Illustration

COVER STORY & DEEP DIVE | DEVELOPMENT

Developer Proposals for Downtown Affordable Housing Confirm This Project Is Doomed.

By Nicolas Hendricksen February 4, 2020 9:01 am Updated 9 months ago

COVER STORY & DEEP DIVE
Downtown Project Proposal Is Dead, Developer Says
Developer Proposals for Downtown Affordable Housing Confirm This Project Is Doomed.
Parking Requirements Are Unknown, Are Critical to Project Viability
Downtown Project Proposal Is Dead, Developer Says
Council and Stakeholders Lose Hands in Downtown Redevelopment Project
As Mission Rock, Advanced Group both Announce Big Projects, Our Turn

"I am confident this Project will NOT see the light of day. The only reason we are doing this is because we are required to do so. Planning for this Project is approaching a dead end. Expect this in 2020."

Big Dig Center, Dec. 31, 2020, citing City of Alameda Prime Consultant Group's proposals to develop 340 units of affordable housing and 340 spaces of replacement public parking on Parcels 1 and 2 of the Alameda Point Development Project, Downtown Alameda. The City has received 4 pro-possible developers to submit proposals for the Project. Allen Communities (Allen), Eden Housing, POTA Ventures, Related California (Related) and Bridge Housing (Bridge) have all pulled out of the Project (Analysis). Three – Bridge, POTA Ventures and Eden Housing – decided NOT to submit proposals. Therefore, only two of the six market-rate pro-developers closest to Alameda Point have submitted proposals to develop the Project.

Note the Proposals, provided below, show that the Allen PPP Housing Option is 2 "Minimum" of 340 residential units affordable to households making 15% to 80% of area median income (AMI). Allen's Proposal also requires the City to provide a subsidy (Ground Rent) for the Project over its 99-year term, of **a lump-sum Ground Rent** of $1.5 million.

In the past, I mention what the Allen and Related Site proposals reveal about the City's ability to build out Implement the proposed Plan (Project) (Project or Housing Element). I believe there is an extremely high risk that the City cannot accomplish the Housing Element, and that the Housing Element will be rejected by the California Coastal Commission and the State of California. On Sept. 17, I ran the most recent RFL program on an outlook for meeting its 2023-2031 very low-income housing requirements. I stated that the City's RFL program, "is in trouble and is challenging the City. And in December, I even said there has apparently a decide-to-decide option." Now, I believe the Project is approaching a dead end. Expect parking lots, land bunking in the background is a Red Lure that challenges the City's legal rights to develop public parking lots as "surplus land".

In subsequent posts, I will examine additional affordable housing topics, e.g., the Housing Element, Density Bonus, Surplus Land, Inclusionary Housing, and the City's current predicament, and ways the current Council could get the City out of it.

1. "Tipps-Down" Look At Both Proposals

a Construction. Both developers treat the Project as three individual construction projects, with separate construction schedules, and three construction starts – about a year after a developer agreement is signed. Construction of the Project will last 2.5 years.

b Affordable housing. Both provide housing for the **340 affordable** with income of 15% to 80% of the county average median income (AMI).

Proposals	Studio Unit	1 Bedroom Unit	2 Bedroom Unit	3 Bedroom Unit	Total Units	Affordable Units
Allen	$1,500	$1,700	$2,000	$2,300	$1,700	$1,500
Related	$1,500	$1,700	$2,000	$2,300	$1,700	$1,500
Average	$1,500	$1,700	$2,000	$2,300	$1,700	$1,500
Allen	$1,500	$1,700	$2,000	$2,300	$1,700	$1,500
Related	$1,500	$1,700	$2,000	$2,300	$1,700	$1,500
Average	$1,500	$1,700	$2,000	$2,300	$1,700	$1,500
Allen	$1,500	$1,700	$2,000	$2,300	$1,700	$1,500
Related	$1,500	$1,700	$2,000	$2,300	$1,700	$1,500
Average	$1,500	$1,700	$2,000	$2,300	$1,700	$1,500

Table 1 – Average Rents Proposed by Developers for Affordable Units

c Public Parking. Both include full replacement of the existing 350 public parking spaces. Each places affordable housing residents on street-facing when downtown businesses are NOT depending on them. Allen preserves ground level public parking, and Related does not. Allen's Proposal provides the replacement of public parking in a 6-story parking structure on Phase 1.

d Building Heights. Both include 7 and 6 story residential buildings. Related Also also includes a 6-story residential building and a 6-story parking structure.

e Project Development Cost. The Allen estimate is $200M, and the Related CA is $300M including $60M for a relocated parking structure.

f City Financial Support. Neither developer is willing to fully fear the cost for the Project, including parking spaces. Therefore, both request substantial Financial Assistance from the City.

g Excluded Costs. Neither developer includes the potentially high cost of relocating essential services like power, water and sewer to the Project.

