

1 [Use of Rincon Hill In Lieu Fees.]

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3 **Resolution approving a plan submitted by the Mayor’s Office of Housing for the use of**  
4 **in lieu fee payments imposed on residential development in the Rincon Hill Area and**  
5 **approving the expenditure of those funds pursuant to Section 827(b)(5)(E) of the**  
6 **Planning Code.**

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8 WHEREAS, The Board of Supervisors of the City and County of San Francisco (the  
9 “Board of Supervisors”), on August 2, 2005 passed Ordinance 217-05 amending the Planning  
10 Code by adding Section 318 to impose a SOMA community stabilization impact fee on  
11 residential development in the Rincon Hill Area to provide community stabilization benefits in  
12 SOMA including affordable housing; and

13 WHEREAS, on approximately November 1, 2006 the developers of One Rincon Hill  
14 deposited Eleven Million, Twenty-six Thousand, One Hundred and Forty-six dollars  
15 (\$11,026,146.00) into the City’s Affordable Housing Fund pursuant to their obligations under  
16 Ordinance 217-05; and

17 WHEREAS, Section 827 of the Planning Code as amended by Ordinance 217-05  
18 requires that no less than fifty percent (50%) of the fees that are paid due to development in  
19 the Rincon Hill Area Plan under Section 315.4 (e) and 315.6 shall be paid into the Citywide  
20 Affordable Housing Fund, but the funds must be separately accounted for and designated  
21 exclusively to increase the supply of affordable housing in the SOMA area; and

22 WHEREAS, Section 827(b)(5)(E) of the Planning Code further requires that the  
23 Mayor’s Office of Housing must submit a resolution to the Board of Supervisors with a plan for  
24 the use of all in lieu fee payments generated from the Rincon Hill Plan prior to any  
25 expenditure of the Funds; and

1           WHEREAS, the Mayor's Office of Housing has identified specific affordable housing  
2 projects eligible for and in need of funds from the Citywide Affordable Housing Fund, both in  
3 the SOMA area and outside the SOMA area; and

4           WHEREAS, the Mayor's Office of Housing wishes to expend all of the fees paid due to  
5 the development in the Rincon Hill Area Plan under Section 315.4 (e) and 315.6 to assist in  
6 the development of affordable housing according to the following plan:

7           (1)           Approximately Five Million, Thirteen Thousand, Seventy-eight dollars  
8                       (\$5,013,078.00) representing Fifty-percent (50%) of the fees will be  
9                       used for acquisition of a site at 1036 Mission Street in the South of  
10                      Market area bounded by Market Street, the Embarcadero, King Street,  
11                      Division Street and South Van Ness Avenue, as required by Section  
12                      827(b)(5)(B) to be developed into approximately 80 units of affordable  
13                      rental housing for low and very low-income families, including families  
14                      at risk of homelessness by Tenderloin Neighborhood Development  
15                      Corporation. Acquisition closing is preliminarily scheduled for early  
16                      May, 2007; and

17           (2)           Approximately Five Million, Thirteen Thousand, Seventy-eight dollars  
18                       (\$5,013,078.00) representing the other Fifty-percent (50%) of the fees  
19                       will be used for construction of Arnett Watson Apartments, comprised  
20                      of approximately 83 units of permanent supportive housing for  
21                      chronically homeless families and individuals on a site at 650 Eddy  
22                      Street in the Tenderloin. Tenderloin Neighborhood Development  
23                      Corporation and the Community Housing Partnership are developing  
24                      the project. Construction is expected to commence in mid to late  
25                      April, 2007; and

1           WHEREAS, the Mayor's Office of Housing seeks approval of this plan in order to  
2 prepare for the expenditure of the Rincon Hill in lieu fees in a timely way; therefore be it:

3           RESOLVED that the Board of Supervisors approves the plan submitted by the Mayor's  
4 Office of Housing for the use of all in lieu fee payments generated from the Rincon Hill Plan  
5 and authorizes the expenditure of such funds from the Citywide Affordable Housing Fund for  
6 the purposes identified by that plan.

7           This Resolution shall take effect from and after its adoption by the Board and approval  
8 by the Mayor.

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