needed. As a result, although the parking plaza appears and functions as a rectangular parking lot, it has mixed ownership and the City-owned portion of the lot is an irregular shape. Parking Plaza 4 is the second-smallest City-owned parking lot downtown with an area of 0.62 acres.

Site details

Table 6: Parking Plaza 4 Site Characteristics	
Characteristic type	Detail
Parcel size	0.62 acres
Existing parking spaces	105
Zoning district	SP-ECR/D, Downtown
Housing Element projected units	23 very low-income units
Land ownership	Portions owned by City and Draeger's Markets
Number of parcels	2 (1 City-owned parcel, portion of Draeger's parcel)
Specific Plan recommendation(s)	Pedestrian link from plazas 4 through 8
Utilities	Overhead lines along interior of lot (central)
Resurfacing/maintenance	Resurfaced 20+ years ago
Trees	6 heritage; 14 total
Public business entrances on plaza	2 primary; 8 secondary (side/rear) entrances
Pedestrian connections	Sidewalks bordering plaza entrances

Easements and potential land use issues

Title report research on the City-owned parcel of Parking Plaza 4 (APN: 071-273-160) identified the following key findings in relation to potential legal constraints, easements, and other encumbrances that could affect future development on the parking lot:

- Public utility easement (10 feet wide) near the northern edge of site, running east to west approximately halfway across the lot

Parking Plaza 5

Map



General description



Parking Plaza 5 is in the southeastern quadrant of downtown, bounded by the rear of buildings fronting onto Santa Cruz Avenue to the north, Crane Street to the east, buildings fronting onto Menlo Avenue to the south, and Evelyn Street to the west. The majority of buildings that surround the lot to the north have limited or no public entrances off the parking plaza and include a number of restaurants that face Santa Cruz Avenue. As a result, back-of-house functions along the northern side of the parking plaza are

more intense, with dumpsters, storage areas, and utilities directly next to the parking plaza. Vehicular access is provided from driveways off Evelyn Street and Crane Street. Parking Plaza 5 has an area of one acre.

Site details

Table 7: Parking Plaza 5 Site Characteristics	
Characteristic type	Detail
Parcel size	1 acre
Existing parking spaces	150
Zoning district	SP-ECR/D, Downtown
Housing Element projected units	38 very low-income units
Land ownership	City-owned
Number of parcels	1
Specific Plan recommendation(s)	Pedestrian link; flex space/public parking
Utilities	Overhead lines along interior of lot (central)
Resurfacing/maintenance	Resurfaced 15+ years ago
Trees	8 heritage; 16 total
Public business entrances on plaza	1 primary; 6 secondary (side/rear) entrances
Pedestrian connections	Sidewalks bordering plaza entrances

Easements and potential land use issues

Title report research on Parking Plaza 5 (APN: 071-281-160) identified the following key findings in relation to potential legal constraints, easements, and other encumbrances that could affect future development on the parking lot:

- Public utility easements (10 feet wide) spanning northern edge of site, allowing removal of foliage/trees and right of ingress
- Old agreements of sale between previous owners from 1935 to 1943 (likely satisfied and removable)

Parking Plaza 6

Map



Note: Area(s) bounded by a dashed red line indicate portions of the parking plaza under private ownership.

General description

Parking Plaza 6 is in a central location on the southern side of downtown, bounded by the rear of buildings fronting onto Santa Cruz Avenue to the north, Chestnut Street to the east, buildings fronting onto Menlo Avenue to the south, and Crane Street to the west. The lot is the location of a weekly farmers market held on Sunday mornings. Some buildings that surround the lot to the north and south have side/rear entrances facing the parking plaza. Adjacent businesses typically have back-of-house functions, such as garbage collection (typically in smaller Recology bins), directly next to the parking plaza. The commercial building that borders the parking plaza to the south at 750 Menlo Avenue has a partially below-grade parking level that exits onto the parking plaza. Vehicular access to public parking in the plaza is provided from multiple driveways off



Chestnut Street and Crane Street; however two one-way entrance and exit driveways off Chestnut Street and a portion of parking spaces in the plaza are privately-owned. Although the parking plaza appears and functions as a single, rectangular parking lot, it has mixed ownership. The City-owned portion of the lot is an irregular shape. Parking Plaza 6 has an area of 0.76 acres.

