

Palo Alto Dedicated Affordable Housing Site

Scope of Work for Technical Assistance and RFP Development

Metropolitan Transportation Commission (MTC) — November 2024 — Priority Sites Technical Assistance Program

Project Context

The City of Palo Alto received a \$200,000 Technical Assistance award through MTC's Priority Sites program to advance a 100% affordable housing project on a city-owned 1-acre parcel adjacent to 340 Portage Avenue. The site had already cleared significant early-stage hurdles — City Council approval via Development Agreement, environmental clearance, rezoning, and a completed master plan for the broader 14.65-acre site of which this parcel forms a part. What the city lacked was a structured process to translate that groundwork into a competitive developer solicitation.

The challenge was not starting from scratch. It was the opposite: a plethora of prior studies, master plan documents, and technical reports had been conducted for the larger site, some of which overlapped with what a standalone affordable housing RFP would typically commission. Issuing a standard TA scope risked duplicating work already done, adding cost and delay, and producing a less competitive RFP as a result.

My Role

As the MTC project manager overseeing this award, I drafted the scope of work in close coordination with the City of Palo Alto and the consultant team lead (Street Level Advisors). The core design decision in the scope was to front-load a document synthesis and gap analysis task — Task 1 — that would allow a development expert to assess what had already been done for the larger site, identify what remained genuinely outstanding, and build an RFP structure around only the work that still needed to be commissioned. This avoided duplication of the geotechnical, environmental, and design studies already completed for the 340 Portage master plan.

The scope was also structured to be led by a development specialist rather than a planner or architect — a deliberate departure from the typical TA scope sequencing. The rationale: the financial feasibility analysis (Task 3) needed to drive the design parameters, not the other way around. The massing studies in Task 2 were explicitly scoped to be responsive to three development scenarios defined by the proforma, rather than the reverse. This sequencing produced a more financially grounded RFP and reduced the risk of City Council being presented with design options that could not pencil.

Scope Design Decisions

Program	MTC Priority Sites Technical Assistance
Award Amount	\$200,000
Site	1-acre dedicated affordable housing parcel, Palo Alto
Lead Consultant	Street Level Advisors (sub: VMWP for design, AWP for planning support)
Final Deliverable	Draft RFP/RFQ for 100% affordable housing developer solicitation
My Role	MTC project manager; drafted and finalized scope of work

This scope of work was produced as part of MTC's Priority Sites Technical Assistance Program. The document represents original drafting by Amba Gupta in her capacity as Planner III (Grant Manager) at MTC.

APPENDIX 1: Dedicated Affordable Housing Site (Palo Alto)

Background

The City of Palo Alto is advancing a 100% affordable housing project located adjacent to Matadero Creek and 340 Portage Avenue. The location and site control for this 100% affordable housing project has been approved by City Council through a Development Agreement process, which dedicates 3.25 acres of a 14.65-acre site to the City for the purposes of an affordable housing project and adjacent public park. Approximately 1 acre would be dedicated to the affordable housing project and 2.25 acres to the public park. Environmental clearance is complete, and the land use designation and zoning has been re-designated and rezoned, respectively, to support this affordable housing project and the adjacent proposed public park as a community anchor.

This project is part of the City's efforts to meet RHNA targets and provide affordable housing near public transit, jobs, and services. The City seeks technical assistance to ensure the feasibility and competitiveness of the project, facilitate the process of developer solicitation, as well as ensure a timely execution of the Request for Proposal (RFP)/Request for Qualifications (RFQ). The final deliverable for the technical assistance will be a draft / final RFP/RFQ.

AWP will this project including meeting attendance and contributions to reports and research as needed, as coordinated and agreed with Steet Level Advisors and VMWP.

TASK 1: Project Roadmap

To set the stage for subsequent tasks, Task 1 aims to synthesize existing site conditions and establish a process for defining the city's expectations and requirements in a RFP/RFQ. Using the development agreement and subsequent predevelopment documents as reference, the consultant will work in concert with City staff to create a roadmap for a 100% affordable housing project. This roadmap will confirm tasks and deliverables required for the RFP/RFQ, establish a timeline for additional due diligence needed, if any, and identify Council and other public meetings. The roadmap will also serve as a guidance document to establish future timelines for negotiations with qualified developers.

Subtask 1.1: Conduct an initial kick-off meeting with City staff to discuss the project's scope, existing conditions, and context information.

- **Deliverable:** Kick-off Meeting Summary: Memo detailing the discussions, decisions, and action items from the kick-off meeting.

Subtask 1.2: Complete project start-up tasks.

- **Deliverable:** Project start-up: start-up tasks including document requests, data requests, collecting of existing conditions information, interviews or meetings with relevant developers or project stakeholders, and/or other start-up tasks.

