

June 18, 2020

Phillip Brennan, Associate Planner
Planning Division, Community Development Department
City of San Mateo
339 West 20th Avenue
San Mateo, CA 94403

RE: DTSM Opportunity Sites – Request for Concessions and Waivers

Dear Mr. Brennan,

MidPen Housing (“MidPen”) is proposing to develop **400 E. 5th Avenue and 480 E. 4th Avenue** as, respectively, a multi-level, parking garage containing approximately 696 stalls and a 225-unit multi-family housing development serving low-income families. The garage will include a minimum of 164 stalls dedicated as residential parking for the adjacent housing development. An estimated 532 stalls will be public parking managed by the City.

This letter is MidPen’s formal request for concessions and waivers for the project through California Government Code Section 65915 et seq. (“Density Bonus Law”) and the City’s Density Bonus Ordinance, Chapter 27.15 of the Municipal Code. MidPen reserves the right to modify this letter and its formal request for concessions as necessary during the City’s entitlement review process. The State Density Bonus Law, as amended January 1, 2020 via Assembly Bill 1763, exempts a qualifying housing development within a half-mile of a major transit stop from city maximum controls on density and from city minimum vehicular parking requirements. In addition, it allows a height increase of up to three additional stories or 33 feet and confers up to four development incentives or concessions. The proposed MidPen Housing project is a qualifying housing development, as 100% of the units will be restricted to low-income households and the project site is within a half-mile of a major transit stop.

MidPen is requesting that the City recognize this project’s exemption from city maximum controls on density and right to construct up to three additional stories or 33 feet beyond the maximum building height permitted by the underlying zoning district. With the bonus, the density is 93.36 units/acre; without the bonus, the allowable density is 50 units/acre. With the exemption, the proposed height is 7 stories; without the exemption, the height is 5 stories.

MidPen is also requesting that the City recognize this project’s exemption from a minimum parking requirement. With this exemption and the proposed development location within a half-mile of major transit, the maximum required parking ratio is to be no more than 0.5 parking spaces/per unit and therefore, any additional parking spaces above the maximum requirement is voluntary. This proposed development is voluntarily proposing a higher parking ratio of 0.73 parking spaces/per unit (164 parking spaces).

We are requesting the following development concessions, which will result in an identifiable and actual project cost reduction:

1. Floor Area Ratio (FAR)

The maximum FAR for the 400 E. 5th Avenue and 480 E. 4th Avenue site is currently 3.0. In order to build the proposed residential development and garage structure, the development would require approval for FAR of 4.28. Therefore, a concession toward the allowable FAR is required in order to develop 225 units, otherwise, the proposed development would either result in a loss of units and/or parking spaces. For example, in order to meet a FAR of 3.0, the residential area would need to be reduced by approximately 4 stories and result in a loss of approximately 130 units. Alternatively, in order to maintain the unit count of 225 units, the garage would need to be reduced by approximately 3 stories, resulting in the loss of approximately 437 parking spaces. To spread the loss of units and parking spaces while meeting the current maximum FAR, the residential area would need to be reduced by 2 stories, resulting in the loss of approximately 65 units, and the garage structure would need to be reduced by 1.5 stories, resulting in a loss of 229 parking spaces. In lieu of reducing the parking garage by 1.5 or 3 stories, the garage could be built to provide these parking spaces on subterranean levels of the garage instead of above ground; however, building subterranean parking spaces are cost prohibitive and would add at least approximately \$11,000,000 to the cost of the garage. These alternatives to meet the current FAR all result in the loss of units and/or replacement and new parking spaces. In having to reduce garage area, the proposed development would no longer be able to provide both the proposed number of residential parking spaces and the replacement and new public parking spaces for the City, which were required for the proposed development.

2. Residential Parking on Separate Site

Including on-site residential parking as required under San Mateo Municipal Code section 27.64.060 (2) would inhibit the development by forcing two of seven floors (currently containing approximately 55 units) to be replaced with podium parking spaces. In order to offset the loss of units due to the addition of podium parking spaces, an additional two residential floors could theoretically be added to the project, resulting in a total of nine floors; however, the maximum allowable building height is 8 stories. As such, in order for the project to provide the on-site parking and comply with the maximum building height, the building would have to be comprised of 2 stories of podium parking and only 6 stories of housing, which would not allow the project to maintain the proposed density and would result in a loss of approximately 34 units. Providing residential parking onsite and underground, beneath the residential structure is not feasible due to the high cost (minimum of \$50,000 in additional costs per stall, or more than \$8,200,000). Resident access to the 164 residential parking spaces in the 400 E. 5th Avenue garage will be provided via a pedestrian bridge. The pedestrian bridge, designed for residents only, will connect the two neighboring structures by spanning 5th Avenue.

3. Compact Parking Spaces

The existence of a 12.4' wide railroad easement on the 400 E. 4th Avenue parcel necessitated a reduction in the width of the garage to avoid installation of any improvements in the easement area. Meeting the City's replacement and new public parking objectives within a smaller building necessitates that approximately 459 parking stalls (approximately 65% of the total spaces) are compact. Proceeding with a design in which approximately 65% of the total spaces are compact requires a concession regarding section 27.64.265 of the City's Municipal Code, which states that only up to 40% of spaces in a parking facility of 100+ stalls may be compact. Without approval to design more of the stalls as compact, we would need to either reduce the total number of spaces to approximately 573 or build some parking underground to achieve the same number of spaces. Additional floors cannot be added to the garage without exceeding the City's height limit. Based on

the estimated 123 stalls that would need to be built underground and a \$50,000 per stall difference in development costs for underground parking, delivering the same number of parking stall spaces while complying with the 40% compact stall cap would add at least \$6,150,000 to the garage cost.

