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Title:	Report regarding Housing Standing Committee study session of the proposed mixed-use development at 200 Airport in the Downtown Station Area Specific Plan (DSASP). (Sailesh Mehra, Planning Manager)		
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Attachments:	1. 200 Airport Project Drawings, dated, 4.15.19.pdf, 2. 200 Airport Community Benefits Analysis Memo, dated 4.8.19, 3. 200 Airport Preliminary TDM Plan, 4. 200 Airport DRB Comment Letter, dated 1.30.19, 5. Environmental Consistency Analysis (excluding technical studies)		

Date	Ver.	Action By	Action	Result
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Report regarding Housing Standing Committee study session of the proposed mixed-use development at 200 Airport in the Downtown Station Area Specific Plan (DSASP). (*Sailesh Mehra, Planning Manager*)

RECOMMENDATION

Staff recommends that the Housing Standing Committee receive this staff report and provide input regarding the proposed mixed-use development at 200 Airport Boulevard.

BACKGROUND/DISCUSSION

On September 28, 2018, Fairfield Residential submitted an application for a mixed-use development at 200-214 Airport Boulevard in the Downtown Station Area Specific Plan (DSASP). The application was deemed complete on October 28, 2018, and therefore is not subject to the Inclusionary Housing Requirements for rental projects that took effect in November 2018. The 0.55-acre site (23,883 sq. ft.) consists of five parcels (APNs: 012-338-010, 012-338-020, 012-338-030, 012-338-040, and 012-338-050) and is located adjacent to the future Caltrain Plaza at the intersection of Grand Avenue/Airport Boulevard and just north of the 150 Airport project that is currently under construction by the same developer. Further, the project site is located within the Downtown Transit Core (DTC) zoning district.

The project consists of a contemporary seven-story mixed-use development, with ground-floor residential amenities and approximately 3,630 sq. ft. of retail space facing Airport Blvd. and the future Caltrain Plaza. Project parking consists of two levels of parking above grade that is wrapped by retail and amenity space. The applicant's project plan set is attached, outlining the design, architectural and landscape concepts (Attachment 1).

The proposed project includes:

- 94 for-rent residential units (mix of studio, one- and two-bedroom units)
 - Including nine affordable units (see proposed Community Benefits - Attachment 2)
- 110 parking spaces for residents, retail space, and visitors
- 3,630 sq. ft. of ground-floor retail space
- Bicycle storage and amenities
- Sidewalk and streetscape improvements

- Pedestrian enhancements to Caltrain Plaza, including area adjacent to proposed retail space

ZONING CONSISTENCY ANALYSIS

Downtown Station Area Specific Plan

In February 2015, the City Council adopted the DSASP, as well as amendments to the City's Zoning Ordinance, adding Chapter 20.280 "Downtown Station Area Specific Plan District" to implement the policies and goals in the DSASP. The DSASP covers properties within 0.5 miles of the City's Caltrain Station, including the 200 Linden project site. The General Plan amendments created separate land use designations consistent with the DSASP.

The 200 Airport project site is within the Downtown Transit Core (DTC) zoning district, which permits the most intense development to support the Caltrain station and downtown business community. The DTC district is focused within a 0.25-mile radius of the planned extension of the Caltrain Station and accompanying pedestrian/bicycle rail undercrossing, and is intended to provide sites for mixed-use development at high intensities in proximity to the Caltrain Station. It encourages active ground floor uses and high intensity developments that will generate pedestrian traffic in the area. The DTC zoning district allows a maximum base density up to 100 dwelling units per acre (up to 180 dwelling units per acre with an incentive program) and a maximum building height of 85 ft.

The DSASP includes the following guiding principles, which will be further implemented by the proposed project:

- Guiding Principle 1: Revitalize Downtown South San Francisco as a Citywide destination that is economically vital, diverse, active, and that encompasses a variety of uses.
- Guiding Principle 2: Increase development intensities in the Downtown to grow the resident population and thus support a variety of commercial and service uses.
- Guiding Principle 3: Encourage variety in new housing development.
- Guiding Principle 7: Focus public investments in the historic core of the City, along Grand Avenue and on adjoining streets in the Pedestrian Priority Zone to create an attractive pedestrian environment to support businesses Downtown.
- Guiding Principle 8: Focus increases in residential and mixed-use densities within ¼ mile of the Caltrain Station and in areas proximate to Grand Avenue to increase patronage of Caltrain as well as Grand Avenue businesses.