Site details

Table 8: Parking Plaza 6 Site Characteristics	
Characteristic type	Detail
Parcel size	0.76 acres
Existing parking spaces	136
Zoning district	SP-ECR/D, Downtown
Housing Element projected units	38 very low-income units
Land ownership	Portion owned by City and Wells Fargo
Number of parcels	2
Specific Plan recommendation(s)	Pedestrian link; flex space/public parking; market place
Utilities	Overhead lines along interior of lot (central)
Resurfacing/maintenance	Resurfaced 25+ years ago
Trees	10 heritage; 21 total
Public business entrances on plaza	0 primary; 7 secondary (side/rear) entrances
Pedestrian connections	Sidewalks bordering plaza entrances

Easements and potential land use issues

Title report research on the City-owned parcel of Parking Plaza 6 (APN: 071-283-140) identified the following key findings in relation to potential legal constraints, easements, and other encumbrances that could affect future development on the parking lot:

- Public utility easements (10 feet wide) spanning northern portion of site, allowing removal of foliage/trees and right of ingress

Parking Plaza 7

Map



General description



Parking Plaza 7 is in a central location on the southern side of downtown, bounded by the rear of buildings fronting onto Santa Cruz Avenue to the north, Curtis Street to the east, Trader Joe's grocery store and an associated private parking lot to the south, and Chestnut Street to the west. Some buildings that surround the lot to the north have side/rear entrances facing the parking plaza. Adjacent businesses to the north and south have some back-of-house functions, such as garbage collection (Recology bins and

dumpsters) and storage areas, directly next to the parking plaza. Vehicles can access the parking lot by driveways off Curtis Street and Chestnut Street, although the private parking lot associated with Trader Joe's is connected to the parking plaza and allows free circulation

between the City-owned and privately-owned parking lots. The City owns all of Parking Plaza 7 and it functions as one parking lot, but it is split between two parcels, with the driveway off Chestnut Street nearest to Trader Joe's and approximately one-sixth of the total parking spaces on the lot located in a separate parcel from the remainder of the parking plaza. Parking Plaza 7 has a total area of 0.69 acres (including both City-owned parcels). The resurfacing of this parking lot is also a funded CIP project.

Table 9: Parking Plaza 7 Site Characteristics	
Characteristic type	Detail
Parcel size	0.69 acres
Existing parking spaces	94
Zoning district	SP-ECR/D, Downtown
Housing Element projected units	26 very low-income units
Land ownership	City-owned
Number of parcels	2
Specific Plan recommendation(s)	Pedestrian link; market place
Utilities	Overhead lines along interior of lot (central); part of underground utility district and eligible for Rule 20 funds to underground lines
Resurfacing/maintenance	Resurfaced 30+ years ago; in current CIP
Trees	6 heritage; 11 total
Public business entrances on plaza	0 primary; 6 secondary (side/rear) entrances
Pedestrian connections	Sidewalks bordering plaza entrances

Easements and potential land use issues

Title report research on the largest parcel of Parking Plaza 7 (APN: 071-284-100) identified the following key findings in relation to potential legal constraints, easements, and other encumbrances that could affect future development on the parking lot:

- CC&Rs providing 13 leased parking spots to adjacent market (may require termination or relocation if lot is to be used for housing development)
- Two deed covenants prohibiting sale of alcohol (likely not impactful for housing)

Parking Plaza 8

Map



General description



Parking Plaza 8 is in the southeastern quadrant of downtown, bounded by the rear of buildings fronting onto Santa Cruz Avenue to the north, Doyle Street to the east, buildings fronting onto Menlo Avenue to the south, and Curtis Street to the west. The buildings that surround the lot to the north and south have predominantly side/rear business entrances facing the parking plaza, with very few businesses having a primary or sole entrance off the parking plaza. A few of these buildings include

restaurants that face Santa Cruz Avenue and Doyle Street. Back-of-house functions adjacent to restaurants along the parking plaza are more intense, with dumpsters, storage areas, and utilities directly next to the parking plaza. Vehicular access is provided from driveways off Doyle Street and Curtis Street. The parcel at 644 Menlo Avenue also includes private surface parking

adjacent to the parking plaza that is accessible only via the parking plaza. Parking Plaza 8 has an area of one acre.