2. Overview of Allonnt Proposal

2a. Design Concept

Figure 2 – Allen Proposal Site Plan, Including Parking Structure, Phase 1 Shown in Green

Figure 3 – Allen Proposal Site Plan, Including Parking Structure, Phase 1 Shown in Green

- Two 7-story buildings on Phase 1, 6 stories on Phase 2, and a 7-story on Phase 3
- 100% affordable housing, 340 units with very low-income (VLI) units
- Ground floor retail, 3,000 square feet, 6,000 square feet, and 6,000 square feet
- 100 extremely low income (ELI) units and 67 very low income (VLI) units
- Studio, 1 BR, 2 BR and 3 BR apartments
- Phase 2 is dedicated to seniors and their parking
- Phase 3 is dedicated to Veterans and their supportive parking spaces
- Public parking is on the two levels of the residential buildings on Phase 1 and 2
- One physical residential parking space is planned for every two households. (0.5 spaces)
- Assumes parking management measures and enable residents to share public parking spaces without harming downtown businesses.

Ground Floor	Phase 1	Phase 2	Phase 3	Total	Studio	1 Bedroom	2 Bedroom	3 Bedroom
6 stories (Allen)	84	84	67	235	35	105	1 units/bed	1 units/bed
6 stories (Allen)	84	84	67	235	35	105	1 units/bed	1 units/bed
6 stories (Allen)	84	84	67	235	35	105	1 units/bed	1 units/bed
6 stories (Allen)	84	84	67	235	35	105	1 units/bed	1 units/bed
Average	84	84	67	235	35	105	1 units/bed	1 units/bed
Total	336	336	268	940	140	420	4 units/bed	4 units/bed
Percent	36%	36%	28%	100%	15%	45%	43%	43%

Table 2 – Allen Proposal Number of Units, Unit Mix, Number of Bedrooms, Number of Residents

2b. Construction Schedules

- Allen's assumes a developer agreement is signed in 12/2020
- Construction starts on Phase 1 in 4/2020 and finishes in 12/2022

Figure 4 – Allen Proposal Construction Schedule Assumes Developer Agreement in 12/2020

2c. Financial Assumptions

- **Project Development Costs $200M** total (Phase 1 – $91.500/Phase 2, $29.5 M/ Phase 3 – $79.000)
- Projected average rental revenue, $0.8M in first year
- Average annual revenue per 30% and 50% AMI units is $1.02M in first year
- Average annual revenue per 60% and 80% AMI units is $1.5M
- Average cost per unit, $400,000 includes a share of public parking cost

2d. General Assessment Of Allonnt Proposal

Pros –

- Provides 340 units of affordable housing and 350 public parking spaces
- Preserves existing public parking spaces on Phase 1 and 2

Cons –

- Provides only 100 units of very low-and extremely low-income housing
- Only 67 units for seniors
- Long construction schedule creates large public parking problems on 2019 Lists of Special Sites

3. Overview of Related-Alta Proposal

Alta developed parking, Related CA and the housing, have proposed a project that includes 340 units of affordable housing, 750 units of market-rate housing, 350 public parking spaces, and 6,000 square feet of retail. Related CA proposes affordable housing for households with extremely low, very low and moderate income.

Figure 5 – Rendering of Alta Project Development Site Footprint With parking Buildings and Landing Decks Shown in Green

Figure 6 – Rendering of Alta Project Development Site Footprint With parking Buildings and Landing Decks Shown in Green

Figure 7 – Rendering of Alta Project Development Site Footprint With parking Buildings and Landing Decks Shown in Green

3a. Design Concept

- Two 6-story buildings on Phase 1, 5 stories on Phase 2, 6 stories on Phase 3
- 6-story public parking structure on Phase 1
- Ground floor retail, 3,000 square feet, 6,000 square feet, and 6,000 square feet
- Number of units, 340 residential units and 6,000 square feet of retail
- Income categories, 30% AMI, 50% AMI, 60% AMI and 80% AMI (Figure 17)
- Phase 3 is dedicated to seniors and their parking
- VLI units are apartments with 30% parking spaces (1.2 spaces per unit)
- Public parking is concentrated on Phase 3
- Phase 1 is dedicated to Related's and Alta's residential parking spaces.
- One physical residential parking space for every two units (0.5 units)
- Assumes parking management measures enable affordable housing residents to share public parking spaces when not needed by others who visit Downtown.

