



## HOUSING DIVISION

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**DATE:** July 27, 2011  
**TO:** Interested Developers  
**FROM:** Douglas Frederick, Housing Manager  
**SUBJECT:** Request for Qualifications from Developers for the Hamilton Avenue East Housing Project

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The City of Menlo Park is pleased to announce the availability of a Request for Qualifications from Developers for the Hamilton Avenue East Housing Project. The City owns a vacant site consisting of approximately 2.1 acres, currently zoned light industrial at 777, 785, 787, 791, 801, 811, and 821 Hamilton Avenue. It is the intent of the City that this site be developed for homeownership and/or rental, transit-oriented, market rate housing at 30 to 35 units per acre. Additionally, approximately five acres of privately held light industrial sites adjacent to the City's property could be acquired from a willing seller and added to the City's site for a total development size of about 7.1 acres. Some of the private property owners have expressed a willingness to sell. Submissions should address options for the City's site as an individual project and combined with the remainder of the block for the entire 7.1 acre site. The Request for Qualifications (RFQ) is attached to this cover letter.

The project site was included in a recent design charrette conducted for the coming relocation of Facebook headquarters to the nearby former Sun Microsystems campus and their purchase of the commercial site immediately adjacent to the City's property across the railroad right-of-way (312 and 313 Constitution). Conceptual illustrations for the City's property and its light industrial neighbors on Hamilton Avenue are included as an attachment to the RFQ.

Please note that the Pre-proposal Conference will be held at 3PM on Monday, August 8, 2011 in the City Council Chambers, 701 Laurel Street, Menlo Park. Responses are due on October 14, 2011. We look forward to discussing your submission with you.

Thank you for your interest in developing housing in Menlo Park.

# Request for Qualifications from Developers for the Hamilton Avenue Housing Project Issued July 27, 2011

## ❖ Introduction

The Housing Authority of the City of Menlo Park (Authority) is requesting statements of qualifications from housing developers to design a 2.1 acre site (777, 785, 787, 791, 801, 811, and 821 Hamilton Avenue) as transit-oriented, market rate housing (see Attachment A for map), and to develop the housing on the site. Additional light industrial properties adjacent to the City's holding could expand the site to 7.1 acres and design options should be included that include the expanded site. The housing development should be designed to accommodate 30 to 35 homeownership and/or rental housing units per acre. The property is a significant part of the Authority's multi-year program of improvements for the Belle Haven neighborhood.

The Authority is seeking a very experienced housing developer to design the project with neighborhood input, secure entitlement approvals and financing, and build the project. The Authority and the developer will enter into a disposition and development agreement (DDA) for the project, which will be subject to review and approval by the City Council/Housing Authority Board. Note that the City Councilmembers also serve as the Housing Authority Board and the Redevelopment Agency Board, that is, as the governing body of the Community Development Agency for the Las Pulgas Community Development Project Area (see Attachment B for map of the overall redevelopment area).

## ❖ Major Agency Improvement Plan for the Belle Haven Neighborhood

The City of Menlo Park has undertaken an aggressive improvement program in the Belle Haven neighborhood since the early 1980's. In the 1980's the City created the Las Pulgas redevelopment project area, which includes the Belle Haven neighborhood. The significant project for the 1980's was development of 130 apartments for very low-income families. In the 1990's, using new redevelopment bond funds, the Agency established a neighborhood shopping center, new senior citizens center, health clinic, child development center, refurbished the community center, enlarged a local park, constructed a public library, and made a major contribution to the construction of a facility for an employment training center (Opportunities Industrialization Center West or OICW). The Agency also rebuilt streets, storm drains, curbs, gutters and sidewalks. At the same time, the Agency facilitated the construction of a fire

station near the proposed park and housing site. Also, a Boys and Girls Club facility in the neighborhood was remodeled with redevelopment assistance.

In recent years, the Agency prepared new streetscape plans for the major streets, implemented traffic calming measures, redesigned three six-way intersections into safer configurations, redesigned and rebuilt athletic fields and elementary school grounds, and acquired land for the Hamilton Park housing and park project completed in 2007, as well as relocated businesses located on the park and housing site. In conjunction with the Hamilton Park 42 unit housing development on Hamilton Avenue, the Agency implemented new streetscape plans for two major streets in Belle Haven. Significant streetscape improvements, including undergrounding utility lines, were completed for Hamilton Avenue, the street adjacent to the Hamilton Park housing project. The Agency also constructed a plaza on Ivy Drive connecting the elementary school and a City/school library with a child development center. The City also makes 5 to 10 loans each year to rehabilitate homes owned by low-income families and supports active drug-abatement and code enforcement programs.

