

LEGISLATIVE DIGEST

[Development Agreement - Parcel F Owner, LLC - 542-550 Howard Street Transbay Redevelopment Project Area]

Ordinance approving a Development Agreement between the City and County of San Francisco and Parcel F Owner, LLC, for certain real property, known as 542-550 Howard Street (Assessor's Parcel Block No. 3721, Lot Nos. 016, 135, 136, and 138, also known as Transbay Parcel F), located in the Transbay Redevelopment Project Area, consisting of four parcels located on the north side of Howard Street, between 1st and 2nd Streets; waiving certain provisions of Administrative Code, Chapter 56; adopting findings under the California Environmental Quality Act; and making findings of conformity with the General Plan, and the eight priority policies of Planning Code, Section 101.1(b), and findings of public necessity, convenience, and general welfare under Planning Code, Section 302.

Existing Law

California Government Code section 65864 *et seq.* (the "Development Agreement Statute") and Chapter 56 of the San Francisco Administrative Code ("Chapter 56") authorize the City to enter into a development agreement regarding the development of real property.

Amendments to Current Law

The proposed ordinance, if adopted, would result in the approval of the proposed development agreement (the "Development Agreement") with Parcel F Owner, LLC ("Developer") in accordance with the Development Agreement Statute and Chapter 56. The Development Agreement would provide to Developer the vested right to develop the Project Site as described in the Development Agreement consistent with Existing Requirements and a variation from the Transbay Redevelopment Project Area (the "Project Area") Plan's and City Planning Code's On-Site Affordable Housing Requirement (the "On-Site Requirement"). There are no proposed amendments to current law.

Background Information

Under the Development Agreement, the Developer shall have the vested right to develop the Project Site in accordance with the Existing Requirements, provided that the Developer contributes to the Office of Community Investment and Infrastructure ("OCII") an amount that is equal to one hundred fifty percent (150%) of the inclusionary housing fee that Section 415.5 of the Planning Code would otherwise require if the Project were not subject to the On-Site Requirement (based on the published fee schedule applicable to calendar year 2021) toward the development of affordable housing in the Project Area, which amount is significantly higher than the amount of the affordable housing fee that would be permitted under the City's

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Inclusionary Affordable Housing Program if the Project were located outside of the Project Area.

By separate legislation, the Board, acting in its capacity as the legislative body to OCII (also known as the Successor Agency to the former Redevelopment Agency of the City and County of San Francisco), is considering, in furtherance of the proposed project, approving provisions of a variation decision by the Commission on Community Investment and Infrastructure modifying the On-Site Affordable Housing Requirement for the Project Site.

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