

EDEN REALTY

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REVISED AUGUST 11, 2020

Mr. Tom Liao
City of San Leandro
835 E. 14th Street
San Leandro, CA 94577

Re: 1388 Bancroft 42-Unit Rental Housing Development Proposal

Dear Mr. Liao:

1388 Bancroft will establish a new level of 21st Century high quality, highly connected “Internet of Things” (IOT) luxury market-rate rental housing, that will be directly connected to the Lit San Leandro Fiber Optic Network. Our high-end luxury units are designed to create a new class of luxury, high tech living that will appeal to professional and highly skilled professional and technical residents who work in the Central Bay Area but whose needs are not currently met by the San Leandro rental housing stock.

1388 Bancroft consists of 42 rental units, forty-one (41) 980 sq. ft. two-bedroom two-bath, and two (2) 1380 sq. ft. three-bedroom three-bath units, totaling approximately 44,900 sq. ft. 1388 Bancroft is a single three-story building, three floors of wood frame and stucco construction. A total of 63 parking spaces, 58 on-site (including three AB1100 Bonus Spaces) and five off-site parking spaces are included in the project.

1388 Bancroft are of high quality materials and design and will be built with local union labor led by our General Contractor Nibbi Brothers of San Francisco.

The all electric two-bedroom two-bath units and three-bedroom two-bath units are designed for maximum flexibility with dual master suites, in-suite stacked washer/dryer, high-end finishes and IOT appliances. Every unit will be pre-wired and configured for 21st Century IOT living with a direct individual connection to the Lit San Leandro Network.

One of the affordable options outlined in the Addendum to this letter ,1388 Bancroft may provide two, two-bedroom, two bath units that are affordable to households at 100% of median income. In addition, 1388 Bancroft will pay an in-lieu, approximately \$134,553.00 upon issuance of a Certificate of Occupancy.

1388 Bancroft has an 82 – Very Walkable – Walk score with many transit options. Two AC transit buses stop at the front door, 40 Oakland and 89 San Leandro BART. Four blocks east at Estudillo and MacArthur are the Nx4 and Nx4 TransBay buses. Four blocks west is the revitalized San Leandro Downtown, E. 14th Street with its numerous shopping, entertainment and dining options. San Leandro BART is 8/10th's of a mile from the project site.

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The current Flex Shuttle route makes a right turn onto west bound Estudillo from south bound Bancroft, kitty corner from the 1388 Bancroft site, on its way to a stop at the San Leandro Main Library.

We ask that Flex and the City consider allowing all 1388 Bancroft residents to use the Flex Shuttle to get to work and shopping in the Flex Shuttle service area.

1388 Bancroft has applied for renewal of our Greentrip Standard Certification from Transformca.org. We received recertification on March 31, 2020.

We have 63 total full-size parking spaces including three AB1100 Bonus.

49 Total Inside the Gate – All of the inside gate spaces are served by a parking aisle designated future electrical vehicle charging spaces.

Forty-five unbundled parking spaces for a 1.07 to 1.00 unbundled parking ratio.

Two unbundled accessible spaces that conform to AB1100 requirements.

Two AB1100 Bonus spaces in our total parking count.

14 Total Outside the Gate – All of the eight outside the gate spaces are served by a parking aisle designated future electric vehicle charging spaces.

Seven full size unbundled guest parking spaces.

One unbundled accessible space that conforms to AB1100 requirements.

One AB1100 bonus space in our total parking count.

5 On Street Curb-side Parking

Five full-sized curb-sized spaces on Joaquin Ave.

Parking Summary – Including AB1100 Bonus Spaces

Total Spaces Inside Gate	49
Total Spaces Outside Gate	<u>9</u>
Total On-Site Parking	58
Total On Street Parking	5
Overall Parking	63
On-Site Parking Ratio	1.35 – 1.00
Overall Parking Ratio	1.50 – 2.00

The carports will host a PV Solar Array to provide power for electric vehicle charging stations for each space. We plan on working with Transformca.org, P.G.& E. and the City to secure BAAQMD and P.G.& E. Grants to fund the cost of the electrical vehicle PV charging system.