Additional improvements to the neighborhood include the construction of a police and city services center, which is in progress.

## ❖ City Housing Policy

*Below Market Rate Housing (BMR) Program.* Menlo Park manages an inclusionary zoning program that requires the development of units for low- to moderate-income households in new private housing developments. The BMR Housing Program requires developers of residential housing in developments of 20 or more units to provide 15% of those units at below market prices. Thus far this program has resulted in the construction of 58 BMR units. Menlo Park requires housing units or commercial linkage fees from commercial developers as well. In addition, the City has a first-time homebuyer downpayment assistance loan program.

*Affordable Housing Production.* The City of Menlo Park has assisted developers in the development and maintenance of affordable housing for over thirty years. The City has assisted several non-profit housing developers in developing and rehabilitating family and senior housing, and has contributed funds for temporary living facilities for homeless families. Altogether Menlo Park has assisted financially in the development or rehabilitation of 192 rental apartments, mostly for low- or very low-income households. The Hamilton Park housing project consisted of 42 units, including 20 units of housing for low- to moderate-income households through the BMR program. The project concepts for the Hamilton Avenue East housing project are not expected to address affordable housing needs beyond the mandatory 15 percent BMR requirement.

## ❖ Project and Site

The City purchased the 2.1 acre site in 2001 in an attempt to remove some undesirable uses from the site. The light industrial uses along Hamilton were zoned as such at that time to limit the types of uses that could be introduced to the neighborhood. It has long been the City's intent to develop housing on the site. Discussions with adjacent landowners have indicated a willingness to sell for inclusion in broader development plans. The recent relocation of the Facebook headquarters to the former Sun Microsystems campus and purchase of what has been known as the "GM site" has sparked interest in redevelopment in the community, including future location of a transit center to service bus and train commuters, circulation improvements to the Belle Haven community and the surrounding industrial uses, and additional retail and restaurant facilities. A design charrette was held in March of 2011 to provide a vision for the Facebook campus and areas immediately adjacent to the Facebook campus, including the City's housing site and the adjacent properties. Design concepts from the charrette are included as Attachment C.

### ➤ Site Description

*Surrounding uses and amenities.* The housing site is located on the north side of a residential neighborhood, adjacent to residences and churches, and buffered by the railroad right-of-way from a site recently purchased by Facebook for future office expansion. See Attachment A for a map. Single-family houses are to the south across Hamilton Avenue. Light industrial uses are immediate neighbors on the east and west. Further to the east are commercial uses along Willow, along with income-qualified multifamily housing. The local transit agency, Samtrans, owns the proposed commuter railroad tracks that lie immediately to the north.

*Streets.* Hamilton Avenue, a collector, defines the south edge of the site. There are no through streets crossing the railroad tracks that bound the property on the north. Willow Road defines the neighborhood a block east of the City's property.

*Floodplain.* The park and housing site, along with surrounding property, lies in the 100 year floodplain. Housing structures will require about one to four feet of fill.

### ➤ Entitlements

The site is zoned for light industrial at this time, and is designated medium density residential in the General Plan. See Attachment D for zoning. The site is currently owned by the Authority, but funding was through the Community Development Agency. As a result, redevelopment law applies to development of the site. The developer will be expected to apply for any zoning changes required for housing development, including the development of any Environment Impact Review (EIR) that such changes would require.

## ➤ Site Concept

The Authority's project objective is to develop housing on its 2.1 acre site, with options for including additional land purchased from adjacent light industrial owners. The total site could include up to 7.1 acres. The City will expect conceptual designs for both the individual, City-owned site and the entire 7.1 acre option after community input, including the area residents, Facebook, and other commercial owners, is gathered. Current density targets call for 30 to 35 units per acre. The City envisions an innovative project including owner-occupied and/or rental housing, with the potential of mixed-use on the ground floor where the developer sees it as a viable option. Mixed-use options might include a market, retail, coffee shop or restaurant uses, or office uses with provisions for pedestrian or bike patrons along with residents and auto traffic. Variations in specific uses, such as senior housing, may be considered. The Authority encourages innovation in the overall site plan, and is open to new ideas on circulation and traffic calming, including street widths and curb treatments. A pedestrian/bike-friendly environment is desired. Site planning is desired that carefully monitors where parking can occur. In addition, it is important to create a sense of separation between the railroad right-of-way and the housing. Review by current neighborhood residents will be an important part of determining the final design.