The proposed project will provide a high-density mixed-use and residential development that fulfills the guiding principles of the DSASP. The project will revitalize underutilized properties; add a robust population of new downtown residents; offer housing in close proximity to employment uses; focus investment in Downtown and make improvements within the Pedestrian Priority Zone; and centralize new transit-oriented development close to the relocated and enhanced Caltrain station.

General Development Standards

The DSASP zoning district also includes a variety of general development standards and supplemental regulations that are applicable to the proposed project. The applicant has submitted a Downtown Development Conformance Checklist (see Plan Set, Attachment 1), verifying project compliance with the applicable standards. The project meets the minimum and maximum residential density standards, as well as the 85 ft. maximum height limit as the project's height is approximately 83 feet from grade to the top of the building's parapet.

Parking Reduction Request and TDM Plan

The parking standards for Downtown districts are included in SSFMC Table 20.330.007 "Required Parking Spaces, Downtown Districts." The parking requirements for multi-family residential units and retail uses are as follows:

Multi-family Parking Requirements:

- Studio and less than 500 sq. ft.: one space maximum per unit
 - (26 units x one space maximum = 26 spaces required)
- One-bedroom or 500 - 800 sq. ft.: one space minimum, 1.5 spaces maximum per unit

- (39 units x one space minimum = 39 spaces required)
- Two-bedroom or 801 - 1,100 sq. ft.: 1.5 spaces minimum, 1.8 spaces maximum per unit
 - (29 units x 1.5 spaces minimum = 44 spaces required)
- Total Residential Parking Required: 109 spaces
- Total Residential Parking Provided: **98 spaces**

Retail Parking Requirements:

- Retail sales*: one space per 400 sq. ft. of floor area
 - (3,630 sq. ft. / 400 sq. ft. = 9 spaces required)
 - **Note: No parking required for the first 1,500 sq. ft. of customer seating area, or floor area, as applicable, Per Section 20.330.004; therefore, only five (5) spaces would be required ([3,630-1,500 SF]/400 SF = 5 spaces)*
- Total Retail Parking Required: five (5) spaces
- Total Retail Parking Provided: **12 spaces**

Total Project Parking Required: 114 spaces

Total Project Parking Provided: **110 spaces**

Based on these ratios, the total minimum parking required for the proposed mixed-use project would be 114 parking spaces. With a total of 110 parking spaces proposed, the developer is providing a minimum of one parking space per residential unit; ultimately however, the project would require a parking reduction of four parking spaces. Pursuant to SSFMC Section 20.330.007(C), applicants may obtain a parking reduction in the Downtown districts, so long as the Planning Commission makes a determination that there is sufficient parking within the district to accommodate the proposed use.

In support of the parking reduction request, the applicant has also voluntarily proposed a draft Transportation Demand Management (TDM) plan (Attachment 3). The draft TDM plan provides a concise description of TDM Measures that the project will implement in order to comply with the DSASP's goal to "provide for a balanced mix of travel modes - including pedestrians, bicyclists, transit and automobiles" (Guiding Principle 8).

The adjacent proximity of the new Caltrain plaza and station, employment uses East of 101, and retail and amenity uses in Downtown provide many opportunities for project residents and customers to walk or use public transportation, and reduce dependency on single-occupancy vehicles. Due to the project's prime transit-oriented location and implementation of the measures outlined in the draft TDM plan, staff supports the request for a parking reduction from 114 to 110 parking spaces. Further, a Condition of Approval for project entitlements will be included to ensure TDM compliance.

