

1 [Administrative Code - Central SoMa Legacy Business and PDR Support Fund - Jackson  
2 Playground Park Fund - Planning Code Fee Credits - Real Property Conveyance for  
3 Affordable Housing Construction]

4 **Ordinance amending the Administrative Code to create the Central SoMa Legacy**  
5 **Business & PDR Support Fund and the Jackson Playground Park Fund; crediting**  
6 **payments to be made by KR Flower Mart, LLC under the Flower Mart Development**  
7 **Agreement against Eastern Neighborhoods Infrastructure Fees under Planning Code,**  
8 **Section 423, and Transportation Sustainability Fees under Planning Code, Section**  
9 **411A; authorizing the City to accept land located at 71 Boardman Place and 356 Harriet**  
10 **Street (Assessor's Parcel Block No. 3779, Lot Nos. 084 and 112) for affordable housing;**  
11 **and providing KR Flower Mart, LLC credit against Jobs-Housing Linkage Fees under**  
12 **Planning Code, Section 413, for the value of that land; authorizing the attachment of**  
13 **missing pages to the Transportation Demand Management exhibit of the Development**  
14 **Agreement; making findings under the California Environmental Quality Act, findings**  
15 **of conformity with the General Plan, and with the eight priority policies of Planning**  
16 **Code, Section 101.1(b), and public necessity, convenience, and welfare findings under**  
17 **Planning Code, Section 302.**

18 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
19 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
20 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.  
21 **Board amendment additions** are in double-underlined Arial font.  
22 **Board amendment deletions** are in ~~strikethrough Arial font~~.  
23 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
24 subsections or parts of tables.

25 Be it ordained by the People of the City and County of San Francisco:

Section 1. Findings.

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1 (a) KR Flower Mart, LLC, a Delaware limited liability company ("Developer") owns  
2 an approximately 6.5-acre site generally along Brannan Street between Fifth and Sixth  
3 Streets, on Assessor's Block 3778, Lots 001B, 002B, 004, 005, 047 and 048 (the "6th and  
4 Brannan Site").

5 (b) On January 7, 2020, the Board of Supervisors adopted Ordinance No. 002-20  
6 approving a development agreement relating to the 6th and Brannan Site (the "Development  
7 Agreement") under Chapter 56. A copy of the Development Agreement is on file with the  
8 Clerk of the Board in File No. 190682.

9 (c) The Development Agreement provides for the development of the 6th and  
10 Brannan Site with office and retail uses, and for the development of a new on-site or off-site  
11 wholesale flower market, all as more particularly described in the Development Agreement  
12 (the "Project"). Consistent with the terms of the Development Agreement, on March 16, 2020,  
13 the City exercised the "Permanent Off-Site Option" for the construction of the new wholesale  
14 flower market by the Developer at an off-site location (the "Permanent Off-Site Facility"), at  
15 901 16th Street, on Assessor's Block 3949, Lots 001 and 002, and Block 3950, Lots 001 (the  
16 "16th Street Site").

17 (d) The Development Agreement also provides public benefits by the Developer  
18 that could not have been obtained through application of existing City ordinances, regulations,  
19 and policies, and for other Developer obligations, including an obligation to lease the  
20 Permanent Off-Site Facility to the "Master Tenant" pursuant to the "Permanent Off-Site Master  
21 Lease", as those terms are defined in the Development Agreement.

22 Section 2. CEQA Findings.

23 On July 3, 2019, the Environmental Review Officer ("ERO") issued a Community Plan  
24 Exemption ("CPE") and Addendum for the Project pursuant to the California Environmental  
25 Quality Act (California Public Resources Code Section 21000 et seq.) ("CEQA"). Copies of

1 the CPE and Addendum are on file with the Clerk of the Board of Supervisors in File No.  
2 190681. This Board relied on the CPE, Addendum, and related documents (the “CEQA  
3 Documents”), in approving the Project. Since that time, there have been no substantial project  
4 changes and no substantial changes in project circumstances that would require major  
5 revisions to the CEQA Documents, and there is no new information of substantial importance  
6 that would change the conclusions set forth in the CEQA Documents. The Board adopts and  
7 incorporates the CEQA Documents by reference as though fully set forth herein.

