

**Big Wave**

A Live-Work Community for Adults with Disabilities

February 7, 2017

Steve Monowitz,

Dear Steve,

Camille and I discussed a plan to move forward on a minor amendment to the existing conditions of Big Wave. My understanding is that you had agreed to the items we discussed. I would appreciate it if you would give me a call after reading this to verify that my understanding is correct.

Big Wave will agree to two potential minor amendments. These minor amendments will not require a Planning Commission hearing since it deals primarily with phasing of which only the County Board of Supervisors must approve. We agreed that we would discuss the amendments with the California Coastal Commission to secure its approval prior to the BOS hearing. We chose not to go to a Planning Commission hearing as we believe the CCC will approve of the minor amendment and ultimately deny an appeal.

Minor Amendment 1: We request approval to build on lot 4 first instead lot 2. We can only start construction on lots 2 and 3 after we have completed building phase 1 of the Wellness Center. We can only build on lots 4 and 5 after we have completed the remainder of the Wellness Center.

Minor Amendment 2: (PREFERRED CHOICE): Everything will stay as Minor Amendment 1 except we are seeking approval to start construction on lot 2&3 once we start construction of phase 1 of the Wellness Center instead of waiting until phase 1 is completed. This is our preferred choice because we may need the financial backing that the construction of these lots provides to secure financing for phase 1 of the Wellness Center. Leveraging the assets of the office park to subsidize affordable housing for adults with developmental disabilities has always been our stated purpose for 16 years and strictly adheres to the spirit and intent of the existing conditions.

Here is why we are seeking approval of Minor Amendment 2, to develop lots 2&3 after we start the phase 1 of the Wellness Center:

- We have an upfront cost of \$1,800,000 to provide off-site utilities, public trails, perimeter landscaping and wetland restoration prior to occupying the first

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buildings. If we are only able to build the Wellness Center and lot four, these two projects need to bear the entire brunt of these upfront costs. Since the building on lot 4 is actually only 14,700 sq. ft., it is one half the size of what was approved for this lot. This means that lot 4, a half building, and the Wellness Center must pay the entire \$1,800,000 in upfront costs. The Wellness Center would have to be responsible for \$900,000 of these costs. That is \$36,000 per Wellness Center resident, who only make \$7,200 per year average income. If we can development lot 2 & 3 after we start Phase 1 of the Wellness Center, there is the potential of not only lowering a pro rata share of these upfront costs to the Wellness Center but we may even be able eliminate the need for the Wellness Center to pay anything for these upfront costs.

- Lot 4, 14,700 sq. ft. building, once built, will provide \$750 per month to the Wellness in Fees. Lots 2&3 would generate \$3,000 per month in additional fees. We need this revenue to secure a loan for the Wellness Center and to cover costs before or shortly after the Wellness is finished. If we have to wait until after the Wellness Center is built to start lots 2&3 then it could be well over a year until the Wellness Center receives any funds whatsoever from lot 2&3. Since these building will be built anyway we believe it is to the advantage of the Wellness to have these funds coming in sooner than later.
- Construction costs have doubled since we created our financial model to subsidize the Wellness Center with commercial park assets. Unfortunately, the incomes of our residents have remained stagnant. We can't charge people who only make \$600 per month higher rent to cover these increased construction costs. The money has to come from somewhere else. Along with decreasing upfront costs for the Wellness Center lots 2&3 will help subsidize the rent for the residents.
- Last, a huge part of the Big Wave model, is to provide employment to a demographic group that has an 85% unemployment rate. The earlier we can start building lots 2&3 the sooner jobs will be available to relieve this horrid unemployment rate.

We hope you will seriously consider approval of our Minor Amendment 2. We are not asking for any changes in the size or scope of the project. There are no environmental impacts to Minor Amendment 2. We are simple asking for a variance in phasing to support the financial viability of the Wellness Center.

Sincerely yours  
Jeff Peck





**Big Wave**

A Live-Work Community for Adults with Disabilities

April 24, 2017

San Mateo Board of Supervisors  
Re: Big Wave Minor Amendment

Honorable Board,

We are requesting a minor amendment for the Big Wave project that does not change the size, density, height, the environmental impact, the usage, the intent or spirit of the approved project. Except for a few minor changes to clarify conflicting language in the approved Conditions, we are simply requesting to build on lot 4 first instead of lot 2. We have a build to suit brewery lease for a local business. After discussing the project with the brewery business and with our future residents at the Wellness Center both parties decided that it would be best for everyone involved to build on lot 4 instead of lot 2.

All other changes are minor or are to clarify conflicts in the original Conditions of Approval. For example, we are requesting that Big Wave, like any other construction project, is allowed to build the type construction based on the available water pressure and volume to our site. This would allow us to build a type 5 building instead of requiring a type 1 if we meet all fire protection requirements. We are requesting a clarification to the Conditions to help facilitate installing a roundabout instead of a light if that is what the community wants. In this change, even though we are only required to put in a light, we would agree to a roundabout as long as we only had to pay towards the construction of the roundabout what the installation of a light would cost.

We would appreciate your approval of these minor changes. This will provide the needed space for a local employer and provide the financial help to the first phase of the Wellness Center.

Sincerely  
Jeff Peck



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