Phase #	Number	Unit Type	Parking Ratio
1	0.5	Residential - Affordable Senior	0.25	13
2	0.5	Residential - Affordable Family	0.25	13
3	1.0	Residential - Affordable Family	1.2	72
		Public Parking		170
Total	**4.00**		**1.90**	**267**

Table 3 – Alta's Assumed Number of Units, Unit Mix, Number of Bedrooms, Number of Residents

Income	Studio	1 Bedroom	2 Bedroom	3 Bedroom
Unit Mix	0	0	0	0
AMI	0	0	0	0
AMI	0	0	0	0
AMI	0	0	0	0
AMI	0	0	0	0
AMI Limited	0	0	0	0
Market	0	0	0	0
Total	0	0	0	0
Units	0	0	0	0
Residents	0	0	0	0

Table 4 – Alta's Assumed Number of Units, Unit Mix, Number of Bedrooms, Number of Residents

3b. Construction Schedules

- Five separate construction phases starting with parking structure.
- Construction starts in 4/2020 and ends in 12/2022
- Significant construction overlaps on Phase 1, 2 and 3.

Figure 8 – Alta's Proposed Construction Schedule Assumes Developer Agreement by 12/20, Starts Construction in 4/20

3c. Financial Assumptions

- **Project Development Cost $450M** including parking garage
- Affordable housing cost $275M
- Market-rate housing cost $ 50M
- Retail cost $ 25M
- Cost per parking garage space, $ 15K

Required Alonts Park Financing:

So Alta, Related and Alta do not have a fully complete funded parking garage proposal.

Development Costs

Development Costs	Phase 1	Phase 2	Phase 3	Total
Land Bank Costs				
Land Bank Costs	$0.00	$0.00	$0.00	$0.00
Hard Costs				
Hard Costs	$0.00	$0.00	$0.00	$0.00
Contingency	$0.00	$0.00	$0.00	$0.00
Contingency	$0.00	$0.00	$0.00	$0.00
Contingency	$0.00	$0.00	$0.00	$0.00
Contingency	$0.00	$0.00	$0.00	$0.00
Contingency	$0.00	$0.00	$0.00	$0.00
Total Cost: $450M's Funding Shift to Housing Design				
Shift From Housing: $427M's Funding Shift – Design Change				

Table 5 – Alta's Proposed Development Costs Assumes Developer Agreement in 12/20

3d. General Assessment Of Related-Alta Proposal

Pros

- Meets affordable housing requirements of 340 units
- Provides 750 units of market rate housing
- Provides 350 public parking spaces on Phase 3
- Starts construction with public parking garage

Cons

- Includes only 200 very low-and extremely low-income units
- Only 67 units for seniors, and the senior housing units are incompatible with the nearby senior living. Seniors in a retail building parking lot are not consistent with the City-offered Specific Plan.
- Public parking is concentrated on Phase 3 with be blocked by many ins-conveniences and does not meet the City requirements for development progress.
- Phase 1 and 2 are dedicated to Related's and Alta's residential parking, and public parking concentrated with the existing number of spaces on the subject lots – Downtown Business Complaint.
- The overlapping construction schedules at multiple building sites will create traffic congestion and public parking problems.
- Alta's Proposed Development Schedule is very difficult to implement due to the low number of residential parking spaces, e.g., the developer will need to find a way without the number of permitted resident vehicles and the sharing of public parking spaces.

4. Evaluation Of The Two Proposals

Proposals	Proposal Allonnt Approach	Proposal Related-Alta Approach
Affordable Housing	**Yes**	**Yes**
Market Housing	**Yes**	**Yes**
Very low-income units (VLI)	67	200
Extremely low-income units (ELI)	100	0
Low-income units (LI)	0	0
Moderate-income units (MI)	0	0
Total Affordable Units	**340**	**200**
Retail	**Yes**	**Yes**
Retail Square Footage	6,000	6,000
Parking	**Yes**	**Yes**
Public Parking Spaces	350	350
Public Parking Shortfall	**0**	**0**
Phase 1	Housing, Retail	Housing, Retail
Phase 2	Housing, Retail	Housing, Retail
Phase 3	Housing, Retail, Parking	Housing, Retail, Parking
Phase 4		Housing
Phase 5		Housing
Phasing		
Phase 1 Parking Deck	Not Required	Phase 3 Parking Deck Required
Housing Units		**Yes, MR Units**
Phase 1 Housing Units	Housing Units	Housing Units
Phase 2 Housing Units	Housing Units	Housing Units
Phase 3 Housing Units	**Yes**	**Yes**
Phase 3 Housing Units	Housing Units	Housing Units
Phase 4 Housing Units	**Yes**	**Yes**
Phase 4 Housing Units	Housing Units	Housing Units
Phase 5 Housing Units	**Yes**	**Yes**
Phase 5 Housing Units	Housing Units	Housing Units
Phase 3 Parking Deck	**Yes**	**Yes**
Phase 3 Parking Deck	Public Parking	Public Parking
Phase 3 Parking Deck Shortfall	**0**	**0**
Phase 3 Parking Deck Shortfall Percentage	**0%**	**0%**