At neighborhood meetings to discuss the development of a housing project at this location, some residents have raised concerns about the impact of additional vehicles on the adjacent streets; particularly, Hamilton Avenue.

Residents considering the addition of new housing have also expressed concerns about the number of parking spaces that will be needed by the new residents, because Belle Haven already experiences overflow parking with vehicles parked in front yards. Finally, noise and vibration from the future commuter railroad could also be an issue for new housing. The regional transportation agency, SamTrans, should be included in discussions about site design to ensure that full consideration of the potential commuter rail system is included.

## ❖ Financial Considerations

Due to the high cost of land in Menlo Park and insufficient funding from federal and state housing programs, the Authority expects developers to have access to outside capital. The project is expected to address market needs and include a BMR component as with any other housing development project in Menlo Park. It is not expected that the City will contribute any BMR or redevelopment agency funding to this project or sell the City-owned property at a below-market price in exchange for BMR considerations. The City expects compliance with the BMR requirements of 15 percent below market rate units, sold or rented to income qualified applicants from the City's BMR wait list at prices determined by the City

under a BMR agreement with the developer. Those prices, in the case of owner-occupied housing, are determined at current market conditions (interest rates, insurance costs, etc.) as units are completed.

## ❖ Restrictions

*Below Market Rate Housing Program.* It is the City's intention that the project be market rate and comply to the City's BMR requirement of 15 percent of the units priced at levels affordable to low- to moderate-income households. Applicants for the housing must live or work in the City for a year, and are selected on a first-come, first-served basis from a City maintained income-qualified waiting list.

*Redevelopment rules.* Redevelopment funded projects are required to follow SB 975, which requires that redevelopment funded projects pay prevailing wages in most cases. It is not clear that prevailing wages are required if the only public subsidy is a land write-down to fair reuse value when no other public subsidies are involved. Publicly funded off-site improvements for which there is no payback do not trigger prevailing wages for a private housing project.

## ❖ Developer Qualifications and Experience

- The City of Menlo Park is seeking a housing developer with the following capabilities and qualifications.
  - Extensive experience as a developer of ownership and/or rental housing with proven success in securing funding.
  - Experience and understanding of the specific challenges of ownership and/or rental housing development.
  - Experience with in-fill housing on similar sized sites.
  - Understanding and sensitivity to neighborhood concerns and demonstrated success in conducting community outreach and participation necessary to secure support for housing projects.
  - Track record of developing housing of high architectural and site design quality.
  
- Preferred – Additional Qualifications and Experience
  - Experience with ownership and/or rental development, financing, and sales is preferred.
  - Experience with “green building” techniques is very much desired.
  
- Development Team Qualifications
  - Project manager and other staff with development experience
  - Availability of assigned staff to work on this project

- Experience of financial consultant to be used
- Experience in housing design and development

➤ Financial and Managerial Capacity of Organization

- Financial strength and ability of development organization to carry predevelopment costs, secure predevelopment and construction financing and provide equity contributions
- Lack of serious audit findings or negative ratings from housing financing agencies

❖ Required Developer Submittals

- Letter stating your interest in the project and describing in detail your organization's qualifications and experience with specific information provided for each of the items listed in the previous section, "Developer Qualifications and Experience."
- A description of your organization's and other consultants' relevant background and recent experience; the specific resumes of staff to be assigned to this project must be included.
  - A description of 3 to 5 recent ownership and/or rental housing projects including housing type, size, financing, year started and completed, and local government references.
  - References from public and private lenders.
  - References from Bay Area planning and zoning agencies.

