

ROBSON HOMES

August 19, 2019

Ned Thomas, Planning Director
City of Milpitas
455 E. Calaveras Blvd.
Milpitas, CA 95035

Dear Mr. Thomas,

Robson Homes has submitted an application for a General Plan Amendment and Zoning Amendment for thirty-six (36) new two-story homes on a vacant 4.85 acre site located at 1005 North Park Victoria Drive. To comply with the City's affordability requirement, we are requesting an exception to pay the Below Market Rate (BMR) in-lieu fee. In addition to paying the BMR fee, our plan includes ADUs.

Per the City's municipal code, findings must be made to demonstrate that the requested exception exceeds the minimum affordable requirements; and the project is better served with the exception; or the community benefits exceed the project benefits. We submit to you the following on how we make the required findings:

Our project includes a house type that features an ADU (accessory dwelling unit) studio over a detached two-car garage for ten of the thirty-six homes. We anticipate their rents will be lower due to the design of the ADUs. These 485 SF ADU studios will provide a market-driven affordable component for 27% of the homes, nearly twice the number of affordable units provided under a 15% BMR requirement (5 BMRs). Property owners can also use the rents to subsidize their mortgage payments. The provision of 10 ADUs coupled with the payment of a BMR in-lieu fee, estimated at \$3.5 mil exceeds the project's minimum affordability requirement.

This is the first residential project in the City that has programed ADUs into its plans. Staff is impressed that we have incorporated ADUs seamlessly into the design and created additional housing while preserving and enhancing the charm and character of the existing neighborhood. Staff intends to use our plans as a demonstration project of how to use ADUs as a way to incorporate affordable housing in a low density neighborhood.

We appreciate your consideration of our request for an exception to pay the BMR in-lieu fee. The combination of the ten ADUs along with the payment of the full BMR fee estimated at \$3.5 mil provides greater affordability and community benefits.

Sincerely,
Robson Homes


Richard Yee,
Forward Planning Project Manager