

1 [Authorizing Expenditures from SOMA Community Stabilization Fund]

2
3 **Resolution authorizing the Mayor's Office of Housing to expend SOMA Community**
4 **Stabilization Fund dollars under certain conditions in the amount of \$2,762,000 to**
5 **subsidize the development of onsite affordable rental housing units at 333 Harrison**
6 **Street.**

7
8 WHEREAS, On August 19, 2005, the Board of Supervisors approved Ordinance No.
9 217-05 (the "Ordinance"), adding a new Section 318 to the San Francisco Planning Code
10 (now numbered Section 418), which, among other things, established a new Rincon Hill
11 Downtown Residential District; and,

12 WHEREAS, The Ordinance imposed a SOMA Community Stabilization Fee of \$14 per
13 square foot on residential development and a Rincon Hill Community Improvements Impact
14 Fee of \$11 per square foot within the new Residential District; and,

15 WHEREAS, The money collected from the SOMA Community Stabilization Fee, along
16 with up to \$6 million transferred from the Rincon Hill Community Improvements Fund for
17 enumerated types of improvements in SOMA, including affordable housing, is in a separate
18 fund called the SOMA Community Stabilization Fund maintained by the Controller (the
19 "Fund"), which must be used to address various impacts of destabilization on residents and
20 businesses in SOMA; and,

21 WHEREAS, Under the Ordinance, the Board of Supervisors established the SOMA
22 Community Stabilization Fund Community Advisory Committee (the "SOMA CAC") to advise
23 the Mayor's Office of Community Development (MOCD), now the Mayor's Office of Housing
24 (MOH), and the Board of Supervisors on the uses of the Fund; and,

1 WHEREAS, Under Resolution 076-06, the Board of Supervisors appointed the original
2 seven members of the SOMA CAC; and

3 WHEREAS, Under Resolution 0216-08 the Board of Supervisors approved the SOMA
4 Community Stabilization Fund Strategic Plan (the "Strategic Plan") and authorized MOH to
5 administer the Fund in accordance with the Strategic Plan; and

6 WHEREAS, The development of 333 Harrison by Harrison Fremont LLC, an affiliate of
7 Emerald Fund, Inc. (Project Sponsor) as new rental housing will generate approximately
8 \$3,212,000 in SOMA Community Stabilization Fund fees, approximately \$562,000 of which
9 will be transferred from the Rincon Hill Community Improvements Fund to the Fund; and

10 WHEREAS, \$450,000 will be released by MOH, in partnership with the San Francisco
11 Redevelopment Agency and the SOMA CAC, through the legislative process defined by
12 Ordinance 0217-05, for workforce development, workforce training, and community outreach
13 and housing support, in accordance with the Strategic Plan; and

14 WHEREAS, under the requirements of the Residential Affordable Housing Program,
15 Planning Code Section 415 et seq., the Project Sponsor is required to provide 39 units (12%
16 of the project's units) as affordable units rented to lower income households earning no more
17 than 60% of San Francisco Median Income, but has agreed, as a condition to receiving the
18 Funds to (1) increase the number of affordable units to 49 units (15% of the project's units) (2)
19 lower the income level for all 49 units to households earning no more than 30% of Area
20 Median Income (very low income households) at a cost to the Project Sponsor of
21 approximately \$4,000,000; and (3) enter into an agreement with the City under the Costa
22 Hawkins Rent Control Act, California Civil Code Section 1954.52(b), that in consideration for a
23 direct financial contribution from the Fund the affordable housing units in the Project are not
24 subject to the Costa Hawkins Rent Control Act (collectively, the "conditions"; and

1 WHEREAS, the SOMA CAC recommends that the SOMA Community Stabilization
2 Fund fees payable by the Project Sponsor less the \$450,000 described above (approximately
3 \$2,762,000) be returned to the Project Sponsor to support in part the construction of 49 units
4 (15% of the total project units) to be affordable to very low income households (those earning
5 no more than 30% of Area Median Income) under the conditions and otherwise consistent with
6 all of the requirements of the Residential Affordable Housing Program, Planning Code Section
7 415 et seq.; and

8 WHEREAS, the Board of Supervisors finds that such expenditures are within the public
9 interest and serve the general health, safety and welfare of the City and that, due to the
10 unique location of the affordable housing units on the same site of the Project it would be
11 impractical and infeasible to conduct a request for proposals; and

12 WHEREAS a copy of the payment schedule for the Project Sponsor's payment into the
13 Fund has been filed with the Clerk of the Board under File No. _____, now, therefore, be
14 it

15 RESOLVED, That, following the deposit of fee revenue generated by the development
16 of 333 Harrison, the Mayor's Office of Housing is hereby authorized to expend \$2,762,000
17 from the SOMA Community Stabilization Fund under the conditions described above to
18 support the development of affordable rental units at 333 Harrison at 30% of Area Median
19 Income and that such units shall otherwise conform to all of the requirements of the
20 Residential Affordable Housing Program, Planning Code Section 415 et seq.; all in
21 accordance with the purposes and goals for the funding as generally set forth in the Strategic
22 Plan.

RECOMMENDED:

APPROVED:

MAYOR'S OFFICE OF HOUSING

Douglas Shoemaker, Director

Mayor Gavin Newsom

APPROVED:

Ben Rosenfield, Controller