Bike Lockers – We created a secured area for 48 unbundled assigned bike lockers. Two levels of 12 lockers each along a central hallway behind a locked door. In addition, we have unassigned bicycle racks on Bancroft Avenue next to the building street entrance outside of the office area and inside the gate at the residents' main entry to the building.

1388 Bancroft will be a very green, all electric building with a very low Common Area Energy footprint. In addition to the electric vehicle charging systems, 1388 Bancroft will have a large PV system to supply electricity for all common area usages including the EV chargers.

1388 Bancroft will have a ground floor community room, patio, tot lot and sports lawn area all with a private Wi-Fi network for the residents' use.

1388 Bancroft will have a "internet of things" 5G transmission tower with RF transparent screening on the roof of the rooftop utility building to accommodate 5G and future wireless communication in the northeast San Leandro, southeast Oakland areas.

We are especially proud that we submitted our original Entitlement Application on Flag Day, June 14, 2018. In honor of our enduring union represented by our flag, our public Art Project will be a rooftop flag pole on the northwest (Bancroft and Estudillo) corner of the building that will be illuminated at night.

The Bancroft and Joaquin frontages are fifteen feet from back of walk to face of building. This keeps the building and construction scaffolding clear of the existing overhead electrical lines, create safe work zone setbacks and eliminates the need for undergrounding of the overhead utilities. The Estudillo setback remains ten feet from back of walk to face of building.

The setback from the rear property line to the eastern face of the building is 75'.

The overall height of the building is 34'. Given this, we are well within DayLite Plane Design standards.

1388 Bancroft address San Leandro's unmet demand for high quality, modern, high tech market-rate housing. San Leandro is a happening place with many, many fine restaurants, shopping, socializing, activities and more. Given the walkable, highly desirable environment in the area, our residents will patronize local merchants and establishments; thus, boosting San Leandro's demography and enabling additional future high quality residential, retail, commercial and industrial development.

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Our spacious two-bedroom two-bath and three-bedroom two-bath units are designed to provide maximum flexibility for 21st Century households. The layouts work well for families with children. In addition, 1388 Bancroft addresses the unmet demand for two-bedroom two-bath and three-bedroom two-bath residences. As per the below RealFacts Data, San Leandro has too many one-bedroom units and too few two and three-bedroom units in larger market rate apartment complexes.

	94577	94578	94579	Total
Properties with 50+ Units	9	19	3	31
Total Units	896	2,791	344	4,031
Studio	38	298	8	344
One-Bedroom	433	1,459	106	1,998
Two-Bedroom, One-Bath	174	159	38	731
Two-Bedroom, One & 1/2 Bath	57	215	68	340
Two-Bedroom, Two-Bath	194	294	70	558
Three-Bedroom, One & 2 Bath	0	6	54	60

1388 Bancroft will add 22.16% additional two-bedroom, two-bath units and two badly needed three-bedroom, two-bath units in 94577 market rate apartment stock.

Please review our second letter dated August 11, 2020, regarding our request concerning issuance of building permits, proposed project schedule, affordable housing set aside proposal and scheduling of the City Council hearing.

In closing, we are very excited about the 1388 Bancroft Rental Housing Project. Thank you for your time and attention to our submittal. We look forward to our future discussions.

Respectfully yours,



Thomas R. Silva, CPM

cc: File

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REVISED AUGUST 11, 2020

Mr. Tom Liao
Community Development Director
835 E. 14th Street
San Leandro, CA 94577

Re: P/N 18-0046 – APN 77-524-12-4
1388 Bancroft Avenue, San Leandro
1) Issuance of Building Permits
2) Proposed Project Schedule
3) Affordable Housing Set Aside Proposal
4) City Council Hearing

Dear Mr. Liao:

The Developer of 1388 Bancroft Avenue, San Leandro, respectfully requests the following items be included in the Conditions of Approval for the 1388 Bancroft Development:

Request for Extended Period of Time to Issue the Building Permit once Project Entitlement is Granted, through April 30, 2024 – We are respectfully requesting an extended period of time to issue the building permit once Project Entitlement is granted through April 30, 2024. The reasons for our request are as follows:

- Expiration of Existing Tenant Leases – In the 1300 Bancroft building, we have three existing tenants whose Leases expire in late 2021 or later. We need the extended period of time to avoid displacement of the existing tenants and for a smooth transition after the Leases expire.
- Economic Uncertainty – Due to the Covid-19 Pandemic, we are entering a prolonged period of economic uncertainty in America. Locally, the economic uncertainty is especially acute due to the ever-rising costs of labor and materials as well as the future of Costa-Hawkins and the Rental Housing Industry in California.

