

BOARD of SUPERVISORS



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## MEMORANDUM

TO: John Rahaim, Director, Planning Department  
Kate Hartley, Acting Director, Mayor's Office of Housing and Community Development  
John Updike, Director, Real Estate Division  
Mawuli Tugbenyoh, Liaison to the Board of Supervisors, Mayor's Office

FROM: Erica Major, Assistant Clerk, Land Use and Transportation Committee

DATE: July 21, 2017

SUBJECT: LEGISLATION INTRODUCED

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The Board of Supervisors' Land Use and Transportation Committee has received the following proposed legislation, introduced by Supervisor Kim on July 18, 2017:

**File No. 170835**

**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."**

If you have comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: [erica.major@sfgov.org](mailto:erica.major@sfgov.org).

c: Scott Sanchez, Planning Department  
Lisa Gibson, Planning Department  
AnMarie Rodgers, Planning Department  
Aaron Starr, Planning Department  
Joy Navarrete, Planning Department  
Laura Lynch, Planning Department  
Eugene Flannery, Mayor's Office of Housing and Community Development  
Amy Chan, Mayor's Office of Housing and Community Development

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

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

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

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

16 Section 1. Background and Findings.

17 (a) On March 17, 2017, the City enacted Ordinance No. 49-17, which waived the  
18 Planning Code’s Jobs-Housing Linkage Fee, the Inclusionary Affordable Housing  
19 requirements, and the alternative water supply requirements set forth in Health Code Article  
20 12C; exempted 26,572 square feet from the calculation of gross floor area to allow the  
21 additional floor area, and exempted 26,572 square feet from Planning Code Sections 123 and  
22 128 to reduce any required transferable development rights by such amount, for a project  
23 located at 950-974 Market Street(the “Project”), in exchange for the dedication of real property  
24 at 180 Jones Street to the Mayor’s Office of Housing and Community Development  
25 (“MOHCD”) at no cost and 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

1 payment timeline. Under the payment timeline, the first payment, of \$1.5 million, is due prior  
2 to issuance of the first construction document for the project, or July 1, 2017, whichever  
3 comes first. (Ordinance No. 49-17; Section 2(a)(1)(B).) Ordinance No. 49-17 also  
4 established the 180 Jones Street Affordable Housing Fund; accepted a \$2.7 million gift from  
5 the Project Sponsor to the 180 Jones Street Affordable Housing Fund; and accepted a  
6 \$300,000 gift from the Project Sponsor to the City to support the City's efforts to recognize  
7 and support historic and present-day Transgender, Lesbian, Gay and Bisexual ("TLGB")  
8 communities in the Tenderloin neighborhood.

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

15 (c) The Board of Supervisors now desires to amend the payment timeline for the  
16 Project Sponsor's first payment to the 180 Jones Affordable Housing Fund to coincide with the  
17 closing of financing for the Project and issuance of the Project's first construction document.  
18

19 Section 2. The payment timeline for the Project Sponsor's first payment to the 180  
20 Jones Affordable Housing Fund is hereby amended by amending Section 2(a)(1)(B) on page  
21 8, Lines 11 and 12, of Ordinance No. 49-17, to read as follows:

22 (B) Payment of \$1.5 million: prior to issuance of the first construction document for  
23 the Project.

24 This ordinance does not otherwise change the terms of Ordinance No. 49-17.  
25

1 Section 3. The Mayor, Clerk of the Board of Supervisors, the Director of Property, and  
2 MOHCD are hereby authorized and directed to take any and all actions which they or the City  
3 Attorney may deem necessary or advisable in order to effectuate the purpose and intent of  
4 this ordinance (including, without limitation, the filing of the ordinance in the Official Records of  
5 the City and County of San Francisco; receipt of payments to the 180 Jones Affordable  
6 Housing Fund; and execution and delivery of any evidence of the same, which shall be  
7 conclusive as to the satisfaction of the conditions upon signature by any such City official or  
8 his or her designee).

9  
10 Section 4. Effective Date; Retroactivity. This ordinance shall become effective 30 days  
11 after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns  
12 the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the  
13 Board of Supervisors overrides the Mayor's veto of the ordinance. This ordinance shall be  
14 retroactive to July 1, 2017.

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

18 By:

  
19 \_\_\_\_\_  
20 ANDREA RUIZ-ESQUIDE  
21 Deputy City Attorney

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## 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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