



MINUTES
SPECIAL MEETING
OF THE
HOUSING STANDING COMMITTEE OF
THE CITY COUNCIL AND
PLANNING COMMISSION
CITY OF SOUTH SAN FRANCISCO
P.O. Box 711 (City Hall, 400 Grand Avenue)
South San Francisco, California 94083

Meeting will be held at:

MUNICIPAL SERVICES BUILDING
COUNCIL CHAMBERS
33 ARROYO DRIVE
SOUTH SAN FRANCISCO, CA

MONDAY, AUGUST 19, 2019
5:00 p.m.

CALL TO ORDER

5:00 p.m.

ROLL CALL

Present: Mayor Matsumoto, Councilmember Addiego,
Planning Commissioners Faria, Evans and Shihadeh (arrived
at 5:03 p.m.)

AGENDA REVIEW

City Manager Futrell reminded the public that the open session would have a hard start time of 6:00 p.m.

PUBLIC COMMENTS

None.

CLOSED SESSION

Closed Session: Conference with Real Property Negotiators:
(Pursuant to Government Code Section 54956.8)

Properties: Former South San Francisco Redevelopment Agency property known as the PUC Site
(APN 011-312-060).

City Negotiators: Alex Greenwood, Nell Selander, Mike Lappen, and Deanna Talavera

Negotiating Parties: City of South San Francisco, South San Francisco Successor Agency, and SSF
PUC Housing Partners, LLC, an affiliate of AGI Avant Group, Inc. and KASA Partners

Under Negotiation: Price and terms for disposition of the property

Time entered Closed Session: 5:02 p.m.

Meeting resumed: 6:04 p.m.

Report out of Closed Session by Mayor Matsumoto: No reportable action.

MATTERS FOR CONSIDERATION

2. Motion to approve the Minutes from the meetings on February 19, 2019 and March 11, 2019.

Mayor Matsumoto advised of some corrections for the minutes she would like corrected.

Motion – Planning Commission Faria / Second – Planning Commissioner Shihadeh to approve the Minutes from the meetings of February 19, 2019 and March 11, 2019. Unanimously approved by roll call vote.

3. Report regarding Housing Standing Committee study session of the proposed mixed-use development on 5.9 acres of vacant land at 1051 Mission Road. (Mike Lappen, Economic Development Coordinator and Tony Rozzi, Principal Planner)

Economic Development Coordinator Lappen requested that the Housing Standing Committee provide input and direction regarding the proposal to develop the 5.9 acre PUC Site with construction of 800 residential units, an 8,300 square foot childcare facility, 13,000 square foot commercial retail space, approximately 1 acre of public open space, and related infrastructure at 1051 Mission Road and surrounding parcels.

Eric Tao, Managing Principal of the site stated the process has been ongoing for two (2) years. Mr. Tao advised there was a housing crises that the Bay Area was confronting with transportation and climate issues that were related to that. Mr. Tao believed the proposed site would be the best location for the project. He stated the importance of community input to help with the process of the project.

Brian Baker, AGI Avant, discussed the developer selection process and community engagement. To dispose of the PUC Site in a manner consistent with the Long-Range Property Management Plan (LRPMP), on May 1, 2017 the City issued a Request for Qualifications (RFQ) for a well-qualified development team to create a high-quality, mixed-use, transit-oriented development on the PUC Site. 12 development teams responded. A Review Panel of community members whittled the responding teams down to a short list of six developers, which it recommended to the Housing Standing Committee for approval. On October 16, 2017, the Housing Standing Committee reviewed and approved a draft Request for Proposals (RFP) and the Review Panel's recommended short list of developers. In late October 2017, staff sent the approved RFP to the short listed developer teams. The 90-day solicitation period concluded on February 5, 2018, with five (5) developer teams responding: AGI/KASA, Blake Griggs, Republic Metropolitan, Sares Regis, and SummerHill Housing Group. On May 2, 2018, in a second joint meeting of the City Council and Successor Agency, AGI/KASA was selected as the preferred developer of the PUC Site. The City Council/Successor Agency directed staff met to negotiate an Exclusive Negotiating Rights Agreement (ENRA) with the developer.

