

4/8/2019

200 Airport Project - Community Benefit Analysis

The subject property in reference is the 0.55-acre parcel known as 200-214 Airport Boulevard located in South San Francisco, CA. Fairfield Residential is proposing to redevelop the site with a project consisting of 94 apartment homes with approximately 3,600 SF of ground level commercial. The site is zoned Downtown Transit Core (DTC) with a Downtown Station Area Specific Plan overlay. Density within the DTC ranges from 100 du/ac to a maximum of 180 du/ac if the applicant provides Community Benefits.

The site is located at the cross streets of Airport Boulevard and Grand Avenue, adjacent to the brand new Caltrain Plaza and Platform currently under construction. The site is currently improved with four single story commercial buildings constructed in the 1950's, two of which are occupied as retail stores (a used furniture store and trophy shop) and some surface parking. The current zoning without providing community benefits would allow up to 55 units to be built on-site. Fairfield Residential is asking for an additional 39 units in increased density to bring the project total to 94 units or 171 du/ac (within the maximum allowable density of 180 du/ac per the DTC zoning).

Based on our conversations with City Staff, activation of the soon to be completed CalTrain Plaza is an integral part of the Downtown redevelopment effort and overall vision of the DSASP. Therefore, the redevelopment of the site to maximize use and density in a walkable environment adjacent to the CalTrain Plaza is certainly a positive contribution to the community in itself. In addition to redeveloping this prominent site from four single story 1950's structures, and creating a 7-story brand new mid-rise mixed-use project, Fairfield proposes the following Community Benefits to achieve the maximum allowable density as allowed under section 20.280.005(A) of the Downtown Station Area Specific Plan:

- 9 affordable rent restricted units
 - 9 units restricted at Moderate Annual Median Income rent levels per San Mateo County consisting of 2-Studios, four 1-bedroom and three 2-bedroom.
 - All affordable units shall the same interior finish levels as the market rate units. The nine restricted apartments will be located on several different levels and orientations within the development.
- Agree to participate in the yet to be formed South San Francisco Industrial Area Community Facilities District (IA-CFD) at an annual tax rate of no more than \$0.25 per gross project square foot on the 200 Airport Property.

- Community serving commercial space located at the new Caltrain Plaza.
 - The commercial space is being designed to accommodate a variety of uses including an Urban Grocer, restaurant, and/or retail space. The space flexibility includes: 14'+/- interior ceilings, 30'+ building depths giving ample window line exposure, grease interceptor installed and ready for connection with permit, natural gas available to the space, power sources sized to accommodate prospective users. In addition to the above, we will also provide 12 parking spaces adjacent to the commercial space to offer convenient access for those visiting the commercial space and not using CalTrain.
- Fairfield would incur up to \$50,000 related to plan Design Services and management/coordination for the re-design and enhancement of the Caltrain Plaza to better interface with the new development with the intent of keeping construction cost within the approved plaza budget. Fairfield would either contract directly with those firms already working on the plaza design or cover bills incurred by the City directly related to re-design of the plaza. The initial conceptual re-design would largely re-orient some of the landscape areas and hardscape areas. The current plan includes a heavily landscaped area adjacent to this property in an effort to screen the plaza from the existing improvements.
- Ongoing maintenance of the Caltrain Plaza hardscape located in front of the commercial spaces. See attached exhibit for reference. Note, final hardscape area subject to change based on final plaza design.
- As an offering of public art, Fairfield would incur approximately \$75,000 in added project design and construction costs to produce the DNA window feature on the east elevation of the project.

Per Section 20.280.005(A).2, we have analyzed the per unit benefit for each of the 39 units proposed above the allowable base density. Based on our financial analysis, Fairfield Residential would be providing **\$216,883 per unit** in community benefit (See attached Community Benefits Financial Analysis).

In addition to the various community benefits being offered , we have also paid \$1,668,910 in park fees for our adjacent 150 Airport project and expect to pay just under \$1,500,000 in additional park fees for our proposed 200 Airport project. We believe that these monies can be used to cover any cost enhancements to the Caltrain Plaza which may be incurred during the re-design efforts.

200 Airport - Community Benefits Analysis

Total All In Cost \$675 per square foot
Average Unit Size 820 square Feet

9 Affordable Units \$675 x 820 x 9 \$4,981,500

Commercial Space \$675 x 3630 \$2,450,250

CFD Contribution \$901,675 *see CFD Contribution tab for breakdown

Public Art - DNA Design East Elevation \$75,000

Caltrain Plaza Design/Mgmt. \$50,000

Total **\$8,458,425**

39 Bonus Units \$8,458,425 / 39 **\$216,883** Benefit per unit

South San Francisco Proposed CFD - Fairfield Residential Project Impacts

Per Year Impact

	Gross Project SF Under Construction or Designed	Total Annual Fee as Proposed (\$0.25/GSF)
200 Airport Total SF Currently Designed	144,268	\$ 36,067

Project Value Impact

	Value Loss at 4% Cap	Value Loss at 4.25% Cap	Value Loss at 4.5% Cap
200 Airport	\$ (901,675.00)	\$ (848,635.29)	\$ (801,488.89)

	Value Loss Per Unit 4% Cap	Value Loss Per Unit 4.25% Cap	Value Loss Per Unit 4.5% Cap
Average Per Unit Total - 39 Bonus Units	\$ (23,119.87)	\$ (21,759.88)	\$ (20,551.00)

