[Development Agreement - Sunnydale Development Co., LLC - Sunnydale HOPE SF Project]

Ordinance approving a Development Agreement between the City and County of San Francisco, the Housing Authority of the City and County of San Francisco, and Sunnydale Development Co., LLC, for the Sunnydale HOPE SF Project at the approximately 50-acre site located in Visitacion Valley and generally bounded by McLaren Park to the north, Crocker Amazon Park to the west, Hahn Street to the east, and Velasco to the south; confirming the Development Agreement's compliance with, or waiving certain provisions of, Administrative Code, Chapters 14B, 29, and 56; approving the use of impact fees and exactions for improvements and other community benefits, as set forth in the Development Agreement, and waiving any conflicting fee provisions in Planning Code, Article 4; ratifying past actions taken in connection with the Development Agreement; authorizing further actions taken consistent with the Ordinance; making findings under the California Environmental Quality Act; and making findings of conformity with the General Plan, and with the eight priority policies of Planning Code, Section 101.1.

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

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

Section 1. Project Findings.

(a) California Government Code Section 65864 et seq. authorizes any city, county, or city and county to enter into an agreement for the development of real property its jurisdiction.

(b) Chapter 56 of the Administrative Code ("Chapter 56") sets forth certain procedures for the processing and approval of development agreements in the City and County of San Francisco (the "City").

(c) HOPE SF is the nation's first large-scale public housing transformation collaborative aimed at disrupting intergenerational poverty, reducing social isolation, and creating vibrant mixed-income communities without mass displacement of current residents. Launched in 2007, HOPE SF is a human and real estate capital commitment by the City. HOPE SF, the City's signature anti-poverty and equity initiative, is committed to breaking intergenerational patterns related to the insidious impacts of trauma and poverty, and to creating economic and social opportunities for current public housing residents through deep investments in education, economic mobility, health and safety.

(d) The Sunnydale HOPE SF project (the "Project"), which is located in Visitacion Valley, is generally bounded by McLaren Park to the north, Crocker Amazon Park on the west, Hahn Street to the east, and Velasco Avenue to the south.

(e) The Housing Authority of the City and County of San Francisco owns and operates 775 units of public housing on the approximately 50-acre site, known as Sunnydale-Valasco.

(f) The Project is a mixed-use, mixed-income development with several different components: (i) construction of the public infrastructure to support the Project; (ii) development of private affordable housing on affordable parcels in accordance with an affordable housing plan; (iii) development of private residential projects on market rate parcels; and (iv) development of community improvements (e.g., open space areas,

community facilities) throughout the Project. The Sunnydale HOPE SF master plan consists of a maximum of 1,770 units, of which 775 are replacement units for existing Sunnydale-Velasco households and approximately 200 are additional affordable housing units. There are also up to 730 units that will be for market rate homeownership or rental. The master plan includes all new streets and utility infrastructure, 3.6 acres of new open spaces, and approximately 60,000 square feet of new neighborhood serving spaces.

(g) Sunnydale Development Co., LLC (the "Developer") filed an application with the City's Planning Department for approval of a development agreement relating to the Project Site (the "Development Agreement") under Chapter 56. A copy of the Development Agreement is on file with the Clerk of the Board of Supervisors in File No. 161164 and is incorporated herein by reference.

(h) This ordinance is companion legislation to other ordinances relating to the Sunnydale HOPE SF project, including Planning Code amendments and Zoning Map amendments. These ordinances are on file with the Clerk of the Board of Supervisors in File Nos. 161162, 161163, and 161309.

(i) The Project will help realize and further the City's HOPE SF goals. In addition to helping the City realize and further such goals, the City has determined that development of the Project under the Development Agreement will provide additional benefits to the public that could not be obtained through application of existing City ordinances, regulations and policies. The Development Agreement will eliminate uncertainty in the City's land use planning for the Project and secure orderly development of the Project.

Section 2. Environmental and Land Use Findings.

The Board of Supervisors adopted a companion ordinance related to General Plan amendments for the Project. This companion ordinance described the Project and included findings under the California Environmental Quality Act (Public Resources Code Sections

21000 et seq.), and findings of consistency with the General Plan, and the eight priority policies of Planning Code Section 101.1. The Board of Supervisors adopts all of these findings for purposes of this ordinance. The companion ordinance on the General Plan amendments and the accompanying findings are on file with the Clerk of the Board of Supervisors in File No. 161309 and are incorporated herein by reference.

Section 3. Approval of Development Agreement.

(a) The Board of Supervisors approves all of the terms and conditions of the Development Agreement, in substantially the form on file with the Clerk of the Board of Supervisors in File No. 161164.