Chris Haeggglund, BAR Architects provided details on the architectural design of the project. Mr. Haeggglund stated the goal was to create a contemporary building, not a trendy building that he felt met with the context of South San Francisco. Mr. Haeggglund provided the following building descriptions for the project:

Building C1 will be over a single basement structure and three above grade levels of type IA construction for parking and up to five levels of type IIIA residential construction. The basement had three level stacker parking with pits and level one had two (2) level stacker parking. Level one would be laminated with a double height entry lobby and residential units and at the south end of the building would be an 8,300 square feet childcare center. Level two would have two (2) landscaped podium courtyards, a club room and residential units. Level three would have residential units. There would be five (5) levels of type IIIA construction above level three with residential units with setbacks at various levels to conform to the zoning requirements.

Building C2 would consist of a 100% affordable housing development and would have two (2) levels of type IA construction for parking and two (2) to five (5) levels of type IIIA residential construction. Level one would have stacker parking with pits and would be laminated with the entry lobby and residential units. Level two would have a podium courtyard, a community room/club room and residential units. Levels three to seven would have residential units with setbacks at various levels to conform to the zoning requirements.

Building B would be over a single basement structure and have three (3) above grade levels of type IA construction for parking and five (5) levels of type IIIA residential construction. The basement had three level stacker parking with pits. Level one had two level stacker parking for residential units and surface parking for a market hall. Level one would be laminated with the entry lobby and residential units and had a 13,000 square feet double height market hall (with a mezzanine) facing an outdoor market plaza. Level two would have surface parking for the residential units and would be laminated with the residential units. Level three would have a landscaped podium courtyard, a club room and residential units. There would be five levels of type IIIA construction above level three with residential units.

Gary Strang, GLS Landscape Architecture, presented the Housing Standing Committee members with open space amenities for the site plan. Mr. Strang stated a one-acre Community Park would be provided between Buildings C1 and C2 and the Colma Creek, and approximately 0.2 acres of Market Hall Plaza and 0.2 acres of Picnic Area would be provided on the Building B Lot. In addition, approximately 38,850 square feet of open space would be provided as common open space (landscaped podium courtyard) and approximately 10,600 square feet would be provided for the residential units as private open space. Building upon the existing site amenities, the project would provide a series of linked public open space arrayed along the Centennial Trail. Multiple access points from Mission Road to the Community Park would be provided. The Community Park would include children's play area, sculpture lawn, adult fitness stations and seating. The Centennial Trail pedestrian/bike trail improvement would include better lighting, new interpretive signs, seating, and bike share stations along the trail.

Andrew Kawahara, AGI KASA, summarized some of the community benefits that the project would bring. He highlighted three (3) community benefits:

1. Childcare: Proposing a childcare center of 8,307 square feet for 70-100 children. The developer's childcare partner had committed to seeking State grants to subsidize 25-33% of the childcare spaces. The childcare center would also have its own dedicated off street drop off for 3-4 cars.

2. Market Hall: Proposing a production and distribution/retail component with 12,992 square feet of space. Mr. Kawahara advised they were targeting businesses like coffee roasters, caterers, cafés, breweries and bakeries.

3. Affordable Housing: Brad Wiblin, Bridge Housing, mentioned that 20% of the Project's overall units would be affordable and the units would be provided in Building C2 since it is the closest building to the South San Francisco BART Station and would likely qualify for additional funding sources. Bridge Housing, AGI/KASA's affordable housing partner, would be targeting incomes for the affordable units at an average of 50% of the area median income (AMI) with units provided for a range of incomes from 25% to 80% AMI. The reason for targeting this low AMI range was two-fold: 1) South San Francisco incomes were, on average, nearly 40% below the area median income (so 25% AMI was really closer to 60% AMI in South San Francisco) and 2) there was more State funding available for lower AMI levels. The exact income mix would continue to shift as funding for the project was secured.

