

**From:** Ken Busch <KBusch@srgnc.com>

**Sent:** Sunday, June 6, 2021 10:32 PM

**To:** Clerk <clerk@cityofsanmateo.org>; Eric Rodriguez <erodriguez@cityofsanmateo.org>; Rick Bonilla <RBonilla@cityofsanmateo.org>; Amourence Lee <alee@cityofsanmateo.org>; Diane Papan <dpapan@cityofsanmateo.org>; Joe Goethals <jgoethals@cityofsanmateo.org>

**Cc:** Brian Alexander <balexander@cityofsanmateo.org>; City Mgr <citymgr@cityofsanmateo.org>; Christina Horrisberger <chorrisberger@cityofsanmateo.org>; Travis Duncan <TDuncan@srgnc.com>

**Subject:** City of San Mateo June 7 City Council item 24 Development Impact Fee Study - Report Review

Dear Honorable Mayor Rodriguez and City Council Members:

My name is Ken Busch-Director, Residential Development, of the Sares Regis Group. We appreciate the outreach meeting staff held on May 13 and are submitting these comments in connection with Agenda Item 24 of the June 7, 2021 City Council meeting, Development Impact Fee Study – Report Review.

Sares Regis Group of Northern California has developed residential communities on the Peninsula for the last thirty years and been based in the City of San Mateo since 2003. Two communities we completed in the City of San Mateo include 888 North San Mateo Drive and Humboldt square. For the past six years we have been working on a 189 unit multifamily community at the Hayward Park Caltrain station which includes 28 income restricted units. We submitted a Pre Application on March 5, 2019, held a Neighborhood Outreach meeting on July 29, 2019 and Planning Commission held a study session on September 9, 2019. During this process we invested significant time and capital to design the community, complete many studies, and held many meetings with the City departments including Planning, Public Works, Fire and Building. We listened to city staff and the public and revised our application. We planned to resubmit our updated application in April 2020. Covid 19 then impacted our schedule. Since that time we continued to meet with our design team, staff and invest in the design of the proposed community at the Hayward Park Caltrain station. We resubmitted our application in May 2021.

As it relates to Development Impact Fees we request that the City Council consider “Grandfathering submitted projects” by providing a pipeline exemption for projects that have already submitted a Pre Application or completed other steps in the development process (i.e. worked with staff to initiate a development project). Projects that have already submitted applications should have reasonable and rational expectations that the City will not enforce project killing policies such as increasing development fees or adding other regulatory requirements. Indeed, exemptions from new fees or requirements for existing projects with pending applications is an integral concept enconced in SB 330, the Housing Crisis Act of 2019 (Skinner) which would require that a housing development project only be subject to the development ordinances, policies, and standards adopted and in effect when an application is submitted.

We have also seen cities mark and date development fee increases into the future (i.e. 2 years and say that any project with an Pre Application before that date is exempt from new fees). This can spur development in the near term at the margin and encourage the redevelopment of obsolete or older buildings.

Thank you for your considering our request.

If I can provide any additional information or there are any questions please contact me.

Best

Ken

**Director, Residential Development - Senior Vice President**

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**From:** [Stone, Jonathan](#)  
**To:** [Clerk](#); [Eric Rodriguez](#); [Diane Papan](#); [Rick Bonilla](#); [Amourence Lee](#); [Joe Goethals](#)  
**Cc:** [Brian Alexander](#)  
**Subject:** San Mateo City Council Meeting 6.7.2021 - Development Impact Fee Study  
**Date:** Monday, June 7, 2021 4:52:13 PM

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Dear Honorable Mayor Rodriguez and City Council Members,

The purpose of this message is to convey Prometheus Real Estate Group's interest in the review of the proposed changes in the City of San Mateo Impact Fee structure as being discussed in the June 7<sup>th</sup> City Council Meeting. Prometheus Real Estate Group has been following this item with the help of Brian Alexander in the Community Development Department. We understand the meeting on June 7<sup>th</sup> will lead to further review by Staff and direction from Council.

At this time, we would like to express our concern that at the time a project is submitted to the City, the fees in place at the time of the submittal be held in place. While there are mechanisms for certain types of development that hold the fee structures in place (such as SB330), we believe this is an ideal time for the City of San Mateo to take steps to provide greater certainty to the investment community that fees will remain constant which will provide a clear path for investments within the City of San Mateo.

We may have additional comments related to a number of the specific details to be discussed and will weigh in on those with greater detail after hearing the discussion between Staff and Council.

Thank you for your time on this matter,

**Jonathan Stone | Senior Director of Development**  
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