8 Section 3. Land Use Findings.

9 The Board of Supervisors finds that the actions in this ordinance will serve the public  
10 necessity, convenience, and general welfare pursuant to Planning Code Section 302, and are  
11 in conformity with the General Plan and the eight priority policies of Planning Code Section  
12 101.1 for the reasons set forth in Planning Commission Resolution No. 20486. The Board  
13 hereby adopts those findings and incorporates them herein by reference.

14 Section 4. Central SoMa Legacy Business & PDR Support Fund.

15 The Administrative Code is hereby amended by adding Section 10.100-[xxx], to read  
16 as follows:

17 **SEC. 10.100-[xxx] CENTRAL SOMA LEGACY BUSINESS & PDR SUPPORT FUND.**

18 (a) Establishment of Fund. The Central SoMa Legacy Business & PDR Support Fund is  
19 established as a category four fund to receive fees and other contributions to the fund collected by the  
20 Controller.

21 (b) Use of Fund. The Central SoMa Legacy Business & PDR Support Fund will provide  
22 annual business grants of at least \$600,000 to the San Francisco Flower Mart LLC, or any successor  
23 master tenant under the master lease for the San Francisco Flower Mart (the “Master Lease”), located  
24 at 16th Street and Mississippi Streets, to subsidize operations of the wholesale flower market, subject to  
25 the availability of funds. Grants to the master tenant will be made each year beginning in the fourth

1 year of the Master Lease term, up to the earlier of (i) 34 years after the start of the Master Lease, (ii)  
2 the exhaustion of funds in the Central SoMa Legacy Business & PDR Support Fund, or (iii) the  
3 termination or expiration of the Master Lease. Funds may also be used for job training, job retention,  
4 and other economic development purposes in support of the wholesale flower mart. All expenditures  
5 from the fund shall require prior approval of the City's Controller, in consultation with the OEWD  
6 Director of Development. The amount of any grant to the master tenant shall be based upon an amount  
7 that, in the City Controller's judgment, will provide a continuous revenue stream during the Master  
8 Lease term and will also provide necessary support to the master tenant to continue operations. In its  
9 sole discretion and subject to all approvals, the City may consider contributing additional funds to the  
10 Central SoMa Legacy Business and PDR Support Fund.

11 (c) **Administration of Fund.** The City's Controller shall administer the fund and shall  
12 report annually to the Board of Supervisors on the current status of the fund, the amounts approved for  
13 disbursement, and the number and types of businesses supported. The Controller shall have the  
14 authority to prescribe rules and regulations governing the fund. Any unexpended funds remaining after  
15 the earlier of (i) 34 years from the start of the Master Lease, or (ii) the expiration or termination of the  
16 Master Lease, shall be either used for job training, job retention, and other economic development  
17 purposes or deposited into the Eastern Neighborhoods Community Improvements Fund or the relevant  
18 successor fund, as the Controller determines, following consultation with the OEWD Director of  
19 Development.

20 Section 5. \$20 Million Contribution to the Central SoMa Legacy Business & PDR  
21 Support Fund.

22 Consistent with the Development Agreement and as a result of rent concessions that  
23 Developer made to the San Francisco Flower Mart LLC in connection with the Development  
24 Agreement, upon Developer's payment to the City of \$20,000,000 into the Central SoMa  
25 Legacy Business & PDR Support Fund, Developer shall receive a credit of \$28,500,000

1 against the Eastern Neighborhoods Infrastructure Fees under Planning Code Section 423 et  
2 seq. that would otherwise be due and payable for the Project. The Controller shall deposit  
3 Developer's \$20,000,000 payment into the Central SoMa Legacy Business & PDR Support  
4 Fund to support the master tenant under the Master Lease and for other permitted uses as set  
5 forth in Section 4 above. This payment shall be made by the Developer before issuance of  
6 the first construction document for the Project.

