



April 15, 2025

Mr. Zach Dahl
Community Development Director
City of San Mateo
330 W. 20th Ave.,
San Mateo, CA 94403

RE: **PA24-064 Full Application Submittal – 715 N. San Mateo Drive**

Dear Mr. Dahl,

Prometheus Real Estate Group respectfully and formally submits this Project Description Letter and associated materials for the full development application associated with the Project proposal located at 715 San Mateo Drive.

The Project's pre-application was submitted pursuant to SB 330, which amended the Housing Accountability Act (Gov. Code § 65889.5), the Permit Streamlining Act (Gov. Code § 65920 *et seq.*), and created the Housing Crisis Act of 2019 (Gov. Code § 66300). This full application is timely submitted to preserve the vesting secured by the pre-application.

The SB330 Project application is consistent with the policies and guidelines of the adopted San Mateo General Plan 2040 in proposing a 181-unit residential development. It will allow an aging vehicle sales center and parking lot to convert to much needed market rate and affordable rental housing within walking distance to Downtown San Mateo and Caltrain.

We believe that this request is fully consistent with San Mateo's vision and goals of providing housing opportunities in focused areas of San Mateo as guided by the recently adopted General Plan. This 1.22-acre site is situated within the San Mateo Drive high residential corridor between downtown San Mateo and Downtown Burlingame. This proposal supports guiding language of the San Mateo General Plan to "Encourage new development to maximize the density and intensity specified in the Land Use Plan and to efficiently use land and infrastructure resources" and, "provide a range of housing types, sizes, and affordability levels in all San Mateo neighborhoods" (Policy LU 1.3). Accompanying this Project Description Letter are the required Project plans and application documents.

I. Project Description

The Project will consist of six stories of residential units comprised of studio, one-bedroom, two-bedroom, and three-bedroom units over an internal and partially underground parking garage, the entrance of which will be visually minimized per General Plan Policy CD 7.4. The upper floors of residential units are oriented around a southern facing courtyard and include a pool, spa, BBQ, planting, and seating options. An amenity space on the 6th floor will provide a gathering space for the residents. The Southwestern end of the courtyard will be anchored by the pool area surrounded by seating and adjacent to a gym for residents of the building.

In keeping with General Plan Policy CD 7.3, the Project design enhances the neighborhood's visual and architectural character by providing high-quality materials and construction, open space, and resident



amenities, while providing much needed housing, this carefully considered design draws upon the immediate neighborhood context and the broader regional vernacular for design cues and inspiration that honor the midrise elements of San Mateo's Multifamily Objective Design Standards (ODS), Action CD 7.7. Soft creamy stucco, brick (two tones), wood-appearance cladding and ironwork (per ODS 4.1.3) connect with the Mediterranean tradition in San Mateo architecture, while updating with contemporary forms.

The street facades present refined solidity with deep carving, stepping and variation and a general rhythm of thirds per ODS 4.1.4, 4.1.6B1 and 4.1.6C. The design presents a clear high-bay base with brick cladding per ODS4.1.6A1 and 4.1.6.B2C. The base has deep set openings, ground floor units, active uses and space for planting for an inviting pedestrian experience. At podium level, a linear courtyard extends through the massing with active balconies, walkways and biophilic elements. The southwest corner of the building is carved back in reference to the massing context of adjacent neighboring buildings per ODS4.4.1B. Facades are articulated with balconies and window recessed per ODS 4.1.2 B&D. The vehicular driveway is positioned on Villa Terrace per ODS 3.2.3 and all parking is shielded from the street and wrapped in program.

II. Density Bonus Law

The Project incorporates the use of the State Density Bonus Law (Gov. Code § 65915 ["DBL"]). The DBL has four distinct primary components: (1) Density Bonuses; (2) Incentives; (3) Development Standard Waivers; and (4) Parking Standard Waivers. Although interrelated, each component serves a different purpose and is governed by unique standards.

A. Density Bonus

Section 65915(b)(1) of the DBL provides that requests for a density bonus must be granted "when an applicant for a housing development seeks and agrees to construct a housing development" that meets one or more of the statute's thresholds, including at least 5% of the units for Very Low Income households.

The Project is located within the Residential Medium II land use designation of the San Mateo General Plan, which allows a maximum of 99 du/ac, and which equates to a maximum residential density of 121 units on the project site. The Project implements the DBL to include 15% Very Low Income units (19 total) and therefore receives a 50% density bonus (60 Units), which equates to a total unit count of 181 Units. (Gov. Code § 65915(f)(2).

B. Incentives

A local agency must grant an incentive request unless it can make a written finding, based on substantial evidence, that: (1) the incentive does not result in identifiable and actual cost reductions to provide for affordable housing costs; (2) the incentive would have a specific, adverse impact on the public health or safety, or upon an historical resource; or (3) would be contrary to state or federal law. (Gov. Code § 65915(d)(1).) We submit that none of those findings can be made with regard to this project.