Subtask 1.3: Compile and summarize analytical, legal, and design documents completed for the

site that are salient to the 100% affordable project, including but not limited to any geotechnical, civil, environmental, or other technical study conducted previously for the site. Summarize the development agreement, highlighting terms and conditions affecting the timing and cost of the affordable project. Additionally, summarize any potential barriers and delays related to the agreement. Identify information required for the RFP/RFQ completed to date, as well as any additional information required prior to issuing the RFP/RFQ.

- **Deliverable:** Memo summarizing development agreement and analysis completed to date, highlighting information critical to completing Tasks 4.9.2-4.9.4 accompanied by a technical appendix that includes any analytical, legal, and design documentation.

Subtask 1.4: In collaboration with the City, develop a roadmap for developer solicitation, ironing out City’s requirements for the RFP/RFQ and the level of detail expected, as well as map out a timeline with the City that will ensure a timely execution of the RFP. This roadmap will also serve as a reference for Task 2 and Task 3 with respect to the development program, requirements, and flexibility.

- **Deliverable:** Final roadmap containing timeline for completing all tasks prior to RFP – including final list of deliverables required for RFP / RFQ, projected development timeline (including project commencement and ground breaking), and preliminary development program.

Task 2 – Develop Conceptual Massing and Urban Design Recommendations for the Project

Narrative Description:

Prepare a series of conceptual massing studies and high-level urban design recommendations for the affordable housing project. The massing studies will be tailored to the three scenarios identified in the financial analysis and will include shadow studies to assess the potential impact on the adjacent planned public park. These design exercises will provide valuable insights into the spatial organization of the site and help ensure that the development is both functional and aesthetically pleasing.

Subtask 2.1: Facilitate up to four check-in meetings with City staff to align on goals for the massing and urban design studies, review the evolving massing studies, gather feedback, and make iterative adjustments. These meetings will ensure that the design work reflects the City's vision and responds to any emerging concerns or opportunities.

- **Deliverable:** Meeting Summaries: Detailed notes from each check-in meeting, including feedback, decisions made, and next steps. Each individual meeting is considered a separate billable deliverable, billable at up to a quarter of the budget allocated for this task.

Subtask 2.2: Develop draft conceptual massing studies for each of the three development scenarios, focusing on the placement of buildings, open spaces, and key site features. These studies will explore different design approaches and their implications for the project's overall form and functionality.

- **Deliverable:** Draft Conceptual Massing Studies: A set of initial massing designs for each development scenario, presented in both 2D and 3D formats. These studies will include annotated plans, sections, and elevations that illustrate the proposed building volumes, site layout, and potential impacts on the surrounding environment.

Subtask 2.3: Prepare shadow studies for each massing scenario to evaluate the potential effects of the building designs on sunlight and shade within the adjacent public park. These studies will provide crucial data to inform decisions about building heights, orientations, and setbacks.

- **Deliverable:** Shadow Study Report: A technical report detailing the outcomes of the shadow studies for each massing scenario. This document will include diagrams and analysis of sunlight penetration, shadow extents, and the potential effects on the planned adjacent public park, with recommendations for mitigating any negative impacts.

Subtask 2.4: Provide support to City staff in preparation for and during one Council hearing, where the massing studies and shadow analyses will be presented. The architect/urban designer will assist in explaining the design concepts and how they align with the project’s goals and constraints.

- **Deliverable:** Final Conceptual Massing Studies: A refined set of massing studies that incorporate feedback from City staff and stakeholders. This deliverable will provide a comprehensive visual and narrative description of the preferred design approach, including considerations for access, circulation, and site integration.
- **Deliverable:** Presentation Materials for Council Hearing: A professionally prepared set of presentation materials, including visuals, diagrams, and explanatory notes, designed to effectively communicate the design proposals to the City Council. This will ensure that the Council can make informed decisions based on a clear understanding of the design implications.
- **Deliverable:** Attend Council hearing

TASK 3: Conduct a Comprehensive Financial/Development Analysis for the Affordable Housing Project

Conduct a comprehensive proforma analysis for a 100% affordable rental housing development. The analysis will explore three different unit mix scenarios, incorporating varying affordability levels and unit sizes, with the requirement that at least 20% of the units are affordable to very low-income residents and 25% are affordable to low-income residents. The findings will provide essential insights into project feasibility, informing both the design process and strategies for securing competitive funding.

Subtask 3.1 Facilitate up to four check-in meetings with City staff to initiate the financial/development analysis effort, review the ongoing progress of the proforma analysis, provide updates, and incorporate feedback. These meetings will ensure that the analysis remains aligned with the City's goals and expectations.

- **Deliverable:** Meeting Summaries: Detailed notes from each check-in meeting, including feedback, decisions made, and next steps. Each individual meeting is considered a separate billable deliverable, billable at up to a quarter of the budget allocated for this task.