SPEAKER CARDS

Christine Padilla, Director of Build Up for San Mateo County's Children stated that childcare availability was a critical piece of community infrastructure that was interrelated with housing and transit. Ms. Padilla asked the City for their leadership and working with the developer to include childcare in the project and was thankful for the developer reaching out to the community to facilitate the best possible high-quality design.

Alex Melendrez, Housing Leadership Council for San Mateo County expressed support of the project. He thanked the Housing Standing Committee members and staff for their support and moving this development forward.

Alison Gibson, Greenbelt Alliance expressed support of the project. Ms. Gibson stated the project site was very well located and provided high-quality housing less than half a mile from the BART Station allowing for residents and neighbors to have access to the regional transit system.

Madison Gibson, Greenbelt Alliance expressed support of the project and stated the project was a positive example of high standard of living for people of all income levels.

Cory David, spoke against the project and recommended the buildings not be higher than five (5) stories and include adequate parking.

Michael Wisper, spoke against the project and suggested the City find a way to alleviate the traffic congestion. He also recommended adjusting the traffic lights on El Camino Real and Chestnut Avenue.

James Ruigomez, representing the San Mateo Building and Construction Trade Council expressed support of the project. He encourage the Housing Standing Committee members instruct staff to make sure that the project was a prevailing wage project.

Cynthia Marcupulos, expressed support of the step back, lower to higher design of the project. However, she suggested the project be scaled down as she felt 800 units was too many for the already congested area. She recommended keeping the building no taller than five (5) stories.

Nicolas Nagle, Bay Area Housing Advocacy Coalition expressed support for the project. He stated the 800 units would make a great impact in resolving the home shortage dilemma.

John Baker, resident of South San Francisco expressed support for the project. He stated employees that work in South San Francisco needed this project for affordable housing. Mr. Baker shared stories of teachers in South San Francisco quitting because they could no longer handle the long commute into South San Francisco.

Michael Yoshida, resident of South San Francisco spoke against the increased density the project would create. Mr. Yoshida stated the lack of care for the residents that live in the proposed area of the project and the City was more concerned on bringing additional people to the area. He wasn't concerned about the height of the building, just the number of units.

Melissa Yoshida, resident and teacher in South San Francisco spoke against the project. Ms. Yoshida was concerned with Mission Road only having two (2) lanes instead of four (4).

Katie Stokes, resident of Sunshine Gardens area spoke against the project. Ms. Stokes reminded the Housing Standing Committee members that this was South San Francisco, not San Francisco. She was concerned of the decline of property values around the project area.

Diane Stokes, resident of Sunshine Gardens area spoke against the project. Ms. Stokes stated the project would increase the parking issues in the area. She reminded the Housing Standing Committee members that the 800 units would create a massive amount of people, cars and foot traffic.

Xiomara Cisneros, Bay Area Council expressed support for the project. Ms. Cisneros stated she grew up in South San Francisco and couldn't afford to live in South San Francisco. Thanks to this project, people would be able to afford to live in the city where they work.

Carrie Dallman, resident of South San Francisco expressed support for the project. Ms. Dallman stated she enjoyed walking to the BART Station to get to work every day.

Mayor Matsumoto called for a five (5) minute break at 7:32 p.m.
Meeting resumed at 7:43 p.m.

Mayor Matsumoto advised the Housing Standing Committee members had heard the presentations from staff and the developers and listened comments from residents. She stated the next step would be to open the discussion to the Housing Standing Committee members and then provide direction to staff.

Planning Commissioner Faria stated he was glad to see the developers changed the articulation of the project. He appreciated all the residents that came to voice their thoughts and concerns.

Planning Commissioner Evans understood the financing concept but preferred that the affordable units were part of the entire scheme instead of a set-aside. She asked that the design, construction, materials, finishes, choice of appliances and flooring be exactly the same as the market rate units. Planning Commissioner Evans queried the type of mechanism the developer had in mind to prohibit residents from parking in the neighborhood.