Recent case law confirms that an applicant is not required to establish that the requested incentive will result in cost reductions. In *Schreiber v. City of Los Angeles* (2021) 69 Cal.App.5th 549, 555, the court explained that there is a presumption that an incentive will result in cost reductions and that an applicant "is not required to establish that cost reductions will result." Instead, a city must approve the



incentive request unless it makes one of the written findings set forth in Section 65915(d)(1) above. (*Ibid.*) “By requiring the city to grant incentives unless it makes particular findings, the statute places the burden of proof on the city to overcome the presumption that incentives will result in cost reductions.” (*Id.* at 556.) Because of this presumption, a city is “not required to make an affirmative finding that the incentives would result in cost reductions, or to cite evidence to establish a fact presumed to be true.” (*Id.* at 560.)

The number of incentives is derived from the amount of affordable units that are provided. In this case, by providing at least 15% of the units for VLI households, the Project applicant may receive three incentives. (Gov. Code § 65915(d)(2)(C).) This Project Application does not identify the use of any Incentives at this time. However, we reserve our right to identify and seek the three incentives available in response to feedback from City staff during the entitlement process.

C. Development Standard Waivers

In addition to, and separate from, requests for incentives, a DBL applicant may request a waiver or reduction of development standards that would have the effect of physically precluding the construction of the project proposed by the developer. (Gov. Code § 65915(e)(1).) The definition of a “development standard” includes a site or construction condition, including, without limitation, local height, setback, floor area ratio, onsite open space, and parking area ratio requirements that would otherwise apply to residential development pursuant to ordinances, general plan elements, specific plans, charters, or other local condition, law, policy, resolution, or regulation. (Gov. Code § 65915(o)(1).) A request for a development standard waiver neither reduces nor increases the number of incentives to which the developer is otherwise entitled. (Gov. Code § 65915(e)(2).) Furthermore, there is no limit on the number of waivers that may be issued.

As with incentives, recent case law has clarified the legal principles regarding waivers. The *Schreiber* case confirms that a city may refuse a request to waive or reduce development standards *only* if it makes written findings that the waiver or reduction would have a specific adverse impact on the public health or safety. (*Id.* at 556; Gov. Code § 65915(e)(1).) In addition, another new case upholding a city’s approval of a DBL project confirmed that waivers are based on the project as proposed by the developer: “even if we assume the Project as designed is inconsistent with some of the City’s design standards, the Density Bonus Law would preclude the City from applying those standards to deny this project.” (*Bankers Hill 150 v. City of San Diego* (2022) 74 Cal.App.5th 755, 775.) Therefore, a local agency may not respond to a waiver request that a Project could be redesigned to avoid the need for a waiver. (*Id.* at 774-775 [rejecting argument that the Project “could have been built more horizontally” to comply with design standards.”].) In addition, HCD has notified various local agencies that they cannot require a qualifying DBL project to be redesigned in order to avoid the need for a waiver. Last year, HCD advised the City of Oceanside as follows: “HCD reminds the City that appellate courts have established (and continue to affirm) that local agencies cannot lawfully redesign a qualifying SDBL project on the theory that if the project were configured differently, it would not need the requested incentives/concessions and waivers. (*Wollmer v. City of Berkeley* (2011) 193 Cal.App.4th 1329, 1346–1347.) The City must consider the Project as proposed, inclusive of any requested concessions or waivers.”¹

At this point, we identify the following waivers or reductions to the development standards identified below:

¹

HCD Letter of Technical Assistance to City of Oceanside dated January 10, 2023.



- 4.1.1 Blank Walls (Objective Design Standards)
 - The rear façade requires a blank wall in order to contain the internal parking garage.
 - The development standard, which requires a minimum of 20 feet of blank wall, would physically preclude development of the Project if the waiver was not provided.

D. Parking Standard Waivers and AB 2097

Parking ratio reductions are separate from the incentives and waivers identified above. By providing more than 11% VLI units, the Project may request a cap of 0.5 spaces per unit because the Project is within a half mile of a major transit stop with unobstructed access. (Gov. Code § 65915(p)(2).) Separately from the DBL, AB 2097, prevents the City from imposing any minimum parking requirements on the Project, which is located within one-half mile of public transit. (Gov. Code § 65863.2.) Nevertheless, the Project currently proposes 186 Parking spaces.

As a brief introduction to our firm, Prometheus owns and/or manages over 13,000 apartment homes on the west coast and is the largest private owner of apartments in the Bay Area. Prometheus is a long-term owner and operator, having built its first project in Sunnyvale in 1968. Two of Prometheus' most recent projects are in the City of San Mateo, 303 Baldwin (the former Trags site) and 1st and B. Prometheus Real Estate Group is a local firm with our headquarters in Downtown San Mateo.

We appreciate your consideration of this request and look forward to working with you and the City on this proposed Project. Please contact me or Jonathan Stone at [\(jstone@prometheusreg.com\)](mailto:jstone@prometheusreg.com) (650.931.3448) should you have any questions regarding our proposed application or our firm.

Respectfully submitted,

Don Peterson

Don Peterson
Senior Vice President
Prometheus Real Estate Group
1 North B Street, Suite 4000
San Mateo, CA 94401
(650) 931-3569

CC:

Jonathan Stone