Subtask 3.2 Develop a detailed proforma analysis that evaluates three distinct development scenarios, taking into consideration affordability levels, unit sizes, construction costs, and potential revenue streams. The analysis would ideally target 75 units (the number of units assumed in the CEQA analysis) but may consider a range of total units between 60 and 100 if fewer units would allow for more opportunity for 3 and 4-bedroom units or if increases could open funding options for the project. Each scenario will be meticulously analyzed to determine the project's overall feasibility, taking into account potential variation in the availability and cost of financing.

- **Deliverable:** Draft Proforma Analysis: A detailed draft report outlining the financial analysis of the three development scenarios. This document will include sources and uses budget, cash flow from both residential rent and any non-residential ground floor leases. Further the document will include an analysis of potential funding opportunities and risk assessments including, but not limited to, potential changes in interest rates and the availability of subsidies. It will serve as the foundation for further review and refinement.

Subtask 3.3 Provide support to City staff in preparation for and during one Council hearing, where the three development scenarios and corresponding financial analyses will be presented. The consultant will assist in explaining the findings and providing recommendations for Council's consideration and feedback.

- **Deliverable:** Final Proforma Analysis Report: A polished and complete report that incorporates feedback from City staff. This deliverable will present a thorough analysis of each scenario and outline a set of minimum standards to meet the City's requirements for the site.
- **Deliverable:** Presentation Materials for Council Hearing: A set of well-organized and visually appealing presentation materials designed to effectively communicate the findings of the proforma analysis to the City Council. This will include slides, charts, and key talking points that highlight the critical aspects of each development scenario.
- **Deliverable:** Attend one Council hearing

TASK 4: Draft RFP/RFQ

Bringing together all the information from Task 1, Task 2, and Task 3, the consultant will develop a draft RFP RFQ and prepare an RFP package. In addition, if the City is considering the option of including the site in a joint multi-site RFP with other jurisdictions, the consultant will also hold meetings with the City to discuss the feasibility of this approach. If the City decides to move forward with a joint RFP, the consultant will schedule initial conversations and develop a framework for the RFP and shared information.

Subtask 4.1: If appropriate, conduct an initial kick-off meeting with City staff to evaluate the feasibility of joint multi-site RFP as opposed to individual RFP. Subsequently the consultant will draft a skeleton of the RFP.

- **Deliverable:** RFP/RFQ framework

Subtask 4.2: Working alongside the City staff and other stakeholders, the consultant will add information to the structure and develop the draft RFP/RFQ. The consultant will ensure that the feedback from the City Council and Public Meetings has been incorporated.

- **Deliverable:** First draft of the RFP/RFQ including but not limited to:
 - Summary of background information and development agreement
 - Minimum and desired requirements, including site and architectural design, and development program including levels of affordability
 - Appendix item (if required) on initial financial feasibility study illustrating proof of concept
 - Technical appendices, including due diligence documents, massing studies, and information related to site conditions.

Subtask 4.3: Facilitate three check-in meetings with City staff to review the draft RFP/RFQ, gather feedback, and make iterative adjustments. These meetings will ensure that the RFP/RFQ reflects the City's vision, includes a complete set of reports for the RFP package, and responds to the needs expressed by developers in their preliminary conversations with the city.

- **Deliverable:** Final Draft of the RFP/RFQ

SCHEDULE

DELIVERABLE	ADD'L SUB-CONSULTANTS	EXPECTED DATE OF COMPLETION
Task 1: Project Roadmap	Street Level Lead	January 2024
1.1: Kick-off Meeting	<i>SL, VMWP</i>	November 2024
1.2 Project Start-up Tasks	<i>SL, VMWP</i>	November 2024-January 2025
1.3: Summary of Site and Development Conditions	<i>SL, VMWP</i>	January 2024
1.4: Roadmap	<i>SL</i>	January 2024
Task 2: Conceptual Massing and Urban Design Recommendations	VMWP	May 2025
2.1: Check-in Meetings	VMWP	January 2025-May 2025
2.2: Draft Conceptual	VMWP	February 2025

DELIVERABLE	ADD'L SUB-CONSULTANTS	EXPECTED DATE OF COMPLETION
Massing Studies		
2.3: Shadow Studies	VMWP	March 2025
2.4: Final Conceptual Massing Studies and presentation	VMWP	May 2025
Task 3: Comprehensive Financial/Development Analysis for the Affordable Housing Project	SL	June 2025
3.1: Check-in Meetings	<i>SL, VMWP</i>	January 2024 – June 2025
3.2: Draft Proforma Analysis	<i>SL, VMWP</i>	February 2025
3.3: Final Report and Presentation	<i>SL, VMWP</i>	May 2025
Task 4: Draft RFP/RFQ	SL	September 2025
4.1: RFP/RFQ Structure	<i>SL</i>	July 2025
4.2: First Draft of RFP/RFQ	<i>SL</i>	July 2025 – September 2025
4.3: Final Draft of RFP/RFQ	<i>SL</i>	September 2025