Site details

Table 10: Parking Plaza 8 Site Characteristics	
Characteristic type	Detail
Parcel size	1 acre
Existing parking spaces	145
Zoning district	SP-ECR/D, Downtown
Housing Element projected units	38 very low-income units
Land ownership	City-owned
Number of parcels	1
Specific Plan recommendation(s)	Pedestrian link
Utilities	Overhead lines along interior of lot (central); part of underground utility district and eligible for Rule 20 funds to underground lines
Resurfacing/maintenance	Resurfaced 30+ years ago; in current CIP
Trees	6 heritage; 13 total
Public business entrances on plaza	0 primary; 8 secondary (side/rear) entrances
Pedestrian connections	Sidewalks bordering plaza entrances

Easements and potential land use issues

Title report research on Parking Plaza 8 (APN: 071-285-160) identified the following key findings in relation to potential legal constraints, easements, and other encumbrances that could affect future development on the parking lot:

- Agreement from 1924 with building value and alcohol use restrictions (likely not impactful for housing development)
- Former parcel sale agreement, dated 1927 (likely satisfied and removable)

Zoning

All of the City-owned downtown parking lots are located in the Downtown (D) district of the Specific Plan area. In January 2024, as part of implementation of the 2023-2031 Housing Element, the City increased allowable densities and other development standards for all Specific Plan districts. Based on the updated development standards, residential development on the downtown parking lots could generally have the maximum attributes shown in Table 11.

Table 11: Residential Development Standards in the Downtown District		
Standard	Base Level Development Maximum	Bonus Level Development Maximum
Density	60 dwelling units per acre	100 dwelling units per acre
Maximum height	60-64 feet (likely 4-5 stories)	81-85 feet (likely 6-7 stories)
Façade height	40 feet (facing right of way/public open space)	40 feet (facing right of way/public open space)
Floor area ratio	2.75	3.75

The bonus level of development, achievable with the provision of a public benefit, allows for significantly taller buildings with higher density. The Specific Plan generally envisions mixed-use developments with ground floor retail/commercial uses and residential units on upper floors, but 100 percent residential development is also allowed in the applicable zoning district. Table 12 shows the approximate maximum number of units that could be constructed on each parking plaza at the base and bonus levels of affordability (without use of the AHO or any state bonuses).

Table 12: Downtown Parking Lots Maximum Units Under Specific Plan Zoning			
Parking Plaza Number	Location Description/Site Inventory Number	Maximum Base Density Units	Maximum Bonus Density Units
Parking Plaza 1 ⁹	Lot between El Camino Real and Chestnut on west side of Santa Cruz (Site #14)	136	228
Parking Plaza 2	Lot off Oak Grove (Site #19)	33	56
Parking Plaza 3	Lot between University and Crane on west side of Santa Cruz (Site #15)	119	199
Parking Plaza 4	Lot behind Draeger's (Site #18)	37	62
Parking Plaza 5	Lot between Evelyn and Crane (Site #16)	60	100
Parking Plaza 6	Behind Wells Fargo, between Crane and Chestnut (Site #10)	45	76
Parking Plaza 7	Near Trader Joe's, between Chestnut and Curtis (Site #9/9a)	41	69
Parking Plaza 8	Lot between Curtis and Doyle (Site #17)	60	100

⁹ Parking Plaza 1 includes Maloney Lane, with an area of approximately 0.22 acres. Rights-of-way are typically deducted from total lot area to calculate the maximum density, gross floor area, and other development regulations for a site. The maximum units shown for Parking Plaza 1 may be reduced based on confirmation of the exact area through a survey and/or other documentation prepared during the disposition/development process.

