

LEGISLATIVE DIGEST

[Emergency Ordinance - Delegation of Authority to Amend Certain Leases and Agreements for Affordable Housing]

Emergency ordinance to delegate Board of Supervisors approval authority under Charter, Section 9.118, and Administrative Code, Section 23.30, to the Mayor’s Office of Housing and Community Development (MOHCD) and the Real Estate Division, respectively, to amend certain existing leases regarding residual rent payments by providers of 100% affordable housing projects, in response to the public health emergency related to COVID-19; and to authorize the Director of MOHCD to amend certain existing loan agreements and policies without review by the Citywide Affordable Housing Loan Committee under Administrative Code, Chapter 120.

Existing Law

Charter Section 9.118(c) and Administrative Code Section 23.30 require the Board of Supervisors to review and approve certain types of leases and some amendments to those leases. With some limitations, the Board may delegate authority to departments in certain specific circumstances to enter into leases or amendments that would otherwise require approval under Section 9.118(c) and Administrative Code Section 23.30.

Administrative Code Sections 120.2(b) and 120.4(b) require the Mayor’s Office of Housing and Community Development (“MOHCD”) to obtain the Citywide Affordable Housing Loan Committee’s (“Loan Committee”) review and recommendation of housing policies and significant amendments to loan agreements.

Amendments to Current Law

The proposed emergency ordinance would authorize MOHCD and the Real Estate Division, respectively, to amend existing leases without seeking approval by the Board of Supervisors for the amendment under Section 9.118(c) and Administrative Code Section 23.30, as long as: (a) the Board has previously approved the lease, or the lease was assigned to the City from the former Redevelopment Agency of the City and County of San Francisco; (b) MOHCD has determined that an affordable housing provider will suffer financial shortfalls as a result of the financial impacts from the COVID-19 emergency; (c) the amendments only add, change, or remove terms related to residual rent or surplus cash distributions; (d) the amendments don’t increase the cost or duration of the lease; and (e) the amendments meet other conditions in the ordinance.

The proposed emergency ordinance would further authorize MOHCD to amend policies and loan agreements without seeking review by the Loan Committee under Administrative Code Chapter 120, as long as: (a) MOHCD has determined that an affordable housing provider will

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suffer financial shortfalls as a result of the financial impacts from the COVID-19 emergency; (b) the amendments only add, change, or remove terms related to residual receipts or surplus cash distributions; (c) the amendments don't increase the cost or duration of the agreement; and (d) the amendments meet other conditions in the ordinance.

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