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RE: **PA 2019-045**  
**SPAR + SDPA**  
**One Hayward Ave.**  
**APN 034-175-130**  
**State Density Bonus Letter**

**ARC TEC #184688**

This letter is submitted on behalf of One Hayward Avenue, LLC ("Owner") as they plan for the redevelopment of their property located at the corner of 927 South El Camino Real and One Hayward Avenue in San Mateo ("Property") to build a mixed-use office and residential project with both market rate and below market rate units ("Project"). The residential units will be rental units. The Property is located within ½ mile of both public transit and a major transit corridor and would qualify by right for a reduced residential parking ratio of 0.5 spaces per unit. As currently envisioned, the Project would utilize Hayward Avenue as its front and include four floors with 4,650 square feet of office space on the first floor and three floors of residential units. It would also include below grade parking. Finally, the Project would maximize the residential density allowed on the site (12 units) and seek a density bonus (an additional six units), as well as waivers and incentives pursuant to Government Code Section 65915 ("State Density Bonus Law").

**State Density Bonus Law Overview.**

As you are aware, Government Code Section 65915(b) provides that a city shall grant a density bonus, waivers and incentives when an applicant for a housing development seeks and agrees to construct a housing development that will contain at least five percent of the total units, excluding any units permitted by the density bonus, for very-low income households. In this case, the Project proposes to set aside 16 percent of the total units, or two of the 12 units, for very-low income households. Therefore, under State Density Bonus Law, the Project is eligible for a density bonus, incentives and waivers.

The One Hayward Avenue, is requesting State Density Bonus Waivers and Incentives on the following items:

- Landscape buffer
- Step in height
- Lot width
- Percentage of compact stalls
- Parking ramp slope
- Parking ratio requirements
- First Level height
- Building height

Government Code 65915(e)(1) provides in no case may a city apply any development standard that will have the effect of physically precluding the construction of a development at the densities or with the incentives permitted. An applicant may submit to the city a proposal for the waiver or reduction of development standards that will have the effect of physically precluding the construction of a development at the densities or with the incentives permitted. The proposal for a development standard waiver shall not reduce the number of incentives to which an applicant is entitled.

In order to provide the proposed BMR units, relief to the City's development standards in the form of waivers and incentives is required. As such, and as per State Law, the project is requesting the following incentive regarding the Landscape Buffer and shows that this incentive results in real and actual cost savings.

1. Landscape Buffer (SMMC 27.48.100):

Required: Landscape buffer shall be at least equal to one-half the height of the building measured from the property line.

**Requested Incentive:** The project proposes a 10' landscape buffer at the street and interior lot lines. The setback will be 8' on the 2<sup>nd</sup> through 4<sup>th</sup> levels.

Rationale for Incentive: Permitting the reduced buffer will allow the addition of a 4th level of residential apartments. These units are necessary to physically construct the project at the permitted density and to provide the BMR units. In terms of cost reduction, this additional floor and 6 units results in an overall decreased cost of construction per unit. Specifically, the soft costs of the project such as land price, design and engineering fees, and financial interest and accounting fees will be spread over 18 units, instead of 12 units. Spreading the soft costs over the greater number of units results in 0.5% saving in construction cost per unit which makes the provision of the Below Market Rate units as included in the project feasible.

These additional units allow fixed hard and soft costs, including but not limited to, parking, elevators, stairs and amenity spaces, design and engineering fees, and financing costs to be spread across the additional 6 units. This results in an approximately 33 percent savings on each of the 4th floor units (approximately \$261,000 per unit or \$1,566,000 total) making the provision of 2 very-low income units (at a cost of approximately \$782,000 each or \$1,564,000 total) and a total of 18 residential units feasible.

In addition, the project is requesting the following waivers in order to provide the proposed BMR units. These waivers are required, since without them, the project would be physically precluded from being developed.

2. Lot Width: Minimum Development Standards (27.24.040):

Required: For parcels with a minimum parcel area of 10,000 SF, the minimum parcel width shall be 80' (lineal feet), and the minimum parcel area / DU shall be 1,000 SF.

**Requested Waiver:** For parcels with a minimum parcel area of 10,000 SF, the minimum parcel width shall be 70' (lineal feet), and the minimum parcel area / DU shall be 1,000 SF.

Rationale for Waiver: Not granting this waiver would physically preclude the construction of the development at the proposed density. If the required code parcel width were followed, the density of the site would be half of what is proposed.

3. Percentage of Compact Parking Stalls (27.64.265):

Required: Where the number of required spaces is from 10 to 100, 30% of such spaces may be provided pursuant to compact car standards.

**Requested Waiver:** 59% compact parking stalls requested or 13 of 22 total stalls.

Rationale for Waiver: Not granting this waiver would physically preclude the construction of the development at the proposed density. A greater percentage of compact stalls allows there to be an additional two parking stalls in the garage that would not be possible with the code maximum prescribed percentage. These two parking stalls translate into four units (parking ratio .5 stalls / bedroom) which are possible because of the greater number of compact parking spaces.

4. Parking Ramp Standard: Public Works Streets Sidewalk Typical Driveway or Ramp Profile

Required: Maximum slope on a ramp profile is 18%

**Requested Waiver:** Maximum Slope on a ramp profile of 20%

Rationale for Waiver: Not granting this waiver would physically preclude the construction of the development at the proposed density. Providing a ramp with a steeper incline allows the length of the ramp to be shortened by 3'-11". Including the 3'-11' in the level floor area of the basement, allows two additional parking stalls which would not be possible with the longer ramp. These two parking stalls translate into four units (parking ratio .5 stalls / bedroom) which would not be possible with the longer ramp.

5. Parking Requirements – Minimum Parking Stalls Required (SMMC 27.64.160)

Required: 1 per 335 SF of gross floor area of office use

**Requested Waiver:** 1 per 360 SF of gross floor area office use

Rationale for Waiver: Not granting this waiver would physically preclude the construction of the development at the proposed density.

6. El Camino Real 40 – 55 Foot Building Height Design Criteria-Ground Floor Height - Coherent City Image c. Increased building heights are visually related to surrounding building heights and promote the creation of a coherent City image.

Required: Streetscape and Ground Floor Uses

3. A minimum first floor height of 15' should be provided to accommodate active ground floor uses along the El Camino Real frontage, initially or at a future date.

**Requested Waiver:** 14-foot ground floor use height

Rationale for Waiver: Not granting this waiver would physically preclude the construction of the development at the proposed density.

## 7. Building Height

Required: Maximum height of 40 feet

**Requested Waiver:** Maximum height of 50 feet

Rationale for Waiver: Not granting this waiver would physically preclude the construction of the development at the proposed density. When an applicant exceeds the city's maximum density through the application of state law, modifications to a city's development standards are necessary to make construction of the increased number of units physically possible. The applicant is using a 50% density bonus.

Please feel free to contact me if you have any additional questions. Thank you for your assistance.

Sincerely,

**ARC TEC, Inc.**



Craig Almeleh, NCARB, LEED GA  
Principal