

1 [Apply for Grant - Mercy Housing California and The Kelsey - Assumption of Liability -  
2 Department of Housing and Community Development Affordable Housing and Sustainable  
3 Communities Program - The Kelsey Civic Center]

4 **Resolution authorizing the Mayor’s Office of Housing and Community Development, on**  
5 **behalf of the City and County of San Francisco, to execute a grant application, as**  
6 **defined herein, under the Department of Housing and Community Development**  
7 **Affordable Housing and Sustainable Communities (“AHSC”) Program as a joint**  
8 **applicant with Mercy Housing California, a California nonprofit public benefit**  
9 **corporation, and The Kelsey, a California nonprofit public benefit corporation, for**  
10 **the 100% affordable housing project identified as The Kelsey Civic Center; authorizing**  
11 **the City to assume any joint and several liability for completion of the projects required**  
12 **by the terms of any grant awarded under the AHSC Program; and adopting findings**  
13 **under the California Environmental Quality Act ("CEQA"), the CEQA Guidelines, and**  
14 **Administrative Code, Chapter 31.**

15  
16 WHEREAS, The State of California, the Strategic Growth Council (“SGC”) and the  
17 Department of Housing and Community Development (“Department”) has issued a Notice of  
18 Funding Availability (“NOFA”) dated February 26, 2021, under the Affordable Housing and  
19 Sustainable Communities (“AHSC”) Program established under Division 44, Part 1 of the  
20 Public Resources Code commencing with Section 75200; and

21 WHEREAS, The SGC is authorized to approve funding allocations for the AHSC  
22 Program, subject to the terms and conditions of the NOFA, AHSC Program Guidelines  
23 adopted by SGC on February 24, 2021 (“Program Guidelines”), an application package  
24 released by the Department for the AHSC Program (“Application Package”), and an AHSC  
25 standard agreement with the State of California (“Standard Agreement”), the Department is

1 authorized to administer the approved funding allocations of the AHSC Program; and

2 WHEREAS, The AHSC Program provides grants and loans to applicants identified  
3 through a competitive process for the development of projects that, per the Program  
4 Guidelines, will create new affordable housing and achieve greenhouse gas reductions and  
5 benefit disadvantaged communities through increased accessibility to affordable housing,  
6 employment centers and key destinations via low-carbon transportation; and

7 WHEREAS, The AHSC Program requires that joint applicants for a project will be held  
8 jointly and severally liable for completion of such project; and

9 WHEREAS, Mercy Housing California and The Kelsey (“Co-Developers”), have  
10 requested the City and County of San Francisco (the “City”), acting by and through the  
11 Mayor’s Office of Housing and Community Development (“MOHCD”), to be a joint applicant  
12 for an eight story, 112 unit, 100% affordable housing project, including 28 units reserved for  
13 people with disabilities who are eligible to receive home and community-based services (the  
14 “Project”) identified as The Kelsey Civic Center (“The Kelsey Civic Center”); and

15 WHEREAS, On January 22, 2021, by Notice of Project Eligible for SB 35 Approval, the  
16 Planning Department has determined that the development of the proposed project with a  
17 ground floor community facility, met all the standards of the Planning Code and would be  
18 eligible for ministerial approval under California Government Code, Section 65913.4 (Senate  
19 Bills 35 and 765), California Public Resources Code, Section 21080, in conjunction with the  
20 State Density Bonus Law (California Government Code, Section 65913.4) and the CEQA  
21 Guidelines, Sections 15002(i)(1), 15268 and 15369, and would therefore not be subject to the  
22 California Environmental Quality Act (CEQA); and

23 WHEREAS, The Municipal Transportation Agency (“SFMTA”) plans to perform transit  
24 improvements in the vicinity of the Project (the “SFMTA Work”); and

25 WHEREAS, The City, acting by and through MOHCD, desires to apply for AHSC

1 Program funds and submit an Application Package as a joint applicant with the Developer;  
2 and

3 WHEREAS, SFMTA, MOHCD and Developer will enter into a Memorandum of  
4 Understanding to make commitments related to completion of the SFMTA Work on the Project  
5 as included in the Application Package; and

6 WHEREAS, The City, acting by and through MOHCD, desires to apply for AHSC  
7 Program funds and submit an Application Package as a joint applicant with the Developer;  
8 now, therefore, be it

9 RESOLVED, That the Board of Supervisors delegates to MOHCD, on behalf of the  
10 City, the authority to execute an application to the AHSC Program as detailed in the NOFA  
11 dated February 26, 2020, for Round 6, in a total amount not to exceed \$30,000,000 of  
12 which \$20,000,000 will be provided as up loan for an Affordable Housing Development  
13 (“AHD”) (“AHSC Loan”) and up to \$10,000,000 will be provided as a grant for Housing-  
14 Related Infrastructure (“HRI”), Sustainable Transportation Infrastructure (“STI”), Transit-  
15 Related Amenities (“TRA”) or Program (“PGM”) activities (“AHSC Grant”) as defined the  
16 AHSC Program Guidelines and sign AHSC Program documents; and, be it

17 FURTHER RESOLVED, The Board of Supervisors specifically agrees that the City  
18 shall assume any joint and several liability for completion of the Project required by the terms  
19 of any grant awarded to the City and the Developer under the AHSC Program; and, be it

20 FURTHER RESOLVED, That the Board of Supervisors acknowledges that if the  
21 Application is successful, the City, through MOHCD, shall seek Board of Supervisors approval  
22 of the Standard Agreement, with terms and conditions that AHSC Program funds are to be  
23 used for allowable capital asset project expenditures to be identified in Exhibit A of the  
24 Standard Agreement, that the Application Package in full is incorporated as part of the  
25 Standard Agreement, and that any and all activities funded, information provided, and

1 timelines represented in the application are enforceable through the Standard Agreement;  
2 and, be it

3 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of  
4 MOHCD (or his designee) to execute and deliver any documents in the name of the City that  
5 are necessary, appropriate or advisable to secure the AHSC Program funds from the  
6 Department, and all amendments thereto, and complete the transactions contemplated herein  
7 and to use the funds for eligible capital asset(s) in the manner presented in the application as  
8 approved by the Department and in accordance with the NOFA and Program Guidelines and  
9 Application Package; and, be it

10 FURTHER RESOLVED, That all actions authorized and directed by this Resolution and  
11 heretofore taken are ratified, approved and confirmed by this Board of Supervisors.

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RECOMMENDED:

/s/ \_\_\_\_\_

Eric D. Shaw, Director,  
Mayor's Office of Housing and Community Development