

**REVISED LEGISLATIVE DIGEST**

(2/6/2017, Amended in Committee)

[Planning Code, Administrative Code, Health Code - Waiving Fees and Exempting Requirements, Authorizing Land Dedication or Construction of Off-Site Units, Establishing 180 Jones Street Affordable Housing Fund, Accepting Gifts, Authorizing Payment - 950-974 Market Street Project.]

**Ordinance waiving the Jobs-Housing Linkage Fee set forth in Planning Code Section 413 et seq., the Inclusionary Affordable Housing requirements set forth in Planning Code Section 415 et seq., and the alternative water supply requirements set forth in Health Code Article 12C; exempting 26,572 square feet from the calculation of gross floor area pursuant to Planning Code Section 124 to allow the additional floor area, and exempting 26,572 square feet from Planning Code Sections 123 and 128 to reduce any required transferable development rights by such amount, for a project located at 950-974 Market Street in San Francisco, in exchange for either (1) the dedication of real property at 180 Jones Street to the San Francisco Mayor’s Office of Housing and Community Development at no cost and payment of approximately \$11.25 million to the 180 Jones Street Affordable Housing Fund; accepting a \$2.7 million gift to the 180 Jones Street Affordable Housing Fund; accepting a \$300,000 gift to the City, to create the Compton’s District Transgender, Lesbian, Gay and Bisexual (TLGB) Stabilization Fund, to support the City’s efforts to recognize and support historic and present-day TLGB communities in the Tenderloin neighborhood; authorizing actions in furtherance of this ordinance; and adopting findings regarding the Final Mitigated Negative Declaration under the California Environmental Quality Act; making findings of public necessity, convenience, and welfare under Planning Code Section 302; and making findings of consistency with the General Plan and the eight priority policies of Planning Code Section 101.1.**

Existing Law

The City regulates development projects and requires them to meet some requirements, in the form of development standards or, sometimes, development fees. For the proposed project at 950-957 Market Street (“the Project”), some of these requirements, as relevant to this Ordinance, are:

1. Inclusionary Housing Program. Under the Inclusionary Housing Program codified in the Charter and in Section 415 et seq. of the Planning Code, the Project would have an on-site affordability requirement of 13% of the total number of units, or would have to pay for an off-site/in lieu requirement equivalent to 25% of the total number of units.

2. Jobs-Housing Linkage Fee. The Project would have to pay a fee Jobs-Housing Linkage Fee, set forth in Section 413 et seq. of the Planning Code, equivalent to approximately \$1.8 million.

3. Land Dedication: In some zoning districts, like the UMU and Mission NCT, Planning Code Section 419.5 allows land dedication as a way to comply with the inclusionary affordable housing requirements. Land dedication is not currently an option for the C-3-S zoning district, where the Project is located.

4. Calculation of Square Footage and Floor Area Ratio Limits: Planning Code Section 124 sets forth the basic floor area ratio limits and methods of calculation and exemption. It provides that additional square footage above that permitted by the base floor area ratio limits set forth above may be approved for construction of affordable housing on the project site. In addition, Planning Code Sections 123, 127 and 128 allow buildings in the C-3 district to exceed the base floor area ratio limits by purchasing transferable development rights (“TDR”) for use of the site. Planning Code Section 124(f) also allows buildings in the C-3 district to exceed the base floor area ratio limits by procuring a conditional use permit for the additional square footage dedicated to affordable housing on a site.

5. Alternative Sources of Water. Article 12C of the Health Code requires projects that obtain a site or building permit after November 1, 2016, to provide an alternative water source (graywater).

#### Amendments to Current Law

This Ordinance would waive the payment of the Jobs-Housing Linkage, the Inclusionary Affordable Housing requirements, and the alternative water supply requirements, and would exempt 26,572 square feet from the calculation of gross floor area to allow the additional floor area, and exempt 26,572 square feet from Planning Code Sections 123 and 128, to reduce any required transferable development rights by such amount, for the Project.

The Ordinance would waive the above requirements in exchange for the dedication of real property at 180 Jones Street to the San Francisco Mayor’s Office of Housing and Community Development, at no cost to the City, and the payment of approximately \$15.4 million, less the acquisition cost of the property at 180 Jones Street (\$4.15 million) to the 180 Jones Street Affordable Housing Fund.

The Ordinance would establish the 180 Jones Street Affordable Housing Fund, administered by Mayor's Office of Housing and Community Development (MOHCD), or its successor, for the purpose of supporting construction of affordable housing units at 180 Jones Street.

The Ordinance would accept a \$2.7 million gift that the Project Sponsor has offered to the City, to be paid prior to the Project’s first temporary certificate of occupancy. This gift would

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be given to the 180 Jones Street Affordable Housing Fund, to assist in providing affordable housing at 180 Jones Street.

The Ordinance would also accept a \$300,000 gift that the Project Sponsor has offered to the City, acting through MOHCD, for purposes of creating the Compton's District TLGB Stabilization Fund, to help recognize and support historic and present-day TLGB communities in the Tenderloin neighborhood.

#### Background Information

This Revised Legislative Digest reflects amendments made to the Ordinance by the Land Use Committee, on February 6, 2017.

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