Other key zoning factors applicable to development on the downtown parking lots include:

- 25-foot setbacks on all sides directly abutting private property (to provide services and fire ladder truck access), otherwise zero-foot setbacks;
- 45-degree building profile stepping the façade back above the maximum façade height; and
- Minimum 100 square feet of common open space or 80 square feet of private open space per unit.

Chapter E of the Specific Plan provides details about other development and design standards applicable to housing on the City-owned parking lots.

State legislation also allows greater flexibility for development within one-half of a mile of a major transit stop (in this case, the Menlo Park Caltrain station) including all eight City-owned parking lots. AB 1763 enhances the state's density bonus law to encourage development of 100-percent affordable housing. For 100-percent affordable housing within one-half mile of a major transit stop, there is no density limit and height can be increased by an additional three stories or 33 feet above what the local zoning would allow. Qualifying projects are also entitled to four incentives or regulatory concessions, which can include deviations from standard zoning requirements such as setbacks. In addition, eligible projects would not have any minimum parking requirements. Projects could also use any provisions of the City's AHO in combination with the flexibility afforded by state legislation to maximize development on the site. A summary of how AB 1763 could increase the maximum development potential on a downtown site is shown in Table 13 below.

Table 13: AB 1763 Development Potential in the Downtown District		
Standard	Base Level Development Maximum	Bonus Level Development Maximum
Density	Unlimited	Unlimited
Maximum height	93-97 feet (likely 7-8 stories)	114-118 feet (likely 9-10 stories)

Surplus Land Act Considerations

The Surplus Land Act (SLA) is a state law that governs the disposition of surplus public land, including land such as the City-owned downtown parking lots. The SLA requires local agencies to prioritize affordable housing development when disposing of surplus land. Before any disposition can occur, the City Council must find that the property is no longer necessary for the City's use and declare the parking lots as "surplus land" or "exempt surplus land" at a regular public meeting.

For non-exempt surplus land, the City must issue a Notice of Availability to housing sponsors and other specific entities, allowing them 60 days to express interest in the property. If interest is received, the City must engage in good faith negotiations for at least 90 days to determine mutually satisfactory sales terms. Under the NOA process, the City may be required to negotiate over proposals that provide as little as 25 percent affordable housing, achieving less than the 345 units affordable to very low-income households targeted in Housing Element program H4.G. Proposals through the NOA process could also lack specific desired components and/or amenities like any replacement parking for existing spaces lost to redevelopment.

Two potential exemptions may apply to the downtown parking lots. The first exemption is for land to be used for affordable housing where at least 80 percent is for residential use and at least 40 percent of units are affordable to lower income households. The second exemption is for land put out for competitive bid for 100 percent affordable housing or mixed-use developments with specific affordability requirements. The City could potentially use these exemptions to streamline the process for affordable housing development on the parking lots.

If an exemption is pursued, the City Council's declaration of exempt surplus land must be supported by written findings and sent to HCD at least 30 days before disposition of the land. The SLA process must be followed before the City can issue any RFP or enter into exclusive negotiations with a developer for the parking lots. The framework of the SLA will play a significant role in shaping any redevelopment efforts and should be considered alongside the physical attributes and zoning considerations of each parking lot.

Recommendations

Based on an analysis of each site's physical attributes, easements, potential land use issues, and zoning considerations, parking plazas with the highest potential for affordable housing redevelopment have been identified. Key factors include lot size, shape, accessibility, existing constraints, and alignment with the Specific Plan recommendations. Considerations for the loss of existing public parking and the potential replacement of parking spaces as part of the redevelopment were also considered. Finally, some potential redevelopment outcomes are explored, with an emphasis on common elements of the three UC Berkeley development plans prepared by student teams in 2023.

Parking plazas with highest redevelopment potential

Based on each site's unique physical attributes, easements, potential land use issues, and zoning considerations, Parking Plazas 1, 2, and 3 emerge as having the highest potential for affordable housing redevelopment. The three lots could be developed with at least 345 units affordable to households at the very low-income level and could meet or exceed the City's Housing Element goals for the downtown parking lots.

