



Rendell Bustos
Senior Planner
City of San Mateo
Community Development Department – Planning Division
330 West 20th Ave.
San Mateo, CA 94403-1388

August 26, 2022

RE: Block 20-State Density Bonus Request Letter

Dear Mr. Bustos:

I am submitting this letter as part of the City of San Mateo Pre-Application package for this project. The Block 20 project includes redevelopment of the block bounded by East 4th Avenue, South Delaware Street, East 5th Avenue and South Claremont St in San Mateo to build a mixed-use office and residential project.

The project site is approximately 50,514 square feet and is located in downtown San Mateo within a 1/2 mile of the Downtown Caltrain Station. The project site is zoned CBD Support District—Central Business District Support and is within the City’s Central Parking Improvement District (CPID). The zoning allows for office, commercial and residential uses (at a maximum density of 50 DU/AC) to be developed. The allowed Floor Area Ratio (FAR) for this zone allows development at a 3.0 FAR.

The project proposes 142,046 square feet of office space on the first through fifth levels and 86 residential units on the fourth through sixth levels. The project includes 15% very low-income units which exceeds the City of San Mateo’s requirements for below market rate units. In this case, 15% very low-income units consist of the provision of nine (9) BMR units.

State Density Bonus

Government Code Section 65915 provides that a City shall grant a density bonus, waivers and incentives/concessions when an applicant for a housing development seeks and agrees to construct a housing development that includes at least 5 percent affordable units. Specifically, state law provides for a density bonus of 50% and three (3) incentives or concessions to be granted for projects that include at least 15 percent of the units for very low-income households. The base density for the project site is 50 DU/AC, allowing for 58 units. With the allowed density bonus, the project includes 86 residential units in total. In addition, the project will provide for parking at 0.5 spaces per unit and 86 tandem spaces in accordance with this section.

Concessions/Incentives

As such, the project is requesting the following two (2) incentives/concessions to construct the project as proposed.

Concession 1: Increase in building height.

Windy Hill is requesting a concession to increase building height to 63-75 feet, which is 12 to 20 feet above the 55-foot maximum identified in Municipal Code Chapter 27.40 and the City's Building Height Plan. An increase in height allows for an additional 58 units (29 units on the 5th floor and 29 units on the 6th floor) to be included in the Project, which equates to an additional 47,680 square feet. These additional units allow fixed hard and soft costs, including but not limited to land price, construction of underground parking, elevators and other shared spaces, design and engineering fees, and financing costs to be spread across the additional 58 units.

Concession 2: Increase in maximum floor area ratio.

The Project is requesting a concession to increase in the maximum floor area ratio ("FAR") from 3.0 as identified in Municipal Code Section 27.38.060 by 1.28 FAR, which equates to an additional 64,759 square feet. As with the height, modification of the FAR is a concession by definition. Also like the increased height, an increase in FAR allows for an additional 58 units (29 units on the 5th floor and 29 units on the 6th floor) to be included in the Project. These additional units allow fixed hard and soft costs, including but not limited to land price, construction of underground parking, elevators and other shared spaces, design and engineering fees, and financing costs to be spread across the additional 58 units, making the provision of 9 very-low income units and a total of 86 residential units feasible.

Waivers

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, the project is requesting the following waivers:

Waiver 1: Increase in the maximum parking ramp slope.

Windy Hill is requesting a waiver of Municipal Code Section 23.40.050 which provides a maximum driveway grade of 18 percent for private roads, driveways and ramps that have no pedestrian access. To make construction of the Project physically possible, Windy Hill is requesting an increase in the maximum slope on a ramp profile of 19.8 percent between the upper and lower basement levels. Providing a ramp with a steeper incline allows the length of the ramp to be shortened by 2'-11". Reducing the length of the ramp allows eight additional parking stalls to be provided, which would not be possible with a longer ramp. Without this reduced dimension, the Project would not feasibly be able to meet its parking requirement, precluding the development of the Project at the density and with the concessions requested.

Waiver 2: Reduction in private open space.

Windy Hill is requesting a waiver of Municipal Code Section 27.38.130 regarding the required open space for residential development. The Municipal Code requires residential development to include private usable open space equal to at least 80 square feet per dwelling unit or common usable open space equal to at least 150 percent of the private usable open space requirements, or a combination of both. Private usable open space used to fulfill this requirement must have a usable area of not less than 75 square feet and shall not be less than six feet in any dimension. Windy Hill is requesting a waiver to allow private usable open space equal to at least 70.5 square feet per dwelling unit. The reduced open space allows for the construction of the additional residential units since there is limited space allocation as part of the building. Without this reduction, the Project would not feasibly be able to provide open space for all the units thus precluding the development of the Project at the density and with concessions requested.

Waiver 3: Increase in bulk.

Windy Hill is requesting a waiver of Municipal Code Section 27.40.030 which provides above 55 feet maximum building dimension of 150 lineal feet and a maximum diagonal dimension of 170 lineal feet. To physically construct the project at the density and with the requested concessions a waiver is required. Windy Hill is requesting a 58 percent increase in both lineal and diagonal length. Meeting the Municipal Code standard would result in the loss of 28 units or 47 percent of the units on the 5th and 6th floors. Without this, construction of the Project would be precluded, including the affordable units, which would defeat the law's goal of increasing affordable housing.

Waiver 4: Reduction in wall area.

Windy Hill is requesting a waiver of Municipal Code Section 27.42.010, street wall area. Windy Hill is requesting a 32 percent reduction in the maximum depth of the street wall area. Meeting the Municipal Code standard would result in the loss of 36 units or 62 percent of the units on the 5th and 6th floor. Without this, construction of the Project would be precluded, including the affordable units which would defeat the law's goal of increasing affordable housing.

As the project is in the preliminary review stage, Windy Hill Property Ventures reserves the right to further identify and request concessions/incentives and waivers deemed necessary for the provision of affordable in units as defined in Section 65915. A more detailed cost savings analysis can be provided once the concessions/incentives and waivers have been reviewed and discussed with City staff. Please let me know if you have any questions on the information provided.

Sincerely,



Mike Field, Partner
Windy Hill Property Ventures