

1 [Accept and Expend Grant - California Department of Housing and Community Development -
2 Infill Infrastructure Grant Program - 2340 San Jose Avenue - \$3,500,000]

3 **Resolution authorizing the Mayor's Office of Housing and Community Development**
4 (**"MOHCD"**) **to execute the Standard Agreements with California Department of Housing**
5 **and Community Development ("HCD") under the Infill Infrastructure Grant Program for**
6 **a total award of \$3,500,000 disbursed by HCD as a grant to the Mission Housing**
7 **Development Corporation, A California nonprofit corporation for infrastructure**
8 **improvements to the Balboa Park Plaza adjacent to and in support of a 100% affordable**
9 **housing project at 2340 San Jose Avenue, for the period starting on the execution date**
10 **of the Standard Agreements through June 30, 2023, and as amended; and authorizing**
11 **MOHCD to accept and expend the grant of \$3,500,000 for transportation related**
12 **improvement approved by HCD.**

13 WHEREAS, The State of California Department of Housing and Community

14 Development ("Department") issued a Notice of Funding Availability ("NOFA") dated
15 October 30, 2019, under the Infill Infrastructure Program ("IIG Program") established under
16 Division 31, Part 12.5 of the Public Resources Code commencing with Section 53559; and

17 WHEREAS, The Department is authorized to approve funding allocations for the IIG
18 Program, subject to the terms and conditions of the NOFA IIG Program Guidelines adopted by
19 the Department on October 30, 2019 ("Program Guidelines"), an application package released
20 by the Department for the IIG Program ("Application Package"), and an IIG standard
21 agreement with the State of California ("Standard Agreement"), the Department is authorized
22 to administer the approved funding allocations of the IIG Program; and

1 WHEREAS, The IIG Program provides infrastructure for Capital Improvements Projects
2 in support of Qualifying Infill Projects or Qualifying Infill Areas to applicants identified through
3 a competitive process for the development of projects that, per the Program Guidelines,
4 support higher-density affordable and mixed-income housing and mixed-use infill
5 developments; and

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

8 WHEREAS, Mission Housing Development Corporation, A California nonprofit
9 corporation (“Developer”), requested that the City and County of San Francisco (the “City”),
10 acting by and through Mayor’s Office of Housing and Community Development (“MOHCD”),
11 be a joint applicant for IIG Program funds for its project located at 2340 San Jose Avenue
12 consisting of new construction, 131-unit multifamily rental housing development affordable to
13 very-low and low-income households, with 39 units set aside for HOPE SF residents
14 voluntarily relocating, and 10,791 sq. ft of commercial space, with an early childhood
15 education center, community space and resource center, community bike space, and two
16 extra spaces for public benefit purposes or community-serving purposes (the “Project”); and

17 WHEREAS, The Project is a Qualifying Infill Project under the IIG Program; and

18 WHEREAS, Along with the construction of the Project, Developer and Bay Area Rapid
19 Transit (“BART”) have agreed to revitalize the Balboa Park BART Station plaza (“BART
20 Work”) adjacent to the Project, and Developer will receive the IIG grant funds awarded for the
21 BART Work; and

22 WHEREAS, On October 11, 2018, by Notice of Final Approval of an SB 35 Project, the
23 Planning Department by case No. 2017-012151PRJ, determined that the Project met all the
24 standards of the Planning Code and would be eligible for ministerial approval under California
25 Government Code, Section 65913.4 (Senate Bills 35 and 765), California Public Resources

1 Code, Section 21080, and the CEQA Guidelines, Sections 15002(i)(1), 15268 and 15369, and
2 would therefore not be subject to the California Environmental Quality Act (CEQA); and

3 WHEREAS, The Board of Supervisors authorized MOHCD to apply for IIG Program
4 funds and submit an Application Package as a joint applicant with the Developer through
5 Resolution No. 25-20; and

6 WHEREAS, The City, BART, and the Developer entered into a Memorandum of
7 Understanding to make commitments regarding the BART Work by Developer (or its affiliate),
8 and will enter into additional agreements related to completion of the BART Work; and

9 WHEREAS, Through an award letter dated June 23, 2020, the Department made an
10 award in the total amount of \$3,500,000 to be disbursed by HCD as a grant to the Developer
11 for the BART Work in support of the Project as approved by HCD, subject to the terms and
12 conditions of the STD 213, Standard Agreement ("Standard Agreement"), a copy of which is
13 on file with the Clerk of the Board of Supervisors in File No. 210569; and

14 WHEREAS, The grant terms prohibit including indirect costs in the grant budget; and

15 WHEREAS, Subject to approval by the Board of Supervisors concurrently with this
16 Resolution, MOHCD will enter into a long-term ground lease with the Developer for the
17 property located at 2340 San Jose Avenue and a loan of up to \$24,459,458 for the Balboa
18 Park Upper Yard Project on file with the Clerk of the Board of Supervisors in File No. 210569;
19 now, therefore, be it

20 RESOLVED, That the Board of Supervisors approves and authorizes the MOHCD to
21 enter into the Standard Agreements with the Department, with terms and conditions that IIG
22 Program funds are to be used for allowable capital asset project expenditures identified in
23 Exhibit A; and, be it

24 FURTHER RESOLVED, That the Board Supervisors authorizes the City to accept and
25 expend the grant funds disbursed under the Standard Agreement; and, be it

1 FURTHER RESOLVED, That the Board of Supervisors hereby waives inclusion of
2 indirect costs in the grant budget; 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 MOHCD that
5 are necessary, appropriate or advisable to accept and expend the IIG 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; and, be it

12 FURTHER RESOLVED, That within thirty (30) days of the agreement being fully
13 executed by all parties, the Mayor's Office of Housing and Community Development shall
14 provide the final agreement to the Clerk of the Board for inclusion into the official file.

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1 Recommended:

2 /s/
3 Eric D. Shaw, Director
4 Mayor's Office of Housing and Community Development

5 Approved:

6 /s/
7 London N. Breed, Mayor

8 /s/
9 Ben Rosenfield, Controller

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