Parking Plaza 1 is the largest of all eight City-owned parking lots (2.28 acres) and offers significant development potential:

- Its substantial size allows for efficient building design and site planning, with up to 228 housing units at the bonus level of development, and potentially more utilizing state density bonus law, the AHO, and/or other development flexibility afforded by recent legislation;
- The site has strong access to the surrounding blocks, with multiple access points from Oak Grove Avenue, Maloney Lane, and Chestnut Lane, as well as five pedestrian connections to adjacent streets;
- Proximity to the Caltrain station would offer convenient access to transit and may reduce the need for residential parking as part of a development on the site; and
- No major title issues were identified, with two utility easements along Maloney Lane being unlikely to conflict with development. Existing utilities such as overhead lines and underground gas and water lines could be extended or moved as necessary to accommodate new development.

While there are some existing business entrances and back-of-house functions adjacent to the parking plaza, the size of the parking lot may allow for creative design and ample setbacks to manage compatibility between existing and new developments, with less overall disruption to the existing urban fabric.

Parking Plaza 2 has several characteristics that make it favorable for redevelopment:

- It has a regular rectangular shape with strong accessibility from three street frontages (Oak Grove Avenue, Chestnut Street, and Crane Street);
- There are no heritage trees or significant known utility conflicts;
- There are no major easements or title issues identified;
- Back-of-house functions adjacent to the lot are minimal; and
- The Specific Plan already envisioned the site for a potential parking structure and pocket park.

Although Parking Plaza 2 is the smallest of the parking plazas, it could provide up to 56 units at the bonus level of development, or potentially more utilizing state density bonus law. Its regular

shape and minimal constraints make it ideal for a compact, efficient affordable housing development.

Parking Plaza 3 is the second-largest City-owned parking lot with 1.99 acres, and has its own advantages:

- It has a large, contiguous area for efficient building design and site planning, which could allow up to 199 units at the bonus level of development, or potentially more under state density bonus law and/or the AHO;
- The site has good access to the surrounding blocks, with proximity to Oak Grove Avenue and University Drive and three pedestrian connections to surrounding streets;
- There were no significant easements or title issues identified; and
- The Specific Plan recommendation for a parking structure and pocket park could be integrated with affordable housing.

While there are some existing business entrances and back-of-house functions adjacent to Parking Plaza 3, the size of the lot may allow flexibility in design and the ability to create adequate setbacks to ensure compatibility between existing and new developments.

Together, the three parking plazas, all located north of Santa Cruz Avenue, offer the best combination of size, access, and minimal constraints for potential affordable housing development. Their redevelopment could also provide some alignment with Specific Plan recommendations for parking structures and public space improvements on the sites. Notably, focusing on redevelopment of the three parking plazas could accommodate up to approximately 483 units at the bonus level of development (or more using state density bonus law and/or the AHO), which would exceed the 345-unit goal included in Housing Element program H4.G.

Development on parking plazas south of Santa Cruz Avenue could remain an option for a future stage of affordable housing development. Parking Plazas 8 and 5 would have the highest redevelopment feasibility because of their one-acre size, rectangular shapes, and more limited land use constraints (such as ownership/title issues and easements). Parking Plaza 8 is also more conveniently located near the Caltrain station, which could reduce the need for resident parking associated with affordable housing development on the site.

Using a phased approach would provide the City with a supply of additional locations for future affordable housing and provide ample time for the construction of housing on Parking Plazas 1 through 3. A phased approach would also allow members of the public and businesses to adapt to new parking locations and circulation patterns in the downtown following redevelopment of Parking Plazas 1 through 3.

Replacement of existing surface parking

To balance the needs of existing downtown businesses with the desire to provide affordable housing opportunities on City-owned land, the City should consider maintaining a significant portion of existing public parking. This could be accomplished by requiring lost surface parking spaces to be incorporated as structured parking in any redevelopment project, or through stand-alone parking structures that would be funded through an assessment district, collection of parking fees, and/or other potential sources.

