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January 2, 2026

VIA FIRST CLASS MAIL and EMAIL (paul.mcdougall@hcd.ca.gov):

Paul McDougall
California Department of Housing and Community Development
2020 W. El Camino Avenue
Sacramento, CA 95833

Re: Concerns Regarding the City of Menlo Park's Sites Inventory, Housing Element
Compliance and Impacts of Certified Voter Initiative on Downtown Parking Plazas

Dear Mr. McDougall:

I serve as legal counsel for several business and property owners located in downtown Menlo Park (the "City"), and I write this letter to bring attention to significant concerns regarding the City's actions relating to the Housing Element compliance.

California's Housing Element ("CHE") law requires cities to conduct an evaluation of feasible sites for housing opportunities, in a thorough, complete and data-supported manner. To date, the City has failed miserably in this regard. Currently, the City has focused on the downtown publicly owned parking plazas ("Parking Plazas") as the sole viable option to comply with the CHE law.

The City has failed to complete a thorough study and analysis of the impacts of development of the Parking Plazas related to public parking, current business and property owners, proposed business and property owners, and population density. The proposed redevelopment of the Parking Plazas for CHE compliance will have a detrimental impact on the City's downtown community, property owners, and businesses, including the existing small community aesthetic, and will cause heavy traffic congestion and severe parking constraints. The City has authorized requests for proposals ("RFP")'s without requiring the development to include replacement parking on the same site or within reasonable walking distance. Currently the Parking Plazas are crucial to the operation of the downtown small businesses, and removal of the Parking Plaza function, not only for parking but for immediate access to such properties, would severely disable the economic viability of these businesses.

A specific example of this impact exists with respect to one of my client's long-standing community retail businesses located in the middle of Santa Cruz Avenue, with back-door access directly connected to the Parking Plazas contemplated for redevelopment. The lease expiration occurs in 2026 and the current tenant is overwhelmed with the deleterious economic impact the

redevelopment will have on its business operations, not only impeding access to the store during construction, but also preventing customers from accessing the store due to loss of parking once the redevelopment is complete. Despite offering the tenant favorable lease terms and renewal options in mitigation, City created property obstacles resulted in valid economic concerns for owners and tenants alike and have directly caused the tenant to seek early termination from its lease and sell its business completely to a successor.

In fact, a potential buyer was recently secured, and the terms of the lease assignment were moving forward, yet citing similar economic concerns related to the redevelopment of the Parking Plaza, the new tenant demanded a lease rental rate severely below market value. Ultimately, and unfortunately, the buyer backed out of the transaction entirely when the landlord would not reduce the rental rate by 30%.

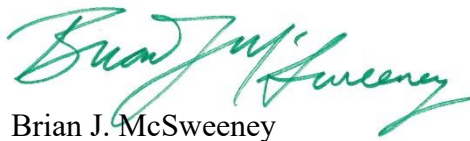
The City's disregard for its small but valuable downtown business community has directly impacted the economic viability in the short term and long term, while the City inadequately evaluates the Parking Plazas as the sole option to comply with CHE. The adverse economic impact is not speculation nor just anticipated, it is already happening to both my property owner clients and retail business clients.

Given the concerns outlined above including the direct adverse economic impacts, I respectfully request that the HCD require the City to conduct a thorough and data supported analysis of all viable properties that can potentially satisfy compliance with CHE. Specifically, the City should be required to re-evaluate the viability of the Parking Plazas as the location for such redevelopment. Bottomline, the Parking Plazas are not surplus land to Menlo Park tax paying citizens, property owners, or business owners regardless of how the City Council chooses to define same.

Thank you for your attention to this matter. Should you seek additional information, please contact me.

Sincerely,

ANDERLINI & McSWEENEY LLP



Brian J. McSweeney

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