Mr. Baker replied that the City had used the program on smaller developments in the past to identify all of the residents' cars and they plan to implement the same program.

Planning Commissioner Shihadeh voiced concerns regarding insufficient parking at the project site. He asked for clarification on staggered parking.

Mr. Baker stated staggered parking allowed for a traditional at-grade parking space to become upwards of two (2) or three (3) spaces. He explained there would dig a pit underneath the parking spot to allow a lift to go up and down and triple the parking capacity.

Mr. Tao added that they would be implementing an unbundled parking system meaning unit residents would not be receiving a parking space and would need to pay extra for a parking space.

Councilmember Addiego gave examples of all the other housing projects the City of South San Francisco had approved such as South City Place on Mission Road that contained 35 units, Pinefino Apartments on Baden Avenue that contained 60 units, Rotary Terrace on Miller Avenue that contained 90 units, two (2) housing projects located Downtown contained 80 units, Cadence Apartments on Cypress Avenue contained 260 units with Phase II adding 200 units, Fairfield development on Airport Boulevard contained 170 units with Phase II adding 90 units, SummerHill Apartments on El Camino Real and Chestnut Avenue contained roughly 170 units and Warmington Homes on Westborough Boulevard contained 25 units. Councilmember Addiego expressed how proud he was with the City's accomplishments.

Councilmember Addiego didn't believe the unbundled parking system would encourage people to give up a car and use mass transit. He stated residents could simply park someplace else and save money. Councilmember inquired whether the developer would be using the same finishes and appliances on the affordable units as the market rate units or would they be low end stuff.

Mr. Wiblin stated they would have different unit plans for the affordable units. He added the exteriors would be undistinguishable in terms of materials, design and construction and would be building a prevailing wage project. Interior finishes would be different and would be using upgraded flooring materials from market rate buildings. Mr. Wiblin advised the affordable units would not have granite counter tops or stainless steel appliances but would have high quality, energy efficient appliances and high quality finishes.

Councilmember Addiego queried what percentage of the 1,200 units operated by the developer where from Section 8 vouchers.

Mr. Wiblin stated somewhere north of 5% and less than 8% of their residents were Section 8 voucher holders.

Councilmember Addiego asked whether the developer preferred Section 8 voucher residents for the Magnolia Senior Housing and would like a percentage of the Section 8 voucher units for that project.

Mr. Wiblin advised that 20% of the Magnolia Senior Housing was in fact market rate and virtually most of the units were from Section 8 vouchers. Mr. Wiblin stated he would come back with exact data next time.

Mayor Matsumoto stated housing projects were for the greater good and complimented the new Civic Campus building. She stated the project would expand the vision of what the City had for the Civic Campus. Mayor Matsumoto advised that voting against this project would cause the City to lose affordable housing for residents along with childcare. Mayor Matsumoto stated the project wasn't perfect but that the City was trying their best.

City Manager Futrell advised staff would await the outcome of the Design Review Board tomorrow evening and report back via memo to the Housing Standing Committee and query whether the Housing Standing Committee would like another meeting based on the memo. He added that the next step after that would be a public hearing before the Planning Commission likely in September.

Planning Commissioner Evans disliked the idea of the unbundled parking system and charging residents extra for parking and thought it was unfair. She asked whether Bridge Housing would also charge extra for parking.

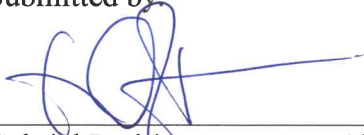
Mr. Wiblin advised they would place their parking in tax credit basis and therefore the parking would be free for their residents.

Mr. Tao clarified that they weren't trying to gouge anyone and that their research had shown that by unbundling parking, it had reduced car ownership in their experience.

ADJOURNMENT

Being no further business the meeting was adjourned at 8:24 p.m.

Submitted by:



Gabriel Rodriguez, Deputy City Clerk
City of South San Francisco

Approved by:

Karyl Matsumoto, Mayor
City of South San Francisco