The exact number of spaces to maintain should be determined based on current utilization data and projected future needs. The City, in coordination with the Metropolitan Transportation Commission (MTC), is initiating a parking management study that will be completed over the

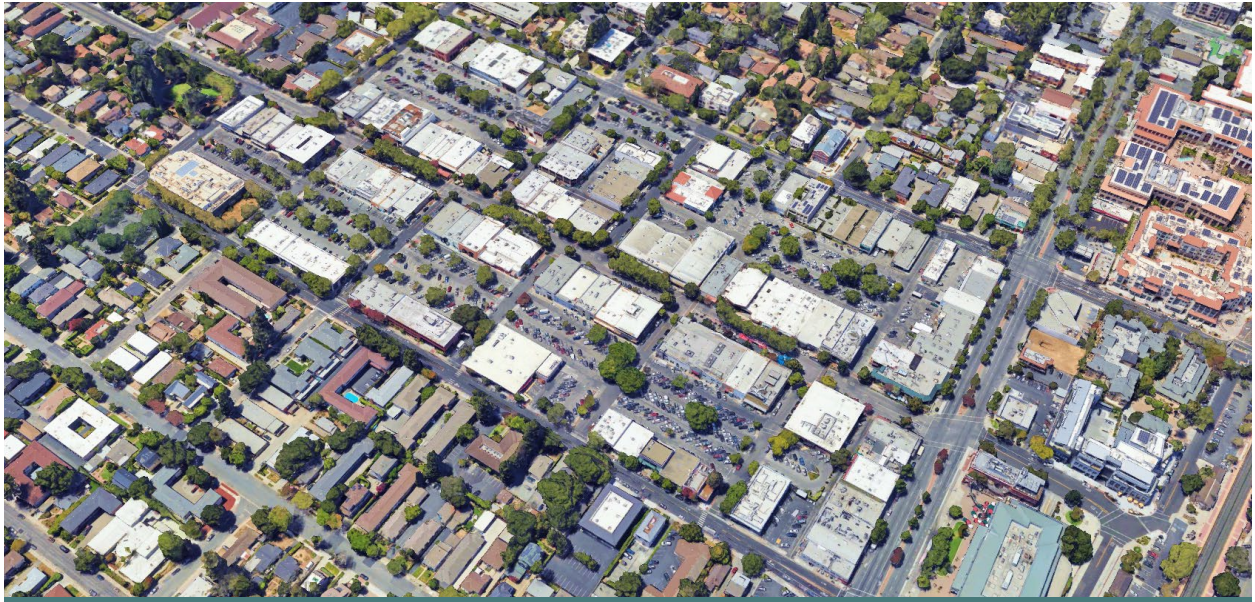
next 18 months. Data and early recommendations gathered during the early part of the study, tentatively planned for fall 2024, may provide a better understanding of downtown parking needs that could be factored into a final development plan. In addition, there may be opportunities to explore shared parking arrangements, where open spaces within new residential developments could be available for public parking during daytime business hours when residents may be more likely to be away from home, and vice versa. The City could explore robust transportation and/or parking management programs, continue to enhance bicycle and pedestrian facilities, and consider phasing development to minimize disruption to downtown businesses and visitors who rely on the existing parking supply.

Potential redevelopment outcomes

While the City has not yet identified developers or selected proposals for the redevelopment of the downtown parking lots, the proposals created by the UC Berkeley studio provide insight into potential development approaches. These proposals, while not formal or binding, offer creative solutions that address many of the challenges and opportunities present in the downtown area. The three proposals prepared by UC Berkeley teams share several common recommendations and solutions that may give a glimpse at how the sites could be redeveloped:

1. Phased development over several years. This would allow for a more gradual transition and could help mitigate impacts on public parking and area businesses.
2. Mix of affordable and market-rate housing. While focusing primarily on affordable housing, all proposals include some market-rate units to help cross-subsidize affordable units and create mixed-income communities.
3. Range of unit types and sizes. The proposals consistently recommend a mix of studio, 1-bedroom, 2-bedroom, and 3-bedroom units to serve diverse household sizes and types.
4. Focus on the needs of various populations. Common populations considered in the proposals include large families, seniors, veterans, and workforce housing.
5. Resident and/or community amenities. All proposals incorporate community spaces, childcare facilities, senior centers, and/or other similar services.
6. Public open space/greenways within and between development sites. A consistent theme of the proposals is to create pedestrian-friendly public spaces and greenways connecting the developments.
7. Structured parking. All proposals include at least one multi-level parking structure to help replace lost surface parking.
8. Density bonuses and streamlined approvals. The proposals consistently rely on density bonuses such as state density bonus law and/or the City's AHO to achieve higher densities, and streamlined approval processes like those offered through SB 330.
9. Multiple funding sources to address development costs. Common funding sources suggested include Low Income Housing Tax Credits (LIHTC), Multifamily Housing Program (MHP) loans and Affordable Housing Sustainable Community (AHSC) Program funds through HCD, county funds, and local sources.
10. Partnerships. All proposals mention partnering with experienced affordable housing developers, service providers, and in some cases market-rate developers.

Ultimately, actual redevelopment of the selected parking plazas will depend on proposals prepared by housing developers and selected by the City Council.



City of Menlo Park Request for Proposals

Development on Downtown Parking Plazas 1, 2, and 3

Issued: Monday, September 15, 2025

Submittal Deadline: Monday, December 15, 2025

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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 Monday, December 15, 2025: <https://vendors.planetbids.com/portal/46202/bo/bo-detail/133785>.
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 Friday, October 17, 2025. 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/downtowndevelopment.

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. Project Priorities 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 Project priorities and desired development objectives on fewer than three sites.

3.1 Project Priorities

Proposals should meet the following Project priorities:

- 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 that enhance the resident experience and livability of the development in areas including active entries and frontages, open space, parking, sustainable practices and green building materials, and landscaping.

3.2 Development Objectives

Beyond the Project priorities, 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 must identify how ongoing business operations for neighboring buildings would be accommodated, including conceptual locations and dimensions of service alleys and delivery loading zones. 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 for 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 Project priorities, 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, including working with neighboring businesses to minimize disruptions to loading and delivery access throughout 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. Process for managing increases or decreases in existing residents' household size and/or income, including situations in which residents no longer qualify for the unit where they reside.
3. Resident services plan detailing on-site services, partnerships with service providers, and funding sources.
4. Commercial management strategy (if commercial spaces are included), including approaches to tenant recruitment and management.

5. 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 <https://vendors.planetbids.com/portal/46202/bo/bo-detail/133785>.

All proposals must be received by Monday, December 15, 2025 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 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 Project priorities 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>.



November 4, 2025

Re: Proposed Ballot Measure Downtown Parking Lots

Dear Mayor Combs, Vice Mayor Nash, and Councilmembers Taylor, Schmidt, and Wise,

Thank you for your service to Menlo Park. Menlo Together and Housing Leadership Council of San Mateo County appreciates that the ballot measure before you is vague, with conditions and exemptions that may be unachievable; It could halt any improvements to downtown parking plazas whatsoever.

Menlo Together is a group of Menlo Park and Peninsula residents who envision a city that is integrated and diverse, multi-generational, and environmentally sustainable. Our core values are: *equity, sustainability, inclusion, health, and racial and economic justice*. We come together around these core values because they are necessary to the health and strength of our community.

Housing Leadership Council of San Mateo County works with communities and their leaders to create and preserve quality affordable homes.

We are writing to urge the City Council to commission a study, as allowed by Election Code 9212, to understand the full impacts that this vague ballot measure would have on our city. Proponents are not trained planners or economists, they are not elected by the community, and many do not even live in Menlo Park. So it is essential that the city fully understand the potential impacts this measure would have on Menlo Park residents now and in the future.