Vesting Tentative Map

As part of the overall entitlements, the applicant has submitted a Vesting Tentative Map, prepared by BKF and dated September 27, 2018, to combine the five separate lots located between 200-214 Airport Boulevard, totaling 0.55-acres (Attachment 1). The five lots are identified as APN: 012-334-130, 012-338-010, 012-338-020, 012-338-030, 012-338-040, and 012-338-050. Per Section 20.280.004 of the SSFMC, the minimum lot size in the DTC zoning district is 5,000 sq. ft., with no maximum lot size listed; therefore, the combination of the four lots to a combined total 0.55-acre parcel meets the development standards. Furthermore, the Engineering Division has reviewed the request for the Vesting Tentative Map and has drafted conditions of approval for project entitlements.

Community Benefits

As provided under section 20.280.005(A) of the SSFMC, developers may request additional housing density in exchange for providing a variety of community benefits. The developer has submitted a draft of the Community Benefits Analysis that outlines proposed benefits for seeking the maximum allowable density under section 20.280.005(A) (Attachment 2). The proposed community benefits by the developer include:

- Nine affordable housing units, priced at “Moderate” income levels
- A retail space (3,630 sq. ft.) that will front and help activate the Caltrain Plaza
- Ongoing maintenance of Caltrain Plaza hardscape
- Up to \$50,000 in design services for enhancements to the Caltrain Plaza
- Participation in the future South San Francisco Industrial Area Community Facilities District
- Public art costing approximately \$75,000

Staff retained Economic & Planning Systems (EPS) to review and evaluate the Community Benefits proposal, using the information provided by the developer as well as the consultant’s expertise in real estate development costs, revenues, and financial returns in the South San Francisco market.

EPS modeled the project at the base density of 55 units (without community benefits) compared to the project with the density bonus of 39 additional units (i.e., with a total of 94 units and including the proposed community benefits). EPS’s analysis concluded that:

- The proposed package of community benefits has a value to the City of approximately \$5.5 million (or \$140,890 per additional unit).
- The overall financial return for the base density project was the same as for the project with density bonus (approximately 9%), and in both cases are low compared to the 12-15% margin typically required to attract equity funding for mixed-use projects of this size and type. This suggests that the level of community benefits being proposed is at or near the maximum that can be financially sustained by the project.

GENERAL PLAN CONSISTENCY ANALYSIS

The General Plan Land Use Designation for the site is Downtown Transit Core. The General Plan includes specific policies related to development within the Downtown, in an effort to “encourage development of Downtown as a pedestrian-friendly mixed-use activity center with retail and visitor-oriented uses, business and personal services, government and professional offices, civic uses, and a variety of residential types and densities.”

The General Plan Downtown Sub-Area includes the following guiding policies in relation to Downtown development:

- Guiding Policy 3.1-G-1: Promote Downtown’s vitality and economic well-being, and its presence as the City’s center;
- Guiding Policy 3.1-G-2: Encourage development of Downtown as a pedestrian-friendly mixed-use activity center with retail and visitor-oriented uses, business and personal services, government and professional offices, civic uses, and a variety of residential types and densities;
- Guiding Policy 3.1-G-3: Promote infill development, intensification, and reuse of currently underutilized sites; and
- Guiding Policy 3.1-G-5: Use the South San Francisco Downtown Station Area Specific Plan as a guide for General Plan policies for the Downtown Station Area.

The proposed project will conform to the General Plan Land Use Policies by reusing a set of underutilized sites to construct a high-density, mixed-use residential development that will improve the pedestrian environment and provide active and vibrant retail uses adjacent to the future Caltrain Plaza and Airport Boulevard. The project also utilizes a variety of architectural detailing and materials to accentuate the building and further define the Airport Boulevard and Grand Avenue intersection, a prime gateway to the historic Grand Avenue corridor and the future Caltrain Plaza. Moreover, the project implements the goals of the Downtown Station Area Specific Plan and the project design is consistent with the City’s Design Guidelines as it relates to building design, form and articulation.