We believe that the economic uncertainty will abate up by the summer of 2024 if not sooner thus, allowing us to secure favorable financing for the 1388 development.

This will also allow us the opportunity for the existing tenants to finish their Leases without the threat of displacement and create flexibility to respond to unforeseen circumstances.

Proposed Project Schedule

Working backwards from April 30, 2024 to present time, we propose that the Developer begin the Building Permit Plan Set Development process in 2021 with the understanding that the building permit will be issued sometime before April 30, 2024.

Given this, we propose the following time table for the 1388 Bancroft Development:

By the end of September 2020 – 1388 is granted Entitlements for the 42-unit proposal.

Step One – For the Developer to execute all Building Permit Development Contracts and issue order to proceed to design team to commence development of the Building Permit Application Package.

Step Two – Developer to submit Building Permit Application Package Plan Set to City for Building Permit Plan Check.

Step Three – Building Permit Application Package is approved and permit is ready to be issued in 2023.

April 30, 2024 – Deadline to issue building permits.

Summer 2024 – Begin construction under building permit.

Developer will have option to pull a separate Demolition Permit and/or Grading Permit anytime prior to Summer 2024.

Our General Contractor, Nibbi Brothers, currently estimates a 70-80 week construction period. Given this, we currently expect construction to take about 18-20 months.

We expect the building will be ready for occupancy before Fall 2026.

Affordable Housing Set Aside Funding Proposal – We are respectfully requesting that 1388 Bancroft provide two rent restricted units pay an in-lieu fee of \$134,553.00 based upon the following:

- That the affordable housing in-lieu fee is set at \$5.00 per net rentable sq. ft. 1388 Bancroft has 40,366 net rentable sq. ft. so the gross amount of the fee is \$201,830.00.
- As per the San Leandro Zoning Code 6-3006, for a project with 42 units, 6 inclusionary units are required.

- That understanding how expensive it is to build in San Leandro, an option is available by which 1388 Bancroft can provide two rent restricted for 55 years and pay approximately 4/6ths of the in-lieu fee equaling about \$134,553.00.
- That 1388 Bancroft has an option to provide the two rent restricted units at another rental property in San Leandro so long as the replacement units are at a minimum of two-bedroom units each.
- That the 1388 Bancroft Developer will be able to exercise his option to provide two units on the site or two replacement units at another rental property in San Leandro and pay the in-lieu fee of \$134,553.00 prior to or at the issuance of the Occupancy Permit for the building.
- That the 1388 Bancroft and Developer request that the two affordable units be affordable to households to 100% of medium income.
- That the Developer wants the option to lease the restricted units to a special needs population. This would require that the units be close to each other for more efficient delivery of services to the residents. If these units are provided on-site, we hereby designate units #104 and #105 as the affordable units.
- That 1388 Bancroft is very concerned about the ongoing qualifying of the residents and ongoing rental revenues from in the set aside units. That said, if 1388 rents one or both of the set aside units on a mainstream Tenant Based Project Based Section 8 Tenancy or similar Subsidized Rental Housing Programs, written verification of the current Section 8 tenancy would be sufficient proof for the annual compliance reports that there is an income eligible tenant in the affordable unit paying the income rent specified by the Section 8 formula without the need for any further tenant income or rent level documentation.

City Council Public Hearing – We understand that our City Council Public Hearing will be scheduled for Monday, September 21, 2020.

Thank you for your consideration of our requests. Please contact us if you have any questions.

Respectfully yours,



Thomas R. Silva, CPM

cc: File