

May 8, 2019

Ms. Lillian Hua  
Associate Planner  
455 E. Calaveras Blvd.  
Milpitas, CA 95035

Re: New 40 Unit Condominium Development – P-SD18-0014, P-MT18-0004-2001 Tarob Court

Dear Lillian,

Thank you for the City comments regarding our second submittal set forth in the April 29, 2019 letter and updated letter from Fire received on April 30, 2019. Attached you will find a spreadsheet that addresses each comment individually.

As a supplement to that spreadsheet, TTLC is addressing the Housing Department Comments as follows:

*In 2017 TTLC set an affordable housing fee precedent for paying a 10% affordable fee (when the standard at the time was 5%) as per the October 16, 2017 (attached) stating that The True Life Companies was committed to paying such a fee for the 551 Lundy Place, 1992 Tarob Court, and 2001 Tarob Court properties. At the time, we had anticipated a voluntary contribution of approximately \$650,000 as the affordable housing fee for the future 2001 Tarob project based on building a side by side townhome product.*

*Now that the City has adopted a new affordable housing ordinance, TTLC will be paying the affordable housing fee at \$33.00 per square foot. With an average unit size of 1,420 SF this fee would come to approximately \$1,874,400.00. The actual fee amount will be determined at the time the building permits are issued.*

*At one time, TTLC felt we could “build” the units if the percentage had remained at 10% and we were still doing townhome style units for the project, but with the City request for higher density and the adoption of the affordable housing fee at 15%, TTLC is now choosing to go back to our original 2017 approach by paying the fee.*

TTLC understands that there are some findings that City Council must make to approve affordable housing fees which are:

*Prior to City Council approval to the requested exception, affirmative findings to the following must be made:*

- 1. The exception requested exceeds the minimum affordable requirements; and*
- 2. The project is better served with the exception; or*
- 3. The community benefits exceed the project benefits.*

TTLC proposes the following rationale to make the above findings.

1. Paying the fee should be an alternative not an exception. Every City in the Bay Area is struggling to meet the housing demands made by a full spectrum of people across a broad range of socio-economic strata. With the total amount of for sale and rental housing already approved in the TASP nearing its maximum of 7000 new dwelling units serving a variety of income levels, the TASP properties within the approved Tarob Court neighborhood area are set up to serve the attainable housing population of folks who can afford market rate housing and want to live near transit.

The City of Milpitas has an existing housed low income population that would like to stay in their homes for the foreseeable future. Established low income neighborhoods, such as the Sunnyhills Neighborhood, need subsidies from the City in order to stave off the pressures of redevelopment similar to the TASP and other Opportunity zones being studied in the upcoming General Plan Update.

Affordable fees are the route to keeping the City's affordable housing fund liquid to help deserving folks and neighborhoods stay intact and in their homes. While building new affordable units provides a few new residents an opportunity to live in Milpitas at an affordable rate compared to their neighbors in the same new development, keeping existing residents in their homes attacks the problem of homelessness and affordable housing at the existing need.

2. TTLC feels that the project and the whole Tarob Court neighborhood is better served by keeping the adjacent projects all market rate. While everyone deserves housing, folks who participate in affordable housing lotteries are often in need of other social support services beyond mortgage assistance. The menu of social assistance programs available in Santa Clara County and the City of Milpitas are not located within this TASP neighborhood. Many of the Santa Clara County social and family assistance services are located in San Jose and Santa Clara.

Paying the affordable fee allows Milpitas the flexibility to have funds on hand to support the under housed population through projects that may be more likely to be located near established social services in the future.

3. The community benefits of the project are inherently created by the project. TTLC has taken a small 1.2 acre property and proposed a high density 40 unit to the acre housing development even with a 40 foot wide PUE encumbering the frontage along Lundy Place and an 80' diameter Fire Apparatus turn around on the opposing property line. The point being, TTLC has committed to meeting the goals of

the City of Milpitas by producing a conforming R-3 TOD high density residential project within the TASP.

TTLC believes that this submittal meets the remaining requests of the City of Milpitas and looks forward to having our project deemed complete. Please let me know if the City or LSA will be requiring any other information to complete the project analysis.

Leah Beniston



Vice President of Entitlements  
**THE TRUE LIFE COMPANIES**