



October 20, 2021

Mr. Tony Rozzi  
Mr. Chris Espiritu  
South San Francisco Planning Division  
315 Maple Ave.  
South San Francisco, CA 94080

**Re: Community Benefits Memo – 124 Airport Blvd. / 100 Produce Ave., South San Francisco, CA**

Dear Mr. Rozzi and Mr. Espiritu,

On behalf of the project applicants, PS Business Parks and Hanover Company (collectively, the “Applicant”), this memorandum will summarize the community benefits included with our proposed project at 124 Airport Boulevard (APN 015-113-180) and 100 Produce Avenue (APN 015-113-380) (collectively, the “Project”). The aforementioned parcels are approximately 2.56 acres and 1.56 acres, respectively, and are transected by San Mateo Avenue at the intersection of Airport Boulevard, San Mateo Avenue, and Produce Avenue in South San Francisco (“City”).

The Project will involve the demolition of the six (6) commercial buildings currently onsite and redevelopment of the properties with two (2) seven-story multi-family residential buildings comprised of a total of 480 units. The first two levels of each building will include parking garages, resident amenities, and back-of-house spaces. The third through seventh floors will consist of residential units and additional amenity spaces for residents.

Both parcels are currently zoned and have a land use designation of “Business Commercial.” 124 Airport Boulevard is located within the Downtown Station Area Specific Plan (“DSASP”), while 100 Produce Avenue sits just outside the DSASP boundary. Applicant is seeking a General Plan Amendment (“GPA”) for the Project to be consistent with the Preferred Land Use Scenario (PLUS) selected as part of the City’s ongoing General Plan Update (“GPU”) process. Applicant is also requesting a rezone of the Project to a Planned Development (“PD”) District that conforms with the density ranges established in both the PLUS and the City’s current Downtown Transit Core (DTC) zoning. The Project adheres to the DTC Development and Design Standards. The Project is utilizing a 20% State Density Bonus by providing 15% affordable units on site, which is further detailed below.

The redevelopment of these prominent sites from outdated, low-density flex buildings into a high density, multifamily community will not only help the City balance its growing life science sector with much-needed new housing, but also will provide the following community benefits:

- **10% Rent-Restricted Units Dedicated to Low Income Households plus 5% Rent-Restricted Units Dedicated to Moderate Income Households**
  - Despite the Project being exempt from the City’s Inclusionary Housing Ordinance, forty (40) units will be restricted for Low Income households earning up to 80% of Area



Median Income (AMI). An additional twenty (20) units will be restricted for Moderate Income households earning up to 100% of AMI.

- All affordable units will have the same interior and exterior finishes as the market-rate units and will be distributed throughout the Project.
- These dedicated units will help the City address the relative lack of affordable, rent-restricted housing for the “missing middle.”

- **Substantial Pedestrian-Friendly Improvements**

- Project will remove the slip lanes and “porkchop islands” on the northwest and southwest corners of the Airport/San Mateo/Produce intersection and replace them with extended directional curb ramps and high-visibility crosswalks to help slow right-turning vehicles onto San Mateo Avenue and Produce Avenue, creating a safer crossing for pedestrians and bicyclists.
- Project will design and install enhanced pedestrian lighting upgrades and repaint the walls and ceiling within the pedestrian tunnels on both sides of Airport Boulevard under the train tracks between the Project and Downtown South SF. Additionally, the Project will maintain the upgraded lighting, and cosmetically touch up/repaint the walls as needed, up to 4 times a year. Per Applicant’s discussions with SamTrans/Caltrain, the Project cannot be responsible for any structural modifications to the tunnel area.

- **Green Building Methods**

- Project will incorporate sustainable building practices and achieve LEED Silver Certification.
- Solar panel system providing either photovoltaic power and/or solar thermal water heating will be installed on the Project roof.
- All unit appliances in the Project will be electric.

- **Integration of a Robust Transportation Demand Management (TDM) Plan**

- Project will include an onsite Transportation Coordinator, trip planning resources and education for residents, unbundled parking, and dedicated curbside locations for rideshare pickup and drop off.
- Project is proposing 2x the required number of long-term bike parking spaces and will include an onsite bicycle repair station for residents.
- A subsidized transit pass will be provided for each unit during the initial lease up of the Project.
- Project residents will supplement ridership at the City’s new Caltrain Station, which is less than 0.5 miles from the Project.

- **Participation in the City’s Proposed Industrial Area Community Facilities District (IA-CFD)**

- Project will participate in the yet-to-formed IA-CFD, if created, at an annual tax rate of no more than \$0.25 per gross project square foot, helping to create a reliable, ongoing source of funds to capitalize transportation upgrades throughout the city.



- **Family-Friendly Unit Mix**
  - In addition to adding 480 rental housing units to a supply-constrained market on a transit-oriented, infill site, the Project will include 32%+ two- and three-bedroom units suitable for families.
- **New and Upgraded Streetscape and Landscaping Improvements**
  - Sidewalk, streetscape, and landscaping along Airport Boulevard, San Mateo Avenue, and Produce Avenue frontage will be upgraded.
  - Project will retain, where feasible, the existing grove of Canary Island Pines in the northeastern corner of 124 Airport Boulevard.
- **Local Hire Consideration During Construction**
  - Applicant agrees to include the following language in its documentation soliciting bids for Project subcontractors: “A bidder’s plan to provide labor from the 9-County Bay Area will be given additional consideration as part of the overall award process for this project. Please be prepared to address this consideration as part of your bid.”

Additionally, Applicant anticipates the Project will pay approximately **\$14,591,000** (\$30,398 per unit) in total fees to the City, including **\$12,334,000** (\$25,696 per unit) in Development Impact Fees alone.

If you have any questions or need additional information related to the above, please contact me at (415) 828-0202 or [zanderson@hanoverco.com](mailto:zanderson@hanoverco.com).

Sincerely,

Zach Anderson  
Development Partner  
Hanover Company