SUSTAINABILITY / CLIMATE ACTION PLAN

The proposed project is consistent with recent sustainability regulations that have been adopted at State, regional and

local levels. Examples include Senate Bill 375, passed in 2008, which aims to create more efficient communities by providing alternatives to using single occupancy vehicles. Projects that link higher density development to transit help meet this goal. At the local level, the DSASP aims to link the Downtown with the Caltrain Station and other regional transit, including SamTrans. The applicant is proposing a high-density residential project that will be located within 0.25 miles of the Caltrain station and within walking distance of regional and local bus routes, consistent with the above mentioned sustainability goals.

In February 2014, the City adopted a Climate Action Plan (CAP), which serves as South San Francisco's greenhouse gas reduction strategy. The CAP includes requirements applicable to new development projects; following are the specific requirements applicable to the proposed project.

- Require all new development to install conduit to accommodate wiring for solar;
- Encourage the use of high-albedo surfaces and technologies as appropriate, as identified in the voluntary CALGreen standards; and
- Implement the Water Efficient Landscape Ordinance.

As currently designed, the proposed project will comply with many of the standards above, and staff will continue to work with the applicant to incorporate as many sustainable features as possible into the project. During entitlements, Staff will include a Condition of Approval that requires the applicant to include the CAP requirements stated above subject to Chief Planner review and approval prior to the issuance of a building permit.

DESIGN REVIEW BOARD (DRB)

The Design Review Board (DRB) reviewed the project at the January 15, 2019 meeting. The DRB members recommended approval of the design, with the following comments and/or modifications:

1. The Board looked favorably on the proposed design concept.
2. For the two-story base around the west and south elevations, the portions of the Board form concrete may look too industrial for the site. Consider breaking it up and utilizing additional accent materials (similar to the adjacent 150 Airport Blvd project).
3. For the outdoor amenity spaces and courtyard area, a wind study should be conducted to help mitigate wind-related issues on outdoor communal spaces. The area is subject to substantial wind and all outdoor areas should be constructed with appropriate wind mitigation such as glass wall panels, windscreens, etc.
 - a. If wind elements cannot be mitigated, consider relocating the courtyard to the South, Southeast, or East to gain more usable outdoor spaces.
 - b. The roof terrace may also have exposure to the wind, as the proposed glass wall will not provide the proper protection from the wind. Consider heightening the glass wall to the top of the floor to mitigate any incoming winds.
4. Sheet TM4 does not show the existing grading on the east side of the building, nor does it show the resulting surface flow. Please identify and confirm how this could impact the project.
5. Review the landscaping plan, as the proposed street trees look too small and are not in scale with the building. In addition, consider the following changes to the landscape plan:
 - a. The proposed Magnolia trees are too short and will not scale the height of the building; therefore, consider a taller and narrower species that will reach the height of the third story.
 - b. Confirm that the root zones for the trees are large enough for optimal tree growth (i.e. the root zones will need to have at least a 12x12x4 area for healthy growth).
 - c. Replace the Giant Bamboo species as it will not survive the SSF microclimate.
 - d. Replace the Forest Pansy Redbud species as it will not survive the SSF microclimate.
 - e. Replace the Arctostaphylos species as it will not survive the SSF microclimate.
 - f. The proposed Cajuput tree species can be a brittle species and a long-term maintenance problem;

recommend replacing with Swan Hill Olive tree species.

6. Provide more detailed information on the existing Electrical, Sanitary, and Water utilities and how they will not impede the tree design.
7. Check with the South San Francisco Scavenger Company to determine the proper location for the trash enclosures and pickup areas, including the pickup area located on the second floor of the garage. The applicant will be conditioned to obtain a will serve letter from Scavenger.
8. On the rooftop, consider incorporating solar panels to the project.

The applicant worked with staff to address the Board's concerns throughout various working sessions and plan set revisions. For the full DRB Comment Letter, please view Attachment 4. Furthermore, a Condition of Approval will be added to the project entitlements to ensure that the applicant incorporates the Board's final comments and recommendations.

