



City of San Mateo Compensation Agreement

January 26, 2021

Background

- Redevelopment dissolution process required former Redevelopment Agencies to develop a plan for disposition of property – approved by local Oversight Board and State in 2014
- San Mateo was approved to hold 2 properties for future development
- Required to enter into a Compensation Agreement with all taxing entities prior to disposition of property to distribute proceeds
- Not required to sell property for Fair Market Value – allowed to put conditions on property sale “Fair Reuse Value”

Former Redevelopment Properties

- 2.41 acres (combined)
- Located in Downtown
- Close to Caltrain station
- Currently in use as 235 surface parking spaces
- Competitive RFP issued in 2017
- MidPen Housing selected as developer for public/private partnership



Downtown Opportunity Sites Project

Multi-Family Residential Building

- 7-story Apartment Building
- 225 Affordable Rental Units
 - Serves up to 80% AMI
 - 25% public employee preference



RESIDENTIAL BUILDING

Parking Garage

- 5-Level Private/Public Parking Garage
- 696 Total Spaces
 - 532 public spaces
 - 164 dedicated residential spaces
 - Residential to share public parking spaces overnight



PRIVATE/PUBLIC PARKING GARAGE

Public Private Partnership

1. City retains ownership of land
2. MidPen owns residential structure
 - City provides 99-year ground lease
3. City owns parking structure
 - Dedicated easement for 164 residential spaces
4. City contributes \$12,500,000 in funding
 - \$7,500,000 for housing
 - \$5,000,000 for parking
5. Indirect City Contribution
 - Permit and plan check fee waivers totaling \$1.8 million



Property Disposition

- City required to dispose of the property at Fair Reuse Value
- City required 100% affordable housing and replacement public parking for existing surface lots – public benefit
- Net additional public parking funded by in-lieu parking fees
- Reuse appraisal states value is \$0, would be negative without City financial contribution
- Compensation agreement formalizes that there are no proceeds to distribute
- Parking net revenues, if any, to be shared for 30 years, once City is repaid \$5 million parking investment
- County share is 20.08% based on share of former redevelopment property tax base

Action Requested

- Approve entering into the compensation agreement with the City of San Mateo
- Allows 225 affordable housing units to be built
- Your support is essential – project cannot proceed without it

Thank You

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