

1 [Development Agreement - Strada Brady, LLC - Market and Colton Streets]

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3 **Ordinance approving a Development Agreement between the City and County of San**  
4 **Francisco and Strada Brady, LLC, a California limited liability company, for the**  
5 **development project at the approximately 2.2-acre site located at Market, 12th,**  
6 **Stevenson, Chase Court, and Brady Streets, with various public benefits including**  
7 **improved open spaces and supportive affordable housing; making findings under the**  
8 **California Environmental Quality Act, findings of conformity with the General Plan, and**  
9 **with the eight priority policies of Planning Code, Section 101.1(b); setting the impact**  
10 **fees and exactions as set forth in the Development Agreement; confirming compliance**  
11 **with or waiving certain provisions of Administrative Code, Chapters 14B, 41, and 56;**  
12 **and ratifying certain actions taken in connection therewith.**

13 NOTE: Additions are *single-underline italics Times New Roman*;  
14 deletions are ~~*strike-through italics Times New Roman*~~.  
15 Board amendment additions are double-underlined;  
16 Board amendment deletions are ~~strikethrough normal~~.

16

17 Be it ordained by the People of the City and County of San Francisco:

18 Section 1. Project Findings. The Board of Supervisors makes the following findings:

19 (a) California Government Code Section 65864 et seq. authorizes any city, county,  
20 or city and county to enter into an agreement for the development of real property within the  
21 jurisdiction of the city, county, or city and county.

22 (b) Chapter 56 of the San Francisco Administrative Code ("Chapter 56") sets forth  
23 certain procedures for the processing and approval of development agreements in the City  
24 and County of San Francisco (the "City").

25

1 (c) Strada Brady, LLC, a California limited liability company ("Developer"), is the  
2 ground lessee of the approximately 2.2-acre area generally between Market, Stevenson,  
3 Chase Court, and Brady Streets, composed of 3 buildings and 4 surface parking lots  
4 containing approximately 36,000 square feet of existing residential uses in the Civic Center  
5 Hotel, approximately 13,000 square feet of existing retail uses, and the approximately 24,100  
6 square foot Local 38 Plumbers Union hall (the "Project Site").

7 (d) Developer filed an application with the City's Planning Department for approval  
8 of a development agreement relating to the Project Site (the "Development Agreement")  
9 under Chapter 56. A copy of the Development Agreement is on file with the Clerk of the  
10 Board in File No. 170939.

11 (e) Developer proposes a mixed use development on the Project Site that will  
12 include up to approximately 484 residential units consisting of a mix of market rate and on-site  
13 below market rate (BMR) units, a stand-alone building with approximately 100 but not less  
14 than 95 affordable supportive housing units, a 32,100 square foot replacement union facility  
15 use, approximately 13,000 square feet of ground-floor retail/restaurant use, up to 316 parking  
16 spaces in a sub-grade garage, and approximately 33,500 square feet of open space, all as  
17 more particularly described in the Development Agreement (the "Project").

18 (f) Concurrently with this Ordinance, the Board is taking a number of actions in  
19 furtherance of the Project, as generally described in the Development Agreement, including  
20 Exhibit E to the Development Agreement.

21 (g) The Project is anticipated to generate an annual average of approximately 1,200  
22 construction jobs during construction and, upon completion, approximately 10 net new  
23 permanent on-site jobs, and an approximately \$3,000,000 annual increase in general fund  
24 revenues to the City.

1 (h) In addition to the significant housing, jobs, and economic benefits to the City  
2 from the Project, the City has determined that as a result of the development of the Project in  
3 accordance with the Development Agreement additional clear benefits to the public will accrue  
4 that could not be obtained through application of existing City ordinances, regulations, and  
5 policies. Major additional public benefits to the City from the Project include: (1) an increase  
6 in affordable housing that exceeds amounts otherwise required and will equal approximately  
7 twenty-six to twenty-eight percent (26-28%) of the total number of housing units for the  
8 Project, including not less than 95 affordable supportive housing units with a depth of  
9 affordability that exceeds current City requirements for the construction of affordable housing;  
10 (2) building on-site, to modern standards, the units to replace the existing Residential Hotel  
11 Units at a replacement ratio that exceeds the requirements of the San Francisco Residential  
12 Hotel Unit Conversion and Demolition Ordinance; (3) land donation, construction and  
13 maintenance of the Joseph P. Mazzola Gardens and publicly accessible mid-block open  
14 space totaling approximately 23,400 square feet; and (4) improvement of Stevenson Street  
15 and Colton Street to create a shared public way for pedestrian and auto use, each as further  
16 described in the Development Agreement.

17 Section 2. CEQA Findings.

18 On October 19, 2017, by Motion No. 20033, the Planning Commission certified as  
19 adequate, accurate and complete the Final Environmental Impact Report ("FEIR") for the  
20 Project pursuant to the California Environmental Quality Act (California Public Resources  
21 Code Section 21000 et seq.) ("CEQA"). A copy of Planning Commission Motion No. 20033 is  
22 on file with the Clerk of the Board of Supervisors in File No. 170939. Also on October 19,  
23 2017, by Motion No. 20034, the Planning Commission adopted findings, including a statement  
24 of overriding considerations (the "CEQA Findings") and a Mitigation Monitoring and Reporting  
25 Program ("MMRP"). Said Motion is on file with the Clerk of the Board of Supervisors in File

1 No. 170939. In accordance with the actions contemplated herein, this Board has reviewed  
2 the FEIR and related documents, and adopts and incorporates by reference as though fully  
3 set forth herein the CEQA Findings, including the statement of overriding considerations, and  
4 the MMRP.