4. Open Space

The residential development includes private open space on level 1 (320 sf) and common open space on levels 1, 5 and 7 (21,004 sf). Common open space includes a nature-based play area, a community gathering space, a public plaza and landscaping. Total open space provided is 21,323 sf; as such, it is approximately 5,197 sf short of meeting the common open space requirement. To comply with the requirement, approximately 65 balconies with a minimum of 80 sf each would need to be constructed. Each balcony would cost an estimated \$18,000 to construct, or more than \$1,170,000. If the open space requirement were to be met without adding balconies, the project would need to eliminate up to 12 studio units or 5 three-bedroom units. On-site indoor resident amenities such as a 1,700 sf community room, 1,400 sf fitness room and a 1,000 sf learning center are not considered open space, nor is the project's proximity to Central Park (< 0.5 miles) factored into the calculation.

We are also requesting the following development waivers, which provide relief from standards that would otherwise preclude building to the permitted density.

1. Bulk

The 480 E. 4th Avenue site does not meet the Bulk Dimension standards or the variation criteria included in the City's Municipal Code 27.40.030. The Bulk standards require that building above 55 feet be restricted to a maximum building dimension of 150 lineal feet and maximum diagonal dimension of 170 lineal feet. The maximum building dimension of the residential structure is 215'-7", which is 65'-7" longer than the 150' cap. The maximum diagonal distance of the building is 310', which is 140' longer than the 170' cap. Since this project exceeds the Bulk Dimension standards, a waiver is required in order to develop the building at the permitted density. If the project were to comply with the current standards, it would result in the loss of approximately 86 units and a total unit count of 139 instead of 225. This change would be required because the building footprint would need to be reduced to comply with the maximum building dimension and diagonal dimension.

2. Street Wall Plane

Structures and buildings on parcels identified as Street Wall Area on the Building Height and Bulk plan in the Downtown Specific Plan are required to have a maximum building height at the parcel boundary equal to the horizontal distance between the midpoint of the public right-of-way and the parcel boundary, or 36 feet, whichever is greater. Complying with the Street Wall Plane requirement would mean that a portion of the proposed building could only be 36 feet tall, which would result in the loss of approximately 26 affordable housing units. See Exhibit A for a graphic of the Downtown Area Plan requirement as well as a graphic of the impact of the requirement on the development as proposed.

Thank you in advance for your consideration of this request for four (4) development concessions and two (2) development waivers.

Sincerely,

A handwritten signature in black ink, appearing to read "Mollie Naber". The signature is fluid and cursive, with a long horizontal stroke at the end.

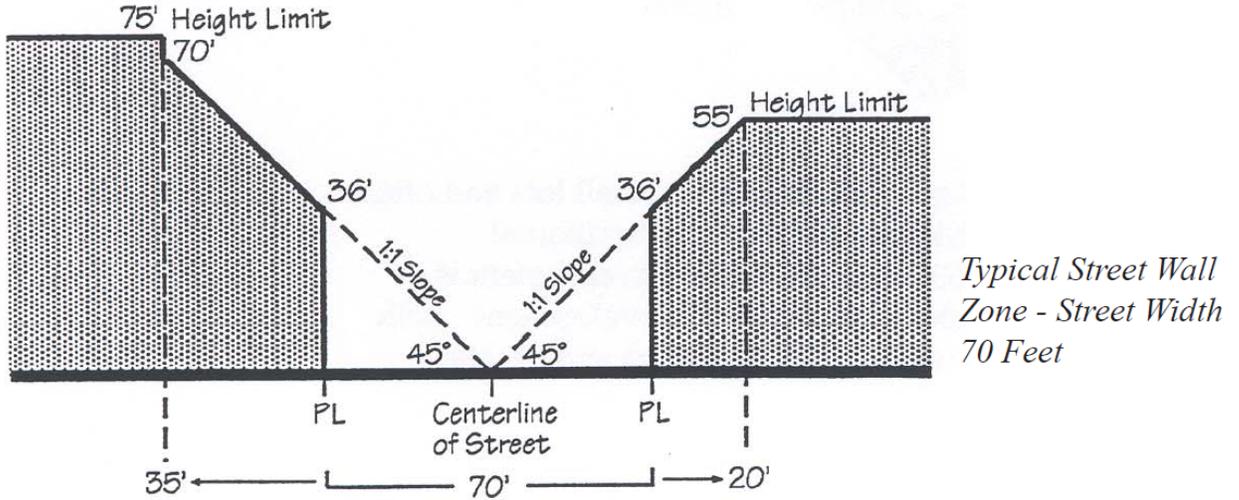
Mollie Naber
Senior Project Manager

Cc: Nevada V. Merriman, Director of Housing Development
Alex Rogala, Senior Associate Project Manager
Kathy Kleinbaum, Assistant City Manager, City of San Mateo
Kohar Kojayan, Community Development Director, City of San Mateo
Sandra Council, Housing Manager, City of San Mateo

Exhibit A – Street Wall Plane

City of San Mateo Downtown Area Plan, adopted 2009

Chapter 4: Downtown Plan Policies, Figure 15. Street Wall Illustrations, Page 72



Downtown San Mateo Opportunity Sites Residential Development, June 2020

Impact of Street Wall Plane requirement on residential structure at S. Claremont St.

