

1 [Development Agreement - BRIDGE Potrero Community Associates, LLC - Potrero HOPE SF  
2 Project]

3 **Ordinance approving a Development Agreement between the City and County of San**  
4 **Francisco, the Housing Authority of the City and County of San Francisco, and BRIDGE**  
5 **Potrero Community Associates, LLC, for the Potrero HOPE SF Project at the**  
6 **approximately 38-acre irregularly-shaped site bounded by 23rd Street and Missouri**  
7 **Street to the north, Texas Street to the east, 25th Street and 26th Street to the south,**  
8 **and Wisconsin Street to the west; confirming the Development Agreement's**  
9 **compliance with, or waiving certain provisions of, Administrative Code,**  
10 **Chapters 14B, 29, and 56; approving the use of impact fees and exactions for**  
11 **improvements and other community benefits, as set forth in the Development**  
12 **Agreement, and waiving any conflicting fee provisions in Planning Code, Article 4;**  
13 **ratifying past actions taken in connection with the Development Agreement;**  
14 **authorizing further actions taken consistent with this Ordinance; making findings**  
15 **under the California Environmental Quality Act; and making findings of conformity with**  
16 **the General Plan, and with the eight priority policies of Planning Code, Section**  
17 **101.1(b).**

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

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

Section 1. Project Findings.

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

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

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

15 (d) The Potrero HOPE SF project (the "Project"), which is located in the Potrero Hill  
16 neighborhood, is an approximately 38-acre irregularly shaped site bounded by 23rd Street  
17 and Missouri Street to the north, Texas Street to the east, 25th Street and 26th Street to the  
18 south and Wisconsin Street to the west in San Francisco

19 (e) The San Francisco Housing Authority owns and operates 619 units of public  
20 housing on the approximately 38-acre site of the Project.

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

1 community facilities) throughout the Project. The Potrero HOPE master plan consists of a  
2 maximum of 1,700 units, of which approximately 800 are replacement units for existing  
3 Potrero households and additional affordable housing units. There are also up to 800 units  
4 that will be for market rate homeownership and rental. The master plan includes all new  
5 streets and utility infrastructure, 3.5 acres of new open spaces, and approximately 50,000  
6 square feet of new neighborhood serving spaces.

7 (g) BRIDGE Potrero Community Associates, LLC (the "Developer") filed an  
8 application with the City's Planning Department for approval of a development agreement  
9 relating to the Project Site (the "Development Agreement") under Chapter 56. A copy of the  
10 Development Agreement is on file with the Clerk of the Board of Supervisors in File No.  
11 161161 and is incorporated herein by reference.

12 (h) This ordinance is companion legislation to other ordinances relating to the  
13 Potrero HOPE SF project, including Planning Code amendments and Zoning Map  
14 amendments. These ordinances are on file with the Clerk of the Board of Supervisors in File  
15 Nos. 161159, 161160, and 161308.

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

## 22 Section 2. Environmental and Land Use Findings.

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

1 21000 et seq.), and findings of consistency with the General Plan, and the eight priority  
2 policies of Planning Code Section 101.1. The Board of Supervisors adopts all of these  
3 findings for purposes of this ordinance. The companion ordinance on the General Plan  
4 amendments and the accompanying findings are on file with the Clerk of the Board of  
5 Supervisors in File No. 161308 and are incorporated herein by reference.

6 Section 3. Approval of Development Agreement.

7 (a) The Board of Supervisors approves all of the terms and conditions of the  
8 Development Agreement, in substantially the form on file with the Clerk of the Board of  
9 Supervisors in File No. 161161.

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

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

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

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

11 (1) The Project comprises nearly 40 acres and is the type of large multi-phase and/or  
12 mixed-use development contemplated by the Administrative Code and is deemed to satisfy  
13 the provisions of Chapter 56, Section 56.3(g).

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

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

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

23 Section 5. Planning Code Fee Waiver for the Eastern Neighborhoods Impact Fee.

24 Notwithstanding the fee payment requirements of Planning Code Sections 423 et  
25 seq. (Eastern Neighborhoods Impact Fee), the fee payments for the Project as identified in

1 this ordinance are hereby waived. In lieu of paying said fees, the Developer shall pay the  
2 equivalent amount of fees directly to the Mayor's Office of Housing and Community  
3 Development to fund infrastructure and community benefits within the boundaries of the  
4 HOPE SF Potrero Special Use District and as contemplated in the Development  
5 Agreement. Said fees shall be paid at the same time fees are paid in accordance with  
6 Planning Code Sections 423.3 and 423.4.

7 Section 6. Administrative Code Chapter 56 Waiver.

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

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

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

17 Section 8. Effective and Operative Dates.

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

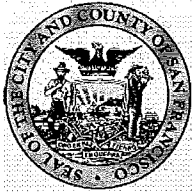
22 (b) This ordinance shall become operative only on the later of (a) the effective date of  
23 this ordinance, or (b) the last occurring effective date among the companion ordinances  
24 identified in Section 1(h) of this ordinance. Copies of said ordinances are on file with the  
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161159, 161160, and 161308  
Clerk of the Board of Supervisors in File No. \_\_\_\_\_. 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

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

Tails
Ordinance

File Number: 161161

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 BRIDGE Potrero Community Associates, LLC, for the Potrero HOPE SF Project at the approximately 38-acre irregularly-shaped site bounded by 23rd Street and Missouri Street to the north, Texas Street to the east, 25th Street and 26th Street to the south, and Wisconsin Street to the west; 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 this 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(b).

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. 161161

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.

Handwritten signature of Angela Calvillo
Angela Calvillo
Clerk of the Board

Handwritten signature of Mayor
Mayor

2/01/17
Date Approved