**Submittals are due on Wednesday, October 14, 2011 by 4 PM.  
Late submittals will be rejected.**

Ten copies of the proposals are required and must be submitted to:

Douglas Frederick  
Housing Manager  
701 Laurel Street  
Menlo Park, CA 94025-3452

❖ Selection Process

A pre-proposal conference is scheduled for Monday, August 8, 2011 at 3 PM in the City Council Chambers at the City of Menlo Park Administration Building, 701 Laurel Street, Menlo Park, CA. Attendance at the conference is not mandatory.

The conference will be held to discuss the City's objectives and RFQ requirements, as well as to answer questions from prospective developers in attendance. Please call Douglas Frederick at 650-330-6724 to indicate whether you plan to attend the pre-proposal conference, no later than Friday, August 5, 2011.

A review team comprised of members of the Housing Division and other City departments will evaluate developer submittals. The initial review will determine conformance to submission requirements and whether proposals meet the minimum criteria established. Subsequent review will evaluate relevant experience, technical merit and financial terms of the proposal.

The review team will consider the following factors:

- Developers' acceptance of RFQ terms, completeness of submissions, and compliance with the submission requirements of the RFQ
- Experience of the development team in developing comparable projects
- Demonstrated ability of development team to deliver a quality product
- Demonstrated ability to finance housing projects

After an initial review, the Housing staff may conduct telephone or direct interviews with the developers whose submittals receive the highest ratings to further review the technical and financial aspects of their proposals. Through this process developers will have the opportunity to clarify proposals and advise the Housing staff of any pertinent information. Subsequent interviews may be scheduled, as deemed necessary in the sole discretion of the Housing staff.

The most qualified developers will then be interviewed by a Selection Committee which will include City officials, adjacent property owners, and neighborhood residents. This Selection Committee will be a Brown Act body, since the Council is going to be approving the formation of this Committee, and all materials provided to the Committee will be open and public records.

Upon completion of the interviews, a developer will be recommended to the City Council/Authority Board for an Exclusive Negotiating Rights Agreement by early December 2011. Staff will then work with the approved developer to prepare a Disposition and Development Agreement and to prepare detailed development plans and the application for development.

## ❖ Notice to Developers

This RFQ and the selection process shall in no way be deemed to create a binding contract or agreement of any kind between the Housing Authority of the City of Menlo Park and any developer submitting a proposal. All legal rights and obligations between the successful developer(s), if any, and the City will come into existence only when a project is approved by the City Council/Authority

Board and the appropriate legal documents are fully executed by the parties. The legal rights and obligations of each party shall at that time be only those rights and obligations which are set forth in such legal documents. Each Developer submitting a proposal in response to this RFQ agrees that the preparation of all materials for submittal to the Agency and all presentations are at the developer's sole cost and expense and the Authority shall not, under any circumstances, be responsible for any costs or expenses incurred by a developer. In addition, each developer submitting a proposal agrees that all documentation and materials submitted with a proposal shall remain the property of the Authority and are, as such, public records discoverable under the California Public Records Act.

The Authority will not pay broker's fees. The Authority reserves the right to accept or reject any and all proposals and to issue a new RFQ, or not, at any time.

### ❖ Prohibition of Gifts

City officials are subject to several legal and policy limitations regarding receipt of gifts from persons, firms, or corporations either engaged in business with the City or proposing to do business with the City. The offering of any illegal gift shall be grounds to disqualify a proposer. To avoid even the appearance of impropriety, developers submitting a proposal should not offer any gifts or souvenirs, even of minimal value, to any City officers or employees.

### ❖ Timeline

During the proposal preparation period, Housing and Redevelopment staff will be available to clarify any portion of the RFQ. Tours of the project area may also be arranged.

RFQ Issued	July 27, 2011
Pre-proposal conference	August 8, 2011 at 3:00 p.m.
Responses due	October 14, 2011 at 4:00 p.m.
Response review period	October 17–October 31, 2011
Interviews	November 1–8, 2011
Notification of recommended developer	Week of November 14, 2011
City Council/Agency approval of ENRA with developer	December 13, 2011

### ❖ Attachments

- A. Hamilton Avenue housing site location
- B. Las Pulgas Project Area
- C. Site concepts developed at Facebook charrette

## D. Zoning Map

### ❖ Additional information

If you identify any additional information that would be helpful in completing a response to this RFQ and would like City assistance please call Douglas Frederick at 650-330-6724.