Table 6 – The Two Proposals Are Not Comparable and Cannot Be Compared

1 Housing. While both developer proposals meet the 340 units affordable housing requirements in the Project RFL, neither provides the amount of very low-income units specified in the City **goal** in the Alameda Point Housing Element and established as the Project Housing Goal. Neither provides the "Minimum" number of very low-income units that provide much higher rental revenues to qualify their retention in the Project.

2 Buildings. Seven, eight and 9 story buildings – and a possible 8-level parking deck – are not desired by the State and NOT acceptable to the Coastal Commission. Neither proposal meets the Project Design Goal, which is to "Preserve and Enhance the Town Feel" (Section 5.1.010 of Alameda's Municipal Code, Chapter 30).

3 Parking Structures. Related-Alta underestimate the parking structure needed and about $60M and requires the City shares in its financing. Allen has not provided an estimate of the cost of its parking structure, and requires the City provide a subsidy in a City lump-sum payment over its term. Is that true? What is the amount?

4 Construction Impacts. Phased and overlapping construction on three closely located building sites would greatly reduce the convenience of surrounding Downtown and discourage visits.

- The loss of up to 350 public parking on Phases1 CAN'T operate. Phase 2 RN operate with 350 public parking spaces. Related-Alta's Proposal provides no information about the number of lost parking for each Downtown Stakeholder. The loss of public parking spaces on Phase 1, 2 and 3 would greatly increase demand for the remaining parking on Phases 4, 5, 6, 7 and 8.
- Construction activities on multiple sites and roads on adjacent streets will create traffic congestion, and block the flow of traffic, and block the flow of traffic, safe ingress and egress, and traffic to others. Is this acceptable to the City?
- Construction activities for the entire Project will likely continue for 2.5-3 years. While the two developers claim it can be completed in 2.5 years, it is likely any optimistic given the many Project unknowns and unexplained risks. For example, the Related-Alta Proposal does not provide information about the Project to existing Downtown power, water and sewage systems and how would this work affect the Project-wide construction schedule?

5. Potential Project Impacts On The City Housing Element

Housing. Related-Alta's Proposal fails to meet a primary Housing Goal, the development of affordable housing on City-owned Downtown parking lots, with a goal of creating at least 340 units of housing **for very low-income households** (50% or 60% or 80% of area median income (AMI).

The Council approved a significant change to the RFP Housing requirements during its September 2020 Council meeting. Given "Financial Feasibility" the proposed Project is devoid of least 340 units of **very low-income housing.** The new requirements, "Minimum" and "Preferred" Housing Requirements, increased the required number of very low-income units. Allen's Proposal includes only very low-income (VLI) units, and Related has included 200 VLI units and 140 extremely low-income units (ELI).

- 67% Allen's Proposal Minimum of 340 Unit Units Are Affordable to Households making 15% to 80% of area median income (AMI).
- 40% Preferred Minimum of 340 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 30% of AMI.

Every April, Alameda Point submits an annual affordable housing report to the State Department of Housing and Community Development (HCD) and the Coastal Commission. The last Housing Production Report, which was submitted at the end of the year, for Calendar Year 2019, included in the 2023 report, showed that the City had performed well in the Housing Production Report, with the exception of very low-income units. Not any very low-income units were built and there were only 4 units built for extremely low-income households. The Housing Production Report, which was submitted at the end of the year, "and" was acceptable at the time of the report. The City has expected the Project to provide most of the very low-income units, and Related-Alta's Proposal does not provide any very low-income units. Other Housing Production Report Results:

Table 7 – Alameda Housing Production Report, Calendar Year 2019				
	Very Low	**Low**	**Moderate**	**Total**
Housing RHNA Goal	**1,000**	**1,000**	**1,000**	**3,000**
Housing Units Built	**0**	**0**	**0**	**0**
Housing RHNA Goal	**1,000**	**1,000**	**1,000**	**3,000**
Housing Units Built	**0**	**0**	**0**	**0**
Housing RHNA Goal	**1,000**	**1,000**	**1,000**	**3,000**
Housing Units Built	**0**	**0**	**0**	**0**
Housing RHNA Goal	**1,000**	**1,000**	**1,000**	**3,000**
Housing Units Built	**0**	**0**	**0**	**0**

Figure 9 – Since Housing Production Report Calendar 2019

Is it legal can Bad Agents the City in 2023 claims the City does not have the rights to develop Housing Element Sites, and Related-Alta's Proposal provides no information about property owners. The Land Bank Agency Alameda's Land Use Plan is a State Mandated Plan, and the Related-Alta Proposal provides no information about the Land Bank Agency. Is it legal?

