

**CITY OF SAN MATEO
RESOLUTION NO. 93 (2020)**

ADOPTING THE INITIAL STUDY/MITIGATED NEGATIVE DECLARATION; APPROVING SITE PLAN AND ARCHITECTURAL REVIEW ENTITLEMENTS FOR THE DEMOLITION AND CONSTRUCTION OF A NEW RESIDENTIAL BUILDING AND PARKING GARAGE, INCLUDING USE OF STATE DENSITY BONUS AND WAIVER OF BUILDING BULK AND STREET WALL AREA DEVELOPMENT STANDARDS, AND FOR AN ON-STREET LOADING ZONE; A SITE DEVELOPMENT PLANNING APPLICATION FOR THE REMOVAL OF MAJOR VEGETATION INCLUDING HERITAGE TREES, AND A SPECIAL USE PERMIT TO ALLOW THE PARKING GARAGE USE IN THE CENTRAL BUSINESS DISTRICT SUPPORT ZONING DISTRICT; MAKING 33433 FINDINGS; AND AUTHORIZING EXECUTION OF THE DISPOSITION, DEVELOPMENT, AND LOAN AGREEMENT BETWEEN THE CITY OF SAN MATEO AND MP DOWNTOWN ASSOCIATES L.P. FOR THE CITY-OWNED DOWNTOWN AFFORDABLE HOUSING AND PARKING GARAGE SITE (PA 2019-033).

WHEREAS, in 2017, the City issued a Request for Proposal to select a developer for the purpose of constructing and operating housing and constructing a public parking garage to be operated by the City on the City-owned properties located at 480 East 4th Avenue and 400 East 5th Avenue and was selected MP Downtown Associates L.P. (the "Developer") as the developer of the Site; and

WHEREAS, The City and the Developer desire for the Developer to construct two hundred and twenty five (225) units of multi-family rental housing for low income households located on 480 East 4th Avenue, up to six hundred ninety-six parking spaces (696) on 400 East 5th Avenue, and a pedestrian bridge connecting the two buildings over the adjacent public street (the "Project"); and

WHEREAS, the per the terms of the Disposition, Development and Loan Agreement (DDLA), the City will ground lease the Residential Property to the Developer, will license the Garage Property to the Developer during the construction of the Garage Improvements, and will enter into an appurtenant easement dedicating no less than 164 parking spaces on the Garage Property, for the term of the Ground Lease, to the Residential Development; and will provide a loan of up to \$12.5M for construction funding; and

WHEREAS, In accordance with Government Code Section 54221(f)(1)(F), the City's lease of the Properties to Developer is exempt from the state Surplus Lands Act because the lease is for a housing development that will restrict 100 percent of the residential units to persons and families of low or moderate income, with at least 75% of the residential units restricted to lower income households as defined in Health and Safety Code Section 50079.5; and

WHEREAS, in accordance with Health & Safety Code Section 33433, the City has prepared a Reuse Appraisal, which summarizes the project costs and revenues to the City and determines the reuse value of the property; and

WHEREAS, the project, which is fully detailed in the accompanying Administrative Report includes:

- The Site Plan Site Plan and Architectural Review (SPAR) entitlements for the demolition and construction of a new residential building and parking garage, including use of state density bonus and a waiver of building bulk and street wall area development standards and for an on-street loading zone,

- A Site Development Planning Application (SDPA) for the removal of major vegetation including heritage trees,
- A Special Use Permit (SUP) to allow the parking garage use in the Central Business District Support (CBD/S); and

WHEREAS, the Planning Commission, by not less than a majority of its members, has recommended approval of the project by a unanimous vote, subject to the Conditions of Approval, attached herein as Exhibit 3; and

WHEREAS, pursuant to the provisions of the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA), the City prepared an Initial Study and Mitigated Negative Declaration (IS/MND) which identified and discusses potential environmental impacts of the project and proposed mitigation measures which would eliminate any potential significant impacts; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF SAN MATEO, CALIFORNIA, HEREBY RESOLVES that:

1. The Initial Study and Mitigated Negative Declaration (IS/MND) (attached hereto as Exhibit 1) adequately assesses the environmental impacts of the proposed project and is adopted. Potentially significant impacts have been identified. Mitigation measures have been identified and are incorporated into conditions of approval which would mitigate impacts to the levels which will not cause significant impacts on the environment.
2. Pursuant to Section 21081 of the Public Resources code, a mitigation monitoring and reporting program will be included as part of the conditions of approval to mitigate and avoid potentially significant impacts on the environment.
3. The City Council adopts the Findings for Approval attached as Exhibit 2 to this Resolution.
4. The City Council adopts the Conditions of Approval attached as Exhibit 3 to this Resolution.
5. Based on the Findings for Approval and the Conditions of Approval, the City Council approves the following:
 - a. The Site Plan Site Plan and Architectural Review (SPAR) entitlements for the demolition and construction of a new residential building and parking garage, including use of state density bonus and a waiver of building bulk and street wall area development standards and for an on-street loading zone.
 - b. A Site Development Planning Application (SDPA) for the removal of major vegetation including heritage trees.
 - c. A Special Use Permit (SUP) to allow the parking garage use in the Central Business District Support (CBD/S).

6. Pursuant to Health & Safety Code Section 33433, the City finds that:
 - a. The lease of the residential property will assist in providing housing for low and income households.
 - b. The lease of the property is consistent with the implementation plan of the former Redevelopment Agency of the City of San Mateo adopted pursuant to Section 33490 because it authorized the use of redevelopment agency funds for low income housing and will assist in the elimination of blight.
 - c. The consideration to be provided by the Developer is not less than the fair reuse value at the use and with the covenants and conditions and development costs authorized by the lease because the reuse appraisal (attached herein as Exhibit 5) demonstrates that with these restrictions the reuse value of the property is zero.
7. The Disposition, Development, and Loan Agreement (DDLA) with MP Downton Associates, L.P. (attached herein as Exhibit 4), which authorizes the execution of a ground lease, a license agreement, easement, and a City Loan of \$12.5 million, for the construction of affordable housing and a parking garage is approved.
8. The City Manager is authorized to execute the DDLA in substantially the form attached.
9. The City Manager is authorized to approve and execute future revisions to the DDLA with the concurrence of the City Attorney, so long as the changes do not materially alter substantial rights and obligations of the City.
10. The City Manager is authorized to approve and execute other related documents, such as but not limited to, the ground lease, license agreement, and easement, implementing the provisions in the DDLA, subject to the approval of the City Attorney.
11. This resolution takes effect on the effective date of the City's AB 1763 ordinance, which is August 19, 2020.

RESOLUTION NO. 93 (2020) adopted by the City Council of the City of San Mateo, California, at a regular meeting held on August 17, 2020, by the following vote of the City Council:

AYES: Council Members Goethals, Rodriguez, Bonilla, Lee and Papan
NOES: None
ABSENT: None

ATTEST:

Patrice M. Olds, City Clerk

Joe Goethals, Mayor