5 Section 3. General Plan and Planning Code Section 101.1(b) Findings.

6 (a) The Board of Supervisors finds that the Development Agreement will serve the  
7 public necessity, convenience and general welfare for the reasons set forth in Planning  
8 Commission Resolution No. 20037 and incorporates those reasons herein by reference.

9 (b) The Board of Supervisors finds that the Development Agreement is in conformity  
10 with the General Plan, as proposed to be amended and when effective, and the eight priority  
11 policies of Planning Code Section 101.1 for the reasons set forth in Planning Commission  
12 Resolution No. 20037. The Board hereby adopts the findings set forth in Planning  
13 Commission Resolution No. 20037 and incorporates those findings herein by reference.

14 Section 4. Development Agreement.

15 (a) The Board of Supervisors approves all of the terms and conditions of the  
16 Development Agreement, in substantially the form on file with the Clerk of the Board of  
17 Supervisors in File No. 170939, including the Impact Fees and Exactions.

18 (b) The Board of Supervisors approves and authorizes the execution, delivery and  
19 performance by the City of the Development Agreement as follows: (i) the Director of  
20 Planning and the Director of the Mayor's Office of Housing and Community Development (the  
21 "MOHCD Director") are authorized to execute and deliver the Development Agreement, and  
22 (ii) the Director of Planning, the MOHCD Director and other applicable City officials are  
23 authorized to take all actions reasonably necessary or prudent to perform the City's  
24 obligations and enforce the City's rights and remedies under the Development Agreement in  
25 accordance with the terms of the Development Agreement. Without limiting the foregoing, the

1 MOHCD Director and the City's Director of Property are authorized to acquire Developer's  
2 ground leasehold interest in the Civic Center Hotel site and the Colton Street Parcel if  
3 Developer fails to build the Colton Street Building for supportive affordable housing as set  
4 forth in the Development Agreement. The Director of Planning, at his or her discretion and in  
5 consultation with the City Attorney, is authorized to enter into any additions, amendments or  
6 other modifications to the Development Agreement that the Director of Planning determines  
7 are in the best interests of the City and that do not materially increase the obligations or  
8 liabilities of the City or materially decrease the benefits to the City as provided in the  
9 Development Agreement.

10 Section 5. City Administrative Code Conformity.

11 The Development Agreement shall prevail in the event of any conflict between the  
12 Development Agreement and City Administrative Code Chapters 14B, 41 and 56, and without  
13 limiting the generality of the foregoing clause, for purposes of the Development Agreement  
14 only, the provisions of City Administrative Code Chapters 14B, 41 and 56 are waived or its  
15 provisions deemed satisfied as follows:

16 (a) The Project comprises approximately 2.2 acres and is the type of large multi-phase  
17 and/or mixed-use development contemplated by the City Administrative Code and therefore is  
18 hereby deemed to satisfy the provisions of Chapter 56, Section 56.3(g).

19 (b) The provisions of the Workforce Agreement attached to the Development  
20 Agreement as Exhibit I shall apply in lieu of the provisions of City Administrative Code  
21 Chapter 14B, Section 14B.20 and Chapter 56, Section 56.7(c).

22 (c) The provisions of the Development Agreement regarding any amendment or  
23 termination, including those relating to "Material Change," shall apply in lieu of the provisions  
24 of Chapter 56, Section 56.15.

1 (e) The provisions of Chapter 56, Section 56.20 have been satisfied by the  
2 Memorandum of Understanding between Developer and the Mayor's Office of Economic and  
3 Workforce Development for the reimbursement of City costs, a copy of which is on file with the  
4 Clerk of the Board of Supervisors in File No. 170939.

5 (f) The Project will exceed the one-for-one comparable unit replacement requirements  
6 of Chapter 41 (the Residential Hotel Ordinance) Section 41.13 by delivering between 95 and  
7 100 Affordable Supportive Housing Units in the Colton Street Affordable Housing Building to  
8 replace existing residential hotel units in the Civic Center Hotel, and moving all of the  
9 residents into the new Colton Street Units if they desire. The Colton Street Building units will  
10 be permanently affordable, subject to Administrative Code Chapter 37 and not the Residential  
11 Hotel Ordinance.

12 Section 6. Chapter 56 Waiver; Ratification.

13 (a) In connection with the Development Agreement, the Board of Supervisors finds  
14 that the requirements of Chapter 56, as modified hereby, have been substantially complied  
15 with and waives any procedural or other requirements of Chapter 56 if and to the extent that  
16 they have not been strictly complied with.

17 (b) All actions taken by City officials in preparing and submitting the Development  
18 Agreement to the Board of Supervisors for review and consideration are hereby ratified and  
19 confirmed, and the Board of Supervisors hereby authorizes all subsequent action to be taken  
20 by City officials consistent with this Ordinance.

21 Section 7. Effective and Operative Date.

22 This ordinance shall become effective 30 days from the date of passage. This  
23 Ordinance shall become operative only on (and no rights or duties are affected until) the later  
24 of (a) 30 days from the date of its passage, or (b) the date that Ordinance \_\_\_\_\_,  
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1 Ordinance \_\_\_\_\_, and Ordinance \_\_\_\_\_ have become effective. Copies of said  
2 Ordinances are on file with the Clerk of the Board of Supervisors in File Nos. 170938, 170939,  
3 and 1701134.

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5 APPROVED AS TO FORM:  
6 DENNIS J. HERRERA, City Attorney

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8 By: \_\_\_\_\_  
9 Charles Sullivan  
10 Deputy City Attorney  
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