

## **LEGISLATIVE DIGEST**

[Midtown Park Apartments - 1415 Scott Street - Exempting Midtown Park Apartments from Certain Construction Contracting Requirements]

**Ordinance exempting Midtown Park Apartments, located at 1415 Scott Street, from construction contracting requirements in Administrative Code, Chapter 6, but requiring compliance with the prevailing wage and apprenticeship requirements of Administrative Code, Section 23.61; affirming the Planning Department’s determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1..**

### Existing Law

Administrative Code Chapter 6 establishes the policies, procedures, and required contract terms that apply under City law to public works contracts, including construction contracts and contracts for related design and engineering services. If the Board of Supervisors adopts this proposed uncodified ordinance, the property located at 1415 Scott Street commonly known as Midtown Park Apartments would be exempt from Administrative Code Chapter 6, but would still be required to comply with the prevailing wage and apprenticeship requirements of Administrative Code Section 23.61. There are no amendments to current law.

### Background Information

On December 30, 1968, the City acquired Midtown Park Apartments (the “Property”), which is a 140-unit residential housing development located at 1415 Scott Street (Assessor’s Parcel Block No. 1099, Lot 31) in the Western Addition neighborhood, to provide housing for families displaced by urban renewal policies.

On January 31, 2014, the City entered into a month-to-month Management and Lease Agreement with Mercy Midtown Inc. (“Mercy”), to operate, maintain, and manage the Property as a residential housing development, including completing necessary repairs and changes requested by the City. On January 1, 2020, Kalco Properties, Inc. (“Kalco”) assumed Mercy’s obligations under the Management and Lease Agreement related to the operations, maintenance, and management of the Property.

Critical urgent repairs and capital improvements are needed at the Property, including replacement of heating and hot water systems, City-required soft story upgrades, roof and window replacement, and fire safety system upgrades. MOHCD desires for Kalco to complete these critical urgent repairs and capital improvements at the Property, and MOHCD and Kalco desire to enter into a separate agreement regarding such critical urgent repairs and capital

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improvements at the Property, which may be subject to the prior approval of the Board of Supervisors, as required by the Charter.

This proposed ordinance would exempt the Property from Administrative Code Chapter 6, and would still require compliance with the prevailing wage and apprenticeship program requirements of Administrative Code Section 23.61.