

LEGISLATIVE DIGEST

[Amending Ordinance No. 49-17 - 180 Jones Street Affordable Housing Fund]

Ordinance amending Ordinance No. 49-17 to change the timeline, for the first payment of \$1,500,000 from the project sponsor of 950-974 Market Street to the 180 Jones Street Affordable Housing Fund, from "the issuance of the first construction document for that project or July 1, 2017, whichever comes first," to "the issuance of the first construction document."

Existing Law

On March 17, 2017, the City enacted Ordinance No. 49-17, which waived the Planning Code's Jobs-Housing Linkage Fee, the Inclusionary Affordable Housing requirements, and the alternative water supply requirements set forth in Health Code Article 12C; exempted 26,572 square feet from the calculation of gross floor area to allow the additional floor area, and exempted 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 (the "Project"). Ordinance No. 49-17 waived and exempted the Project from those provisions in exchange for the dedication of real property at 180 Jones Street to the Mayor's Office of Housing and Community Development ("MOHCD") at no cost, plus payment by Mid-Market Center LLC (the "Project Sponsor") of approximately \$11.25 million to the 180 Jones Street Affordable Housing Fund, according to a payment timeline.

Under the payment timeline set forth in Ordinance No. 49-17, the first payment, of \$1.5 million, is due prior to issuance of the first construction document for the Project, or July 1, 2017, whichever comes first. (Ordinance No. 49-17; Section 2(a)(1)(B).)

Ordinance No. 49-17 also established the 180 Jones Street Affordable Housing Fund; accepted a \$2.7 million gift from the Project Sponsor to the 180 Jones Street Affordable Housing Fund; and accepted a \$300,000 gift from the Project Sponsor to the City to support the City's efforts to recognize and support historic and present-day Transgender, Lesbian, Gay and Bisexual ("TLGB") communities in the Tenderloin neighborhood.

Amendments to Current Law

This Ordinance amend the payment timeline for the Project Sponsor's first payment to the 180 Jones Affordable Housing Fund, to coincide with the closing of financing for the Project and issuance of the Project's first construction document.

This Ordinance does not otherwise change the terms of Ordinance No. 49-17.

Background Information

At the time Ordinance No. 49-17 was enacted, the Project Sponsor contemplated that construction of the Project would commence in the summer of 2017, and that the Project's first construction document would be issued by July 1, 2017. On account of an unanticipated increase in construction costs and the associated need to adjust construction financing, issuance of the first construction document and construction of the Project is now contemplated to commence in the first quarter of 2018.

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