

## LEGISLATIVE DIGEST

[Administrative Code - 706 Mission Fund]

**Ordinance amending the Administrative Code to establish the 706 Mission Fund to receive funds provided to the City under the 2013 purchase and sale agreement regarding the property at 706 Mission Street; to authorize the Recreation and Park Department and the Mayor’s Office of Housing and Community Development to expend monies from the Fund for specified purposes after receiving recommendations from the SoMa Community Stabilization Fund Community Advisory Committee; and to require the Recreation and Park Department and the Mayor’s Office of Housing and Community Development to prepare reports regarding expenditures from the Fund.**

### Background Information and Existing Law

In 2013, the Successor Agency to the Redevelopment Agency of the City and County of San Francisco, commonly known as the Office of Community Investment and Infrastructure (“OCII”), and 706 Mission Street Co., LLC (the “Developer”) entered an Agreement for Purchase and Sale of Real Estate (the “Purchase and Sale Agreement”). The Purchase and Sale Agreement requires the Developer to make payments to OCII for general operations and maintenance, cultural operations, and capital expenditures at Yerba Buena Gardens and other open spaces in the South of Market area. The Purchase and Sale Agreement also requires the Developer to make a one-time payment to OCII to fund public benefits within the South of Market Area, including affordable housing, rent subsidies to prevent homelessness, housing/eviction counseling, small business and nonprofit rental assistance, and services to youth and seniors. OCII has transferred some of the funds received under the Purchase and Sale Agreement to the City.

Existing law does not require the City to segregate money received from OCII under the Purchase and Sale Agreement into a special fund. And existing law does not require any City advisory body to provide input and advice regarding the use of funds from the Purchase and Sale Agreement.

The SOMA Community Stabilization Fund Community Advisory Committee is an advisory body that currently holds hearings and provides recommendations regarding appropriation and expenditure of certain City funds in the South of Market area. But that Committee does not provide advice about how the City spends funds received under the Purchase and Sale Agreement.

### Amendments to Current Law

The proposed ordinance would establish a special fund called the 706 Mission Fund to receive money received by the City under the Purchase and Sale Agreement. The Fund would include two separate subsidiary funds—one to be used by the Recreation and Park

Department for open spaces in the South of Market Area, and one to be used by the Mayor's Office of Housing and Community Development for public benefits in the South of Market Area.

The ordinance would prohibit the departments from spending money in the funds until the SOMA Community Stabilization Fund Community Advisory Committee has held at least one hearing to make recommendations on the spending. And the ordinance would require the departments to spend a portion of the funds by entering into grant agreements. The ordinance would also require the departments to prepare annual reports summarizing the expenditures from the Fund.

Finally, the ordinance would require the SOMA Community Stabilization Fund Community Advisory Committee to hold quarterly hearings in calendar years 2023, 2024, and 2025 to make recommendations to the Recreation and Park Department regarding expenditures of money in the Fund and to monitor the Department's expenditures from that Fund.

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