7 Section 6. Jackson Playground Park Fund.

8 The Administrative Code is hereby amended by adding Section 10.100-[xxx], to read  
9 as follows:

10 **SEC. 10.100-[xxx] JACKSON PLAYGROUND PARK FUND.**

11 (a) Establishment of Fund. The Jackson Playground Park Fund is established as a  
12 category four fund to receive fees and other contributions to the fund.

13 (b) Use of Fund. The Jackson Playground Park Fund is to be used for the construction of  
14 physical improvements to the Jackson Playground Park, and for repair and maintenance of the Jackson  
15 Playground Park. All expenditures from the fund shall require prior approval of the General Manager  
16 of the City's Recreation and Park Department.

17 (c) Administration of Fund. The Recreation and Park Department shall administer the  
18 fund and shall report annually to the Board of Supervisors on the current status of the fund, the  
19 amounts approved for disbursement, and the improvements and activities funded. The Recreation and  
20 Park Department shall have the authority to prescribe rules and regulations governing the fund.

21 Section 7. \$2,158,000 Contribution to the Jackson Playground Park Fund.

22 The Controller shall place into the Jackson Playground Park Fund, upon receipt, a total  
23 of \$2,158,000 of Developer's Eastern Neighborhoods Fees, with approximately \$358,000  
24 coming from the Eastern Neighborhood Fees for the Permanent Offsite Facility at the 16th  
25 Street Site and the remainder coming from the Eastern Neighborhood Fees for the Project at

1 the 6th and Brannan Street Site. Developer's payments shall be made as and when required  
2 under Article 4 of the Planning Code.

3 Section 8. Land Dedication for Affordable Housing; Credit Against the Jobs-Housing  
4 Linkage Fee.

5 In accordance with the recommendation of the Director of Mayor's Office of Housing  
6 and Community Development ("MOHCD") and Director of Property, the Board of Supervisors  
7 approves the conveyance of land at 71 Boardman Place and 356 Harriet Street on Assessor's  
8 Block 3779, Lots 084 and 112 ("Transfer Parcel") to the City, under the jurisdiction of  
9 MOHCD, in accordance with the Transfer Agreement, a copy of which is in Board File No.  
10 211298 (the "Transfer Agreement"). The Board authorizes the Director of Property and the  
11 MOHCD Director to execute the Transfer Agreement, to accept the deed to the Transfer  
12 Parcel in the name and on behalf of the City, and to take such additional actions as may be  
13 required to effectuate a transfer of the Transfer Parcel. Upon the City's acceptance of the  
14 Transfer Parcel, the Project shall receive credit against the Jobs-Housing Linkage Fee, in  
15 accordance with Planning Code Sections 249.78(e)(2) and 413.7, in the amount of  
16 \$5,355,000.

17 Section 9. Transportation Demand Management. The first pages of the Transportation  
18 Demand Management Program, Exhibit J to the Development Agreement, were inadvertently  
19 excluded from the Development Agreement. The Board of Supervisors approves these three  
20 pages, copies of which are in Board File No. 211298, and authorizes City staff to include  
21 these pages as part of the Development Agreement.

22 Section 10. Actions in Furtherance of this Ordinance.

23 The Mayor, Clerk of the Board of Supervisors, the Directors of MOHCD, Property,  
24 OEWD and the Controller are hereby authorized and directed to take any and all actions  
25 which they or the City Attorney may deem necessary or advisable in order to effectuate the

1 purpose and intent of this ordinance (including, without limitation, acceptance of the land  
2 dedication; entering into any amendments or modifications to the Transfer Agreement that the  
3 Director of Property determines, in consultation with the City Attorney and Director of MOHCD  
4 to be in the best interest of the City that do not otherwise materially increase the obligations or  
5 liabilities of the City and are necessary or advisable to effectuate the purposes of the Transfer  
6 Agreement and are in compliance with all applicable laws.

7 Section 11. Effective Date.

8 This ordinance shall become effective 30 days after enactment. Enactment occurs  
9 when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not  
10 sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the  
11 Mayor's veto of the ordinance.

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13 APPROVED AS TO FORM:  
14 DENNIS J. HERRERA, City Attorney

15 By: /s/ Charles Sullivan  
16 Charles Sullivan  
17 Deputy City Attorney

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