



**March 2020 City Manager's eNewsletter
Mills Park Center Development
March 31, 2020**

In keeping with our commitment to inform the community of significant events related to the proposed Mills Park Center Development, this Community Update provides information on revisions to the project application that were formally submitted to the City on March 23, 2020. This resubmittal includes the following notable changes from the proposal reviewed by the City Council on July 9, 2019:

- Elimination of the proposed approximately 42,000 square foot high-end grocery store. The project now includes 7,560 square feet of ground floor commercial space.
- A guaranteed \$10 million community benefit payment to the City's General Fund, a doubling from the former \$5 million base community benefit payment that included an option for another \$5 million.
- Addition of two dwelling units, bringing the total number of units from 425 to 427 units. 65 units (15%) will be affordable, an increase of one new affordable unit.
- Additional \$100,000 direct payment to the City's General Fund to support bike and pedestrian improvements in the City.
- The property owner, G.W. Williams Company is now the applicant for the development proposal, replacing Signature Land Advisors, Inc.

Brief Background on the Project

The original proposed project would remove existing commercial buildings and surface parking lots on a 5.38 acre site at the south-west corner of San Bruno Avenue and El Camino Real (bordered by Linden Avenue and White Way to the west, and Angus Avenue to the south). The project was proposed to include 425 residential units (including 64 affordable units), a high-end grocery store, ground floor commercial space as well as 879 on-site parking for residents, grocery customers, employees and commercial customers.

On July 9, 2019, the project went before the City Council for action, with a recommendation for approval from City staff and the Planning Commission. Due to the unique circumstances of the recusal of two Councilmembers, only three Councilmembers were eligible to vote on the project. State law (Government Code §36936) requires that a minimum of three Councilmembers approve all City resolutions and ordinances. As such, approval of the project required support from each of the three Councilmembers who are eligible to vote on the project. After a lengthy hearing, the project did not receive unanimous support and could not proceed forward.

Following the July 9, 2019 hearing, various parties, including the property owner and housing advocacy groups, informed the City that they believed the City's failure to approve the project violated state and local laws. The regional and statewide housing advocacy groups are:

- California Renters Legal Advocacy & Education Fund

- Yes in My Back Yard
- Peninsula for Everyone
- San Francisco Bay Area Renters Federation
- Urban Environmentalists

These groups and individuals associated with them, such as potential tenants, have a record of suing cities to compel them to approve housing developments. The City of San Bruno eventually entered into an initial 60-day tolling agreement with thirteen (13) parties to temporarily limit the City's potential liability and exposure to these potential lawsuits. The tolling agreement has been extended and currently expires on May 5, 2020.

March 23, 2020 Resubmittal of Project

On March 23, 2020, the property owner, G.W. Williams Company resubmitted the project with several notable changes. The overall building massing, size, height, and location on the site has not been changed. A portion of the space that was formerly the 42,000 square foot high-end grocery store on the ground floor has been converted to parking, with only 7,560 sq. ft. of ground floor commercial space remaining. This represents a total reduction of 38,440 square feet. Two units were added on the second floor of Building A, in an area that was formerly the grocery store loading room on White Way, with no changes to the building mass or location. Based on the submitted project schedule, if approved the project is projected to start construction in 2022 for Building A and 2023 for Building B. The property owner, G.W. Williams Company is now the applicant for the development proposal, replacing Signature Land Advisors, Inc. The G.W. Williams Company has owned the property in the family for over 70 years. The G. W. Williams Company was the original developer of both the Mills Park Commercial Center and surrounding residential subdivisions in the late 1940's.

Below is a brief overview of the resubmitted project's major components and a comparative analysis of the project considered by the City Council on July 9, 2019 and the March 23, 2020 resubmittal.

