

REVISED LEGISLATIVE DIGEST

(Substituted, 5/3/2016)

[Administrative Code - Establishing Downtown Neighborhoods Preservation Fund; Street Vacation and Sale of Property at Jessie Street and Elim Alley - Oceanwide Center, LLC - Oceanwide Center Project - Approximately \$36,000,000]

Ordinance amending the Administrative Code to establish the Downtown Neighborhoods Preservation Fund; vacating a portion of Jessie Street and a portion of Elim Alley northwest of Mission and First Streets in connection with the Oceanwide Center Project at 50 First Street; approving and authorizing the sale and quitclaim of City's interest in the approximately 5,000 square foot vacation area for \$22,619,000 plus an additional payment to the aforementioned Fund of approximately \$13,000,000 for a total of approximately \$36,000,000; authorizing the City's Director of Property to execute an agreement for the sale of real estate for the vacated area by and between the City and Oceanwide Center, LLC; waiving approximately \$27,000,000 of affordable housing fees under Planning Code, Sections 413 et seq. and 415 et seq., and requiring Oceanwide Center, LLC, as part of the agreement for the sale of real estate, to pay the equivalent fee amount to the aforementioned Fund; approving a vehicular and pedestrian easement and an overland water flow easement over a portion of Assessor's Parcel Block No. 3708, Lot No. 012, where Jessie Street will be rerouted; approving an emergency vehicle access easement and commercial vehicle access easement; accepting the Public Works Order concerning the street vacations; affirming the Planning Department's determination under the California Environmental Quality Act; adopting findings that the street vacation and all other actions contemplated in this ordinance are consistent with the General Plan, and the eight priority policies of Planning Code, Section 101.1; making findings of public necessity, convenience, and general welfare under Planning Code, Section 302; and authorizing actions in furtherance of this Ordinance, as defined herein.

Existing Law

San Francisco Public Works Code Section 787 and California Streets and Highways Code Sections 8300 et seq. establish the process and procedures that the City follows to vacate streets and public service easements. Planning Code Sections 413 et seq. (Jobs-Housing Linkage Program) and 415 et seq. (Inclusionary Housing Program) establish affordable housing requirements and provide a project sponsor options on how to comply with these requirements, including the payment of fees. If the project sponsor elects to pay fees, the Planning Code requires the fees be paid into the Citywide Affordable Housing Fund.

Amendments to Current Law

The ordinance would establish the Downtown Neighborhoods Preservation Fund (the "Fund") in the Administrative Code, and specify the source of revenue for this Fund, its permissible

uses, and requirements for the Mayor's Office of Housing and Community Development to administer the Fund. The legislation would approve a street vacation of a portion of Jessie Street and a portion of Elim Alley in connection with the development of the Oceanwide Center project at 50 1st Street in conformance with State and local law. The legislation also would approve a purchase and sale agreement for the vacated property based on fair market value, and the purchase price would include an additional \$13 million payment into the Fund. The ordinance would waive a \$27 million portion of the Oceanwide Center project's affordable housing fees as required under the Planning Code and redirect the equivalent fee amount to the Fund instead of the Citywide Affordable Housing Fund. The legislation would approve a declaration for pedestrian use over the vacated areas, an emergency vehicle access easement and a commercial vehicle access easement over the Jessie Street vacation area, a vehicular and pedestrian access easement over private property that will connect the new terminus of Jessie Street to Mission Street, and an overland flow easement for this same area. The ordinance would affirm the Planning Department's environmental determination, make findings that the legislation is, on balance, consistent with the General Plan and the eight priority policies of Planning Code Section 101.1, and determine the legislation serves the public necessity under Planning Code Section 302. The legislation would make additional findings and authorize other acts in furtherance of the ordinance.

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