### ❖ Contact

During the proposal preparation period, Housing Division staff will be available to clarify any portion of the RFQ. Tours of the project site may also be arranged. If you need further written information regarding this proposal, please contact:

Douglas Frederick  
Housing Manager  
650-330-6724  
Fax: 650-327-1759  
e-mail: [dwfrederick@menlopark.org](mailto:dwfrederick@menlopark.org)

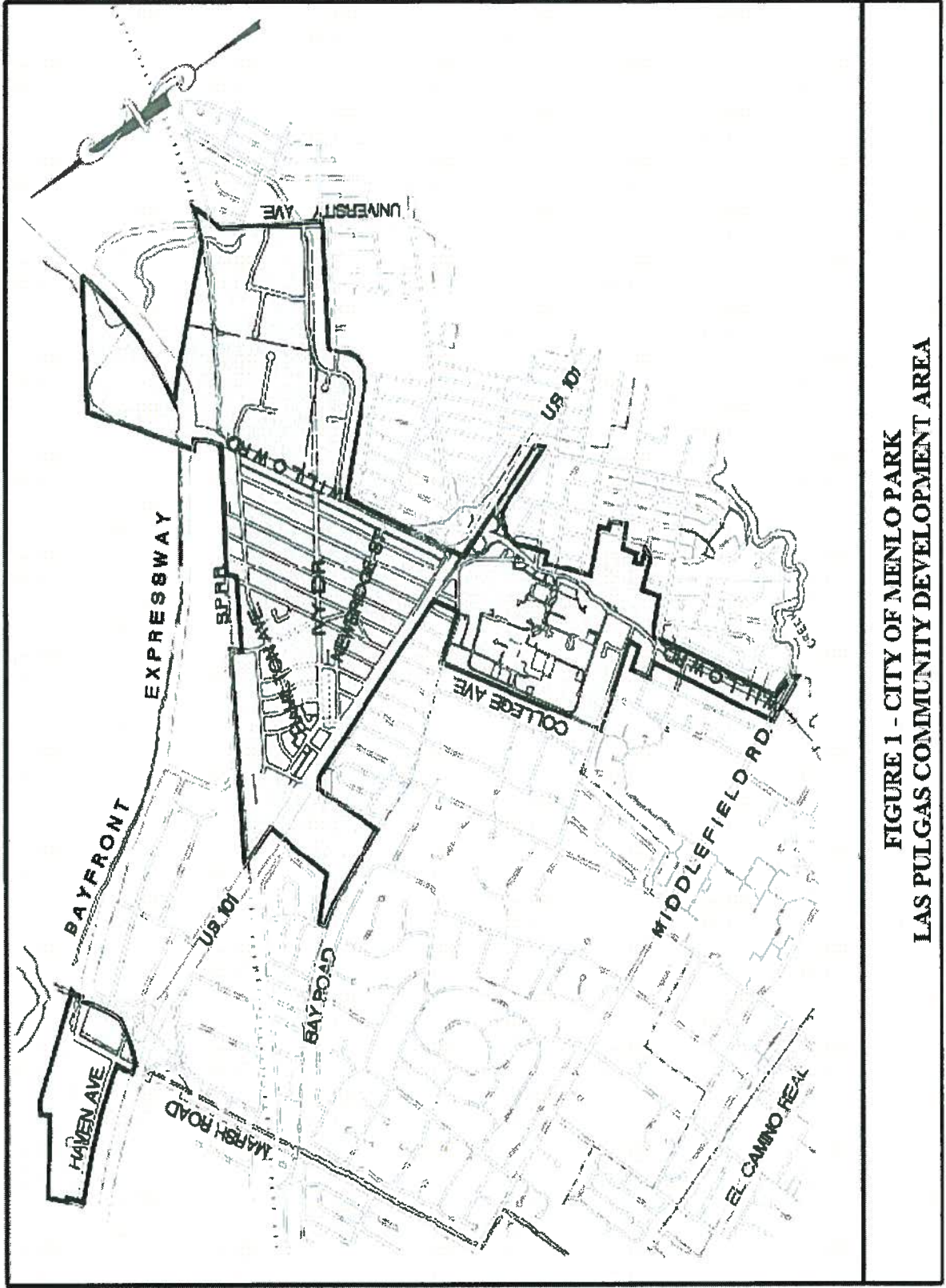
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# Attachment A: Site Location