ENVIRONMENTAL REVIEW

The proposed project is exempt from the California Environmental Quality Act (CEQA) pursuant to Government Code section 65457, as it is a residential development project that is being undertaken pursuant to a specific plan for which an EIR was prepared and certified and no event specified in Public Resources Code section 21166 has occurred. The project is also exempt pursuant to CEQA Guidelines section 15332 as it is a qualified in-fill development project.

In addition to the above exemptions, CEQA allows for limited environmental review of subsequent projects under a program EIR. (CEQA Guidelines section 15168.) Components of a subsequent project must be examined in the light of the program EIR to determine whether any additional environmental analysis must be conducted. The CEQA Guidelines require lead agencies to use checklists or similar mechanisms to conduct this evaluation. Staff, in conjunction with the applicant's environmental consultant, prepared an Environmental Consistency Analysis (ECA) (Associated Resolution, Exhibit G), which satisfies the CEQA Guidelines. Under this ECA, the City of South San Francisco (City) uses a written checklist to evaluate the site and the activity to determine whether the environmental effects of the proposed project were sufficiently analyzed under the Downtown Station Area Specific Plan (DSASP) program EIR. (CEQA Guidelines section 15168(c)(4)).

On January 28, 2015, a programmatic Environmental Impact Report (EIR) was certified by the City Council (Final Environmental Impact Report for the South San Francisco Downtown Station Area Specific Plan (DSASP), State Clearinghouse #2013102001.) The program EIR assessed the potential environmental impacts resulting from implementation of the DSASP, which established new land use, development, and urban design regulations for the area over a 20-year planning period. The City Council also adopted a Statement of Overriding Considerations ("SOC") on January 28, 2015, which carefully considered each significant and unavoidable impact identified in the EIR and found that the significant environmental impacts were acceptable in light of the economic, legal, social, technological and other benefits associated with implementation of the DSASP.

The ECA demonstrates that even if the project was not exempt from CEQA, it would still qualify for streamlining pursuant to CEQA Guidelines section 15168. In addition, the ECA analysis further supports the above-stated exemptions by concluding that all environmental effects stemming from the project were previously analyzed and no event pursuant to Public Resources Code section 21166 has occurred since preparation and certification of the DSASP program EIR.

Specifically, the 200 Airport Blvd. ECA considers whether any new environmental effects not identified in the DSASP program EIR might be created by construction and operation of the 200 Airport project and concludes that all environmental effects were previously analyzed, no new mitigation is necessary, and no additional environmental review is required. In order to support the ECA analysis, the applicant provided the following technical studies, which were peer reviewed by City staff and consultants:

- Traffic and Circulation Analysis - Hexagon Transportation Consultants, Inc.
- Air Quality, Greenhouse Gas and Health Risk Assessment - LSA Associates, Inc.
- Noise and Vibration Study - LSA Associates, Inc.

- Preliminary Geotechnical Investigation - Geocon Consultants, Inc.
- Historic Resources Report - LSA Associates, Inc.
- Shadow Analysis - Carrierjohnson + Culture

The ECA established the following:

1. The proposed project is in compliance with all applicable DSASP regulations, and as a result, would not create any additional environmental impacts in excess of those analyzed and addressed by the DSASP program EIR and SOC;
2. The DSASP program EIR MMRP thresholds would apply to the project and require certain identified mitigations related to:
 - a) Air Quality: A Health Risk Assessment was required and confirmed that construction related and temporary air quality impacts and future resident exposure would be below applicable thresholds with mitigation measures as identified in the DSASP program EIR;
 - b) Biological Resources: Compliance with tree removal regulations related to nesting season, as required by the California Fish and Game Code and Tree Preservation Ordinance;
 - c) Cultural Resources: Any cultural resources identified during demolition or grading of the properties would need to be immediately analyzed and all construction would cease; a Historic Resources Assessment was required and confirmed that the subject buildings within the project area were not historic or eligible for historic status and did not meet applicable thresholds;
 - d) Greenhouse Gas Emissions: A condition of approval would be included requiring conformance with the Climate Action Plan; and
 - e) Noise: A Noise Study was required and confirmed that residential exposure was below applicable thresholds by utilizing window controls, mechanical ventilation, and appropriate sealing.
3. The ECA recommended the following Conditions of Approval that would ensure that the proposed project would not result in any new or more severe impacts than those that were previously analyzed in the DSASP FEIR:
 - Project-Specific Condition of Approval 1: In compliance with the requirements of DSASP Mitigation Measure MM4.2-1, the project contractor shall ensure all off-road diesel-powered construction equipment used for the project meet the California Air Resources Board (CARB) Tier 2 emissions standards and are retrofitted with a level 3 diesel particulate filter or equivalent.
 - Project-Specific Condition of Approval 2: In compliance with DSASP Mitigation Measures MM4.2-3, the following measures shall be required to reduce health risks to a level sufficient to achieve compliance with BAAQMD thresholds:
 - The project applicant shall provide a heating, ventilation, and air conditioning (HVAC) system with a control efficiency sufficient to result in a reduction of a minimum 75.0 percent of particulates of 2.5 microns or less, such as Minimum Efficiency Reporting Value (MERV)-12 filters or greater, for indoor air filtration systems. The ventilation system shall be certified to achieve the stated performance effectiveness from indoor areas.
 - All air intakes shall be located as far away from US 101 as feasible.
 - The project applicant shall ensure the proper indications on the specifications for maintaining the

installed air filtration system are provided to future residents of the project site.

- Project-Specific Condition of Approval 3: In compliance with the requirements of DSASP Mitigation Measure MM4.6-3, the project applicant shall implement the following measures, or similar combination of measures, which demonstrate that interior noise levels would be reduced to an acceptable level of 45 dBA CNEL or lower:
 - In order for windows and doors to remain closed, mechanical ventilation such as air conditioning shall be provided for all units.
 - All vent ducts connecting interior spaces to the exterior (i.e., bathroom exhaust, etc.) shall have at least two 90 degree turns in the duct.
 - All windows and doors shall be installed in an acoustically-effective manner. Sliding-window panels shall form an air-tight seal when in the closed position and the window frames shall be caulked to the wall opening around the perimeter with a non-hardening caulking compound to prevent sound infiltration. Exterior doors shall seal air-tight around the full perimeter when in the closed position.
 - A Final Acoustical Report shall be completed prior to issuance of a building permit to determine all the minimum STC ratings for the walls, windows, and doors to be provided to the City for review. This report shall be completed by a qualified acoustical consultant to ensure that the selected windows and doors in combination with wall assemblies would reduce interior noise levels sufficiently to meet the City's interior noise standard for residential uses.
- Project-Specific Condition of Approval 4: In compliance with DSASP Mitigation Measure MM4.6-5, at the time of building permit submittal, the project applicant shall submit a site specific vibration analysis to confirm what, if any, vibration design mitigation measures have been implemented into the building design to ensure vibration levels are reduced to less than 72 VdB. The report shall be submitted to the City for review as part of the building permit submittal package. If necessary, methods to reduce vibration may include, but are not limited to, the use of elastomer pads to support the building foundation, deeper joists, shorter floor spans, and/or lally columns. Proposed building structures should be designed to minimize vibration amplification at the upper floors.
- Project-Specific Recommendation 1: The proposed project should designate a loading area for moving/delivery trucks and ridesharing vehicles to pick-up and drop-off residents.
- Project-Specific Recommendation 2: The proposed project should include a Travel Demand Management (TDM) program to implement strategies to encourage residents to use transit and off-set the potential parking deficit.
- Project-Specific Recommendation 3: The proposed project shall provide 12 short-term bicycle parking spaces on site as required by the zoning ordinance.

The above Conditions of Approval will be included as part of the project entitlements.

CONCLUSION

Staff requests that the Housing Subcommittee provide input and direction regarding the proposed mixed-use residential project at 200 Airport Boulevard.

ATTACHMENTS

1. 200 Airport Project Plan Set

2. Draft Community Benefits Analysis
3. Preliminary TDM Plan
4. 200 Airport DRB Comment Letter, dated 1.30.19
5. Environmental Consistency Analysis (excluding technical studies)