

~~October 2, 2020~~ March 30, 2021

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

RE: Kiku Crossing & 5th Avenue Garage – Request for Concessions and Waivers, SPAR Modification

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 an amendment to MidPen’s formal request for concessions and waivers (“**Density Bonus Request**”) 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, ~~which. MidPen’s Density Bonus Request was originally approved by City Council on August 17, 2020 and re-approved in a modified form on a November 16, 2020. The third concession regarding Compact Parking Spaces is revised to reflect implementation of a Universal Stall Size. All other concession and waiver requests are unchanged.~~

~~California Government Code Section 65915(f)(3)(D)(ii) The State Density Bonus Law, as amended January 1, 2020 via Assembly Bill 1763, exempts a qualifying housing development 100% affordable housing projects 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 (Govt. Code 65915(d)(2)(D)). Govt. Code 65915(b)(1)(G) provides that 100% of units must be for lower income households, as defined by Health and Safety Code Section 50079.5¹, except that up to 20% of the units may be for moderate-income households, as defined in Health and Safety Code Section 50053². Govt.

¹ Defined as follows: “Lower income households” means persons and families whose income does not exceed the qualifying limits for lower income families as established and amended from time to time pursuant to Section 8 of the United States Housing Act of 1937. The limits shall be published by the department in the California Code of Regulations as soon as possible after adoption by the Secretary of Housing and Urban Development. In the event the federal standards are discontinued, the department shall, by regulation, establish income limits for lower income households for all geographic areas of the state at 80 percent of area median income, adjusted for family size and revised annually.

² For moderate-income households, the product of 30 percent times 110 percent of the area median income adjusted for family size appropriate for the ~~[it looks like this sentence got cut off]~~ unit.

Code 65915(c)(1)(B)(ii) provides that rents for those developments meeting Govt. Code 65915(b)(1)(G) (above) shall be as follows:

- a) Rent for at least 20% of the units shall be set at an affordable rent, as defined in Health and Safety Code Section 50053.
- b) Rent for the remaining 80% of the units shall be set at an amount consistent with the maximum rent levels for a housing development that receives an allocation of state or federal low-income housing tax credits from the California Tax Credit Allocation Committee.

The proposed MidPen Housing project is a qualifying housing development. ~~as~~ The project site is within a half-mile of a major transit stop. ~~100~~80% of the units will be restricted to lower income households and 20% of the units will be restricted to moderate-income households. The units restricted to moderate-income units will be those using rents as defined in Health and Safety Code Section 50053. ~~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 is 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 ~~as allowed under Govt. Section 65915(p)(2)~~. 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 ~~3.934~~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. Universal Stall Size 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 implementation of a Universal Stall Size. A Universal Stall Size is not currently contemplated in the City's Municipal Code but is common in other jurisdictions including San Bruno and San Carlos. Proceeding with a design that utilizes a Universal Stall Size, instead of a mix of Compact and Full Size Spaces, eliminates the inefficiencies that occur when parking patrons bypass Compact Stalls and/or park oversized vehicles in Compact Stalls, by providing adequately sized stalls for all vehicle types. The proposed Universal Stall Size is comprised of the Code-required Full-Size Stall width of 8'-6" and code-required Full-Size Stall longitudinal drive aisle and back up of 24'. The stall depth will follow the Compact standard of 17'-0.

Without approval to implement a Universal Stall Size, 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. Implementing a Compact and Full Size stall mix, as initially proposed, would also require a concession – as this approach delivers approximately 66% Compact Stalls, whereas the City's Municipal Code allows up to 40% of spaces in a parking facility of 100+ stalls may be compact. However, based on analysis in consultation with City staff, the Universal Stall Size design and associated concession delivers a superior parking experience to future patrons of this public garage.

4. Open Space

The residential development includes private open space on level 1 (35320 sf) and common open space on levels 1, 5 and 7 (21,004-561 sf). Common open space includes a nature-based play area, a community gathering space, a public plaza and landscaping. Total open space provided is 21,323914 sf; as such, it is approximately 5,1974,606 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 ~~211~~210'-6.5", which is ~~65~~50'-6.5" longer than the 150' cap. The maximum diagonal distance of the building is ~~310~~302'-3", which is ~~140~~132'-3" 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,

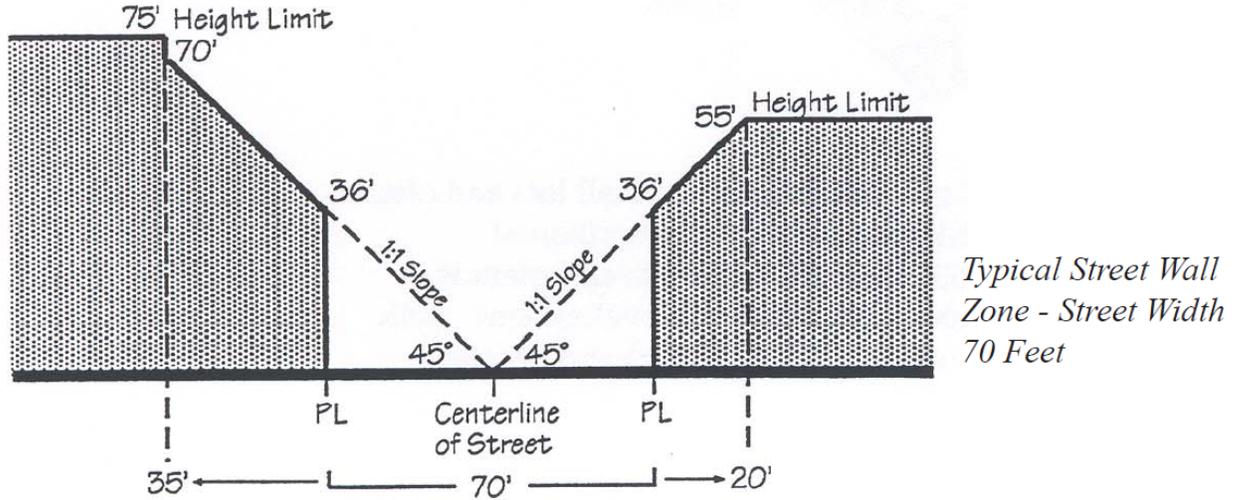
Mollie Naber
Associate Director

Cc: Alex Rogala, Senior Associate Project Manager
Kathy Kleinbaum, Assistant City Manager, City of San Mateo
~~Sandy Council, Neighborhood Improvement and 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.