The Election Code provision allows cities to complete such a report. While the election code has specific sections that are required, the city can also add (within reason) other issues that may have a significant impact on the city's ability to function. Menlo Together

and Housing Leadership Council of San Mateo County would like to see the following topics studied in addition to what is required:

1. How would the measure affect the city's ability to comply with state housing laws, including production of affordable housing and affirmatively furthering fair housing. Put another way, Menlo Park currently has a compliant housing element. If this measure passed, what would Menlo Park need to do to stay in compliance and prevent additional builder's remedy proposals in the current housing element cycle;
2. How would the measure affect the city's ability to add new homes and modern parking and transportation management strategies downtown?
3. Are there examples of other nearby cities that have added new homes and modern parking and transportation management strategies to their downtowns, and do we know how that has changed vacancy rates of retail spaces and sales tax?
4. How would the measure affect employers' ability to attract and retain workers, especially workers that are employed with local retailers, pre-school teachers, health aides, and other low income employees;
5. How would the measure affect Menlo Park's climate and environmental justice goals? For example, through its impact on people driving to or through Menlo Park for work because they cannot afford to live here;
6. How would the measure affect racial and economic equity;
7. What would be the potential legal costs to the city if the city found that the measure was in conflict with state law or unenforceable, given Section 10 of the ballot measure, which would indemnify the proponents for legal expenses and losses incurred against "any judgement against the constitutionality, statutory permissibility, or implementation of this Ordinance, in whole or in part, if any court of law"?

This list is not comprehensive or exhaustive. We recognize that the city has limited resources, but it is essential that we have a strong understanding of some of the most measurable impacts this law could have on our community.

Sincerely,

Menlo Together and Housing Leadership Council

November 4, 2025

VIA E-MAIL; city.council@menlopark.gov; dcombs@menlopark.gov

Mayor Drew Combs and Councilmembers
701 Laurel St.
Menlo Park, CA 94025

Re: City Council Meeting Agenda Items J2 and J3 Regarding “Downtown Parking Plazas Ordinance Initiative”

Dear Mayor Combs and Councilmembers:

We represent the proponents of the Downtown Parking Plazas Initiative, who have asked us to submitting comments to the City Council about a potential “section 9212 report” about the Initiative. Specifically, if the Council elects to use its authority under sections 9215 and 9212 of the California Elections Code to have the City commission a report regarding the Initiative, we respectfully ask that its scope be both comprehensive and balanced, so that the Council and the community receive a full and credible analysis of the Initiative.

Specifically, we request that the report include a fair and impartial evaluation of the following issues relating to the possible redevelopment of the downtown parking plazas:

- **Business viability and economic impacts** on downtown merchants and property owners
- **Risk of litigation**, including potential claims related to business access and viability
- **Parking availability and downtown access**, including ADA accessibility
- **Traffic circulation, congestion, and emergency response access**
- **Fire safety and evacuation implications**
- **Soil and environmental contamination risks** associated with redevelopment of the parking plazas
- **School capacity and projected enrollment impacts**
- **Financial exposure to the City**, including legal costs, mitigation costs, infrastructure costs, and potential lost tax revenue

We also request that the report evaluate the consequences of the City not adopting the Initiative and instead continuing to pursue the redevelopment of the downtown parking plazas. This analysis should include realistic assessments of the business, legal, environmental, safety and fiscal risks associated with that path, thereby providing a baseline for residents and the Council to compare alternatives.

Mayor Drew Combs and Councilmembers
November 4, 2025
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A complete and transparent report will strengthen public trust and ensure that Menlo Park makes informed, defensible decisions about the future of our community and downtown economy. A one-sided report would not only damage the public decision-making process, but could also run afoul of the legal limitations on City's actions around citizen initiatives.

The request of the Initiative's proponents is simple: if the Council chooses to have a section 9212 report prepared, that the report is a fair, thorough and balanced analysis of the Initiative. The community deserves nothing less.

Thank you for your consideration of these issues surrounding a potential section 9212 report.

Sincerely,

RUTAN & TUCKER, LLP



James R. Sutton

JS:er

cc: City Clerk Judi Herren
City Attorney Nira Doherty
Alex Beltramo, Initiative Proponent