(b) The Board of Supervisors approves and authorizes the execution, delivery and performance by the City of the Development Agreement as follows: (i) the Director of Planning and (other City officials listed thereon) are authorized to execute and deliver the Development Agreement and consents thereto, and (ii) the Director of Planning and other appropriate City officials are authorized to take all actions reasonably necessary or prudent to perform the City's obligations under the Development Agreement in accordance with its terms. The Director of Planning, at his or her discretion and in consultation with the City Attorney, is authorized to enter into any additions, amendments or other modifications to the Development Agreement that the Director of Planning determines are in the best interests of the City and that do not materially increase the obligations or liabilities of the City or materially decrease the benefits to the City as provided in the Development Agreement. Final versions of such documents shall be provided to the Clerk of the Board for inclusion in the official file within 30 days of execution by all parties.

Section 4. Potential Conflict of Development Agreement with Administrative Code; Waiver of Administrative Code Provisions.

(a) In the event of any conflict between any provision of the Development Agreement and Administrative Code Chapters 14B, 29 or 56, the Development Agreement shall prevail,

(b) Without limiting the scope of subsection (a) above which applies to the Administrative Code Chapters mentioned therein in their entirety, the provisions of Administrative Code Chapters 14B, 29 and 56 designated below, are as to the Development Agreement, hereby waived or deemed satisfied. The omission below of a reference to a particular provision in the Development Agreement or a particular provision in one of the aforementioned Administrative Code Chapters shall not be construed to negate the applicability of subsection (a) to such provisions.

(1) The Project comprises nearly 50 acres and is the type of large multi-phase and/or mixed-use development contemplated by the City Administrative Code and therefore is deemed to satisfy the provisions of Chapter 56, Section 56.3(g).

(2) The provisions of Development Agreement Section 6.6 and the Workforce MOU attached to the Development Agreement as Exhibit I shall apply in lieu of the provisions of Administrative Code Chapter 14B, Section 14B.20 and Chapter 56, Section 56.7(c).

(3) The provisions of the Development Agreement regarding any amendment or termination, including those relating to "Material Change," shall apply in lieu of the provisions of Chapter 56, Section 56.15.

(4) The City established the HOPE SF Fund through Ordinance No. 180-07, and affirmed its commitment to HOPE SF through Resolution No. 556-07. Together, those actions shall apply in lieu of the provisions of Administrative Code Section Chapter 29.

Section 5. Planning Code Fee Waiver.

The Board of Supervisors approves the use of the Impact Fees and Exactions for improvements and community benefits, as set forth in Exhibit H to the Development

Agreement, and waives or overrides any provision in Article 4 of the Planning Code that would conflict with uses of these funds as described in the Development Agreement.

Section 6. Administrative Code Chapter 56 Waiver.

In connection with the Development Agreement, the Board of Supervisors finds that the requirements of Chapter 56, as modified hereby, have been substantially complied with and waives any procedural or other requirements of Chapter 56 if and to the extent that they have not been strictly complied with.

Section 7. Ratification of Past Actions; Authorization of Future Actions.

All actions taken by City officials in preparing and submitting the Development Agreement to the Board of Supervisors for review and consideration are hereby ratified and confirmed, and the Board of Supervisors hereby authorizes all subsequent action to be taken by City officials regarding the Development Agreement consistent with this ordinance.

Section 8. Effective and Operative Date.

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

(b) This Ordinance shall become operative only on the later of (a) the effective date of this ordinance, or (b) the last occurring effective date among the companion ordinances identified in Section 1(h) of this ordinance. Copies of said Ordinances are on file with the Clerk of the Board of Supervisors in File No. 161162, 161163, and 161309. No rights or duties are created

under the Development Agreement until the operative date of this ordinance.

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

By: _____
Heidi J. Gewertz
Deputy City Attorney
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City and County of San Francisco
Tails
Ordinance

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 161164 **Date Passed:** January 31, 2017

Ordinance approving a Development Agreement between the City and County of San Francisco, the Housing Authority of the City and County of San Francisco, and Sunnydale Development Co., LLC, for the Sunnydale HOPE SF Project at the approximately 50-acre site located in Visitacion Valley and generally bounded by McLaren Park to the north, Crocker Amazon Park to the west, Hahn Street to the east, and Velasco to the south; confirming the Development Agreement's compliance with, or waiving certain provisions of, Administrative Code, Chapters 14B, 29, and 56; approving the use of impact fees and exactions for improvements and other community benefits, as set forth in the Development Agreement, and waiving any conflicting fee provisions in Planning Code, Article 4; ratifying past actions taken in connection with the Development Agreement; authorizing further actions taken consistent with the Ordinance; making findings under the California Environmental Quality Act; and making findings of conformity with the General Plan, and with the eight priority policies of Planning Code, Section 101.1.

January 11, 2017 Budget and Finance Committee - RECOMMENDED

January 24, 2017 Board of Supervisors - PASSED, ON FIRST READING

January 31, 2017 Board of Supervisors - FINALLY PASSED

Ayes: 11 - Breed, Cohen, Farrell, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Tang and Yee

File No. 161164

I hereby certify that the foregoing Ordinance was FINALLY PASSED on 1/31/2017 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Mayor

2/01/17
Date Approved