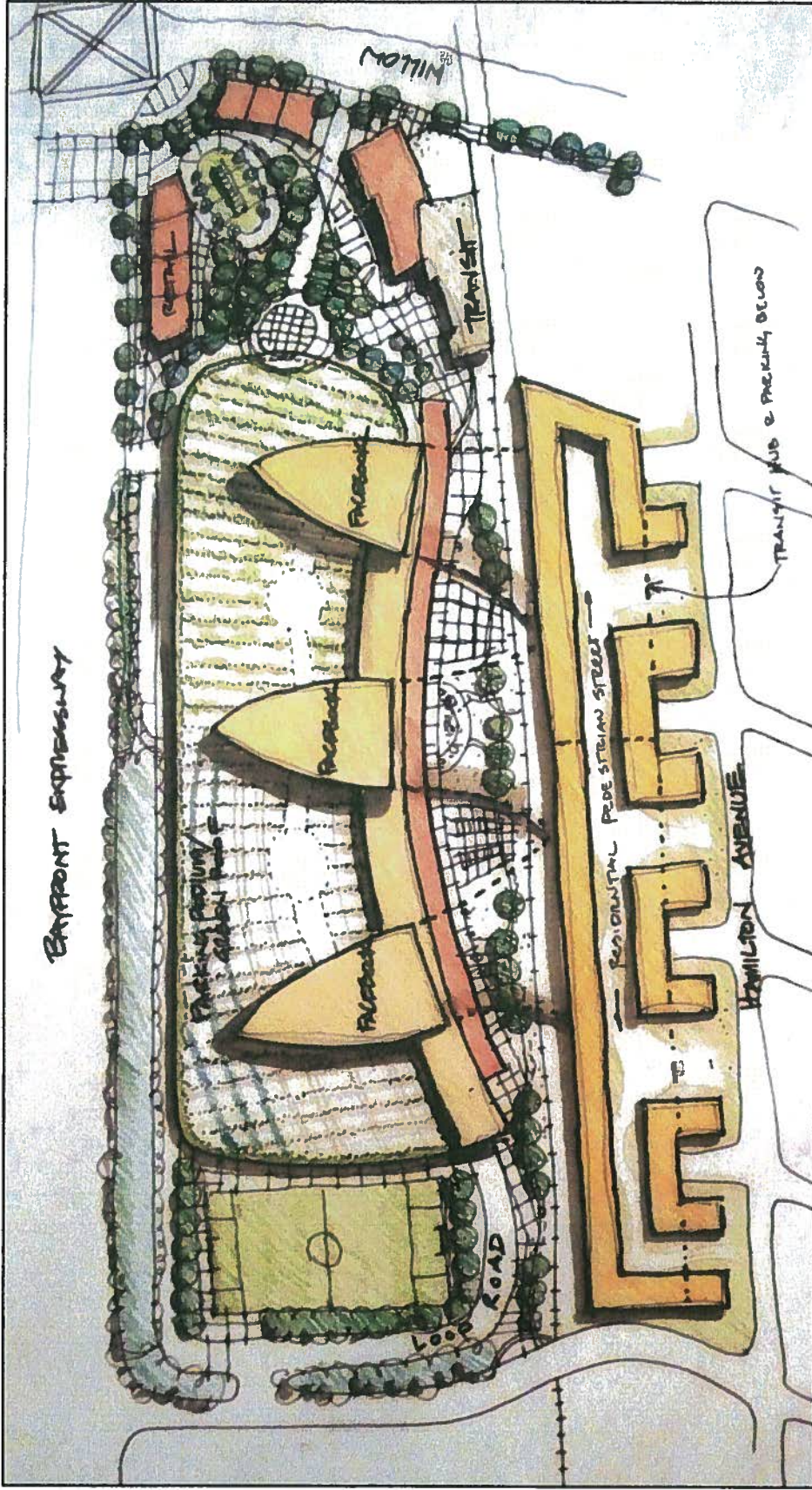


● - PRIVATE  
● - CITY-OWNED

**Attachment B – Las Pulgas Project Area**



**FIGURE 1 - CITY OF MENLO PARK  
LAS PULGAS COMMUNITY DEVELOPMENT AREA**



Attachment C – Facebook Charrette Site Concepts