Major Resubmitted Project Components:

- Two mixed-use buildings ranging in height from one to five stories and divided into smaller components with articulated building setbacks and stepbacks.
- 427 total dwelling units: Building A contains 184 units and Building B contains 243 units. The plan calls for 65 affordable units, at various affordability levels (very low, low and moderate level incomes).
- Approximately 7,560 square foot ground-floor commercial space. No tenants have been identified at this time, and the space could be utilized by a variety of permitted uses, including eating and/or drinking establishments, general retail sales and service uses, personal service uses, fitness uses, or offices.
- 669 total parking stalls on-site. One parking space will be provided for each bedroom, plus dedicated residential guest parking. The project includes a two two-level parking garage, one level at grade and one partially submerged. The project exceeds the recently adopted City parking code requirements.
- Public plazas located at street level at the corners of San Bruno Avenue West and El Camino Real, Kains Avenue and El Camino Real, and Angus Avenue and El Camino Real.

	Original Project Proposal	March 23, 2020 Resubmitted Project Proposal
Residential Units	425 units 64 affordable units	427 units (+ 2 units) 65 affordable units (+ 1 unit)
Commercial Space	Grocery store of approximately 42,000 sq. ft. area, plus 4,000 sq. ft. of ground floor commercial space	7,560 sq. ft. of ground floor commercial space (reduction of 38,440 sq. ft. total)
Number of Buildings	2 buildings	2 buildings
Height Maximum	5 stores / 70 feet	5 stores / 70 feet
Total Parking Spaces	879 spaces	669 spaces (reduced to the elimination of the grocery store)

Original Project Proposal Rendering:



March 23, 2020 Resubmitted Project Proposal Rendering:



These rendering show that the overall building massing, size, height, and location on the site has not been changed. This is consistent with all the elevations facing all the surrounding streets. A portion of the space that was formerly the 42,000 square foot high-end grocery store on the ground floor has been converted to parking, with only 7,560 sq. ft. of ground floor commercial space remaining. Two units were added on the second floor of Building A, in an area that was formerly the grocery store loading room on White Way, with no changes to the building mass or location.

Revised Community Benefit Package

In addition to the items listed in the public benefit package that was considered by City Council in July 2019, the property owner has offered additional community incentives. A summary of the overall community benefit package includes the following:

- Guaranteed \$10 million community benefit payment to the City's General Fund in conjunction with condominiums, a doubling from the former \$5 million base community benefit payment that included an option for another \$5 million. – **NEW**
- \$100,000 direct payment to the City to support bike and pedestrian improvements in the City. – **NEW**
- 65 affordable units, an increase of 1 new affordable unit. – **NEW**
- Additional provisions related to the affordability terms for the 65 on-site affordable units, in excess of the requirements authorized under the City's Affordable Housing Program Ordinance.
- Parking stalls on site in excess of the recently adopted City parking code.
- \$100,000 direct payment to the City to support implementation of parking enforcement in the City or residential parking permit programs.
- Creation of nine new public parking spaces in conjunction with the improvement and widening of Linden Avenue.
- Realignment, improvement, and reconstruction of Kains Avenue and installation of a new traffic signal at Kains Avenue and El Camino Real.
- Extension of the right turn lane from east-bound San Bruno Avenue onto south-bound El Camino Real (pending CalTrans final approval).
- Sales Tax Point of Sale Designation for construction goods purchases, which may result in additional sales tax revenue to the City during construction.
- Agreement to work with San Bruno CityNet Services for cable, tv and phone for all residential units.
- Agreement to exclude the project residents from participation in any future Residential Parking Permit Program district.
- Prohibition on renting of any residential units as short-term residential rentals.
- City use of the community room for public meetings/events by appointment, based on availability.

Next Steps

At present, City staff is currently reviewing the resubmitted plans to determine compliance with all applicable City code requirements and revising the project Development Agreement. Subsequently, the City will schedule a community meeting to discuss the proposal and hear from residents and businesses. Due to COVID-19, community outreach and engagement may occur on various platforms, in addition to written comments. A final decision on the project will be made by the City Council at a public hearing.

More information on the proposed Mills Park Center Development can be found at <https://www.sanbruno.ca.gov/MillsParkCenterDevelopment>