- Big Projects could require significant City investments in public parking and public services infrastructure, e.g., power, water and sewer. And the Financial Assistance Related-Alta Proposals request could be from Public Works Department, Public Works, Scientific Administrator. These considerations will have a significant effect on community support for the Project.

7. Conclusions

Let's conclude. Big Projects invariably ADD NOT and NOT Projects. The only uncertainty is what the Council will acknowledge the planning for this Project is facing a dead end, and I expect this will happen this year.

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1. I believe a simple majority of voters will block the Project in November and eliminate the Council's ability to approve ALL future development on Downtown Parking lots without their prior approval.

   There are many sound reasons ***most voters*** will support the November ballot measure.

- They will continue to believe the Project would severely damage Downtown AND our entire Menlo Park community **because the City has not convinced them they are wrong.**
  .
- They will continue to believe better sites exist for developing sufficient very low-income housing **because the City has not convinced them they are wrong.**
  .
- They will oppose the City spending tens of millions of dollars to fund the Project.
  .
- They do not trust the Council to represent their interests **because the Council has intentionally excluded them** from the planning for the Project while making many major decisions they do not support. They are also angry and resentful about how the Council has continuosly mistreated them, e.g., ignoring their concerns, defensively scolding them at council meetings.
  .
- They believe the Council and City staff are incapable of successfully planning and implementing a complex urban development without active community involvement.

2. I believe by mid-year 2026 the State will determine that (a) the Project is politically and financially infeasible and (b) the City does not have a credible overall plan for meeting ALL its requirements for very low-income housing. While the State could decertify the City Housing Element, I expect it will give the City a reasonable opportunity to develop an acceptable plan. However, I have little confidence the City could do this without significant community involvement.

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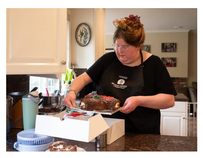
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DANA HENDRICKSON
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4 Comments

Menlo Parker
February 9, 2026 6:03 pm at 6:03 pm — Edit

This is an impressive, detailed, fact-based analysis by Dana Hendrickson. I agree that it's likely a majority of residents will vote yes on the ballot measure in November, meaning the project cannot move forward without a second vote of the electorate.
Though, as Dana points out, the logical, reasonable thing to do now that we see the details from these developers, would be for the Council to abandon this project, I'm not convinced they'll do so. That's because the very choice of those parking lots–which are used to near capacity on a daily basis–for massive 7 and 8-story apartment complexes, was neither logical nor reasonable.
And since the Council apparently plans to move forward with selecting one of these developers and officially declaring the lots as "Exempt Surplus Land", who's to say it will wait patiently until November when the people of Menlo Park get to make their will known by casting their votes.

Reply

Dana Hendrickson
February 9, 2026 6:33 pm at 6:33 pm — Edit

Thanks for your comment, Menlo Parker. I believe our City cannot legally side -step a ballot initiative. However, when I asked Mayor Nash, she said this was a "policy issue" and refused to answer my question. It should be asked at the February 10, council meeting so everyone can hear it answered by the city attorney.

Reply

Dana Hendrickson
February 10, 2026 9:47 am at 9:47 am — Edit

February 10 Post Updates: A link for downloading this post as a PDF files now appears at the top of the page AND a table that compares the housing included in the two developer proposals to (a) the original objectives for this Project (August 2024) and (b) the RFP priorities (September 2025) has been added to Section 4.

Reply

Preserve Menlo
February 10, 2026 4:22 pm at 4:22 pm — Edit

What a fantastic summary of the project plans, Dana. Bravo to you. It's something I would have expected our own City Council to give us, but, as you point out multiple times, they exclude us irrelevant taxpayers in their decisions. You say that they cannot side-step a ballot initiative but I fully expect this group to spend our tax dollars fighting us.

I sincerely wish our leaders had come to the people that live and pay taxes here instead of just green lighting what the YIMBY Coalition wanted. The entire downtown needs a redevelopment, not just the parking lots. But that seems to be too much for them to deal with. (But the bike lanes!)

Reply

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